



Canadian Scholarship Trust **Group Savings Plan**

Semi-Annual Financial Statements
April 30, 2012

Unaudited



Distributed by
C.S.T. Consultants Inc.

Contents

Statements of Net Assets Available for Education Assistance Payments	1
Statements of Investment Operations	2
Statements of Changes in Net Assets Available for Education Assistance Payments	2
Statements of Cash Flows	3
Schedule I – Statement of Investment Portfolio	4
Notes to the Financial Statements	7
Government Grants (Appendix I to Schedule I)	12
Canadian Scholarship Group Savings Plan Trust Scholarship Pool (Appendix II to Schedule I)	15
Enrolment Fee Refund Entitlements (Appendix III to Schedule I)	17

Statements of Net Assets Available for Education Assistance Payments

As at April 30, 2012 and October 31, 2011 (in thousands of dollars)

	Apr 30, 2012	Oct 31, 2011
		(Audited)
Assets		
Investments, at fair value <i>(Note 4 and Schedule I)</i>	\$ 1,046,681	\$ 1,052,868
Cash and cash equivalents	10,047	7,686
Short-term investments	19,170	15,636
Accrued interest and other receivables	11,143	10,838
Receivables for securities sold	890	3,441
Government grants receivable	1,181	790
	1,089,112	1,091,259
Liabilities		
Accounts payable, accrued liabilities and unclaimed contributors' funds	2,653	4,168
Payables for securities purchased	1,932	4,984
Contributors' deposits <i>(Note 6)</i>	538,835	540,794
	543,420	549,946
Net Assets Available for Education Assistance Payments	545,692	541,313
Represented by:		
Non-Discretionary Funds		
Accumulated interest held for future education assistance payments	277,593	270,033
Government grants	140,804	140,567
Interest on Government grants	62,524	59,369
Enrolment fee refund entitlements <i>(Notes 3(b) and 8)</i>	54,886	52,584
Unrealized Gains	8,867	17,578
Discretionary Funds		
Donations from the Foundation <i>(Note 7)</i>	1,018	1,182
	\$ 545,692	\$ 541,313

Statements of Investment Operations

For the six months ended April 30, 2012 and 2011 (in thousands of dollars)

	Apr 30, 2012	Apr 30, 2011
Income		
Interest income	\$ 16,885	\$ 16,975
Realized gains	3,810	355
Other income	1,684	1,206
	22,379	18,536
Expenses		
Plan administration and processing fees <i>(Note 3(a))</i>	1,981	1,994
Financial reporting <i>(Note 3(a))</i>	642	683
Portfolio management fees	658	636
Custodian fees	58	55
Trustee fees	29	22
	3,368	3,390
Net Investment Income	19,011	15,146
Decrease in Unrealized Gains	(8,711)	(11,951)
Increase in Net Assets from Investment Operations	\$ 10,300	\$ 3,195

Statements of Changes in Net Assets Available for Education Assistance Payments

For the six months ended April 30, 2012 and 2011 (in thousands of dollars)

	Apr 30, 2012	Apr 30, 2011
Net Assets Available for Education Assistance Payments, Beginning of Period	\$ 541,313	\$ 533,710
Increase in Net Assets from Investment Operations	10,300	3,195
Transfers to internal and external plans	(3,064)	(452)
	7,236	2,743
Receipts		
Government grants received (net of repayments)	2,244	3,045
Disbursements		
Payments to beneficiaries		
Education assistance payments	(2,819)	(2,061)
Government grants	(966)	(701)
Refund of enrolment fees	(747)	(455)
Return of interest	(569)	(333)
	(5,101)	(3,550)
Receipts less Disbursements	(2,857)	(505)
Increase in Net Assets Available for Education Assistance Payments	4,379	2,238
Net Assets Available for Education Assistance Payments, End of Period	\$ 545,692	\$ 535,948

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

Statements of Cash Flows

For the six months ended April 30, 2012 and 2011 (in thousands of dollars)

	Apr 30, 2012	Apr 30, 2011
Operating Activities		
Increase in Net Assets from Investment Operations	\$ 10,300	\$ 3,195
Net disbursements from investment transactions	(2,749)	(20,228)
Items not affecting cash		
Realized gains on sale of investments	(3,810)	(355)
Decrease in Unrealized Gains	8,711	11,951
Change in non-cash operating working capital		
Increase in Accrued interest and other receivables	(305)	(582)
Decrease (increase) in Government grants receivable	(391)	21
Decrease in Accounts payable, accrued liabilities and unclaimed contributors' funds	(1,515)	(64)
Cash flow from Operating Activities	10,241	(6,062)
Financing Activities		
Transfers to internal and external plans	(3,064)	(452)
Government grants received (net of repayments)	2,244	3,045
Increase (decrease) in Contributors' deposits <i>(Note 6)</i>	(1,959)	3,512
Payments to beneficiaries	(5,101)	(3,550)
Cash flow from Financing Activities	(7,880)	2,555
Net increase (decrease) in Cash and cash equivalents	2,361	(3,507)
Cash and cash equivalents, Beginning of Period	7,686	13,339
Cash and cash equivalents, End of Period	\$ 10,047	\$ 9,832

