

Canadian Scholarship Trust Family Savings Plan

Audited Financial Statements and
Management Report of Fund Performance
October 31, 2021 and 2020



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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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

Management Report of Fund Performance

Introduction

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Canadian Scholarship Trust Family Savings Plan (the “Plan”). A copy of the annual financial statements can be obtained on request, and at no cost, by visiting our website at www.cst.org, SEDAR at www.sedar.com, by calling our customer service team at 1-877-333-7377 or by writing to us by mail at 2235 Sheppard Avenue East, Suite 1600, Toronto, Ontario M2J 5B8.

The Canadian Scholarship Trust Foundation (the “Foundation”), as the Plan sponsor, and C.S.T. Consultants Inc., as the Investment Fund Manager, view corporate governance and compliance as critical to overall corporate performance and long-term investment returns, and as such we review and support the proxy voting guidelines established by our investment managers. Each investment manager’s proxy voting policy is available on request through our customer service area or by contacting us at cstplan@cst.org.

This management discussion of fund performance presents the portfolio management team’s view on the significant factors and developments during the year ended October 31, 2021, that have affected the Plan’s performance and outlook

Investment Objective and Strategy

The Plan’s investment objectives are to protect Subscribers’ principal (net “Contributions” or “Principal”) and to deliver a reasonable positive return on investments over a long-term investment horizon within prudent risk tolerances.

The Plan is invested according to a strategic mix with Principal assets invested in a combination of government fixed income securities and Canadian corporate bonds with a minimum debt rating of BBB and above. Income assets (money gained on either contributions or government grants, such as interest and capital gains) are invested in U.S., Canadian, International, real estate, and infrastructure ETFs.

The Plan’s Canadian government fixed income securities are passively managed by TD Asset Management Inc. (“TDAM”) according to pre-specified duration targets. Corporate bond debt securities are actively managed by Fiera Capital Corporation. The active fixed income portfolios focus on strategies where value can be added on a sustainable basis and may rely upon sector allocation, credit research, and duration management, dependent upon the managers’ expertise and mandate.

The Plan’s equity assets are managed by BlackRock Asset Management Canada Limited. These assets are allocated to ETFs traded on Canadian or U.S. exchanges that replicate the performance of various equity indices including the S&P/TSX Capped Composite Index, S&P US Total Market Index, S&P 500 Total Return Index, MSCI EAFE IMI Index, and MSCI Emerging Markets Index. Global real estate and infrastructure ETFs are managed by BlackRock and designed to replicate the performance of their specific benchmark index.

A portion of the Plan’s assets are managed by C.S.T. Asset Management Inc. in a combination of the above listed asset classes

with the intent of maintaining the broader Plan asset mix and liquidity requirements.

Risk

The risks associated with investing in the Plan remain as described in the prospectus. There were no material changes to the Plan during the year that affected the overall level of risk associated with an investment in the Plan.

Results of Operation

Plan Performance

During the year, the Plan’s rate of return, net of fees, was 6.9% compared to the investment policy benchmark (the “Benchmark”) return of 9.4%. In comparison, the following Broad-based indices, the FTSE Canada Short-Term Government Bond Index generated a return of -1.5%, and the S&P/TSX Capped Composite Index gained 38.8% over the identical time period. The Plan’s return is after the deduction of fees and expenses of 1.2%, while the Benchmark and Broad-based Indices returns do not include any costs of investing, such as fees, expenses and commissions.

The Plan’s rate of return, before fees and expenses, underperformed the Benchmark rate over the one-year period. Despite providing strong absolute returns and enhanced diversification, the Plans’ allocation to U.S. and International equities underperformed relative to the Canadian equity component of the investment policy benchmark.

Economic Review

Canadian and world economies rebounded sharply from the severe downturns experienced with the onset of the COVID-19 pandemic. The second half of 2021 experienced improved economic activity and central banks in several advanced economies announced their intention to reduce monetary stimulus

introduced during the prior year. Increased inflationary pressures arose during the latter half of the year due to supply disruptions, increased global demand, and rising energy prices. Despite improvement in employment levels and consumer demand, market risk volatility measures remain at elevated levels.

The Canadian economy expanded for three straight quarters before contracting in Q2 2021. The Bank of Canada maintained the overnight lending rate at 0.25% and announced in October plans to exit the prior years' accommodative policies. The unemployment rate declined for the fourth consecutive month in September, falling to 6.9%, the lowest rate since the onset of the pandemic. The Canadian dollar strengthened relative to the US dollar amidst increased export demand. Inflation levels increased throughout the year with the Canadian Consumer Price Index reaching 4.1% in September and expected by the Bank of Canada to remain at elevated levels throughout 2022.

The increased pace of economic recovery in combination with rising inflation contributed to a substantial increase in yields, ultimately resulting in negative Canadian fixed income returns. In this environment, the FTSE Canada Universe Bond Index declined by 3.6%, with longer dated maturities such as the FTSE Canada Long Term Bond Index falling by 6.8% over the same period. Canadian corporate bonds fared better as spreads over government bonds narrowed, resulting in a return of -0.9%. The Bank of Canada's announcement to reduce quantitative easing triggered a jump in short-term yields resulting in the FTSE Canadian Short-Term Bond Index falling 1.0% for the year.

Equity returns were extremely resilient with double digit gains experienced across a wide variety of global regions. Energy and financial stocks were amongst the best performing sectors. The Canadian equity market (as represented by the S&P/TSX Capped Composite) led most major markets with a return of 38.3%. U.S. large cap equities (as represented by the S&P 500) posted an annual gain of 32.3% (in Canadian dollar terms). Developed International equity markets also benefitted as reflected by the MSCI EAFE IMI Index gaining 25.0%. Despite being in negative territory for the second half of the fiscal year, the MSCI Emerging Markets IMI Index was up 11.3% over 2021.

Portfolio Manager Changes

On March 16, 2021, the Plan added C.S.T. Asset Management Inc. as portfolio manager for a portion of the Plan's assets with a mandate of maintaining the broader Plan asset mix and liquidity requirements.

On June 29, 2021, the active Canadian equity mandate managed by Fiera Capital Corporation was terminated with assets transitioned to BlackRock Asset Management Canada Limited.

Recent Developments and Other Information

We believe that our investment strategy and conservative management approach will continue to provide value over the long-term horizon of the Plan. Our goal, as always, is to provide safety of principal and deliver a reasonable return within our investment policy guidelines and risk tolerances for our subscribers and beneficiaries.

