

Canadian Scholarship Trust **Group Savings Plan 2001**

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>	\$ 1,470,683	\$ 1,327,044
Cash and cash equivalents	13,514	6,308
Short-term investments	4,809	6,808
Accrued interest and other receivables	14,936	13,763
Receivables for securities sold	629	1,312
Government grants receivable	5,270	4,888
	1,509,841	1,360,123
Liabilities		
Accounts payable, accrued liabilities and unclaimed contributors' funds	4,275	2,586
Payables for securities purchased	8,569	7,939
Contributors' deposits <i>(Note 6)</i>	958,784	854,632
	971,628	865,157
Net Assets Available for Education Assistance Payments	538,213	494,966
Represented by:		
Non-Discretionary Funds		
Accumulated interest held for future education assistance payments	107,497	94,203
Government grants	312,040	279,079
Interest on government grants	43,747	38,436
Enrolment fee refund entitlements <i>(Notes 3(b) and 8)</i>	79,097	75,032
Unrealized (Losses) Gains	(4,333)	7,976
Discretionary Funds		
Donations from the Foundation <i>(Note 7)</i>	165	240
	\$ 538,213	\$ 494,966

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

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	\$ 21,105	\$ 17,514
Realized gains	2,194	7,008
Other income	1,723	2,054
	25,022	26,576
Expenses		
Plan administration and processing fees <i>(Note 3(a))</i>	2,410	1,880
Financial reporting <i>(Note 3(a))</i>	1,140	890
Portfolio management fees	747	587
Custodian fees	84	60
Trustee fees	30	20
	4,411	3,437
Net Investment Income	20,611	23,139
(Decrease) increase in Unrealized Gains / Losses	(12,309)	23,437
Increase in Net Assets from Investment Operations	\$ 8,302	\$ 46,576

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	\$ 494,966	\$ 347,360
Increase in Net Assets from Investment Operations	8,302	46,576
Transfers from internal and external plans	693	958
	8,995	47,534
Receipts		
Government grants received (net of repayments)	35,412	35,248
Disbursements		
Payments to beneficiaries		
Education assistance payments	(716)	(471)
Government grants	(337)	(220)
Refund of enrolment fees	(45)	(33)
Return of interest	(62)	(28)
	(1,160)	(752)
Receipts less Disbursements	34,252	34,496
Increase in Net Assets Available for Education Assistance Payments	43,247	82,030
Net Assets Available for Education Assistance Payments, End of Period	\$ 538,213	\$ 429,390

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	\$ 8,302	\$ 46,576
Items not affecting cash		
Realized (gains) on sale of investments	(2,194)	(7,008)
(Decrease) increase in Unrealized Gains/Losses	12,309	(23,437)
Changes in other operating activities		
Increase in Accrued interest and other receivables	(1,173)	(1,008)
Increase in Government grants receivable	(382)	(6,364)
Increase in Accounts payable, accrued liabilities and unclaimed contributors' funds	1,689	4,528
Net purchases of investments	(151,755)	(141,860)
Decrease in Receivables for securities sold	683	5,757
Increase (decrease) in Payables for securities purchased	630	(2,158)
Cash flow from Operating Activities	(131,891)	(124,974)
Financing Activities		
Transfers from internal and external plans	693	958
Government grants received	35,412	35,248
Increase in Contributors' deposits <i>(Note 6)</i>	104,152	95,171
Payments to beneficiaries	(1,160)	(752)
Cash flow from Financing Activities	139,097	130,625
Net increase in cash and cash equivalents	7,206	5,651
Cash and cash equivalents, Beginning of Period	6,308	5,852
Cash and cash equivalents, End of Period	\$ 13,514	\$ 11,503