Schedule I – Statement of Investment Portfolio

As at April 30, 2012 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)					
Bonds				Bonds (continued)								
Federal – 50.3%				Municipal and Provincial – 43.5% (continued)								
Government of Canada				Province of Alberta								
2.00%	1 Sep 2012	4,255	4,267	4,280	1.39%	27 May 2016	8,666	8,650	8,666			
1.50	1 Dec 2012	18,010	18,042	18,074	1.85	1 Sep 2016	704	704	704			
1.75	1 Mar 2013	7,753	7,785	7,792	Province of British Columbia							
3.50	1 Jun 2013	1,550	1,587	1,601	4.25	18 Jun 2014	12,000	12,671	12,806			
1.50	1 Nov 2013	7,913	7,934	7,996	5.30	18 Jun 2014	9,100	9,823	10,060			
0.75	1 May 2014	2,065	2,041	2,046	3.70	18 Dec 2020	1,190	1,273	1,175			
1.00	1 Feb 2015	3,910	3,863	3,907	5.70	18 Jun 2029	310	402	375			
3.00	1 Dec 2015	7,770	8,168	8,007	6.35	18 Jun 2031	4,436	6,197	6,034			
1.50	1 Mar 2017	7,065	7,030	7,007	4.30	18 Jun 2042	950	1,087	964			
3.50	1 Jun 2020	3,475	3,880	3,898	Province of Manitoba							
3.25	1 Jun 2021	12,555	13,802	13,640	2.05	1 Dec 2016	3,294	3,298	3,313			
2.75	1 Jun 2022	1,340	1,414	1,407	4.40	5 Sep 2025	1,147	1,283	1,184			
5.00	1 Jun 2037	2,753	3,935	3,379	4.10	5 Mar 2041	1,675	1,833	1,678			
4.00	1 Jun 2041	2,774	3,555	3,392	Province of New Brunswick							
Canada Housing Trust				Province of Newfoundland								
4.00	15 Jun 2012	2,375	2,383	2,429	3.35	1 Jun 2013	14,685	14,985	15,172			
3.60	15 Jun 2013	8,426	8,634	8,755	4.30	3 Dec 2015	14,925	16,141	15,474			
2.70	15 Dec 2013	6,370	6,498	6,497	4.70	21 Jul 2016	4,700	5,203	5,174			
3.15	15 Jun 2014	28,768	29,767	29,995	3.35	3 Dec 2021	1,105	1,130	1,127			
2.75	15 Sep 2014	42,500	43,688	43,960	4.55	26 Mar 2037	810	914	775			
2.75	15 Dec 2014	31,732	32,666	33,099	Province of Nova Scotia							
1.43	15 Mar 2015	2,429	2,439	2,433	4.50	1 Jun 2013	13,000	13,426	13,699			
3.15	15 Jun 2015	43,733	45,661	44,736	4.70	14 Jan 2015	9,000	9,700	9,785			
2.45	15 Dec 2015	7,000	7,162	7,239	4.60	18 Aug 2016	7,000	7,730	7,682			
2.75	15 Dec 2015	9,300	9,613	9,458	4.10	1 Jun 2021	500	544	537			
1.40	15 Mar 2016	7,787	7,808	7,815	5.80	1 Jun 2033	703	922	782			
2.75	15 Jun 2016	41,521	42,978	42,616	4.70	1 Jun 2041	435	515	466			
1.33	15 Sep 2016	20,116	20,103	20,087	Province of Ontario							
1.85	15 Dec 2016	21,852	21,778	21,915	4.50	2 Dec 2012	2,115	2,154	2,206			
2.05	15 Jun 2017	2,240	2,246	2,238	5.38	2 Dec 2012	1,885	1,930	1,986			
4.10	15 Dec 2018	1,870	2,088	2,109	4.75	2 Jun 2013	19,085	19,764	20,199			
2.65	15 Mar 2022	1,845	1,850	1,855	5.00	8 Mar 2014	13,180	14,005	14,198			
Canada Post				3.25				8 Sep 2014	10,505	10,889	10,774	
4.36	16 Jul 2040	655	794	655	4.50	8 Mar 2015	9,400	10,107	10,115			
Ontario Infrastructure				3.15				8 Sep 2015	5,650	5,881	5,899	
3.95	3 Jun 2013	240	246	239	4.40	8 Mar 2016	13,945	15,186	14,490			
4.70	1 Jun 2037	475	519	470	3.20	8 Sep 2016	7,075	7,410	7,405			
PSP Capital Inc				4.30				8 Mar 2017	2,185	2,400	2,089	
4.57	9 Dec 2013	4,010	4,190	4,072	4.40	2 Jun 2019	1,131	1,259	1,180			
			380,414	379,098	4.20	2 Jun 2020	2,830	3,111	2,949			
Municipal and Provincial – 43.5%				4.00				2 Jun 2021	8,498	9,189	8,650	
55 School Board Trust				3.15				2 Jun 2022	1,240	1,247	1,235	
5.90	2 Jun 2033	235	297	249	6.20	2 Jun 2031	4,236	5,753	5,369			
Alberta Capital Finance												
4.45	15 Dec 2025	562	635	557								

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

Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 2012 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Municipal and Provincial – 43.5% (continued)			
Province of Ontario (continued)			
5.85% 8 Mar 2033	2,245	2,972	2,319
5.60 2 Jun 2035	4,890	6,368	5,486
4.65 2 Jun 2041	2,940	3,478	3,495
3.50 2 Jun 2043	475	464	471
Province of Quebec			
5.25 1 Oct 2013	18,500	19,473	19,919
1.20 1 Dec 2014	12,560	12,514	12,560
5.50 1 Dec 2014	3,535	3,872	3,870
4.50 1 Dec 2016	2,276	2,513	2,548
4.50 1 Dec 2017	5,075	5,652	5,385
2.40 1 Dec 2018	3,215	3,177	3,203
4.50 1 Dec 2019	1,885	2,110	1,975
5.00 1 Dec 2019	150	185	166
11.00 15 Aug 2020	962	1,535	1,515
4.50 1 Dec 2020	4,140	4,635	4,348
4.25 1 Dec 2021	4,018	4,409	4,302
3.50 1 Dec 2022	3,625	3,727	3,740
9.38 16 Jan 2023	805	1,251	1,196
6.00 1 Oct 2029	1,970	2,581	2,363
6.25 1 Jun 2032	2,828	3,850	3,537
5.25 1 Jun 2034	820	993	882
5.75 1 Dec 2036	6,444	8,505	6,871
5.00 1 Dec 2038	485	587	490
Province of Saskatchewan			
4.65 5 Sep 2017	595	671	610
6.40 5 Sep 2031	856	1,211	1,034
4.75 6 Jan 2040	609	744	604
		329,464	322,211
Corporate – 6.0%			
407 International Inc.			
7.13 26 Jul 2040	1,381	1,977	1,828
BAC Canada Finance			
2.71 21 Feb 2014	2,078	2,048	2,040
BCIMC Realty Corporation			
5.65 1 May 2018	1,630	1,867	1,847
Blue Water Bridge Authority			
6.41 9 Jul 2027	831	726	755
Cadillac Fairview Finance Trust			
3.24 25 Jan 2016	3,375	3,478	3,376
Canadian Capital Auto Receivables Asset Trust			
2.63 17 Aug 2014	724	736	735
CBC			
4.69 15 May 2027	1,880	2,072	1,999
CDP Financial Inc.			
4.60 15 Jul 2020	1,114	1,236	1,227