Financial and Operating Highlights (with comparative figures)

The following table shows selected financial information about the Plan and is intended to help you understand the Plan's financial performance for each of the past five fiscal years. This information is derived from the Plan's audited annual financial statements.

(\$ thousands)	2021	2020	2019	2018	2017
Statements of Financial Position					
Total Assets	\$497,795	\$440,941	\$398,595	\$343,231	\$320,836
Net Assets	493,919	439,349	396,549	339,553	317,663
% Change of Net Assets Attributable to Subscribers and Beneficiaries	12.4%	10.8%	16.8%	6.9%	8.2%
Statements of Comprehensive Income					
Net Investment Income	\$ 27,970	\$ 14,455	\$ 31,899	\$ 1,669	\$ 4,347
Statements of Changes in Net Assets					
Education Assistance Payments	\$ (18,876)	\$ (13,755)	\$ (12,908)	\$ (11,445)	\$ (12,992)
Government Grants Repaid (net of receipts)	479	180	(816)	(783)	(381)
Government Grant payments to Beneficiaries	(15,462)	(11,513)	(11,477)	(10,180)	(5,919)
Other					
Total number of Agreements	74,305	70,786	67,054	64,092	61,082
% Change in the total number of Agreements	5.0%	5.6%	4.6%	4.9%	5.3%

Management Fees

Administration Fees

An administration fee of \$5,210 thousand (2020 – \$4,621 thousand) comprising Plan administration and processing fees and financial reporting expenses was paid to the Foundation, the sponsor and administrator of the Plan, in accordance with subscribers' Education Savings Plan Agreements. The administration of the Plan includes processing and call centre services related to new agreements, Government grants, plan modifications, terminations, maturities, and Education Assistance Payments ("EAPs"). The annual administration fee is calculated as 1.0% of the total amount of net Contributions, Government Grants and income earned on these amounts, subject to applicable taxes, and is paid monthly.

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

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

Portfolio Management Fees

The Plan's annual investment management fee was 0.08%, including taxes, (2020 – 0.08%) of the average market value of assets based on the Investment Management Agreements with portfolio managers. The portfolio managers provide investment advisory and discretionary managed account services with respect to purchasing, selling, and dealing in securities.

Trustee and Custodian Fees

The Plan pays trustee and custodian fees to RBC Investor Services Trust to settle all investment trades and disburse fees, EAPs and other amounts in accordance with the terms of the Plan Agreement. For 2021 these fees charged to the Plan amounted to \$174 thousand (2020 – \$148 thousand) and were 0.04% including taxes (2020 – 0.04%) of the average market value of assets.

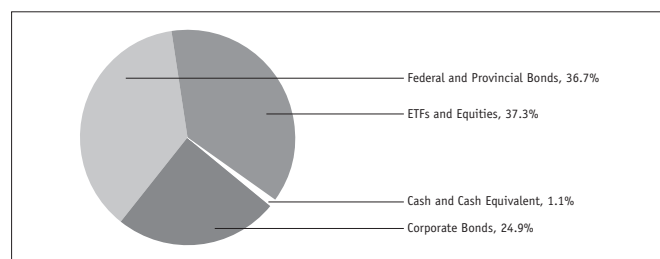
Summary of Plan Investment Fund

Beginning this year, the Plan's Total Investment Fund comprises the Principal, Government Grants and Income for all education savings plan agreements that have not been paid out to beneficiaries and/or withdrawn by subscribers. In previous years, the Plan's Total Investment Fund did not include Government Grant assets.

The Plan's Total Investment Fund as presented and as defined in this report, reflects the Principal, Government Grant, and Income assets.

The following chart illustrates the Plan's Total Investment Fund by investment categories.

Asset Mix as at October 31, 2021



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

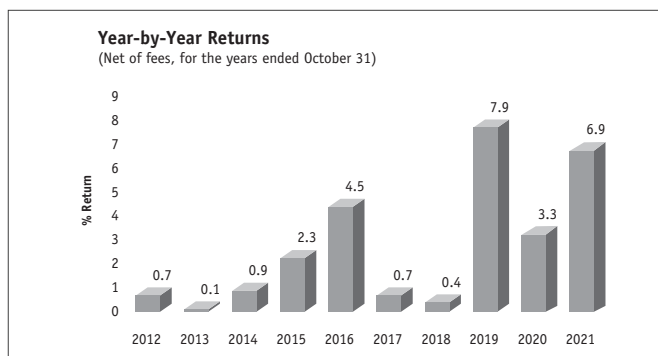
Issuer			Fair Value (\$ 000's)	% of Plan Portfolio Assets
iShares Core S&P U.S. ETF			66,180	13.4%
iShares Core MSCI EAFE IMI Index ETF			37,801	7.6%
iShares Core S&P 500 Index ETF			27,002	5.5%
iShares Core MSCI Emerging Markets IMI Index ETF			15,961	3.2%
BMO S&P 500 Index ETF			13,832	2.8%
Province of Ontario	2.60%	2 Jun 2025	10,149	2.1%
iShares Global Real Estate Index ETF			10,117	2.0%
iShares Global Infrastructure Index ETF			10,083	2.0%
Province of Ontario	3.50%	2 Jun 2024	9,038	1.8%
Government of Canada	0.50%	1 Dec 2030	8,328	1.7%
Province of Ontario	2.85%	2 Jun 2023	8,327	1.7%
Province of Ontario	1.75%	8 Sep 2025	6,998	1.4%
Province of Québec	2.75%	1 Sep 2025	5,998	1.2%
Province of Québec	3.00%	1 Sep 2023	5,558	1.1%
Province of Québec	3.75%	1 Sep 2024	5,484	1.1%
Province of Ontario	2.40%	2 Jun 2026	5,244	1.1%
Province of Québec	3.50%	1 Dec 2022	5,236	1.1%
Province of Québec	2.50%	1 Sep 2026	4,217	0.9%
Province of Ontario	2.60%	8 Sep 2023	3,886	0.8%
Vanguard FTSE Emerging Markets All Cap Index ETF			3,747	0.8%
Bank of Montreal	2.70%	11 Sep 2024	3,613	0.7%
Canada Housing Trust	1.80%	15 Dec 2024	3,420	0.7%
Province of Manitoba	2.45%	2 Jun 2025	3,399	0.7%
Government of Canada	1.25%	1 Jun 2030	3,369	0.7%
Canada Housing Trust	1.95%	15 Dec 2025	3,333	0.7%
Top 25 long positions as a percentage of Total Portfolio Asset of the Plan				56.8%

