

Canadian Scholarship Trust **Group Savings Plan**

Semi-Annual Financial Statements
April 30, 2010
Unaudited



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Statements of Net Assets Available for Education Assistance Payments

As at April 30, 2010 and October 31, 2009 (in thousands of dollars)

	Apr 30, 2010	Oct 31, 2009
		(Audited)
Assets		
Investments, at fair value <i>(Note 4 and Schedule I)</i>	\$ 1,053,638	\$ 1,051,773
Cash and cash equivalents	21,225	7,818
Short-term investments	12,872	14,063
Accrued interest and other receivables	11,306	10,935
Receivables for securities sold	333	760
Government grants receivable	634	644
	1,100,008	1,085,993
Liabilities		
Accounts payable, accrued liabilities and unclaimed contributors' funds	2,385	1,897
Payables for securities purchased	2,305	2,343
Contributors' deposits <i>(Note 6)</i>	597,517	590,696
	602,207	594,936
Net Assets Available for Education Assistance Payments	497,801	491,057
Represented by:		
Non-Discretionary Funds		
Accumulated interest held for future education assistance payments	238,840	229,853
Government grants	143,717	141,108
Interest on government grants	52,127	49,331
Enrolment fee refund entitlements <i>(Notes 3(b) and 8)</i>	57,151	55,828
General Fund <i>(Note 7)</i>	64	–
Unrealized Gains	3,784	12,819
Discretionary Funds		
Donations from the Foundation <i>(Note 7)</i>	2,118	2,118
	\$ 497,801	\$ 491,057

Statements of Investment Operations

For the six months ended April 30, 2010 and 2009 (in thousands of dollars)

	Apr 30, 2010	Apr 30, 2009
Income		
Interest income	\$ 16,647	\$ 16,635
Realized gains	1,486	3,865
Other income	1,254	1,638
	19,387	22,138
Expenses		
Plan administration and processing fees <i>(Note 3(a))</i>	1,766	1,733
Financial reporting <i>(Note 3(a))</i>	835	820
Portfolio management fees	574	545
Custodian fees	52	58
Trustee fees	16	13
	3,243	3,169
Net Investment Income	16,144	18,969
(Decrease) increase in Unrealized Gains/Losses	(9,035)	19,488
Increase in Net Assets from Investment Operations	\$ 7,109	\$ 38,457

Statements of Changes in Net Assets Available for Education Assistance Payments

For the six months ended April 30, 2010 and 2009 (in thousands of dollars)

	Apr 30, 2010	Apr 30, 2009
Net Assets Available for Education Assistance Payments, Beginning of Period	\$ 491,057	\$ 432,096
Increase in Net Assets from Investment Operations	7,109	38,457
Transfers to internal and external plans	(592)	(12)
	6,517	38,445
Receipts		
Government grants received (net of repayments)	3,786	5,270
Disbursements		
Payments to beneficiaries		
Education assistance payments	(2,352)	(1,867)
Government grants	(584)	(462)
Refund of enrolment fees	(348)	(235)
Return of interest	(275)	(209)
	(3,559)	(2,773)
Receipts less Disbursements	227	2,497
Increase in Net Assets Available for Education Assistance Payments	6,744	40,942
Net Assets Available for Education Assistance Payments, End of Period	\$ 497,801	\$ 473,038

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

Statements of Cash Flows

For the six months ended April 30, 2010 and 2009 (in thousands of dollars)

	Apr 30, 2010	Apr 30, 2009
Operating Activities		
Increase in Net Assets from Investment Operations	\$ 7,109	\$ 38,457
Items not affecting cash		
Realized gains on sale of investments	(1,486)	(3,865)
Amortization of investments	-	(4)
(Decrease) increase in Unrealized Gains/Losses	9,035	(19,488)
Changes in other operating activities		
Increase in Accrued interest and other receivables	(371)	(288)
Decrease (increase) in Government grants receivable	10	(983)
Increase in Accounts payable, accrued liabilities and unclaimed contributors' funds	488	1,430
Net purchases of investments	(8,223)	(32,961)
Decrease in Receivables for securities sold	427	3,026
Decrease in Payables for securities purchased	(38)	(1,854)
Cash flow from Operating Activities	6,951	(16,530)
Financing Activities		
Transfers to internal and external plans	(592)	(12)
Government grants received	3,786	5,270
Increase in Contributors' deposits <i>(Note 6)</i>	6,821	10,216
Payments to beneficiaries	(3,559)	(2,773)
Cash flow from Financing Activities	6,456	12,701
Net increase (decrease) in Cash and cash equivalents	13,407	(3,829)
Cash and cash equivalents, Beginning of Period	7,818	13,339
Cash and cash equivalents, End of Period	\$ 21,225	\$ 9,510