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 6.0% (continued)			
Claregold Trust			
5.067% 15 May 2044	170	116	115
CSS Partnership			
6.92 31 Jul 2042	635	803	765
First National Financial			
1.33 1 Mar 2015	220	123	123
GE Capital Canada			
2.10 10 Feb 2014	799	801	801
5.73 22 Oct 2037	1,323	1,479	1,375
Gloucester Credit Card Trust			
5.38 15 May 2014	160	170	173
Great West Lifeco Inc.			
6.14 21 Mar 2018	1,123	1,302	1,289
Greater Toronto Airport Authority			
6.45 30 Jul 2029	1,734	2,135	2,138
Green Timbers LP			
6.84 30 Jun 2037	535	648	619
Honda Canada Finance Inc.			
1.34 23 Feb 2015	2,275	2,268	2,276
Hospital Infrastructure Partners			
5.44 31 Jan 2045	668	732	700
Leisureworld			
4.81 24 Nov 2015	1,303	1,356	1,368
Manufacturers Life Insurance Company			
4.21 18 Nov 2021	161	165	162
4.17 1 Jun 2022	1,392	1,414	1,399
Manulife Financial Capital Trust			
4.85 12 Dec 2015	710	471	453
Manulife Financial Corporation			
5.16 26 Jun 2015	464	491	496
Maritimes and Northeast Pipelines			
4.34 30 Nov 2019	886	919	923
6.90 30 Nov 2019	160	181	185
Merrill Lynch Financial Assets			
4.82 12 Feb 2015	485	509	504
4.62 12 Nov 2015	560	589	560
4.98 12 Jun 2016	498	530	533
4.48 12 Jul 2037	410	430	410
4.75 12 Jan 2040	604	640	648
Milit-Air Inc.			
5.75 30 Jun 2019	571	633	645
N-45 First CMBS			
5.67 15 Nov 2020	100	105	106

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

Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 2012 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)				Bonds (continued)			
Corporate – 6.0% (continued)				Corporate – 6.0% (continued)			
NAV Canada				Transcanada Pipelines			
7.56% 1 Mar 2027	328	423	418	8.05% 17 Feb 2039	176	279	264
Ontrea Inc.				WTH Car Rental			
4.62 9 Apr 2018	199	211	212	4.14 20 Mar 2015	1,674	1,705	1,746
Ornge Issuer Trust						45,269	44,397
5.73 11 Jun 2034	548	626	614	Total Fixed Income Investments – 99.8%		755,147	745,706
Ottawa Hydro Holdings				Plan Cash and Short-term Investments – 0.2%		1,947	1,947
4.93 9 Feb 2015	170	182	184	Total Portfolio Assets – 100.0%		757,094	747,653
Pearson International Fuel Facilities Corporation				Investments Allocation (Note 4)			
5.09 9 Mar 2032	876	917	939	Government Grants (Appendix I)		205,383	201,478
Plenary Health Bridgepoint LP				Canadian Scholarship Group Savings Plan			
7.25 31 Aug 2042	476	639	591	Trust Scholarship Pool (Appendix II)		35,802	35,971
Plenary Health Humber LP				Enrolment Fee Refund			
2.63 18 May 2015	1,300	1,292	1,301	Entitlements (Appendix III)		50,349	54,659
Plenary Health Niagara LP				Cash and Short-term			
7.69 31 May 2042	438	620	597	Investments (Appendices I, II & III)		27,270	27,270
Power Corporation of Canada				Total Investment Fund		1,075,898	1,067,031
7.57 22 Apr 2019	284	346	340	Represented by:			
Real Estate Asset Liquidity Series Class A				Investments, at fair value		1,046,681	
4.62 12 Sep 2016	515	548	515	Cash and cash equivalents		10,047	
5.08 12 Oct 2036	390	409	390	Short-term Investments		19,170	
Royal Office Finance						1,075,898	
5.21 12 Nov 2032	1,433	1,638	1,412				
Sun Life Financial Inc.							
4.80 23 Nov 2035	180	182	182				
4.95 1 Jun 2036	60	61	61				
Toronto Hospital							
5.64 8 Dec 2022	1,806	2,041	2,058				

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

Notes to the Financial Statements

Six months ended April 30, 2012 and 2011 (Unaudited, in thousands of dollars)

Note 1. Nature of Operations

The Canadian Scholarship Trust Group Savings Plan (“Group Savings Plan”, or the “Plan”) is a Pooled Education Savings Plan, that was established on September 1, 1991. Since June 2001, the Plan is no longer available for sale. The objective of the Group Savings Plan is to assist parents and others to save for the post-secondary education of children. The Group Savings Plan is managed by C.S.T. Consultants Inc. (“C.S.T.C.”), a wholly-owned subsidiary of the Canadian Scholarship Trust Foundation (the “Foundation”). The Foundation was created to encourage and promote post-secondary education by making education savings plans available to Canadian residents.

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

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

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

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

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

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

Agreements are registered with appropriate government authorities if all required information is provided, and once registered, are subject to the rules for RESPs under the *Income Tax Act* (Canada). The current tax legislation provides that income credited on contributors’ principal is not taxable income of the contributor, unless withdrawn early. The deposits are not deductible for income

tax purposes and are not taxable when returned to the contributor. Payments made to a qualified student will constitute taxable income of that student in the year that the payments are made.

Note 2. Significant Accounting Policies

(a) Generally accepted accounting principles

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

(b) Future accounting standards

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

(c) Investment valuation

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

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

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

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

Note 9 provides further guidance on fair value measurements.

(d) Investment transactions and income recognition

Investment transactions are accounted for on a trade-date basis. Interest income on investments is recognized using the effective interest method. Dividends are accrued as of the ex-dividend date. Realized gains (losses) on the sale of investments and change in unrealized gains (losses) on investments are calculated

Notes to the Financial Statements (continued)

Six months ended April 30, 2012 and 2011 (Unaudited, in thousands of dollars)

Note 2. Significant Accounting Policies (continued)

(d) Investment transactions and income recognition (continued)

with reference to the average cost of the related investments and are recognized in the period that such gains (losses) occur. All interest income and realized gains and losses from the EFR Entitlements Asset Fund ("EFR Fund") are included in Other income in the Statements of Investment Operations.

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

Contributors' deposits reflect amounts received from contributors net of enrolment fees and account maintenance fees and do not include future amounts receivable on outstanding Agreements. Enrolment fees were deducted from contributors' deposits and were collected over periods of up to thirty-two months from the date of initial deposit. Account maintenance fees are paid annually to the Foundation from contributors' deposits and are accrued throughout the year.

(f) Income taxes

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

(g) Cash and cash equivalents

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

(h) Use of estimates

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

Note 3. Related Party Transactions

(a) Administration of the Group Savings Plan

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

Account maintenance fees and administration fees (comprising Plan administration and processing fees and Financial reporting expenses) are paid to the Foundation. Administration fees are annual fees of ½ of 1% of the total amount of principal, Government grants and income earned thereon.

Enrolment fees were paid by contributors and deducted from their contributions. In accordance with the distribution agreement, the Foundation directed a portion of the enrolment fees collected from contributors to the EFR Fund each year in order to assist the Plan in paying EFR Entitlements when they become due. The balance of enrolment fees collected were paid to C.S.T.C. in exchange for selling the Plan.

The Foundation is responsible to pay beneficiaries of the Plan the refunds of enrolment fees as promised. Any shortfall in the assets to meet the EFR Entitlements will be funded from the Foundation's surplus (see Note 8).