Past Performance

The returns presented in the following chart and the annual compound returns table are based on the investment performance of the Plan's Total Investment Fund only. Investment returns have been calculated using market values and time-weighted cash flows during the periods. Total expenses incurred by the Plan, including administration, portfolio management, custody and trustee fees, and Independent Review Committee expenses have been deducted and only net returns are displayed in each period. Past returns of the Plan do not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The following bar chart illustrates the annual performance in each of the past ten years to October 31, 2021 of the Plan's Total Investment Fund. The chart illustrates in percentage terms how much an investment in the Plan's Total Investment Fund, made on the first day of each financial year, would have increased or decreased by the last day of each financial year:



Annual Compound Returns

With the implementation of the updated investment strategy in fiscal 2019, the Plan's investment benchmark was changed effective October 1, 2019 to 70% FTSE Canada Short-Term Government Bond Index + 30% S&P/TSX Capped Composite Index. The FTSE Canada Short-Term Government Bond Index is a broad measure of Canadian investment grade fixed income securities, issued by the Government of Canada, including Crown Corporations and provincial governments, with maturities between 1 and 5 years. The S&P/TSX Capped Composite Index reflects price movements of selected securities listed on the Toronto Stock Exchange and weighted by market capitalization, with a capped weight of 10% on all of the constituents.

The following table illustrates the annual compound returns of the Plan's Total Portfolio for the periods shown ending on October 31, 2021.

	Period			
	1Yr	3Yr	5Yr	10Yr
Net Plan Return*	6.9	6.0	3.8	2.8
Benchmark	9.4	7.1	4.8	3.8
FTSE Canada Short-Term Government Bond	(1.5)	2.4	1.3	1.6
S&P/TSX Capped Composite	38.8	15.4	10.6	8.8

* Plan returns are after the deduction of fees and expenses, while the Benchmarks and Broad-based Index returns do not include any costs of investing such as fees, expenses and commissions. The Plan's fees and expenses were 1.2% for all periods.

For commentary on the market and/or information regarding the relative performance of the Plan compared to its Broad-based Index and Benchmark, see the Results of Operations section of this report.

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Canadian Scholarship Trust Family Savings Plan (the "Plan") are prepared by management and are approved by the Board of Directors (the "Board") of Canadian Scholarship Trust Foundation (the "Foundation"). Management is responsible for the information and representations contained in these financial statements. The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities.

The Foundation, through C.S.T. Consultants Inc., a wholly-owned subsidiary which administers the Plan, maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies, which management believes are appropriate for the Plan, are described in Note 2 to the financial statements.

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



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

Toronto, Ontario
December 16, 2021



Christopher Ferris, CPA, CGA, CFA
Chief Financial Officer

Independent Auditor's Report

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

Opinion

We have audited the financial statements of Canadian Scholarship Trust Family Savings Plan (the "Plan"), which comprise the statements of financial position as October 31, 2021 and 2020, and the statements of comprehensive income, changes in net assets attributable to subscribers and beneficiaries, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at October 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Plan's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
December 16, 2021

Statements of Financial Position

As at October 31, 2021 and 2020

(thousands of Canadian dollars)

	2021	2020
Assets		
Cash and cash equivalents	\$ 5,616	\$ 821
Investments, at fair value <i>(Note 4 and Schedule I)</i>	489,028	437,052
Accrued income and other receivables	2,849	2,787
Government grants receivable	302	281
	497,795	440,941
Liabilities		
Accounts payable and accrued liabilities	3,876	1,592
	3,876	1,592
Net Assets Attributable to Subscribers and Beneficiaries	493,919	439,349
Represented by:		
Non-Discretionary Funds		
Accumulated income held for future education assistance payments	119,264	95,697
Subscribers' deposits <i>(Schedule II)</i>	212,379	200,787
Government grants	100,587	91,479
Income on Government grants	61,689	51,386
	\$493,919	\$439,349

Approved on behalf of the Board of Canadian Scholarship Trust Foundation.



Douglas P. McPhie, FCPA, FCA
Director



Sherry J. MacDonald, CPA, CA
Director

Statements of Comprehensive Income

For the years ended October 31, 2021 and 2020

(thousands of Canadian dollars)

	2021	2020
Income		
Interest	\$ 7,808	\$ 7,993
Realized gains on sale of investments	7,896	3,813
Change in unrealized gains (losses)	15,162	4,890
Dividends	2,846	2,889
	33,712	19,585
Expenses		
Administration fees (Note 3 (a))	5,210	4,621
Portfolio management fees	352	355
Custodian and Trustee fees	174	148
Independent Review Committee fees	6	6
	5,742	5,130
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$27,970	\$14,455

Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries

For the years ended October 31, 2021 and 2020

(thousands of Canadian dollars)

	2021	2020
Net Assets Attributable to Subscribers and Beneficiaries, Beginning of Year	\$439,349	\$396,549
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	27,970	14,455
Transfers from internal and external plans	49,553	40,749
	77,523	55,204
Receipts		
Net increase in Subscribers' deposits (Schedule II)	11,592	13,274
Government grants received (net of repayments)	479	180
Disbursements		
Payments to beneficiaries		
Education assistance payments	(18,876)	(13,755)
Government grants	(15,462)	(11,513)
Return of income	(686)	(590)
Total payments to beneficiaries	(35,024)	(25,858)
Receipts less Disbursements	(22,953)	(12,404)
Change in Net Assets Attributable to Subscribers and Beneficiaries	54,570	42,800
Net Assets Attributable to Subscribers and Beneficiaries, End of Year	\$493,919	\$439,349

Statements of Cash Flows

For the years ended October 31, 2021 and 2020

(thousands of Canadian dollars)

	2021	2020
Operating Activities		
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$ 27,970	\$ 14,455
Items not affecting cash		
Realized gains on sale of investments	(7,896)	(3,813)
Change in unrealized (gains) losses	(15,162)	(4,890)
Change in non-cash operating capital		
(Increase) decrease in Accrued income and other receivables	(62)	(444)
(Increase) decrease in Government grants receivable	(21)	(38)
Increase (decrease) in Accounts payable and accrued liabilities	2,284	(402)
Purchase of investments	(339,924)	(240,441)
Proceeds from sale and maturities of investments	311,006	205,881
Cash flows from (used in) Operating Activities	(21,805)	(29,692)
Financing Activities		
Transfers from internal and external plans	49,553	41,194
Net increase in Subscribers' deposits <i>(Schedule II)</i>	11,592	13,274
Net Government grants received (repaid)	479	180
Payments to beneficiaries	(35,024)	(26,303)
Cash flows from Financing Activities	26,600	28,345
Net increase (decrease) in Cash and cash equivalents	4,795	(1,347)
Cash and cash equivalents, Beginning of Year	821	2,168
Cash and cash equivalents, End of Year	5,616	821
Supplemental cash flow information:		
Interest Received	\$ 7,746	\$ 7,857