Schedule I – Statement of Investment Portfolio

As at April 30, 2010 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds			
Federal – 46.2%			
Government of Canada			
2.75% 1 Dec 2010	42,355	42,820	43,519
1.25 1 Jun 2011	34,650	34,618	34,770
3.00 1 Jun 2014	2,550	2,568	2,586
3.00 1 Dec 2015	5,800	5,762	5,730
4.00 1 Jun 2016	10,200	10,649	10,032
4.25 1 Jun 2018	5,560	5,864	6,013
3.75 1 Jun 2019	15,056	15,253	15,494
8.00 1 Jun 2023	490	700	666
8.00 1 Jun 2027	1,000	1,494	1,331
5.75 1 Jun 2033	8,950	11,218	10,508
5.00 1 Jun 2037	22,014	25,590	25,612
4.00 1 Jun 2041	8,125	8,171	8,114
Business Development Bank of Canada			
4.75 26 Jul 2021	1,340	1,420	1,337
Canada Housing Trust			
4.60 15 Sep 2011	30,812	32,029	31,944
4.00 15 Jun 2012	21,870	22,673	21,851
4.80 15 Jun 2012	5,595	5,893	5,594
4.55 15 Dec 2012	9,800	10,307	10,016
0.39 15 Jun 2013	4,630	4,614	4,627
3.95 15 Jun 2013	13,500	13,991	13,535
3.15 15 Jun 2014	26,408	26,494	26,887
0.80 15 Sep 2014	7,693	7,791	7,743
2.75 15 Dec 2014	17,693	17,368	17,596
0.48 15 Mar 2015	14,869	14,919	14,893
2.95 15 Mar 2015	6,087	6,006	6,084
4.10 15 Dec 2018	17,000	17,323	17,328
3.75 15 Mar 2020	4,722	4,639	4,690
Export Development Corporation			
6.20 22 Jun 2010	7,927	7,990	8,780
5.75 1 Jun 2011	7,788	8,146	8,096
Farm Credit Corporation			
4.55 12 Apr 2021	2,620	2,737	2,601
Ontario Infrastructure			
3.95 3 Jun 2013	800	819	798
4.70 1 Jun 2037	791	725	782
		370,591	369,557
Municipal and Provincial – 34.5%			
55 School Board Trust Series A Secured Debenture			
5.90 2 Jun 2033	391	423	414
City of Toronto			
4.95 27 Jun 2018	1,155	1,197	1,151
Alberta Capital Finance			
5.30 18 Jun 2014	9,100	9,850	10,060
5.60 1 Jun 2018	1,000	1,103	1,098
4.10 18 Dec 2019	3,478	3,436	3,456
4.80 15 Jun 2021	452	467	452
8.75 19 Aug 2022	661	924	958
4.45 15 Dec 2025	8,277	7,999	7,987
5.70 18 Jun 2029	6,847	7,649	7,544
4.70 18 Jun 2037	1,250	1,235	1,264
4.95 18 Jun 2040	645	665	677

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Municipal and Provincial – 34.5% (continued)			
Province of Manitoba			
5.85% 25 Jan 2011	12,500	12,930	13,265
4.75 11 Feb 2020	5,218	5,390	5,208
Province of New Brunswick			
4.30 3 Dec 2015	6,975	7,216	6,891
4.55 26 Mar 2037	1,964	1,856	1,879
Province of Newfoundland			
5.60 17 Oct 2033	404	441	439
4.50 17 Apr 2037	2,818	2,654	2,706
Province of Nova Scotia			
5.80 1 Jun 2033	13,472	15,013	15,047
Province of Ontario			
0.29 3 Dec 2010	5,610	5,609	5,599
5.00 8 Mar 2014	600	640	586
4.50 8 Mar 2015	1,400	1,466	1,461
4.40 8 Mar 2016	14,230	14,754	14,564
4.30 8 Mar 2017	8,235	8,424	7,873
4.40 2 Jun 2019	10,022	10,116	10,171
8.10 8 Sep 2023	7,000	9,444	8,954
6.50 8 Mar 2029	3,398	4,098	4,078
6.20 2 Jun 2031	5,017	5,905	5,961
5.85 8 Mar 2033	20,040	22,697	20,559
5.60 2 Jun 2035	10,715	11,846	12,135
4.70 2 Jun 2037	16,075	15,737	16,081
4.60 2 Jun 2039	2,965	2,868	2,915
Province of Quebec			
0.43 16 May 2011	325	325	326
0.41 16 Sep 2013	6,440	6,393	6,450
0.42 10 Dec 2013	8,250	8,211	8,281
0.35 1 Dec 2014	13,920	13,733	13,920
4.50 1 Dec 2016	800	829	839
4.50 1 Dec 2017	3,860	3,966	3,725
4.50 1 Dec 2018	1,500	1,528	1,436
5.00 1 Dec 2018	1,155	1,186	1,145
4.50 1 Dec 2019	9,694	9,776	9,970
11.00 15 Aug 2020	1,929	2,953	3,038
4.50 1 Dec 2020	635	635	628
6.25 1 Jun 2032	465	544	501
5.75 1 Dec 2036	10,877	12,130	11,716
5.00 1 Dec 2038	10,775	10,879	10,893
Province of Saskatchewan			
6.15 1 Sep 2010	1,500	1,527	1,677
4.65 5 Sep 2017	1,291	1,351	1,323
6.40 5 Sep 2031	4,765	5,785	5,626
4.75 1 Jun 2040	1,215	1,217	1,205
		277,020	274,132
Corporate – 6.0%			
Bank of Montreal			
4.63 29 Dec 2049	1,465	1,483	1,397
5.47 31 Dec 2049	250	264	257
6.65 31 Dec 2049	1,963	2,025	2,085
6.69 31 Dec 2049	2,450	2,610	2,416
Bank of Nova Scotia			
7.31 31 Dec 2010	195	202	200
6.63 30 Jun 2012	2,240	2,406	2,385