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

Schedule I – Statement of Investment Portfolio

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

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds				Bonds (continued)			
Federal – 53.0%				Municipal and Provincial – 30.0% (continued)			
Government of Canada				Province of Manitoba			
3.75% 1 Jun 2010	17,050	17,097	17,674	4.75% 11 Feb 2020	9,394	9,703	9,444
4.00 1 Sep 2010	1,750	1,770	1,759	Province of New Brunswick			
2.75 1 Dec 2010	89,560	90,544	91,941	4.30 3 Dec 2015	2,800	2,897	2,766
1.25 1 Jun 2011	62,250	62,192	62,436	4.55 26 Mar 2037	3,637	3,437	3,435
5.25 1 Jun 2013	950	1,027	1,025	Province of Newfoundland			
3.00 1 Jun 2014	19,490	19,627	20,066	5.60 17 Oct 2033	982	1,071	1,091
4.50 1 Jun 2015	3,175	3,401	3,336	4.50 14 Apr 2037	4,880	4,596	4,641
3.00 1 Dec 2015	10,630	10,559	10,502	Province of Nova Scotia			
4.00 1 Jun 2016	3,050	3,184	3,021	5.80 1 Jun 2033	6,425	7,160	7,219
4.25 1 Jun 2018	115	121	130	Province of Ontario			
3.75 1 Jun 2019	32,006	32,424	33,106	0.29 3 Dec 2010	525	525	524
8.00 1 Jun 2027	400	598	533	4.40 8 Mar 2016	14,027	14,543	14,736
5.75 1 Jun 2033	1,175	1,473	1,407	4.30 8 Mar 2017	14,435	14,767	13,878
5.00 1 Jun 2037	37,229	43,277	43,381	4.40 2 Jun 2019	21,117	21,315	21,515
4.00 1 Jun 2041	15,129	15,215	15,111	8.10 8 Sep 2023	3,000	4,048	4,011
Business Development Bank of Canada				6.50 8 Mar 2029	6,204	7,483	7,501
4.75 26 Jul 2021	425	450	424	6.20 2 Jun 2031	9,116	10,729	10,843
Canada Housing Trust				5.85 8 Mar 2033	3,825	4,332	4,035
3.55 15 Sep 2010	6,150	6,215	6,115	5.60 2 Jun 2035	12,365	13,670	14,083
4.60 15 Sep 2011	47,273	49,140	49,170	4.70 2 Jun 2037	37,995	37,197	37,874
4.00 15 Jun 2012	16,670	17,283	16,542	4.60 2 Jun 2039	5,090	4,924	4,966
4.80 15 Jun 2012	6,575	6,925	6,689	Province of Quebec			
4.55 15 Dec 2012	3,500	3,681	3,622	0.43 16 May 2011	1,020	1,020	1,023
0.39 15 Jun 2013	12,625	12,581	12,532	0.41 16 Sep 2013	7,985	7,927	8,002
3.95 15 Jun 2013	5,200	5,389	5,192	0.42 10 Dec 2013	5,395	5,370	5,415
3.15 15 Jun 2014	50,465	50,629	51,282	0.35 1 Dec 2014	11,960	11,800	11,956
0.80 15 Sep 2014	9,460	9,581	9,536	4.50 1 Dec 2016	965	1,000	1,012
2.75 15 Dec 2014	33,415	32,802	33,172	4.50 1 Dec 2017	4,585	4,711	4,482
0.48 15 Mar 2015	28,755	28,852	28,801	5.00 1 Dec 2018	1,130	1,160	1,120
2.95 15 Mar 2015	10,855	10,712	10,850	4.50 10 Dec 2018	4,375	4,456	4,294
4.10 15 Dec 2018	8,300	8,457	8,424	4.50 1 Dec 2019	19,207	19,370	19,736
3.75 15 Mar 2020	8,812	8,657	8,734	11.00 15 Aug 2020	3,363	5,149	5,268
Farm Credit Corporation				4.50 1 Dec 2020	2,000	1,998	1,987
4.55 12 Apr 2021	840	877	834	5.75 1 Dec 2036	15,503	17,288	17,317
Ontario Infrastructure				5.00 1 Dec 2038	25,640	25,888	25,632
3.95 3 Jun 2013	1,533	1,569	1,526	Province of Saskatchewan			
4.70 1 Jun 2037	1,592	1,458	1,534	4.65 5 Sep 2017	2,423	2,535	2,508
		557,767	560,407	6.40 5 Sep 2031	8,515	10,338	10,305
Municipal and Provincial – 30.0%				4.75 1 Jun 2040	2,003	2,006	1,972
55 School Board Trust Series A Secured Debenture						315,618	315,666
5.90 2 Jun 2033	491	531	546	Corporate – 2.7%			
City of Toronto				Bank of Montreal			
4.95 27 Jun 2018	1,135	1,176	1,132	5.47 31 Dec 2049	1,020	1,078	1,039
Alberta Capital Finance				Bank of Nova Scotia			
4.45 15 Dec 2025	3,954	3,821	3,814	6.63 30 Jun 2012	885	950	972
Province of British Columbia				Bell Canada			
4.70 1 Dec 2017	875	916	916	6.90 15 Dec 2011	285	305	325
5.60 1 Jun 2018	1,000	1,103	1,098	Canadian Imperial Bank of Commerce			
4.10 18 Dec 2019	6,193	6,118	6,154	4.75 22 Dec 2014	830	867	832
4.80 15 Jun 2021	817	843	818	European Investment Bank			
8.75 19 Aug 2022	1,432	2,003	2,007	4.60 30 Jan 2037	1,560	1,421	1,560
5.70 18 Jun 2029	11,910	13,304	13,174				
4.70 18 Jun 2037	300	296	303				
4.95 18 Jun 2040	1,060	1,094	1,113				