Schedule I – Statement of Investment Portfolio

As at October 31, 2021

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds						Bonds (continued)					
Federal – 9.8%						Federal – 9.8% (continued)					
Canada Housing Trust	1.15	15 Dec 2021	1,490	1,492	1,494	Government of Canada	2.75	1 Dec 2064	50	59	57
Canada Housing Trust	1.75	15 Jun 2022	830	836	842						
Canada Housing Trust	2.40	15 Dec 2022	303	308	306					48,296	49,297
Canada Housing Trust	2.35	15 Jun 2023	1,401	1,431	1,450						
Canada Housing Trust	2.35	15 Sep 2023	231	236	244	Provincial – 26.9%					
Canada Housing Trust	3.15	15 Sep 2023	980	1,017	1,039	Province of Alberta	2.55	15 Dec 2022	1,240	1,264	1,273
Canada Housing Trust	2.55	15 Dec 2023	287	295	287	Province of Alberta	2.65	1 Sep 2023	788	810	812
Canada Housing Trust	2.90	15 Jun 2024	112	116	117	Province of Alberta	3.10	1 Jun 2024	1,850	1,931	1,976
Canada Housing Trust	1.80	15 Dec 2024	3,386	3,420	3,500	Province of Alberta	2.35	1 Jun 2025	2,700	2,773	2,869
Canada Housing Trust	2.55	15 Mar 2025	3,075	3,179	3,259	Province of Alberta	2.20	1 Jun 2026	2,550	2,599	2,659
Canada Housing Trust	0.95	15 Jun 2025	328	321	330	Province of Alberta	2.55	1 Jun 2027	152	157	166
Canada Housing Trust	2.25	15 Dec 2025	3,200	3,279	3,355	Province of Alberta	2.90	1 Dec 2028	110	116	112
Canada Housing Trust	1.95	15 Dec 2025	3,290	3,333	3,413	Province of Alberta	2.90	20 Sep 2029	100	105	99
Canada Housing Trust	1.25	15 Jun 2026	312	306	312	Province of Alberta	2.05	1 Jun 2030	514	506	519
Canada Housing Trust	1.10	15 Dec 2026	183	177	183	Province of Alberta	1.65	1 Jun 2031	228	215	221
Canada Housing Trust	2.35	15 Mar 2028	202	208	197	Province of Alberta	3.45	1 Dec 2043	205	226	215
Canada Housing Trust	2.65	15 Mar 2028	112	117	111	Province of Alberta	3.30	1 Dec 2046	275	297	296
Canada Housing Trust	2.65	15 Dec 2028	174	182	174	Province of Alberta	3.05	1 Dec 2048	131	136	129
Canada Housing Trust	2.10	15 Sep 2029	186	188	191	Province of Alberta	3.10	1 Jun 2050	624	656	663
Canada Housing Trust	1.75	15 Jun 2030	483	472	491	Province of Alberta	2.95	1 Jun 2052	123	126	126
Canada Housing Trust	1.90	15 Mar 2031	125	123	124	Province of British Columbia	2.70	18 Dec 2022	1,650	1,685	1,708
Canada Housing Trust	1.40	15 Mar 2031	105	99	105	Province of British Columbia	3.30	18 Dec 2023	1,225	1,279	1,278
Canada Housing Trust	1.10	15 Mar 2031	87	80	87	Province of British Columbia	2.85	18 Jun 2025	2,717	2,844	2,947
Canada Housing Trust	1.60	15 Dec 2031	139	132	139	Province of British Columbia	2.30	18 Jun 2026	900	924	946
Government of Canada	0.25	1 Nov 2022	1,175	1,169	1,175	Province of British Columbia	2.55	18 Jun 2027	222	230	242
Government of Canada	0.25	1 Feb 2023	250	248	250	Province of British Columbia	2.95	18 Dec 2028	107	114	111
Government of Canada	1.75	1 Mar 2023	259	262	268	Province of British Columbia	5.70	18 Jun 2029	175	219	230
Government of Canada	0.25	1 May 2023	200	198	200	Province of British Columbia	2.20	18 Jun 2030	256	257	263
Government of Canada	1.50	1 Jun 2023	180	182	185	Province of British Columbia	1.55	18 Jun 2031	247	232	236
Government of Canada	0.25	1 Aug 2023	225	222	224	Province of British Columbia	4.70	18 Jun 2037	50	64	63
Government of Canada	2.00	1 Sep 2023	439	447	451	Province of British Columbia	4.30	18 Jun 2042	175	220	210
Government of Canada	2.25	1 Mar 2024	51	52	53	Province of British Columbia	3.20	18 Jun 2044	350	379	361
Government of Canada	0.25	1 Apr 2024	350	343	348	Province of British Columbia	2.80	18 Jun 2048	75	76	76
Government of Canada	2.50	1 Jun 2024	150	155	159	Province of British Columbia	2.95	18 Jun 2050	420	441	451
Government of Canada	1.50	1 Sep 2024	89	90	92	Province of British Columbia	2.75	18 Jun 2052	123	124	126
Government of Canada	1.25	1 Mar 2025	85	85	88	Province of Manitoba	2.55	2 Jun 2023	2,003	2,050	2,014
Government of Canada	0.50	1 Sep 2025	573	554	571	Province of Manitoba	2.45	2 Jun 2025	3,300	3,399	3,512
Government of Canada	0.25	1 Mar 2026	248	236	240	Province of Manitoba	2.55	2 Jun 2026	1,100	1,138	1,165
Government of Canada	1.50	1 Jun 2026	125	125	128	Province of Manitoba	3.00	2 Jun 2028	146	155	159
Government of Canada	1.00	1 Sep 2026	2,203	2,152	2,183	Province of Manitoba	2.75	2 Jun 2029	110	115	114
Government of Canada	1.25	1 Mar 2027	75	74	75	Province of Manitoba	2.05	2 Jun 2030	55	54	57
Government of Canada	1.00	1 Jun 2027	446	433	445	Province of Manitoba	2.05	2 Jun 2031	117	114	118
Government of Canada	2.00	1 Jun 2028	62	64	67	Province of Manitoba	5.70	5 Mar 2037	100	138	139
Government of Canada	2.25	1 Jun 2029	3,118	3,262	3,345	Province of Manitoba	4.10	5 Mar 2041	100	120	120
Government of Canada	1.25	1 Jun 2030	3,483	3,369	3,429	Province of Manitoba	4.05	5 Sep 2045	200	242	237
Government of Canada	0.50	1 Dec 2030	9,263	8,328	8,436	Province of Manitoba	3.40	5 Sep 2048	100	111	107
Government of Canada	1.50	1 Jun 2031	3,001	2,941	3,065	Province of Manitoba	3.20	5 Mar 2050	86	92	88
Government of Canada	5.75	1 Jun 2033	150	211	243	Province of Manitoba	2.05	5 Sep 2052	107	90	97
Government of Canada	5.00	1 Jun 2037	125	177	185	Province of New Brunswick	2.85	2 Jun 2023	1,050	1,079	1,091
Government of Canada	4.00	1 Jun 2041	125	166	178	Province of New Brunswick	1.80	14 Aug 2025	772	776	799
Government of Canada	3.50	1 Dec 2045	175	225	243	Province of New Brunswick	2.60	14 Aug 2026	31	32	33
Government of Canada	2.75	1 Dec 2048	144	166	194	Province of New Brunswick	3.10	14 Aug 2028	20	21	21
Government of Canada	2.00	1 Dec 2051	747	744	752	Province of New Brunswick	4.80	3 Jun 2041	375	487	459
Government of Canada	1.75	1 Dec 2053	225	210	218	Province of New Brunswick	3.10	14 Aug 2048	118	123	121
						Province of New Brunswick	3.05	14 Aug 2050	31	32	33

Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2021

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)						Bonds (continued)					
Provincial – 26.9% (continued)						Provincial – 26.9% (continued)					
Province of Newfoundland and Labrador	2.30	2 Jun 2025	800	818	839	Province of Prince Edward Island	1.20	11 Feb 2028	8	8	8
Province of Newfoundland and Labrador	3.00	2 Jun 2026	725	761	775	Province of Prince Edward Island	1.85	27 Jul 2031	11	10	11
Province of Newfoundland and Labrador	1.25	2 Jun 2027	25	24	25	Province of Prince Edward Island	2.65	1 Dec 2051	7	7	7
Province of Newfoundland and Labrador	2.85	2 Jun 2028	33	34	32	Province of Québec	3.50	1 Dec 2022	5,090	5,236	5,374
Province of Newfoundland and Labrador	2.85	2 Jun 2029	51	53	52	Province of Québec	3.00	1 Sep 2023	5,375	5,558	5,597
Province of Newfoundland and Labrador	1.75	2 Jun 2030	59	56	58	Province of Québec	3.75	1 Sep 2024	5,145	5,484	5,670
Province of Newfoundland and Labrador	2.05	2 Jun 2031	35	34	35	Province of Québec	2.75	1 Sep 2025	5,750	5,998	6,233
Province of Newfoundland and Labrador	3.70	17 Oct 2048	20	22	21	Province of Québec	8.50	1 Apr 2026	900	1,157	1,206
Province of Newfoundland and Labrador	2.65	17 Oct 2050	322	292	307	Province of Québec	2.50	1 Sep 2026	4,075	4,217	4,327
Province of Newfoundland and Labrador	3.15	2 Dec 2052	33	33	33	Province of Québec	2.75	1 Sep 2027	275	288	274
Province of Nova Scotia	1.00	17 Apr 2023	500	500	504	Province of Québec	2.75	1 Sep 2028	323	338	336
Province of Nova Scotia	2.10	1 Jun 2027	675	682	699	Province of Québec	2.30	1 Sep 2029	297	301	302
Province of Nova Scotia	1.10	1 Jun 2028	25	24	25	Province of Québec	1.90	1 Sep 2030	626	612	640
Province of Nova Scotia	2.00	1 Sep 2030	88	86	89	Province of Québec	1.50	1 Sep 2031	529	493	510
Province of Nova Scotia	3.15	1 Dec 2051	292	312	328	Province of Québec	6.25	1 Jun 2032	200	272	275
Province of Ontario	1.95	27 Jan 2023	1,000	1,013	1,029	Province of Québec	5.75	1 Dec 2036	350	489	507
Province of Ontario	2.85	2 Jun 2023	8,100	8,327	8,349	Province of Québec	5.00	1 Dec 2041	350	475	476
Province of Ontario	2.60	8 Sep 2023	3,786	3,886	3,898	Province of Québec	4.25	1 Dec 2043	400	502	475
Province of Ontario	3.50	2 Jun 2024	8,575	9,038	9,258	Province of Québec	3.50	1 Dec 2045	425	482	453
Province of Ontario	2.30	8 Sep 2024	2,179	2,233	2,241	Province of Québec	3.50	1 Dec 2048	474	543	538
Province of Ontario	2.65	5 Feb 2025	2,000	2,074	2,144	Province of Québec	3.10	1 Dec 2051	408	440	470
Province of Ontario	2.60	2 Jun 2025	9,800	10,149	10,481	Province of Québec	2.85	1 Dec 2053	287	295	297
Province of Ontario	1.75	8 Sep 2025	6,967	6,998	7,229	Province of Saskatchewan	3.20	3 Jun 2024	725	759	773
Province of Ontario	2.40	2 Jun 2026	5,100	5,244	5,374	Province of Saskatchewan	0.80	2 Sep 2025	967	937	959
Province of Ontario	1.35	8 Sep 2026	101	99	101	Province of Saskatchewan	2.55	2 Jun 2026	500	517	531
Province of Ontario	2.60	2 Jun 2027	839	870	881	Province of Saskatchewan	3.05	2 Dec 2028	113	120	115
Province of Ontario	1.05	8 Sep 2027	110	105	110	Province of Saskatchewan	2.20	2 Jun 2030	57	57	59
Province of Ontario	2.90	2 Jun 2028	973	1,027	1,054	Province of Saskatchewan	2.15	2 Jun 2031	99	98	100
Province of Ontario	6.50	8 Mar 2029	200	259	266	Province of Saskatchewan	5.80	5 Sep 2033	125	167	166
Province of Ontario	2.70	2 Jun 2029	507	528	530	Province of Saskatchewan	4.75	1 Jun 2040	200	258	259
Province of Ontario	2.05	2 Jun 2030	754	745	786	Province of Saskatchewan	2.75	2 Dec 2046	250	246	231
Province of Ontario	1.35	2 Dec 2030	377	349	361	Province of Saskatchewan	3.30	2 Jun 2048	25	27	25
Province of Ontario	2.15	2 Jun 2031	900	888	906	Province of Saskatchewan	3.10	2 Jun 2050	138	146	149
Province of Ontario	2.25	2 Dec 2031	125	124	125	Province of Saskatchewan	2.80	2 Dec 2052	46	46	47
Province of Ontario	5.85	8 Mar 2033	150	200	203	Province of Saskatchewan	2.95	2 Jun 2058	23	24	22
Province of Ontario	5.60	2 Jun 2035	900	1,213	1,237					132,975	135,479
Province of Ontario	4.70	2 Jun 2037	575	727	709	Corporate – 24.9%					
Province of Ontario	4.60	2 Jun 2039	550	696	645	407 International Inc.	6.47	27 Jul 2029	500	630	652
Province of Ontario	4.65	2 Jun 2041	225	290	276	407 International Inc.	3.65	8 Sep 2044	300	312	350
Province of Ontario	3.45	2 Jun 2045	575	641	606	407 International Inc.	3.72	11 May 2048	226	239	263
Province of Ontario	2.90	2 Dec 2046	675	689	674	Access Justice Durham Ltd.	5.02	31 Aug 2039	165	192	207
Province of Ontario	2.80	2 Jun 2048	425	427	410	Aéroports de Montréal	6.95	16 Apr 2032	208	257	266
Province of Ontario	2.90	2 Jun 2049	570	583	547	Aéroports de Montréal	5.67	16 Oct 2037	157	206	223
Province of Ontario	2.65	2 Dec 2050	994	970	1,031	Alimentation Couche-Tard Inc.	3.06	26 Jul 2024	448	462	479
Province of Ontario	1.90	2 Dec 2051	784	646	675	Allied Properties REIT	3.11	8 Apr 2027	192	196	193
Province of Ontario	2.55	2 Dec 2052	237	226	232	Allied Properties REIT	3.13	15 May 2028	154	156	155
						Allied Properties REIT	3.12	21 Feb 2030	259	257	259
						AltaGas Ltd.	2.16	10 Jun 2025	270	270	271
						AltaGas Ltd.	2.48	30 Nov 2030	354	335	352
						AltaGas Ltd.	4.99	4 Oct 2047	222	247	276