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

Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 2010 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 6.0% (continued)			
Bell Canada 6.90% 15 Dec 2011	165	177	187
Canadian Imperial Bank of Commerce 4.75 22 Dec 2014	2,910	3,040	2,900
European Investment Bank 4.60 30 Jan 2037	4,640	4,227	4,639
GE Capital Canada 6.25 24 Jul 2012 4.38 28 Sep 2012 5.28 22 Oct 2014	555 3,910 2,140	595 4,041 2,270	614 3,906 2,139
Investors Group Inc. 6.75 9 May 2011	335	350	357
Manulife Financial Capital Trust 7.41 31 Dec 2108	2,525	2,886	2,525
Merrill Lynch Financial Assets 4.82 12 Feb 2015 4.62 12 Nov 2015 4.85 12 Dec 2015 4.48 12 Jul 2037	485 560 710 410	477 535 716 393	504 560 710 410
Ontrea Inc. 5.57 9 Apr 2013	1,444	1,549	1,542
PSP Capital Inc. 4.57 9 Dec 2013	4,873	5,110	4,933
RBC Capital Trust 5.81 31 Dec 2053	5,455	5,829	5,277
Real Estate Asset Liquidity Series Class A 4.62 12 Sep 2016 5.08 12 Oct 2036	515 390	501 394	515 390
Royal Office Finance 5.21 12 Nov 2032	2,387	2,408	2,374
Sun Life Capital Trust 6.87 31 Dec 2011	2,575	2,742	2,789
Toronto Community Housing Corporation 4.88 11 May 2037 5.40 22 Feb 2040	302 859	279 861	303 860
		48,370	47,174
Total Fixed Income – 86.7%		695,981	690,863

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Variable Rate Securities – 12.4%			
Toronto-Dominion Bank S&P/TSX 60 Index Linked Note 19 Oct 2011	65,000	70,349	65,000
Toronto-Dominion Bank Global Indices Linked Note 20 Oct 2011	30,000	29,497	30,000
		99,846	95,000
Plan Investments – 99.1%		795,827	785,863
Plan Cash and Short-term Investments – 0.9%		7,168	7,168
Plan Portfolio Assets – 100.0%		802,995	793,031
Investments Allocation (Note 4)			
Government Grants (Appendix I)		193,163	193,468
Canadian Scholarship Group Savings Plan			
Trust Scholarship Pool (Appendix II)		12,852	13,012
Enrolment Fee Refund Entitlements (Appendix III)		51,796	57,511
Cash and Short-term Investments (Appendices I, II & III)		26,929	26,929
Total Investment Fund		1,087,735	1,083,951
Represented by:			
Investments, at fair value		1,053,638	
Cash and cash equivalents		21,225	
Short-term Investments		12,872	
		1,087,735	

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, 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.

Deposits are made by a contributor to an account maintained by the depository trustee on behalf of a beneficiary. The contributor authorizes deductions of enrolment fees from deposits and depository charges from their principal deposit balance. The principal accumulated over the term of the education savings plan agreement is returned to the contributor when the plan matures and the beneficiary is a qualified student, or upon termination. The investment income earned on such principal deposits until maturity is used to provide education assistance payments to qualified students. A beneficiary is deemed to be a qualified student upon receipt by the Canadian Scholarship Trust Foundation (the “Foundation”) of evidence of enrolment in a qualifying educational program at an eligible institution. The Group Savings Plan provides for additional payments referred to as enrolment fee refund entitlements. An amount equal to the enrolment fee is paid to the qualified student during the education assistance payment period.

Effective January 1, 2005, the Federal Government enhanced the Canada Education Savings Grant Program (“CESG”) whereby Registered Education Savings Plans (“RESPs”) receive grant amounts dependent on family income. Any child may be eligible for the subsequent Alberta Centennial Education Savings Grant (“ACES”). Subsequent grants may be paid to all children attending school in Alberta at certain eligible ages.

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.

Contributor education savings plan contracts (“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’ deposits 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.

The Group Savings Plan is administered through the Foundation and its wholly-owned subsidiary, C.S.T. Consultants Inc. (“C.S.T.C.”). The Foundation was created to encourage and promote post-secondary education by making education savings plans available to Canadian families.

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) Adoption of accounting standards

i. Amendments to Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3862

In June 2009, the Canadian Accounting Standards Board (“AcSB”) approved amendments to CICA Handbook Section 3862 “Financial Instruments – Disclosures”. The amendments require publicly accountable enterprises to classify fair value measurements based on a three-level fair value hierarchy. “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. The breakdown of the Plan’s Total Investment Fund into the three-level hierarchy is provided in Note 9. Adoption of the amendments did not impact the financial results of the Plan.

ii. EIC-173

In January 2009, the CICA’s Emerging Issues Committee issued Abstract No. 173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities (“EIC-173”). EIC-173 requires that an entity’s own credit risk and the risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. Management has reviewed its policies concerning valuation of assets and liabilities and believes that the fair values ascribed to the financial assets and financial liabilities in the Plan’s financial statements incorporate appropriate levels of credit risk.

(c) Future accounting standards

In February 2008, the Canadian AcSB confirmed that the use of International Financial Reporting Standards (“IFRS”) will be required for publicly accountable enterprises. IFRS will replace Canadian GAAP and becomes effective for the Plan’s interim and annual financial statements relating to fiscal year ending October 31, 2012. 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.

Notes to the Financial Statements (continued)

(Unaudited) (in thousands of dollars)

Note 2. Significant Accounting Policies (continued)

(d) Investment valuation

All bonds are carried at fair value, using bid prices at period end. Fair value represents the amount at which a security could be exchanged in an arms' length transaction and is best evidenced by a quoted bid price, if one exists. If quoted market prices are not available, the fair values presented are estimates derived using present value or other valuation techniques. Such techniques include assumptions related to the assessment and quantification of market, credit, liquidity and currency risks referred to in Note 5.

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.

Short-term notes are carried at fair value.

Investments in pooled funds to pay the EFR Entitlements referred to in Note 3(b) are valued at net asset values which are based on the fair values of underlying securities.

(e) 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 income from the enrolment fee asset account is included in Other income in the Statements of Investment Operations.

(f) Contributors' deposits, Enrolment fees and Depository charges

Contributors' deposits reflect amounts received from contributors net of enrolment fees and depository charges 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. Depository charges are paid annually to the Foundation by contributors of the Group Savings Plan from their contributors' deposits. These charges are accrued throughout the period.