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 – 2.7% (continued)			
GE Capital Canada			
6.25% 24 Jul 2012	595	638	662
4.38 28 Sep 2012	1,450	1,499	1,448
Investors Group Inc.			
6.75 9 May 2011	520	544	584
Manulife Financial Capital Trust			
7.41 31 Dec 2108	825	943	825
Merrill Lynch Financial Assets			
4.62 12 Nov 2015	155	148	155
4.85 12 Dec 2015	215	217	215
4.48 12 Jul 2037	120	115	120
Ontrea Inc.			
5.57 9 Apr 2013	2,195	2,354	2,348
PSP Capital Inc.			
4.57 9 Dec 2013	8,259	8,662	8,373
RBC Capital Trust			
5.81 31 Dec 2053	1,745	1,865	1,723
Real Estate Asset Liquidity Series Class A			
4.62 12 Sep 2016	155	151	154
5.08 12 Oct 2036	45	45	45
Royal Office Finance			
5.21 12 Nov 2032	2,755	2,779	2,740
Sun Life Capital Trust			
6.87 31 Dec 2011	660	703	736
Toronto Community Housing Corporation			
4.88 11 May 2037	336	311	337
5.40 22 Feb 2040	1,507	1,510	1,507
Transcanada Pipelines			
9.50 20 May 2011	260	279	330
Wells Fargo Finance Canada			
4.40 12 Dec 2012	450	465	449
		27,849	27,479
Total Fixed Income – 85.7%		901,234	903,552

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Variable Rate Securities – 13.8%			
Toronto-Dominion Bank S&P/TSX 60 Index Linked Note			
26 Oct 2010	25,000	24,889	25,000
19 Oct 2011	70,000	75,760	70,000
26 Oct 2012	25,000	24,788	25,000
Toronto-Dominion Bank Global Indices Linked Note			
20 Oct 2011	20,000	19,665	20,000
		145,102	140,000
Plan Investments – 99.5%		1,046,336	1,043,552
Plan Cash and Short-term Investments – 0.5%		6,521	6,521
Plan Portfolio Assets – 100.0%		1,052,857	1,050,073
Investments Allocation (Note 4)			
Government Grants (Appendix I)		350,998	351,677
Canadian Scholarship Group Savings Plan			
Trust Scholarship Pool (Appendix II)		1,051	1,081
Enrolment Fee Refund Entitlements (Appendix III)		72,298	78,706
Cash and Short-term Investments (Appendices I, II & III)		11,802	11,802
Total Investment Fund		1,489,006	1,493,339

Represented by:	
Investments, at fair value	1,470,683
Cash and cash equivalents	13,514
Short-term Investments	4,809
	1,489,006

Notes to the Financial Statements

(Unaudited) (in thousands of dollars)

Note 1. Nature of Operations

The Canadian Scholarship Trust Group Savings Plan 2001 (“Group Savings Plan 2001” or the “Plan”) is a Pooled Education Savings Plan, established on May 1, 2001. The objective of the Group Savings Plan 2001 is to assist parents and others to save for the post-secondary education of children.