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

Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2021

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)						Bonds (continued)					
Corporate – 24.9% (continued)						Corporate – 24.9% (continued)					
AltaLink, LP	5.38	26 Mar 2040	784	1,011	1,072	Choice Properties REIT	4.90	5 Jul 2023	484	507	527
Bank of America	3.30	24 Apr 2024	3,058	3,143	3,163	Choice Properties REIT	3.56	9 Sep 2024	255	266	258
Bank of America	1.98	15 Sep 2027	126	124	126	Choice Properties REIT	3.53	11 Jun 2029	88	92	96
Bank of Montreal	2.85	6 Mar 2024	483	497	506	Choice Properties REIT	2.98	4 Mar 2030	531	529	547
Bank of Montreal	2.70	11 Sep 2024	3,500	3,613	3,701	Classic RMBS Trust	1.53	15 Sep 2026	231	230	231
Bank of Montreal	2.37	3 Feb 2025	493	501	494	Classic RMBS Trust	1.43	15 Nov 2051	281	198	199
Bank of Montreal	2.88	17 Sep 2029	2,016	2,065	2,038	Clover LP	4.22	31 Mar 2034	101	107	110
Bank of Montreal	2.08	17 Jun 2030	400	399	401	Clover LP	4.22	30 Jun 2034	65	69	71
Bank of Nova Scotia	2.29	28 Jun 2024	1,500	1,531	1,565	Coast Capital Savings Credit Union	5.00	3 May 2028	444	464	470
Bank of Nova Scotia	2.49	23 Sep 2024	2,500	2,551	2,614	Coast Capital Savings Credit Union	5.25	29 Oct 2030	77	84	85
Bank of Nova Scotia	1.85	2 Nov 2026	591	580	591	Concentra Bank	1.46	17 May 2024	163	161	163
Bank of Nova Scotia	3.89	18 Jan 2029	628	656	660	Co-operators Financial Services	3.33	13 May 2030	304	302	310
Bank of Nova Scotia	2.84	3 Jul 2029	3,040	3,110	3,085	Crombie Real Estate Investment Trust	2.69	31 Mar 2028	571	562	582
Bank of Nova Scotia	5.65	31 Dec 2056	37	49	45	CT REIT	2.37	6 Jan 2031	346	325	343
Bell Canada	3.35	22 Mar 2023	328	335	346	CU Inc.	4.54	24 Oct 2041	218	256	269
Bell Canada	4.70	11 Sep 2023	200	210	220	CU Inc.	4.72	9 Sep 2043	1,154	1,394	1,476
Bell Canada	2.90	10 Sep 2029	269	272	280	CU Inc.	2.96	7 Sep 2049	216	201	219
Bell Canada	2.50	14 May 2030	342	332	341	Daimler Canada Finance Inc.	2.54	21 Aug 2023	361	367	361
Bell Canada	6.10	16 Mar 2035	100	125	137	Daimler Canada Finance Inc.	2.97	13 Mar 2024	1,129	1,161	1,168
Bell Canada	4.75	29 Sep 2044	213	236	272	Eagle Credit Card Trust	1.27	17 Jul 2025	83	81	83
Bell Canada	4.35	18 Dec 2045	56	59	61	Enbridge Inc.	2.44	2 Jun 2025	164	166	165
Bell Canada	4.45	27 Feb 2047	125	133	151	Enbridge Inc.	2.99	3 Oct 2029	299	301	300
Bell Canada	3.50	30 Sep 2050	782	714	802	Enbridge Inc.	3.10	21 Sep 2033	390	380	389
BMW Canada Auto Trust	0.76	20 Apr 2024	54	53	54	Enbridge Inc.	5.75	2 Sep 2039	255	305	320
Brookfield Renewable Partners LP	4.25	15 Jan 2029	414	455	481	Enbridge Inc.	4.57	11 Mar 2044	686	723	793
Brookfield Renewable Partners LP	3.33	13 Aug 2050	117	108	116	Enbridge Inc.	6.63	12 Apr 2078	702	790	770
Caisse Centrale Desjardins	2.42	4 Oct 2024	2,816	2,865	2,932	Enbridge Pipelines Inc.	4.55	17 Aug 2043	689	733	787
Calgary Airport Authority	3.20	7 Oct 2036	91	90	91	Enmax Corporation	3.88	18 Oct 2029	314	331	350
Calgary Airport Authority	3.34	7 Oct 2038	319	318	319	EPCOR Utilities Inc.	3.95	26 Nov 2048	467	515	578
Calloway REIT Inc.	3.99	30 May 2023	248	257	262	Federation des caisses Desjardins du Quebec	1.99	28 May 2031	365	357	365
Canadian Imperial Bank of Commerce	3.29	15 Jan 2024	1,500	1,555	1,597	First Nations ETF LP	4.14	31 Dec 2041	114	119	123
Canadian Imperial Bank of Commerce	2.35	28 Aug 2024	1,040	1,057	1,080	Ford Credit Canada Limited	1.15	15 Jun 2024	284	281	284
Canadian Imperial Bank of Commerce	1.10	19 Jan 2026	1,800	1,728	1,762	Foresters Life Insurance Company	2.89	15 Oct 2035	272	269	271
Canadian Imperial Bank of Commerce	1.70	15 Jul 2026	2,250	2,201	2,263	FortisAlberta Inc.	5.37	30 Oct 2039	926	1,179	1,241
Canadian Imperial Bank of Commerce	2.95	19 Jun 2029	272	279	275	FortisAlberta Inc.	2.63	8 Jun 2051	156	135	156
Canadian Imperial Bank of Commerce	2.01	21 Jul 2030	371	368	372	FortisBC Energy Inc.	5.90	26 Feb 2035	184	241	255
Canadian Natural Resources Limited	3.55	3 Jun 2024	1,051	1,093	1,093	General Motors Financial of Canada Ltd.	3.25	7 Nov 2023	155	159	156
Canadian Natural Resources Limited	2.50	17 Jan 2028	234	232	234	General Motors Financial of Canada Ltd.	1.70	9 Jul 2025	132	129	132
Canadian Pacific Railway Ltd.	3.05	9 Mar 2050	188	167	185	Gibson Energy Inc.	2.45	14 Jul 2025	50	50	50
Canadian Western Bank	1.57	14 Sep 2023	1,010	1,009	1,012	Gibson Energy Inc.	2.85	14 Jul 2027	60	60	60
Canadian Western Bank	1.93	16 Apr 2026	420	413	420	Gibson Energy Inc.	3.60	17 Sep 2029	248	257	267
Cenovus Energy Inc.	3.55	12 Mar 2025	424	441	443	Glacier Credit Card Trust	1.39	22 Sep 2025	385	377	384
Cenovus Energy Inc.	3.50	7 Feb 2028	358	371	350	Goldman Sachs Group, Inc.	2.01	28 Feb 2029	814	784	812
Central 1 Credit Union	1.32	29 Jan 2026	284	274	283	Granite REIT Holdings Limited Partnership	3.06	4 Jun 2027	213	219	215
Centre Hospitalier de l'Universite de Montreal	6.72	30 Sep 2049	410	550	577	Granite REIT Holdings Limited Partnership	2.38	18 Dec 2030	169	160	168
						Great-West Lifeco Inc.	6.67	21 Mar 2033	504	679	700
						Great-West Lifeco Inc.	6.00	16 Nov 2039	172	232	238