(b) Enrolment Fee Refund Entitlements

Group Savings Plan pays EFR Entitlements to the beneficiaries from the EFR Fund, which amount to 100% of enrolment fees paid. The EFR Entitlement is paid with the first instalment of the education assistance payment payouts to qualified beneficiaries for the Plan. The total amount of EFR Entitlements paid for the six months ended April 30, 2012 was \$747 (2011 – \$455).

As at April 30, 2012, the EFR Entitlements amount of \$54,886 (October 31, 2011 – \$52,584) presented in the Statements of Net Assets Available for Education Assistance Payments represents the average cost of the investments in the EFR Fund of \$54,886 (October 31, 2011 – \$53,794), less funds to be transferred to the Scholarship Pool of \$nil (October 31, 2011 – \$1,210) for EFR payments made to beneficiaries. The fair value of the investments in the EFR Fund as at April 30, 2012 amounted to \$50,576 (October 31, 2011 – \$49,036). See Appendix III of Schedule 1.

(c) Special Funding Payments from the Canadian Scholarship Trust Foundation

For the six-month period ended April 30, 2012, the Foundation provided special funding payments of \$1,050 (2011 – \$1,000) to the EFR Fund (see Note 8(b)).

(d) Other Related Party Transactions

The Foundation retains the services of Greystone Managed Investments Inc., an investment management firm and wholly-owned subsidiary of Greystone Capital Management Inc. ("Greystone"). As at April 30, 2012, two directors of the Foundation were members of the Board of Directors of Greystone and they did not have any equity ownership in the company. The directors do not participate in any of the Foundation's Board deliberations concerning the investment management of the Plan, nor do they vote on any resolutions recommended by the Investment Committee of the Foundation.

Portfolio management fees in the Statements of Investment Operations include fees paid or payable to Greystone of \$143 (2011 – \$176). 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, 2012, of \$100 (October 31, 2011 – \$113).

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

Notes to the Financial Statements (continued)

Six months ended April 30, 2012 and 2011 (Unaudited, in thousands of dollars)

Note 4. Investment Holdings

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

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

Upon maturity of each Agreement, the investment income accumulated to date attributable to that Agreement is transferred to the Canadian Scholarship 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 income earned from the Pool is credited to the General Fund (see 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 1). The EFR Fund's holdings and income are allocated to the Plan based on the Plan's proportionate share of the EFR Entitlements. The investment restrictions set out in National Policy 15 of the Canadian Securities Administrators do not apply to assets invested to meet the EFR entitlements referred to in Notes 3(b) and 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 and 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, 2012	Oct 31, 2011
Less than 1 year (including short-term investments)	7%	8%
1-3 years	35%	37%
3-5 years	32%	32%
Greater than 5 years	23%	20%
Total debt instruments	97%	97%
Equity	3%	3%
Total Investment Fund	100%	100%

As at April 30, 2012, if prevailing interest rates had increased or decreased by 1%, the Total Investment Fund amount of \$1,075,898 (October 31, 2011 – \$1,076,190) as per Schedule I – Statement of Investment Portfolio, would have decreased or increased by \$40,949 (October 31, 2011 – \$38,343). This 1% change assumes a parallel shift in the yield curve with all other variables held constant. In practice, the actual trading results may differ materially.

ii. Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, other than those arising from interest rate risk. Factors specific to an individual investment, its issuer or all factors affecting all instruments traded in a market or market segment affect other price risk. The asset classes that are most impacted by other price risk are the equity component of the EFR Fund and variable rate securities, which combined make up 3% (October 31, 2011 – 3%) of the Total Investment Fund amount as at April 30, 2012. The risk associated with the equity component of the EFR Entitlements is managed by security selection and active management by external managers within approved investment policies and manager mandates. For variable rate securities, positive returns are capped and the return of principal at maturity is protected from any negative performance. These features limit volatility and mitigate the downward impact on the value of these securities.

As at April 30, 2012, if equity and underlying indices prices had increased or decreased by 1%, with all other variables held constant, the Total Investment Fund amount as per Schedule I – Statement of Investment Portfolio would have increased or decreased by approximately \$323 (October 31, 2011 – \$314). In practice, the actual trading results may differ materially.

(b) Credit risk

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

Notes to the Financial Statements (continued)

Six months ended April 30, 2012 and 2011 (Unaudited, in thousands of dollars)

Note 5. Risks Associated with Financial Instruments (continued)

(b) Credit risk (continued)

The Plan's credit risk exposure is listed below:

Credit rating	Apr 30, 2012		Oct 31, 2011	
	% of Total Investment Fund	Amount (in thousands)	% of Total Investment Fund	Amount (in thousands)
AAA	49%	\$ 529,728	69%	\$ 744,558
AA/AAH/AAL	20%	219,163	19%	201,728
A/AH/AL	24%	261,256	6%	69,517
BBB	1%	4,271	1%	5,819
R-1	3%	28,041	2%	20,830
P-2	0%	899	0%	1,767
Short-term unrated	0%	276	0%	725
Equity	3%	32,264	3%	31,246
Total Investment Fund	100%	\$1,075,898	100%	\$1,076,190

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

(c) Liquidity risk

Liquidity risk is the risk that the Plan may not be able to meet its obligations on time. The Plan's exposure to liquidity risk is concentrated in principal repayments to subscribers and Education Assistance Payments to beneficiaries including EFR Entitlements. The Plan primarily invests in securities that are traded in the active markets and can be readily sold. The Plan retains sufficient cash and cash equivalents positions to meet liquidity requirements by utilizing cash forecasting models that reflect the maturity distribution of Contributors' deposits and accumulated income. All other financial liabilities are short term and due within one year. See note 8 for an assessment of the funding of the EFR Entitlements.

(d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Plan holds foreign equity funds as part of the EFR Fund, which represents 1% (October 31, 2011 – 1%) of the Total Investment Fund. The Plan's Total Investment Fund would increase or decrease by approximately \$138 (October 31, 2011 – \$143) in response to a 1% depreciation or appreciation of the Canadian dollar currency exchange rate. In practice the actual change may differ materially.

Note 6. Contributors' Deposits

The changes in Contributors' deposits for the six-month period ended April 30, 2012 and 2011 are as follows:

	Apr 30, 2012	Apr 30, 2011
Payments from contributors	\$ 12,514	\$ 5,229
Inter-plan principal transfers	(5,042)	(3,384)
Account maintenance fees	(328)	(374)
Return of principal	(9,103)	(7,959)
Net increase (decrease) in Contributors' deposits	(1,959)	3,512
Balance, Beginning of Period	540,794	571,247
Balance, End of Period	\$538,835	\$574,759

Note 7. General Fund and Donations from the Foundation

The Canadian Group Scholarship Savings Plan Trust (the "Group Trust") is a legal trust registered with the Canada Revenue Agency as an Education Savings Plan. Included in the Group Trust are Group Savings Plan and Group Savings Plan 2001 (the "Plans"). The General Fund is a separate account within the Group Trust and derives its income from the following sources:

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

According to the trust indenture, the General Fund may be used to subsidize Education Assistance Payments for qualified students to either of the Plans within the Group Trust.