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 2001 provides for additional payments referred to as enrolment fee refund entitlements.

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 born on or after January 1, 2004 and who also qualifies for the National Child Benefit Supplement may be eligible for the Canada Learning Bond (“CLB”). 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.

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

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 2001 is administered and distributed 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 2001 from their contributors' deposits. These charges are accrued throughout the period.

(g) Income taxes

The Group Savings Plan 2001 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) Distribution and Administration of the Group Savings Plan 2001

The Foundation has appointed its wholly-owned subsidiary, C.S.T.C., to distribute and administer the Group Savings Plan 2001. The distribution agreement is renewable annually on November 1. 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 $\frac{1}{2}$ of 1% of the total amount of principal, Government Grants and income earned thereon and are paid monthly. Enrolment fees paid by contributors and deducted from their contributions are paid to C.S.T.C.

(b) Group Savings Plan 2001 – Enrolment Fee Refund Entitlements

Group Savings Plan 2001 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 in the Group Savings Plan 2001 each year in order to assist the Group Savings Plan 2001 in paying EFR Entitlements when they become due.

For education savings plan agreements purchased under prospectuses dated prior to October 2, 2007, the EFR Entitlements amount is 100% of enrolment fees paid, provided sufficient funds are available from the enrolment fee refund assets and/or the General Fund. If necessary, additional funding may come from the Foundation as explained in Note 8. C.S.T.C. has left previously collected enrolment fee income of \$44,481 in the Plan, which is equivalent to 50% of the estimated present value of the future expected EFR Entitlement amounts as determined at the time of collection. As at April 30, 2010, investments amounting to \$58,808 (October 31, 2009 – \$55,356) have been accumulated for the purpose of paying EFR Entitlements.

For education savings plan agreements purchased under prospectuses dated on or after October 2, 2007, the EFR Entitlements amount is comprised of a refund of at least 50% of the enrolment fees paid plus a potential additional amount not to

Notes to the Financial Statements (continued)

(Unaudited) (in thousands of dollars)

Note 3. Related Party Transactions (continued)

(b) Group Savings Plan 2001 – Enrolment Fee Refund Entitlements (continued)

exceed in aggregate the total enrolment fees paid depending on the amount of surplus (if any) in the Enrolment Fee Refund Entitlement Asset Fund (the “EFR Account”). C.S.T.C. has agreed to deposit into this account enrolment fees equivalent to the estimated present value of the future expected EFR entitlements of \$100 per unit for all units sold during the period. Any surplus in the EFR Account will be calculated by the Foundation based on an actuarial valuation of enrolment fee refund obligations at 50% of enrolment fees compared to the value of assets in the EFR Account. The discount rate used is based on the expected long-term returns for fixed income as at October 31, 2009 of 5% (October 31, 2008 – 5%). For the six months period ended April 30, 2010, C.S.T.C. deposited \$2,481 (2009 – \$2,372) in the EFR Account. As at April 30, 2010, investments amounting to \$13,904 (October 31, 2009 – \$10,792) have been accumulated for the purpose of paying the EFR Entitlements.

(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.

The Portfolio management fees in the Statements of Investment Operations include fees paid or payable to Greystone of \$299 (2009 – \$229). 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 \$194 (October 31, 2009 – \$174).

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, 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 on the Pool is credited to the Plan’s General Fund (Note 7).

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

For education savings plan agreements purchased under prospectuses dated on or after October 2, 2007, investments used to fund the EFR Entitlements of Group Savings Plan 2001 are managed in the EFR Account (see Appendix III to Schedule I).

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.

Notes to the Financial Statements (continued)

(Unaudited) (in thousands of dollars)

Note 5. Risks Associated with Financial Instruments (continued)

(a) Market risk (continued)

i. Interest rate risk (continued)

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)	13%	7%
1-3 years	23%	31%
3-5 years	20%	17%
Greater than 5 years	41%	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 \$1,489,006 (October 31, 2009 – \$1,340,160) as per Schedule I – Statement of Investment Portfolio would have decreased or increased by approximately \$83,567 (October 31, 2009 – \$69,103). 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 14% (October 31, 2009 – 15%) 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.