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

Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2021

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)						Bonds (continued)					
Corporate – 24.9% (continued)						Corporate – 24.9% (continued)					
Greater Toronto Airports Authority	7.10	4 Jun 2031	396	534	573	Montreal Airport	3.44	26 Apr 2051	276	281	276
Greater Toronto Airports Authority	6.98	15 Oct 2032	65	89	96	Morgan Stanley	1.78	4 Aug 2027	514	500	514
Greater Toronto Airports Authority	6.47	2 Feb 2034	176	237	253	National Australia Bank	3.52	12 Jun 2030	330	340	332
Greater Toronto Airports Authority	4.53	2 Dec 2041	437	519	570	National Bank of Canada	2.98	4 Mar 2024	1,000	1,031	1,059
H&R REIT	2.92	6 May 2022	128	129	129	National Bank of Canada	1.57	18 Aug 2026	553	544	553
H&R REIT	3.42	23 Jan 2023	610	624	632	North West Redwater Partnership	2.80	1 Jun 2027	306	311	321
H&R REIT	3.37	30 Jan 2024	67	69	68	North West Redwater Partnership	4.25	1 Jun 2029	820	904	938
H&R REIT	2.63	19 Feb 2027	162	161	162	North West Redwater Partnership	4.15	1 Jun 2033	179	194	201
HCN Canadian Holdings LP	2.95	15 Jan 2027	570	579	582	North West Redwater Partnership	3.70	23 Feb 2043	215	213	221
HomeEquity Bank	1.74	15 Dec 2025	179	176	179	North West Redwater Partnership	4.05	22 Jul 2044	192	201	216
Honda Canada Finance Inc.	1.71	28 Sep 2026	114	111	114	North West Redwater Partnership	3.75	1 Jun 2051	250	248	249
Hospital Infrastructure Partner Inc.	5.44	31 Jan 2045	113	135	147	Nova Scotia Power Inc.	5.61	15 Jun 2040	45	58	66
HSBC Bank Canada	3.25	15 Sep 2023	35	36	37	Pembina Pipeline Corporation	2.56	1 Jun 2023	651	661	665
HSBC Bank Canada	1.78	20 May 2026	361	355	361	Pembina Pipeline Corporation	3.71	11 Aug 2026	377	397	406
Hydro One Inc.	6.93	1 Jun 2032	744	1,011	1,119	Pembina Pipeline Corporation	3.31	1 Feb 2030	1,015	1,032	1,028
Hydro One Inc.	6.59	22 Apr 2043	133	200	208	Pembina Pipeline Corporation	4.81	25 Mar 2044	67	71	73
Hydro One Inc.	4.17	6 Jun 2044	394	447	467	Pembina Pipeline Corporation	4.74	21 Jan 2047	398	417	466
Hydro One Inc.	3.63	25 Jun 2049	287	304	317	Pembina Pipeline Corporation	4.67	28 May 2050	241	251	244
Hydro One Inc.	3.64	5 Apr 2050	382	405	421	Plenary Health Hamilton LP	5.80	31 May 2043	69	85	93
Hydro-Québec	5.00	15 Feb 2045	400	553	554	Plenary Properties LTAP LP	6.29	31 Jan 2044	36	46	48
Hydro-Québec	4.00	15 Feb 2055	512	649	666	Power Financial Corporation	6.90	11 Mar 2033	87	114	118
Hydro-Québec	2.10	15 Feb 2060	355	297	313	Real Estate Asset Liquidity Trust	2.38	12 Dec 2028	140	131	130
Hyundai Capital Canada, Inc.	2.01	12 May 2026	145	143	145	Real Estate Asset Liquidity Trust	2.87	12 Jan 2030	110	109	110
IA Financial Group	2.40	21 Feb 2030	236	238	237	Reliance LP	3.84	15 Mar 2025	133	140	142
Intact Financial Corporation	2.85	7 Jun 2027	316	324	319	Reliance LP	2.68	1 Dec 2027	129	128	130
Investors Group Inc.	7.00	31 Dec 2032	78	104	110	Reliance LP	2.67	1 Aug 2028	225	221	225
Investors Group Inc.	7.11	7 Mar 2033	79	106	109	Riocan Real Estate Investment Trust	3.21	29 Sep 2023	609	625	624
John Deere Credit Inc.	1.09	17 Jul 2024	71	70	71	Riocan Real Estate Investment Trust	3.29	12 Feb 2024	195	201	200
John Deere Credit Inc.	2.40	17 Sep 2024	1,000	1,018	1,046	Rogers Communications Inc.	4.00	13 Mar 2024	249	260	271
JPMorgan Chase & Co.	1.90	5 Mar 2028	493	480	493	Rogers Communications Inc.	3.65	31 Mar 2027	513	535	552
Laurentian Bank of Canada	3.45	27 Jun 2023	220	227	231	Rogers Communications Inc.	6.68	4 Nov 2039	34	44	50