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

Note 8. Enrolment Fee Refund Entitlements Valuations

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

Notes to the Financial Statements (continued)

Six months ended April 30, 2012 and 2011 (Unaudited, in thousands of dollars)

Note 8. Enrolment Fee Refund Entitlements Valuations (continued)

(a) Financial Reporting Valuation

The actuarial assumptions used in determining the valuation of EFR Entitlements reflect management's best estimate of future payments to beneficiaries and involve both economic and non-economic assumptions. The non-economic assumptions include considerations such as termination of Agreements prior to maturity and participation of eligible students in the collection of education assistance payments and were updated based on the Funding Valuation (Note 8(b)). The primary economic assumption is the discount rate, which is set at the average expected long-term investment return of the EFR Fund at October 31, 2011 of 6.4% (2010 – 6.1%) based on the investment policy approved by the Board. As underlying conditions change over time, actuarial assumptions may also change, which could cause a material change in the present value of the EFR Entitlements.

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

	2011	2010
Present value of EFR Entitlements	\$ 68,403	\$ 66,826
Fair value of EFR Fund ¹	49,036	51,363
Underfunded portion of EFR Entitlements	\$ 19,367	\$ 15,463

¹ Average cost of assets in EFR Fund was \$53,794 (2010 – \$54,627)

A 1% decrease in the discount rate used will increase the present value of EFR Entitlements by \$2,318 (2010 – \$3,123).

(b) Actuarial Funding Valuation

An actuarial valuation was completed based on assets and obligations as at October 31, 2011. The long-term investment return used was 2.3%, which resulted in an unfunded liability of \$30,000. The Foundation is responsible to pay beneficiaries of the Plan the refunds of enrolment fees as promised. A funding policy was established by the Foundation to ensure assets are sufficient to meet future EFR Entitlements. Any shortfall in the assets to meet EFR Entitlements will be funded from the Foundation's surplus.

The next actuarial funding valuation will be performed in 2014 based on assets and obligations as at October 31, 2013.

Note 9. Fair Value of Financial Instruments

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

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

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

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

Assets Measured at Fair Value as of April 30, 2012

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 10,047	\$ –	\$ –	\$ 10,047
Short-term Investments	–	19,170	–	19,170
Fixed Income Securities	–	1,012,980	–	1,012,980
Variable Rate Securities	–	–	1,437	1,437
Pooled Equity Funds (EFR Entitlements)	32,264	–	–	32,264
Total Investment Fund	\$ 42,311	\$1,032,150	\$ 1,437	\$1,075,898

Assets Measured at Fair Value as of October 31, 2011

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	\$ 7,686	\$ –	\$ –	\$ 7,686
Short-term Investments	–	15,636	–	15,636
Fixed Income Securities	–	1,020,152	–	1,020,152
Variable Rate Securities	–	–	1,470	1,470
Pooled Equity Funds (EFR Entitlements)	31,246	–	–	31,246
Total Investment Fund	\$ 38,932	\$1,035,788	\$ 1,470	\$1,076,190

For the six-month period ended April 30, 2012 and year ended October 31, 2011, there were no transfers between Levels 1, 2, or 3.

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

Level 3 – Variable Rate Securities

	April 30, 2012	October 31, 2011
Opening Balance	\$ 1,470	\$ 107,930
Sales	(32)	(101,391)
Decrease in Unrealized Gains	(1)	(5,069)
Closing Balance	\$ 1,437	\$ 1,470

Government Grants

(Appendix I to Schedule I)

Statement of Investment Portfolio

As at April 30, 2012 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds			
Federal – 46.2%			
Government of Canada			
1.75% 1 Mar 2013	31,672	31,802	31,841
1.50 1 Nov 2013	10,680	10,709	10,788
0.75 1 May 2014	3,314	3,275	3,281
3.00 1 Dec 2015	8,733	9,180	8,855
5.00 1 Jun 2037	6,425	9,184	8,065
4.00 1 Jun 2041	2,295	2,941	2,448
Canada Housing Trust			
2.70 15 Dec 2013	17,080	17,424	17,478
2.20 15 Mar 2014	16,125	16,350	16,367
3.15 15 Jun 2014	29,629	30,657	30,709
2.75 15 Sep 2014	25,925	26,650	26,889
2.75 15 Dec 2014	29,581	30,452	30,783
1.43 15 Mar 2015	8,264	8,297	8,277
3.15 15 Jun 2015	25,249	26,362	25,440
2.75 15 Dec 2015	46,872	48,450	48,085
1.40 15 Mar 2016	15,862	15,905	15,917
2.75 15 Jun 2016	43,172	44,687	44,003
1.33 15 Sep 2016	34,163	34,140	34,134
1.85 15 Dec 2016	9,805	9,772	9,857
4.10 15 Dec 2018	2,105	2,350	2,220
3.80 15 Jun 2021	2,200	2,427	2,460
Ontario Infrastructure			
3.95 3 Jun 2013	927	951	925
PSP Capital Inc.			
4.57 9 Dec 2013	2,800	2,926	2,825
		384,891	381,647
Municipal and Provincial – 19.5%			
Province of Alberta			
1.38 27 May 2016	12,753	12,729	12,752
1.85 1 Sep 2016	2,736	2,736	2,735
Province of British Columbia			
4.25 18 Jun 2014	6,010	6,346	6,377
4.70 1 Dec 2017	2,925	3,308	3,126
Province of Manitoba			
2.05 1 Dec 2016	6,316	6,324	6,363
Province of New Brunswick			
4.45 26 Mar 2018	4,705	5,230	5,113
5.65 27 Dec 2028	650	818	761
5.50 27 Jan 2034	13,300	16,805	15,632
4.65 26 Sep 2035	1,245	1,420	1,282
Province of Newfoundland and Labrador			
5.25 4 Jun 2014	2,735	2,940	2,947
Province of Nova Scotia			
5.80 1 Jun 2033	1,600	2,098	1,937