(g) Income taxes

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

(h) Cash and cash equivalents

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

(i) 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 and the valuation of certain investments.

Note 3. Related Party Transactions

(a) Administration of the Group Savings Plan

The Foundation has appointed its wholly-owned subsidiary, C.S.T.C., to administer the Group Savings Plan. Depository charges 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 and are paid monthly.

(b) Group Savings Plan – Enrolment Fee Refund Entitlements

Group Savings Plan pays Enrolment Fee Refund Entitlements ("EFR Entitlements") to the beneficiaries during the education assistance payment payout period. C.S.T.C. has agreed to leave a portion of the enrolment fee income of \$30,185 in the Group Savings Plan, which is equivalent to 50% of the estimated present value of the future expected amount as determined at the time of collection. For the six months period ended April 30, 2010, C.S.T.C. deposited \$481 (2009 – \$481) in the Group Savings Plan to reduce the unfunded portion of the EFR Entitlement (see Note 8). These amounts and any income earned thereon will assist the Group Savings Plan in paying EFR Entitlements when they become due.

(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, 2010, two directors of the Foundation were members of the Board of Greystone. Total ownership of Greystone equity held by the directors is 0.645% (October 31, 2009 – 0.95%). 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.

Notes to the Financial Statements (continued)

(Unaudited) (in thousands of dollars)

Note 3. Related Party Transactions (continued)

(c) Other Related Party Transactions (continued)

The Portfolio management fees in the Statements of Investment Operations include fees paid or payable to Greystone of \$160 (2009 – \$130). 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, 2010 of \$103 (October 31, 2009 – \$96).

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 are as follows:

Debt Instruments by Maturity Date	% of Total Investment Fund	
	Apr 30, 2010	Oct 31, 2009
Less than 1 year (including short-term investments)	12%	11%
1-3 years	25%	30%
3-5 years	18%	14%
Greater than 5 years	42%	42%
Total debt instruments	97%	97%
Equity	3%	3%
Total Investment Fund	100%	100%

As at April 30, 2010, if prevailing interest rates had increased or decreased by 1%, the Total Investment Fund amount of \$1,087,735 (October 31, 2009 – \$1,073,654) as per Schedule I – Statement of Investment Portfolio, would have decreased or increased by approximately \$61,433 (October 31, 2009 – \$54,178). 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 Entitlements and variable rate securities which represent 13% (October 31, 2009 – 18%) of the Total Investment Fund amount as at April 30, 2010. The risk is managed by security selection and active management by external managers within approved investment policies and manager mandates.

Notes to the Financial Statements (continued)

(Unaudited) (in thousands of dollars)

Note 5. Risks Associated with Financial Instruments (continued)

(a) Market risk (continued)

ii. Other price risk (continued)

As at April 30, 2010, 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 the Statement of Investment Portfolio would have increased or decreased by approximately \$632 (October 31, 2009 – \$634). 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 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, 2010		Oct 31, 2009	
	% of Total Investment Fund	Amount (in thousands)	% of Total Investment Fund	Amount (in thousands)
AAA/AAH/AAL	62%	\$ 671,481	56%	\$ 603,010
AA/AH/AL	27%	294,196	33%	354,763
A	5%	49,230	5%	57,044
BBB	0%	3,076	0%	2,245
R-1	3%	33,882	2%	20,372
Short-term unrated	0%	3,375	1%	6,342
Equity	3%	32,495	3%	29,878
Total Investment Fund	100%	\$ 1,087,735	100%	\$ 1,073,654

The Dominion Bond Rating Service 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 Entitlements portfolio as well as the Global Index Linked Note which represent 4% (October 31, 2009 – 4%) of the Total Investment Fund. The Plan's Total Investment Fund would increase or decrease by approximately \$159 (October 31, 2009 – \$154) 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 Contributor's deposits for the six months ended April 30, 2010 and 2009 are as follows:

	Apr 30, 2010	Apr 30, 2009
Payments from contributors	\$ 17,749	\$ 20,187
Inter-Plan principal transfers	(2,749)	(3,166)
Enrolment fees refunded	-	8
Depository charges	(397)	(441)
Return of principal	(7,782)	(6,372)
Net increase in Contributors' deposits	6,821	10,216
Balance, Beginning of Period	590,696	595,216
Balance, End of Period	\$ 597,517	\$ 605,432

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;
- unclaimed principal and income payments; and
- interest earned on the Government Grants applicable to terminated plans. Effective July 1, 2005, government regulations do not allow for the allocation of this interest to the General Fund. Any interest earned thereon is payable to a designated educational institution.

Notes to the Financial Statements (continued)

(Unaudited) (in thousands of dollars)

Note 7. General Fund and Donations from the Foundation (continued)

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 annually allocated between the above plans according to the payout forecast in each plan.

Note 8. Enrolment Fee Refund Entitlements

The EFR Entitlements amount presented in the Statements of Net Assets Available for Education Assistance Payments represents funding by the Group Savings Plan to pay EFR Entitlements that are expected to be paid in the future based on the units outstanding at the end of the fiscal period (see Note 3(b)). The EFR Entitlement is paid during the education assistance payment payout period together with education assistance payments to qualified beneficiaries in one installment for the Group Savings Plan. The total amount of EFR Entitlements paid for the six months ended April 30, 2010 was \$348 (2009 – \$235), of which \$0 (2009 – \$1) was paid from the General Fund.