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 \$873 (October 31, 2009 – \$812). 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 2001 has a concentration of investments in government and government guaranteed bonds, which are considered to be high credit quality investments thereby moderating credit risk.

The Plan's credit risk exposure is listed below:

Credit rating	Apr. 30, 2010		Oct. 31, 2009	
	% of Total Investment Fund	Amount (in thousands)	% of Total Investment Fund	Amount (in thousands)
AAA/AAH/AAL	65%	\$ 972,182	62%	\$ 827,401
AA/AH/AL	27%	399,828	30%	396,239
A	3%	44,002	4%	52,785
BBB	0%	3,905	0%	2,908
R-1	1%	14,174	1%	9,445
Short-term unrated	1%	8,789	1%	10,532
Equity	3%	46,126	2%	40,850
Total Investment Fund	100%	\$ 1,489,006	100%	\$ 1,340,160

The Dominion Bond Rating Service was the primary source for obtaining credit ratings. Secondary sources used included Standard and 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 2% (October 31, 2009 – 2%) of the Total Investment Fund. The Plan's Total Investment Fund will increase or decrease by approximately \$402 (October 31, 2009 – \$395) in response to a 1% depreciation or appreciation of the Canadian dollar. In practice the actual results may differ materially.

Notes to the Financial Statements (continued)

(Unaudited) (in thousands of dollars)

Note 6. Contributors' Deposits

The changes in Contributors' deposits for the six months ended April 30, 2010 and 2009 are as follows:

	Apr. 30, 2010	Apr. 30, 2009
Payments from contributors	\$ 142,030	\$ 132,166
Inter-Plan principal transfers	(5,191)	(4,774)
Enrolment fees collected	(23,474)	(24,298)
Depository charges	(1,305)	(1,227)
Return of principal	(7,908)	(6,696)
Net increase in Contributors' deposits	104,152	95,171
Balance, Beginning of Period	854,632	672,766
Balance, End of Period	\$ 958,784	\$ 767,937

Note 7. General Fund and Donations from the Foundation

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

- i) 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;
- ii) interest earned on the interest forfeited when a Contributor's plan is terminated prior to maturity;
- iii) income not collected by beneficiaries before the expiry of the benefit period;
- iv) unclaimed principal and income payments; and
- v) 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.

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

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 Plan to pay EFR Entitlements that are expected to be paid in the future based on units outstanding for 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 over four installments for the Plan. The total amount of EFR Entitlements paid for the six months period ended April 30, 2010 was \$45 (2009 – \$33).

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.

For education savings plan agreements purchased under prospectuses dated prior to October 2, 2007, the funded status of the EFR Entitlements is:

	Oct. 31, 2009	Oct. 31, 2008
Present value of EFR Entitlements	\$ 74,142	\$ 69,860
Fair value of the funded portion of EFR Entitlements ¹	55,356	49,150
Underfunded portion of EFR Entitlements	\$ 18,786	\$ 20,710

¹ including an unrealized loss of \$8,944 (2008 – \$13,714)

A 1% decrease in the discount rate used will increase the present value of EFR Entitlements by \$9,515 (2008 – \$9,653).

Notes to the Financial Statements (continued)

(Unaudited) (in thousands of dollars)

Note 8. Enrolment Fee Refund Entitlements (continued)

For education savings plan agreements purchased under prospectuses dated on or after October 2, 2007, the funded status of the EFR Entitlements is:

	Oct. 31, 2009	Oct. 31, 2008
Present value of EFR Entitlements	\$ 7,611	\$ 3,446
Fair value of the funded portion of EFR Entitlements ¹	10,792	4,927
Overfunded portion of EFR Entitlements	\$ (3,181)	\$ (1,481)

¹ including an unrealized gain of \$46 (2008 – unrealized loss of \$736)

A 1% decrease in the discount rate used will increase the present value of EFR Entitlements by \$1,290 (2008 – \$583).