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Municipal and Provincial – 19.5% (continued)			
Province of Ontario			
4.50% 2 Dec 2012	1,700	1,732	1,773
4.75 2 Jun 2013	4,670	4,836	4,936
3.25 8 Sep 2014	6,475	6,711	6,659
3.15 8 Sep 2015	10,524	10,955	10,827
4.40 8 Mar 2016	6,108	6,652	6,810
3.20 8 Sep 2016	3,700	3,875	3,738
4.30 8 Mar 2017	5,560	6,108	5,471
4.40 2 Jun 2019	2,835	3,155	2,960
4.20 2 Jun 2020	3,805	4,183	3,953
4.00 2 Jun 2021	2,105	2,276	2,172
7.60 2 Jun 2027	2,075	3,089	3,003
5.60 2 Jun 2035	3,145	4,096	3,568
4.70 2 Jun 2037	3,760	4,466	4,105
Province of Quebec			
5.25 1 Oct 2013	8,800	9,263	9,462
4.50 1 Dec 2016	8,952	9,886	10,021
4.50 1 Dec 2019	6,200	6,941	6,532
4.50 1 Dec 2020	6,295	7,047	6,595
5.75 1 Dec 2036	2,025	2,673	2,342
5.00 1 Dec 2038	3,235	3,918	3,298
		162,616	157,251
Corporate – 32.7%			
407 International Inc.			
7.13 26 Jul 2040	6,113	8,751	8,073
Access Justice Durham Ltd.			
5.02 31 Aug 2039	320	346	305
Arrow Lakes Power Corp.			
5.52 5 Apr 2041	847	962	847
BAC Canada Finance			
2.71 21 Feb 2014	8,217	8,100	8,004
Bank of Montreal			
4.78 30 Apr 2014	3,290	3,475	3,483
5.18 6 Oct 2015	3,350	3,642	3,657
3.10 10 Mar 2016	3,575	3,656	3,657
Bank of Nova Scotia			
3.34 25 Mar 2015	3,440	3,549	3,551
2.74 1 Dec 2016	3,200	3,218	3,203
2.60 27 Feb 2017	1,050	1,048	1,047
6.28 30 Jun 2053	3,275	3,425	3,520
BCIMC Realty Corporation			
4.65 10 Feb 2015	166	176	178
5.65 5 Jan 2018	2,371	2,715	2,638
Blue Water Bridge Authority			
6.41 9 Jul 2027	2,371	2,072	2,077

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, 2012 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 32.7% (continued)			
BMW Canada			
2.88% 8 Sep 2016	1,000	1,001	1,000
Cadillac Fairview Finance Trust			
3.24 25 Jan 2016	3,803	3,919	3,794
Canadian Capital Auto Receivables Asset Trust			
2.63 17 Aug 2014	4,537	4,610	4,560
Canadian Credit Card Trust			
2.31 24 Apr 2015	1,580	1,582	1,580
Canadian Imperial Bank of Commerce			
4.75 22 Dec 2014	2,769	2,954	2,837
3.15 2 Nov 2020	2,700	2,727	2,710
CBC			
4.69 15 May 2027	3,774	4,160	4,027
CDP Financial Inc.			
4.60 15 Jul 2020	164	182	181
Citigroup Finance Canada			
4.75 17 Mar 2014	2,000	2,062	2,060
Claregold Trust			
5.07 15 May 2044	3,953	2,686	2,689
CSS Partnership			
6.92 31 Jul 2042	2,507	3,172	3,207
Enbridge Inc.			
5.16 24 Sep 2014	3,200	3,436	3,447
First National Financial			
1.33 1 Mar 2015	2,509	1,402	1,400
GE Capital Canada			
2.10 10 Feb 2014	1,268	1,271	1,267
4.65 2 Nov 2015	5,700	6,033	5,774
5.10 1 Jun 2016	1,450	1,574	1,566
3.35 23 Nov 2016	1,750	1,782	1,748
5.53 17 Aug 2017	800	894	778
5.68 10 Sep 2019	1,640	1,855	1,795
5.73 22 Oct 2037	4,418	4,939	4,228
Gloucester Credit Card Trust			
5.38 15 May 2014	2,624	2,787	2,760
Great West Lifeco Inc.			
6.14 21 Mar 2018	4,510	5,228	5,154
Greater Toronto Airport Authority			
6.45 30 Jul 2029	5,976	7,357	7,354
4.53 12 Feb 2041	430	455	430
Green Timbers LP			
6.84 30 Jun 2037	684	828	746
Health Partners Markham			
3.43 31 Jan 2014	834	834	834

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 32.7% (continued)			
Honda Canada Finance Inc.			
5.61% 12 Sep 2013	220	230	231
1.34 23 Feb 2015	8,310	8,286	8,310
Hospital Infrastructure Partners			
5.44 31 Jan 2045	398	436	398
HSBC Bank Canada			
2.90 13 Jan 2017	1,390	1,399	1,390
Inter American Development Bank			
4.40 26 Jan 2026	1,380	1,526	1,372
Leisureworld			
4.81 24 Nov 2015	5,214	5,424	5,448
Manufacturers Life Insurance Company			
4.21 18 Nov 2021	3,673	3,754	3,659
4.17 1 Jun 2022	2,769	2,814	2,777
Manulife Financial Capital Trust			
6.70 30 Jun 2012	3,920	3,947	4,346
4.85 12 Dec 2015	2,365	1,569	1,543
Manulife Financial Corporation			
4.90 2 Jun 2014	706	734	738
5.16 26 Jun 2015	1,695	1,795	1,788
Maritimes and Northeast Pipelines			
4.34 30 Nov 2019	4,596	4,768	4,743
Master Credit Card Trust			
2.63 21 Jan 2017	488	488	489
Merrill Lynch Financial Assets			
4.82 12 Feb 2015	1,560	1,637	1,614
4.62 12 Nov 2015	1,235	1,299	1,222
4.98 12 Jun 2016	2,979	3,172	3,153
4.66 12 Jul 2016	500	273	283
4.64 12 Oct 2016	578	430	435
4.81 12 Oct 2016	2,814	2,968	2,933
4.71 12 Nov 2016	3,409	3,452	3,474
4.48 12 Jul 2037	920	965	900
4.75 12 Jan 2040	2,009	2,130	2,155
Milit-Air Inc.			
5.75 30 Jun 2019	2,721	3,015	2,940
N-45 First CMBS			
5.67 15 Nov 2020	2,048	2,142	2,179
National Bank Canada			
2.23 30 Jan 2015	1,275	1,274	1,275
3.26 4 Nov 2022	480	480	479
NAV Canada			
4.71 24 Feb 2016	1,722	1,873	1,785
7.56 1 Mar 2027	4,822	6,213	6,137