Funding valuations are performed at a minimum every two years to assess the adequacy of funding to meet EFR Entitlements in future years. For the year ended October 31, 2009, an analysis was carried out by an external actuary to update the funded status of the EFR Entitlements. Based on this analysis, it is expected that the funds set aside together with future income from interest earned on matured plans will be adequate to pay the EFR Entitlements. Furthermore, management has implemented a funding policy to ensure there are sufficient assets to meet future requirements to pay EFR Entitlements. In the event that the Plan has insufficient assets, the cumulative surplus from the Foundation will be utilized to meet its enrolment fee refund obligations.

The actuarial assumptions used in determining the funded status of EFR Entitlement payments 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 as at October 31, 2009 of 6.25% (October 31, 2008 – 6.25%) based on the investment policy approved by the Board. As underlying conditions change over time, particularly interest rates and investment returns, 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 is:

	Oct 31, 2009	Oct 31, 2008
Present value of EFR Entitlements	\$ 64,715	\$ 63,236
Fair value of the funded portion of EFR Entitlements ¹	48,381	44,037
Underfunded portion of EFR Entitlements	\$ 16,334	\$ 19,199

¹ including an unrealized loss of \$7,542 (2008 – \$12,037)

A 1% decrease in the discount rate used will increase the present value of EFR Entitlements by \$3,439 (2008 – \$3,840).

Note 9. Fair Value of Financial Instruments

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 market price, if one exists.

Investments and Cash equivalents are carried at fair value as set out in Note 2. 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.

The following table presents the Plan's financial instruments measured at fair value classified by the fair value hierarchy set out in CICA Section 3862 as described in Note 2(b).

Assets Measured at Fair Value as of April 30, 2010

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 21,225	\$ –	\$ –	\$ 21,225
Short-term Investments	–	12,872	–	12,872
Fixed Income Securities	–	911,339	–	911,339
Variable Rate Securities	–	–	109,804	109,804
Pooled Equity Funds (EFR Entitlements)	32,495	–	–	32,495
Total Investment Fund	\$ 53,720	\$ 924,211	\$ 109,804	\$ 1,087,735

Assets Measured at Fair Value as of October 31, 2009

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 7,818	\$ –	\$ –	\$ 7,818
Short-term Investments	–	14,063	–	14,063
Fixed Income Securities	–	859,622	–	859,622
Variable Rate Securities	–	–	162,272	162,272
Pooled Equity Funds (EFR Entitlements)	29,879	–	–	29,879
Total Investment Fund	\$ 37,697	\$ 873,685	\$ 162,272	\$ 1,073,654

Notes to the Financial Statements (continued)

(Unaudited) (in thousands of dollars)

Note 9. Fair Value of Financial Instruments (continued)

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 is derived from the information on similar publicly traded bonds and options using standard pricing methodology. No alternative pricing methodology is deemed possible.

Level 3 – Variable Rate Securities

	Apr 30, 2010	Oct 31, 2009
Opening Balance	\$ 162,272	\$ 230,994
Net Sales	(53,989)	(56,908)
Increase (decrease) in Unrealized		
Gains/Losses	1,521	(11,814)
Closing Balance	\$ 109,804	\$ 162,272

Government Grants

(Appendix I to Schedule I)

Statement of Investment Portfolio

As at April 30, 2010 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds			
Federal – 44.7%			
Government of Canada			
3.75% 1 Jun 2010	5,065	5,079	5,247
2.75 1 Dec 2010	41,550	42,006	42,676
1.25 1 Jun 2011	28,080	28,054	28,161
3.00 1 Jun 2014	10,285	10,357	10,596
4.10 1 Jul 2015	2,000	1,720	1,742
3.00 1 Dec 2015	4,965	4,932	4,905
4.00 1 Jun 2017	4,225	4,397	4,334
4.25 1 Jun 2018	750	791	848
3.75 1 Jun 2019	14,975	15,171	15,465
3.55 1 Sep 2019	4,051	3,818	3,882
5.75 1 Jun 2033	4,475	5,609	5,490
5.00 1 Jun 2037	22,678	26,362	26,308
4.00 1 Jun 2041	6,984	7,024	6,973
Business Development Bank of Canada			
4.75 26 Jul 2021	175	185	175
Canada Housing Trust			
4.60 15 Sep 2011	20,958	21,786	21,899
4.00 15 Jun 2012	7,955	8,247	7,928
4.80 15 Jun 2012	2,785	2,933	2,788
4.55 15 Dec 2012	9,045	9,513	9,444
0.39 15 Jun 2013	3,920	3,906	3,912
3.15 15 Jun 2014	24,729	24,809	25,161
0.80 15 Sep 2014	5,235	5,302	5,277
2.75 15 Sep 2014	5,400	5,318	5,444
2.75 15 Dec 2014	16,424	16,122	16,330
2.95 15 Mar 2015	6,224	6,142	6,214
0.48 15 Mar 2015	15,106	15,157	15,130
4.10 15 Dec 2018	4,400	4,483	4,497
3.75 15 Mar 2020	4,935	4,848	4,898
Farm Credit Corporation			
4.55 12 Apr 2021	350	366	347
Ontario Infrastructure			
3.95 3 Jun 2013	877	898	873
4.70 1 Jun 2037	769	705	760
		286,040	287,704
Municipal and Provincial – 27.0%			
55 School Board Trust Series A Secured Debenture			
5.90 2 Jun 2033	501	542	521
City of Montreal			
5.00 1 Dec 2018	635	652	630
City of Toronto			
4.95 27 Jun 2018	635	658	633
Alberta Capital Finance			
4.45 15 Dec 2025	3,185	3,078	3,121
Province of British Columbia			
4.70 1 Dec 2017	2,250	2,355	2,356
4.10 18 Dec 2019	3,300	3,260	3,280
4.80 15 Jun 2021	441	455	442
8.75 19 Aug 2022	801	1,120	1,155
5.70 18 Jun 2029	5,969	6,668	6,496
4.95 18 Jun 2040	525	542	551