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	\$ 13,514	\$ –	\$ –	\$ 13,514
Short-term Investments	–	4,809	–	4,809
Fixed Income Securities	–	1,263,347	–	1,263,347
Variable Rate Securities	–	–	161,210	161,210
Pooled Equity Funds (EFR Entitlements)	46,126	–	–	46,126
Total Investment Fund	\$ 59,640	\$1,268,156	\$ 161,210	\$1,489,006

Assets Measured at Fair Value as of October 31, 2009

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 6,308	\$ –	\$ –	\$ 6,308
Short-term Investments	–	6,808	–	6,808
Fixed Income Securities	–	1,127,232	–	1,127,232
Variable Rate Securities	–	–	158,962	158,962
Pooled Equity Funds (EFR Entitlements)	40,850	–	–	40,850
Total Investment Fund	\$ 47,158	\$1,134,040	\$ 158,962	\$ 1,340,160

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	\$ 158,962	\$ 194,676
Net Purchases (Sales)	628	(27,048)
Increase (decrease) in Unrealized Gains/Losses	1,620	(8,666)
Closing Balance	\$ 161,210	\$ 158,962

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

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)			
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

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

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, 2010 (in thousands of dollars)

Agreements purchased prior to October 2, 2007

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

Enrolment Fee Refund Entitlements (continued)

(Appendix III to Schedule I)

Statement of Investment Portfolio

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

Agreements purchased prior to October 2, 2007 (continued)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 32.1% (continued)			
Nova Gas Transmission			
8.46% 5 Jun 2026	47	61	61
7.00 16 Jul 2027	245	281	255
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

Security	Par Value (\$)/ # Shares	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 32.1% (continued)			
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
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

Enrolment Fee Refund Entitlements (continued)

(Appendix III to Schedule I)

Statement of Investment Portfolio

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

Agreements purchased on or after October 2, 2007

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds			
Federal – 1.4%			
Government of Canada			
4.75% 1 Jun 2014	2	2	2
3.55 1 Sep 2019	211	199	202
		201	204
Provincial – 1.2%			
Province of Saskatchewan			
4.75 5 Sep 2011	148	170	167
		170	167
Corporate – 34.8%			
407 International Inc.			
7.00 26 Jul 2010	164	198	199
Algonquin Credit Card Trust			
4.56 15 Jun 2012	63	65	60
Bank of Montreal			
5.45 17 Jul 2017	51	55	56
Bank of Nova Scotia			
3.35 18 Nov 2014	230	227	233
BCIMC Realty Corporation			
3.38 29 Jan 2015	135	133	135
4.65 10 Feb 2015	41	42	43
5.65 5 Jan 2018	49	53	53
Bell Canada			
4.85 30 Jun 2014	7	7	7
5.00 15 Feb 2017	80	82	81
7.85 2 Apr 2031	73	87	84
Blue Water Bridge Authority			
6.41 9 Jul 2027	135	124	126
British Columbia Telephone Company			
10.65 19 Jun 2021	46	66	64
Canadian Capital Auto Receivables Asset Trust			
2.00 17 Jul 2016	66	65	66
Canadian Imperial Bank of Commerce			
5.00 10 Sep 2012	180	189	193
Caterpillar Financial Service Ltd.			
5.20 3 Jun 2013	42	44	44
CDP Financial			
4.60 15 Jul 2020	48	48	48
Cogeco Cable Inc.			
5.95 9 Jun 2014	80	85	85
Eagle Credit Card Trust			
4.44 17 Mar 2011	62	63	63