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, 2012 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 32.7% (continued)			
Northwest Connect Group			
5.95% 30 Apr 2041	2,462	2,854	2,571
Ontrea Inc.			
4.62 9 Apr 2018	1,754	1,860	1,783
Ornge Issuer Trust			
5.73 11 Jun 2034	1,553	1,774	1,625
Ottawa Hydro Holdings			
4.93 9 Feb 2015	1,263	1,351	1,320
Pearson International Fuel Facilities Corporation			
5.09 9 Mar 2032	3,464	3,627	3,713
Peoples Trust			
4.10 1 Jul 2015	2,000	1,630	1,591
Plenary Properties Ltap LP			
3.16 13 Mar 2015	1,762	1,778	1,764
2.63 18 May 2015	5,500	5,464	5,502
7.25 31 Aug 2042	2,500	3,358	3,327
6.29 31 Jan 2044	2,431	2,982	2,671
Power Corporation of Canada			
7.57 22 Apr 2019	1,308	1,596	1,502
RBC Capital Trust			
4.87 31 Dec 2049	7,725	8,240	7,793
5.81 31 Dec 2053	4,435	4,680	4,750
Real Estate Asset Liquidity Series Class A			
4.62 12 Sep 2016	1,975	2,101	2,008
5.08 12 Oct 2036	745	782	763
Royal Bank of Canada			
2.68 8 Dec 2016	1,350	1,353	1,350
2.58 13 Apr 2017	1,500	1,493	1,500
3.55 1 Sep 2019	5,542	5,235	4,898
SNC Lavalin Group			
6.63 30 Jun 2044	1,851	2,332	2,147
Sun Life Financial Inc.			
4.80 23 Nov 2035	800	811	811
4.95 1 Jun 2036	1,772	1,799	1,806
Toronto Dominion Bank			
2.95 2 Aug 2016	3,210	3,272	3,284
3.37 2 Nov 2020	3,430	3,490	3,490
Toronto Hospital			
5.64 8 Dec 2022	4,596	5,195	5,249

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 32.7% (continued)			
Transcanada Pipelines			
8.05% 17 Feb 2039	1,707	2,706	2,557
4.55 15 Nov 2041	5,168	5,425	5,173
Wells Fargo Finance Canada			
4.38 30 Jun 2015	3,225	3,409	3,402
2.77 9 Feb 2017	1,610	1,599	1,610
WTH Car Rental			
4.14 20 Mar 2015	6,817	6,944	7,001
		272,498	267,323
Total Fixed Income Investments – 98.4%		820,005	806,221
Variable Rate Securities – 0.6%			
Toronto-Dominion Bank S&P/TSX 60 Index Linked Note			
26 Oct 2012	5,000	4,966	5,000
		4,966	5,000
Plan Investments – 99.0%		824,971	811,221
Cash and Short-term Investments – 1.0%		9,043	9,043
Total Portfolio Assets – 100.0%		834,014	820,264
Government Grant Investments Allocation			
Plan II		441	409
Founders' Plan		40,483	39,631
Group Savings Plan		205,383	201,478
Group Savings Plan 2001		521,756	513,509
Family Savings Plan		53,159	52,474
Individual Savings Plan		3,749	3,720
		824,971	811,221
Cash and Short-term Investments Allocation			
Plan II		18	18
Founders' Plan		515	515
Group Savings Plan		2,371	2,371
Group Savings Plan 2001		5,667	5,667
Family Savings Plan		450	450
Individual Savings Plan		22	22
		9,043	9,043

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, 2012 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds			
Federal – 7.8%			
Government of Canada			
3.75% 1 Jun 2012	536	537	543
1.50 1 Dec 2012	1,045	1,049	1,054
1.75 1 Mar 2013	820	823	825
2.50 1 Jun 2013	695	706	709
3.50 1 Jun 2013	860	880	894
2.50 1 Jun 2015	565	582	575
Canada Housing Trust			
4.80 15 Jun 2012	550	552	577
2.75 15 Dec 2014	490	504	501
2.45 15 Dec 2015	340	348	348
		5,981	6,026
Provincial – 10.1%			
Province of British Columbia			
4.25 18 Jun 2014	530	560	565
4.65 18 Dec 2018	505	574	562
Province of Ontario			
5.38 2 Dec 2012	755	773	813
4.75 2 Jun 2013	165	171	177
3.25 8 Sep 2014	1,825	1,892	1,889
4.40 8 Mar 2016	800	871	872
3.20 8 Sep 2016	420	440	444
Province of Quebec			
6.00 1 Oct 2012	425	433	454
5.50 1 Dec 2014	955	1,045	1,052
4.50 1 Dec 2016	410	453	458
4.50 1 Dec 2020	395	442	421
		7,654	7,709
Corporate – 37.1%			
Bank of Montreal			
5.18 6 Oct 2015	1,265	1,375	1,381
2.96 2 Aug 2016	80	81	82
3.10 10 Mar 2016	550	562	563
Bank of Nova Scotia			
2.74 1 Dec 2016	595	598	598
6.28 30 Jun 2053	2,015	2,107	2,151
BMW Canada			
2.88 8 Sep 2016	350	350	350
Caisse Centrale Desjardins			
3.11 4 Dec 2014	1,112	1,139	1,136
Canadian Imperial Bank of Commerce			
3.15 2 Nov 2020	2,490	2,515	2,500

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 37.1% (continued)			
Cards II Trust			
3.10% 15 Sep 2015	641	658	655
GE Capital Canada			
5.28 22 Oct 2014	1,392	1,490	1,487
5.10 1 Jun 2016	965	1,048	1,040
Honda Canada Finance Inc.			
5.08 9 May 2013	333	343	348
5.61 12 Sep 2013	578	605	619
HSBC Canada			
2.90 13 Jan 2017	660	664	662
5.15 30 Jun 2049	1,563	1,652	1,672
Hydro One Inc.			
5.18 18 Oct 2017	400	454	459
Merrill Lynch Financial Assets			
4.82 12 Feb 2015	280	294	298
National Bank Canada			
2.23 30 Jan 2015	375	375	375
3.58 26 Apr 2016	690	716	721
3.26 4 Nov 2022	330	330	330
Master Credit Card Trust			
2.63 21 Jan 2017	226	226	226
RBC Capital Trust			
4.87 31 Dec 2049	1,043	1,113	1,109
5.81 31 Dec 2053	1,175	1,240	1,263
Real Estate Asset Liquidity Series Class A			
4.61 12 Nov 2016	700	751	756
Royal Bank of Canada			
3.18 2 Nov 2020	154	156	155
Score Trust			
4.95 20 Feb 2014	1,799	1,881	1,908
TD Capital Trust			
6.79 31 Dec 2049	585	603	622
Toronto Dominion Bank			
3.37 2 Nov 2020	1,860	1,893	1,884
Toyota Credit Canada Inc.			
3.55 22 Feb 2016	383	399	396
VW Credit Canada Inc.			
3.60 1 Feb 2016	200	206	204