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Municipal and Provincial – 27.0% (continued)			
Province of Manitoba			
4.75% 11 Feb 2020	4,676	4,830	4,661
Province of New Brunswick			
4.55 26 Mar 2037	1,731	1,636	1,658
Province of Newfoundland			
5.60 17 Oct 2033	488	532	533
4.50 17 Apr 2037	2,501	2,355	2,400
Province of Nova Scotia			
5.80 1 Jun 2033	2,421	2,698	2,767
Province of Ontario			
0.29 3 Dec 2010	4,255	4,255	4,248
3.25 8 Sep 2014	2,400	2,394	2,457
4.40 8 Mar 2016	6,408	6,644	6,773
4.30 8 Mar 2017	7,710	7,887	7,415
4.40 2 Jun 2019	9,471	9,560	9,605
6.50 8 Mar 2029	2,990	3,606	3,565
6.20 2 Jun 2031	4,607	5,422	5,466
5.85 8 Mar 2033	4,000	4,530	4,705
5.60 2 Jun 2035	15,895	17,573	18,124
4.70 2 Jun 2037	16,030	15,693	15,990
4.60 2 Jun 2039	2,400	2,322	2,342
Province of Quebec			
6.25 1 Dec 2010	55	57	59
0.43 16 May 2011	550	550	552
0.41 16 Sep 2013	3,275	3,251	3,280
0.42 10 Dec 2013	2,685	2,672	2,680
0.35 1 Dec 2014	6,790	6,699	6,765
4.50 1 Dec 2016	500	518	524
4.50 1 Dec 2017	1,865	1,916	1,828
4.50 1 Dec 2018	2,570	2,618	2,519
4.50 1 Dec 2019	11,282	11,378	11,562
11.00 15 Aug 2020	1,751	2,681	2,746
4.50 1 Dec 2020	530	530	524
5.75 1 Dec 2036	8,265	9,217	9,300
5.00 1 Dec 2038	11,030	11,136	11,009
Province of Saskatchewan			
4.65 5 Sep 2017	1,109	1,160	1,131
6.40 5 Sep 2031	4,218	5,121	5,066
4.75 1 Jun 2040	1,087	1,089	1,071
		171,860	172,510
Corporate – 21.9%			
407 International Inc.			
7.00 26 Jul 2010	2,895	3,501	3,476
Bank of Montreal			
6.02 2 May 2018	3,060	3,387	3,365
4.63 29 Dec 2049	2,900	2,936	2,826
5.47 31 Dec 2049	3,335	3,524	3,518
Bank of Nova Scotia			
6.63 30 Jun 2012	3,435	3,689	3,766
5.04 8 Apr 2013	3,317	3,493	3,535
6.28 29 Dec 2049	1,900	2,048	2,101

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, 2010 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 21.9% (continued)			
BCIMC Realty Corporation			
3.38% 29 Jan 2015	159	156	159
4.65 10 Feb 2015	2,095	2,164	2,161
5.65 5 Jan 2018	1,385	1,485	1,506
Bell Canada			
6.90 15 Dec 2011	2,500	2,677	2,758
Blue Water Bridge Authority			
6.41 9 Jul 2027	2,371	2,181	2,210
Canadian Capital Auto Receivables Asset Trust			
2.00 17 Jul 2016	993	980	993
Canadian Imperial Bank of Commerce			
4.75 22 Dec 2014	8,680	9,068	8,918
Caterpillar Financial Services Ltd.			
5.20 3 Jun 2013	950	1,006	999
CDP Financial			
4.60 15 Jul 2020	793	795	791
Citigroup Finance Canada			
4.75 17 Mar 2014	2,000	1,984	2,060
Enbridge Gas Distribution			
4.49 12 Nov 2019	2,365	2,367	2,363
Gaz Metropolitan Inc.			
4.93 18 Jun 2019	2,500	2,581	2,545
GE Capital Canada			
4.65 11 Feb 2015	5,650	5,850	5,653
4.55 17 Jan 2017	800	801	750
5.53 17 Aug 2017	1,800	1,892	1,782
5.73 22 Oct 2037	2,000	1,970	1,704
Gloucester Credit Card Trust			
5.38 15 May 2014	2,176	2,268	2,277
Great West Lifeco Inc.			
6.14 21 Mar 2018	1,352	1,501	1,482
Greater Toronto Airports			
5.96 20 Nov 2019	3,399	3,732	3,712
Honda Canada Finance Inc.			
5.68 26 Sep 2012	1,200	1,276	1,280
5.08 9 May 2013	83	87	88
5.61 12 Sep 2013	1,135	1,214	1,135
Hydro One Inc.			
5.49 16 Jul 2040	3,200	3,269	3,214
Investors Group Inc.			
6.75 9 May 2011	1,545	1,616	1,690
Manulife Financial Capital Trust			
6.70 30 Jun 2012	3,920	4,207	4,346
7.41 31 Dec 2108	1,200	1,371	1,200