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 34.8% (continued)			
Emera Inc.			
4.10% 20 Oct 2014	51	52	52
Enbridge Gas Distribution			
5.17 19 May 2016	9	10	9
Enbridge Pipeline Inc.			
6.62 19 Nov 2018	9	10	10
4.49 12 Nov 2019	126	126	126
GE Capital Canada			
4.75 2 May 2011	33	34	34
5.53 17 Aug 2017	8	8	8
5.73 22 Oct 2037	132	130	117
Gloucester Credit Card Trust Series A			
5.38 15 May 2014	147	153	145
Great West Lifeco Inc.			
6.14 21 Mar 2018	38	42	42
6.67 21 Mar 2033	22	25	23
Greater Toronto Airports			
6.25 13 Dec 2012	55	60	61
5.96 20 Nov 2019	148	163	163
7.10 4 Jun 2031	7	8	8
Honda Canada Finance Inc.			
4.70 25 Aug 2011	25	26	26
5.68 26 Sep 2012	53	56	57
Hydro One Inc.			
5.18 18 Oct 2017	98	105	105
6.35 31 Jan 2034	4	5	5
Loblaw Companies			
6.00 3 Mar 2014	1	1	1
6.50 22 Jan 2029	112	116	111
5.90 18 Jan 2036	16	15	14
6.45 1 Mar 2039	3	3	3
Manitoba Telecom Services			
6.65 11 May 2016	30	33	33
Manulife Financial Capital Trust			
5.51 26 Jun 2018	64	68	65
Merrill Lynch Financial Assets			
4.62 12 Nov 2015	16	15	14
4.71 12 Nov 2016	80	79	81
5.25 12 Jun 2035	6	6	6
4.48 12 Jul 2037	38	36	33
Milit-Air Inc.			
5.75 30 Jun 2019	140	149	154
Molson Coors Capital Finance			
5.00 22 Sep 2015	15	16	15

Enrolment Fee Refund Entitlements (continued)

(Appendix III to Schedule I)

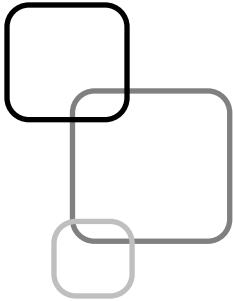
Statement of Investment Portfolio

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

Agreements purchased on or after October 2, 2007 (continued)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 34.8% (continued)			
N-45 First CMBS			
4.64% 15 Dec 2019	6	3	3
National Bank of Canada			
3.15 22 Jan 2015	7	7	7
4.03 26 May 2015	131	132	131
4.70 2 Nov 2020	20	21	20
NAV Canada			
4.71 24 Feb 2016	200	210	212
Nova Gas Transmission			
8.46 5 Jun 2026	4	5	5
7.00 16 Jul 2027	21	24	22
OMERS Realty Corp			
4.74 4 Jun 2018	204	208	211
Power Corporation of Canada			
7.57 22 Apr 2019	74	86	85
Real Estate Asset Liquidity Series Class A			
4.27 12 Mar 2037	22	6	6
4.86 12 Mar 2037	30	30	27
Rogers Wireless Inc.			
7.63 15 Dec 2011	36	39	40
5.38 4 Nov 2019	50	51	50
Royal Bank of Canada			
5.00 20 Jan 2014	180	190	196
3.18 16 Mar 2015	21	21	21
5.00 6 Jun 2018	9	9	9
Schooner Trust			
5.19 12 May 2017	16	15	13
4.72 12 Apr 2020	19	20	16
5.19 12 Jun 2022	2	2	2
Shaw Communications Inc.			
5.65 1 Oct 2019	61	63	60
SNC Lavalin Group			
6.19 3 Jul 2019	85	91	91
Telus Corporation			
5.95 15 Apr 2015	20	22	22
4.95 15 Mar 2017	3	3	3
Toronto Dominion Bank			
5.14 19 Nov 2012	79	83	85
9.15 26 May 2025	20	28	25
Transcanada Pipelines			
7.90 15 Apr 2027	119	148	146
8.05 17 Feb 2039	7	9	8

Security	Par Value (\$)/ # Shares	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 34.8% (continued)			
Vancouver Fraser			
4.63% 20 Apr 2020	120	121	120
Xceed Mortgage Trust Series Class A			
4.48 18 Feb 2013	20	5	5
		4,835	4,802
Total Fixed Income – 37.4%		5,206	5,173
Pooled Equity Funds			
SRA Canadian Equity Fund	317	4,578	4,171
SRA US Equity Fund	294	1,696	1,664
SRA International Equity Fund	306	2,069	2,104
Total Equity – 60.0%		8,343	7,939
Total Investments – 97.4%		13,549	13,112
Cash and Short-term Investments – 2.6%		355	355
Total Portfolio Assets – 100.0%		13,904	13,467
Total Investments Allocation			
Group Savings Plan 2001		13,549	13,112
		13,549	13,112
Cash and Short-term Investments Allocation			
Group Savings Plan 2001		355	355
		355	355



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