Canadian Scholarship Group Savings Plan

Trust Scholarship Pool (continued)

(Appendix II to Schedule I)

Statement of Investment Portfolio

As at April 30, 2012 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 37.2% (continued)			
Wells Fargo Finance Canada			
3.97% 30 Nov 2014	1,181	1,227	1,226
3.70 30 Mar 2016	985	1,020	1,010
	26,955	28,071	28,186
Total Fixed Income Investments – 55.0%		41,706	41,921
Cash and Short-term Investments – 45.0%		34,083	34,083
Total Portfolio Assets – 100.0%		75,789	76,004
Total Investments Allocation			
Group Savings Plan		35,802	35,971
Group Savings Plan 2001		5,904	5,950
		41,706	41,921
Cash and Short-term Investments Allocation			
Group Savings Plan		24,672	24,672
Group Savings Plan 2001		9,411	9,411
		34,083	34,083

Enrolment Fee Refund Entitlements

(Appendix III to Schedule I)

Statement of Investment Portfolio

As at April 30, 2012 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds			
Provincial – 1.3%			
Province of Ontario			
6.35% 15 Oct 2034	1,294	1,470	1,369
		1,470	1,369
Corporate – 37.1%			
407 International Inc.			
7.13 26 Jul 2040	1,367	1,957	1,666
Aon Finance			
4.76 8 Mar 2018	1,844	1,926	1,876
Arrow Lakes Power Corp.			
5.52 5 Apr 2041	100	114	100
BAC Canada Finance			
2.71 21 Feb 2014	2,423	2,388	2,418
BCIMC Realty Corporation			
5.65 5 Jan 2018	379	434	434
Blue Water Bridge Authority			
6.41 9 Jul 2027	1,211	1,058	1,061
British Columbia Telephone Company			
10.65 19 Jun 2021	530	805	736
Canadian Capital Auto Receivables Asset Trust			
2.63 17 Aug 2014	152	154	152
CDP Financial Inc.			
4.60 15 Jul 2020	396	439	436
Claregold Trust			
5.07 15 May 2044	453	308	309
First National Financial			
1.33 1 Mar 2015	950	531	530
GE Capital Canada			
2.10 10 Feb 2014	1,175	1,177	1,176
5.53 17 Aug 2017	88	98	88
5.73 22 Oct 2037	1,024	1,145	895
Gloucester Credit Card Trust			
5.38 15 May 2014	1,145	1,216	1,093
Great West Lifeco Inc.			
6.14 21 Mar 2018	344	399	392
Green Timbers LP			
6.84 30 Jun 2037	358	434	390
Health Montreal Collective			
6.72 30 Sep 2049	539	635	539

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 37.1% (continued)			
Health Partners Markham			
3.43% 31 Jan 2014	438	438	438
Honda Canada Financial Inc.			
1.34 23 Feb 2015	630	628	630
Leisureworld			
4.81 24 Nov 2015	1,306	1,359	1,354
Loblaw Companies			
6.00 3 Mar 2014	14	15	15
6.50 22 Jan 2029	788	905	779
5.90 18 Jan 2036	183	198	165
6.45 1 Mar 2039	31	36	30
Manufacturers Life Insurance Company			
4.17 1 Jun 2022	1,380	1,402	1,382
Manulife Financial Corp			
5.51 26 Jun 2018	730	792	736
Maritimes and Northeast Pipelines			
4.34 30 Nov 2019	2,121	2,200	2,185
Master Credit Card Trust			
2.63 21 Jan 2017	550	550	554
Merrill Lynch Financial Assets			
4.62 12 Nov 2015	179	188	153
4.98 12 Jun 2016	379	404	388
4.64 12 Oct 2016	285	212	211
4.81 12 Oct 2016	637	672	653
5.25 12 Jun 2035	73	75	70
4.48 12 Jul 2037	431	452	370
4.75 12 Jan 2040	1,100	1,166	1,173
Milit-Air Inc.			
5.75 30 Jun 2019	1,325	1,468	1,459
Molson Coors Capital Finance Company			
5.00 22 Sep 2015	742	794	804
N-45 First CMBS			
4.64 15 Dec 2019	68	11	10
5.67 15 Nov 2020	448	468	477
Northwest Connect Group			
5.95 30 Apr 2041	1,300	1,506	1,357
Ontrea Inc.			
4.62 9 Apr 2018	717	761	721
Plenary Properties Ltap LP			
3.16 13 Mar 2015	869	877	869
6.29 31 Jan 2044	321	394	359

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

Enrolment Fee Refund Entitlements (continued)

(Appendix III to Schedule I)

Statement of Investment Portfolio

As at April 30, 2012 (in thousands of dollars)

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 37.1% (continued)			
Power Corporation of Canada			
7.57% 22 Apr 2019	663	809	764
Real Estate Asset Liquidity Series Class A			
4.27 12 Mar 2037	247	37	35
Rogers Communications			
6.11 25 Aug 2040	426	470	426
Rogers Wireless Inc.			
5.38 4 Nov 2019	499	560	501
Schooner Trust			
5.19 12 May 2017	185	205	155
5.19 12 Jun 2022	28	20	17
Shaw Communications Inc.			
6.75 9 Nov 2039	2,283	2,407	2,216
SNC Lavalin Group			
6.19 3 Jul 2019	464	524	530
Strait Crossing Dev Inc.			
6.17 15 Sep 2031	451	394	403
Sun Life Financial Inc.			
4.95 1 Jun 2036	1,053	1,069	1,075
Toronto Dominion Bank			
4.75 1 Jun 2014	27	21	21
Toronto Hospital			
5.64 8 Dec 2022	686	775	767
Viking Rideau Corp.			
6.75 10 Mar 2014	200	206	212

Security	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Corporate – 37.1% (continued)			
WTH Car Rental			
4.14% 20 Mar 2015	1,570	1,599	1,581
		42,285	40,335
Total Fixed Investments – 38.4%		43,755	41,704
Pooled Equity Funds			
SRA Canadian Equity Fund	2,925	40,055	43,910
SRA US Equity Fund	2,295	15,080	16,887
SRA International Equity Fund	2,266	14,719	20,577
Total Equity – 61.2%		69,854	81,374
Total Fixed Income Investments – 99.6%		113,609	123,077
Cash and Short-term Investments – 0.4%		511	511
Total Portfolio Assets – 100.0%		114,120	123,588
Total Investments Allocation			
Group Savings Plan		50,349	54,659
Group Savings Plan 2001		63,260	68,418
		113,609	123,077
Cash and Short-term Investments Allocation			
Group Savings Plan		227	227
Group Savings Plan 2001		284	284
		511	511

Canadian Scholarship Trust Plan

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