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 21.9% (continued)			
Merrill Lynch Financial Assets			
4.82% 12 Feb 2015	815	802	820
4.62 12 Nov 2015	1,235	1,179	1,222
4.85 12 Dec 2015	1,865	1,880	1,880
4.71 12 Nov 2016	1,192	1,180	1,201
4.48 12 Jul 2037	920	883	900
Milit-Air Inc.			
5.75 30 Jun 2019	3,272	3,494	3,535
National Bank of Canada			
5.55 15 Nov 2018	1,456	1,550	1,568
NAV Canada			
4.71 24 Feb 2016	3,500	3,668	3,628
OMERS Realty Corporation			
4.74 4 Jun 2018	3,585	3,660	3,710
Ontrea Inc.			
5.57 9 Apr 2013	1,328	1,424	1,411
Ottawa Hydro Holding Inc.			
4.93 9 Feb 2015	1,453	1,528	1,518
Power Corporation of Canada			
7.57 22 Apr 2019	1,308	1,526	1,502
PSP Capital Inc.			
4.57 9 Dec 2013	4,196	4,400	4,219
RBC Capital Trust			
4.87 29 Dec 2049	6,000	6,164	5,950
Real Estate Asset Liquidity Series Class A			
4.62 12 Sep 2016	1,350	1,313	1,333
5.08 12 Oct 2036	745	752	763
Rogers Wireless Inc.			
4.03 26 May 2015	961	967	961
Royal Bank of Canada			
5.00 20 Jan 2014	3,110	3,290	3,342
3.18 16 Mar 2015	313	307	313
Royal Office Finance			
5.21 12 Nov 2032	2,236	2,256	2,224
Sun Life Capital Trust			
6.87 31 Dec 2011	1,540	1,640	1,711
5.86 31 Dec 2108	2,000	2,072	2,000
Toronto Community Housing Corporation			
4.88 11 May 2037	283	262	284
5.40 22 Feb 2040	791	793	791
Toronto Dominion Bank			
4.85 13 Feb 2013	2,380	2,498	2,538
Transcanada Pipelines			
5.65 15 Jan 2014	4,050	4,378	4,300
8.29 5 Feb 2026	1,800	2,317	2,253

Government Grants (continued)

(Appendix I to Schedule I)

Statement of Investment Portfolio

As at April 30, 2010 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 21.9% (continued)			
Vancouver Fraser			
4.63% 20 Apr 2020	1,243	1,255	1,243
Wells Fargo Finance Canada			
3.60 28 Jun 2010	375	377	372
4.40 12 Dec 2012	1,400	1,446	1,377
		140,337	139,232
Total Fixed Income – 93.6%		598,237	599,446
Variable Rate Securities – 4.7%			
Toronto-Dominion Bank S&P/TSX 60 Index Linked Note			
26 Oct 2010	5,000	4,978	5,000
19 Oct 2011	5,000	5,412	5,000
26 Oct 2012	5,000	4,957	5,000
Toronto-Dominion Bank Global Indices Linked Note			
20 Oct 2011	15,000	14,748	15,000
		30,095	30,000
Total Fixed Income – 98.3%		628,332	629,446
Cash and Short-term Investments – 1.7%		11,681	11,681
Total Portfolio Assets – 100.0%		640,013	641,127
Government Grant Investments Allocation			
Plan II		518	521
Founders' Plan		46,591	46,668
Group Savings Plan		193,163	193,468
Group Savings Plan 2001		350,998	351,677
Family Savings Plan		34,297	34,344
Individual Savings Plan		2,765	2,768
		628,332	629,446
Cash and Short-term Investments Allocation			
Plan II		31	31
Founders' Plan		931	931
Group Savings Plan		3,683	3,683
Group Savings Plan 2001		6,488	6,488
Family Savings Plan		522	522
Individual Savings Plan		26	26
		11,681	11,681

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

Canadian Scholarship Group Savings Plan Trust Scholarship Pool

(Appendix II to Schedule I)

Statement of Investment Portfolio

As at April 30, 2010 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds			
Federal – 16.6%			
Government of Canada			
1.00% 1 Sep 2011	455	452	454
3.75 1 Jun 2012	1,210	1,252	1,266
3.50 1 Jun 2013	1,290	1,328	1,348
4.50 1 Jun 2015	390	417	421
3.75 1 Jun 2019	1,460	1,479	1,498
Canada Housing Trust			
4.60 15 Sep 2011	1,065	1,107	1,103
4.80 15 Jun 2012	765	806	821
4.10 15 Dec 2018	115	117	117
		6,958	7,028
Provincial – 16.5%			
Province of British Columbia			
6.38 23 Aug 2010	1,135	1,155	1,206
4.65 18 Dec 2018	415	431	434
Province of Ontario			
4.40 2 Dec 2011	1,100	1,142	1,156
5.38 2 Dec 2012	1,015	1,085	1,096
4.75 6 Feb 2013	725	765	779
Province of Quebec			
6.00 1 Oct 2012	1,115	1,206	1,226
5.50 1 Dec 2014	1,065	1,161	1,168
		6,945	7,065
Total Investments – 33.1%		13,903	14,093
Cash and Short-term Investments – 66.9%		28,080	28,080
Total Portfolio Assets – 100.0%		41,983	42,173
Total Investments Allocation			
Group Savings Plan		12,852	13,012
Group Savings Plan 2001		1,051	1,081
		13,903	14,093
Cash and Short-term Investments Allocation			
Group Savings Plan		23,180	23,180
Group Savings Plan 2001		4,900	4,900
		28,080	28,080

Enrolment Fee Refund Entitlements

(Appendix III to Schedule I)

Statement of Investment Portfolio

As at April 30, 2010 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds			
Federal – 2.6%			
Government of Canada			
4.75% 1 Jun 2014	27	23	23
3.55 1 Sep 2019	2,988	2,816	2,863
		2,839	2,886
Provincial – 1.7%			
Province of Saskatchewan			
4.75 5 Sep 2011	1,687	1,934	1,901
		1,934	1,901
Corporate – 32.1%			
407 International Inc.			
7.00 26 Jul 2010	1,367	1,653	1,666
Algonquin Credit Card Trust			
4.56 15 Jun 2012	724	743	694
BCIMC Realty Corporation			
3.38 29 Jan 2015	886	871	886
4.65 10 Feb 2015	479	495	497
5.65 5 Jan 2018	552	592	593
Bell Canada			
4.85 30 Jun 2014	86	90	89
5.00 15 Feb 2017	546	561	555
7.85 2 Apr 2031	840	996	965
Blue Water Bridge Authority			
6.41 9 Jul 2027	1,211	1,114	1,129
British Columbia Telephone Company			
10.65 19 Jun 2021	530	757	736
Canadian Capital Auto Receivables Asset Trust			
2.00 17 Jul 2016	509	502	509
Canadian Imperial Bank of Commerce			
5.00 10 Sep 2012	1,833	1,925	1,957
Caterpillar Financial Service Ltd.			
5.20 3 Jun 2013	479	507	501
CDP Financial			
4.60 15 Jul 2020	408	409	407
Cogeco Cable Inc.			
5.95 9 Jun 2014	713	757	753
Eagle Credit Card Trust			
4.44 17 Mar 2011	708	723	717
Emera Inc.			
4.10 20 Oct 2014	423	428	433
Enbridge Pipeline Inc.			
6.62 19 Nov 2018	99	115	111
4.49 12 Nov 2019	1,119	1,120	1,118

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 32.1% (continued)			
GE Capital Canada			
4.75% 2 May 2011	374	384	388
5.53 17 Aug 2017	88	92	88
5.73 22 Oct 2037	944	930	811
Gloucester Credit Card Trust Series A			
5.38 15 May 2014	1,145	1,193	1,093
Great West Lifeco Inc.			
6.14 21 Mar 2018	431	478	473
6.67 21 Mar 2033	255	287	264
Greater Toronto Airports			
6.25 13 Dec 2012	460	499	509
5.96 20 Nov 2019	1,210	1,329	1,331
7.10 4 Jun 2031	76	92	89
Honda Canada Finance Inc.			
4.70 25 Aug 2011	203	210	212
5.68 26 Sep 2012	606	644	646
Loblaw Companies			
6.00 3 Mar 2014	14	15	15
6.50 22 Jan 2029	1,288	1,333	1,273
5.90 18 Jan 2036	183	177	165
6.45 1 Mar 2039	31	32	30
Manitoba Telecom Services			
6.65 11 May 2016	345	377	382
Manulife Financial Capital Trust			
5.51 26 Jun 2018	730	775	736
Merrill Lynch Financial Assets			
4.62 12 Nov 2015	179	171	153
4.71 12 Nov 2016	616	610	621
5.25 12 Jun 2035	73	75	70
4.48 12 Jul 2037	431	413	370
Milit-Air Inc.			
5.75 30 Jun 2019	1,593	1,701	1,755
Molson Coors Capital Finance			
5.00 22 Sep 2015	1,020	1,063	1,054
N-45 First CMBS			
4.64 15 Dec 2019	68	36	34
National Bank of Canada			
3.15 22 Jan 2015	419	407	419
4.03 26 May 2015	184	185	184
5.55 15 Nov 2018	506	539	545
4.70 2 Nov 2020	231	238	235
NAV Canada			
4.71 24 Feb 2016	171	179	181
Nova Gas Transmission			
8.46 5 Jun 2026	47	61	61
7.00 16 Jul 2027	245	281	255

Enrolment Fee Refund Entitlements (continued)

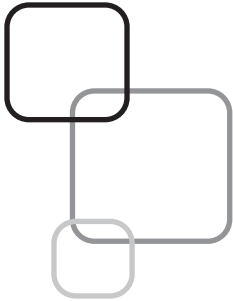
(Appendix III to Schedule I)

Statement of Investment Portfolio

As at April 30, 2010 (in thousands of dollars)

Security	Par Value (\$)/ # Shares	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 32.1% (continued)			
Power Corporation of Canada			
7.57% 22 Apr 2019	663	774	764
Real Estate Asset Liquidity Series Class A			
4.27 12 Mar 2037	247	67	65
4.86 12 Mar 2037	340	335	301
Rogers Wireless Inc.			
7.63 15 Dec 2011	328	354	364
5.38 4 Nov 2019	443	451	443
Royal Bank of Canada			
3.18 16 Mar 2015	52	51	52
5.00 6 Jun 2018	99	104	104
Schooner Trust			
5.19 12 May 2017	185	179	155
4.72 12 Apr 2020	218	217	193
5.19 12 Jun 2022	28	26	23
Shaw Communications Inc.			
5.65 1 Oct 2019	702	718	700
SNC Lavalin Group			
6.19 3 Jul 2019	664	711	715
Telus Corporation			
4.95 15 Mar 2017	32	33	32
Toronto Dominion Bank			
5.14 19 Nov 2012	841	888	907
9.15 26 May 2025	233	329	304
Transcanada Pipelines			
8.05 17 Feb 2039	76	102	98
Vancouver Fraser			
4.63 20 Apr 2020	930	939	931
Xceed Mortgage Trust Series Class A			
4.48 18 Feb 2013	232	53	53
		35,495	34,962
Total Fixed Income – 36.4%		40,268	39,749
Pooled Equity Funds			
SRA Canadian Equity Fund	2,669	38,540	40,755
SRA US Equity Fund	2,484	14,325	18,691
SRA International Equity Fund	2,572	17,412	23,910
Total Equity – 63.5%		70,277	83,356
Total Investments – 99.9%		110,545	123,105
Cash and Short-term Investments – 0.1%		125	125
Total Portfolio Assets – 100.0%		110,670	123,230

Security	Fair Value (\$)	Average Cost (\$)
Total Investments Allocation		
Group Savings Plan	51,796	57,511
Group Savings Plan 2001	58,749	65,594
	110,545	123,105
Cash and Short-term Investments Allocation		
Group Savings Plan	66	66
Group Savings Plan 2001	59	59
	125	125



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