Laurentian Bank of Canada	1.15	3 Jun 2024	263	258	263	Rogers Communications Inc.	6.11	25 Aug 2040	442	545	558
Liberty Utilities Canada LP	3.32	14 Feb 2050	951	898	938	Rogers Communications Inc.	6.56	22 Mar 2041	250	323	364
Loblaw Companies Limited	4.49	11 Dec 2028	387	432	457	Royal Bank of Canada	2.35	2 Jul 2024	1,500	1,526	1,562
Loblaw Companies Limited	6.54	17 Feb 2033	252	321	348	Royal Bank of Canada	2.61	1 Nov 2024	2,688	2,752	2,814
Loblaw Companies Limited	6.15	29 Jan 2035	295	372	406	Royal Bank of Canada	1.94	1 May 2025	505	506	516
Loblaw Companies Limited	5.90	18 Jan 2036	240	297	319	Royal Bank of Canada	2.33	28 Jan 2027	678	680	687
Manufacturers Life Insurance Company	3.18	22 Nov 2027	829	847	868	Royal Bank of Canada	1.83	31 Jul 2028	650	626	650
Manulife Financial Corporation	3.32	9 May 2028	1,140	1,170	1,152	Royal Bank of Canada	2.74	25 Jul 2029	1,663	1,698	1,686
Manulife Financial Corporation	2.24	12 May 2030	264	265	265	Royal Bank of Canada	2.88	23 Dec 2029	1,220	1,251	1,248
Manulife Financial Corporation	2.82	13 May 2035	529	527	538	Royal Bank of Canada	2.09	30 Jun 2030	336	335	337
Manulife Financial Corporation	5.06	15 Dec 2041	499	592	613	Saputo Inc.	1.94	13 Jun 2022	780	785	789
MCAP Commercial LP	3.74	25 Aug 2025	88	90	88						
MCAP Commercial LP	3.38	26 Nov 2027	204	203	204						
Metro Inc.	4.27	4 Dec 2047	504	539	608						
Montreal Airport	3.03	21 Apr 2050	283	268	296						

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

Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2021

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)						Bonds (continued)					
Corporate – 24.9% (continued)						Corporate – 24.9% (continued)					
Shaw Communications Inc.	3.30	10 Dec 2029	327	332	333	Vancouver International Airport	2.80	21 Sep 2050	265	241	262
Shaw Communications Inc.	2.90	9 Dec 2030	100	97	100	Ventas Canada Finance Limited	2.80	12 Apr 2024	635	648	646
Shaw Communications Inc.	6.75	9 Nov 2039	265	345	348	VW Credit Canada Inc.	3.70	14 Nov 2022	1,514	1,555	1,572
Sienna Senior Living Inc.	2.82	31 Mar 2027	111	111	111	VW Credit Canada Inc.	3.25	29 Mar 2023	718	736	735
SmartCentres Real Estate Investment Trust	1.74	16 Dec 2025	308	300	307	VW Credit Canada Inc.	2.85	26 Sep 2024	500	513	526
SmartCentres Real Estate Investment Trust	3.19	11 Jun 2027	568	581	591	Wells Fargo & Company	3.18	8 Feb 2024	719	742	743
SmartCentres Real Estate Investment Trust	3.53	20 Dec 2029	288	295	304	Wells Fargo & Company	2.57	1 May 2026	496	504	499
SNC-Lavalin Innisfree McGill Finance Inc.	6.63	30 Jun 2044	438	568	622	Wells Fargo & Company	2.98	19 May 2026	2,842	2,919	2,926
Summit Industrial Income REIT	2.15	17 Sep 2025	49	49	49	Winnipeg Airports Authority	5.21	28 Sep 2040	83	94	98
Sun Life Financial Inc.	2.06	1 Oct 2035	382	359	379					123,034	126,179
Sun Life Financial Inc.	5.40	29 May 2042	150	187	190	Total Fixed Income – 61.6%				304,305	310,955
Suncor Energy Inc.	5.00	9 Apr 2030	178	204	182						
Sunlife Financial Inc.	2.58	10 May 2032	472	475	486	Securities			Number of Securities	Fair Value (\$)	Average Cost (\$)
Sysco Canada, Inc.	3.65	25 Apr 2025	56	59	57	Exchange-traded Funds – 37.3%					
Telus Corporation	3.63	1 Mar 2028	1,096	1,158	1,162	BMO S&P 500 Index ETF			221,700	13,832	12,494
Telus Corporation	4.85	5 Apr 2044	155	172	176	iShares Core MSCI Emerging Markets IMI Index ETF			538,324	15,961	15,245
Telus Corporation	4.40	29 Jan 2046	470	490	563	iShares Core S&P 500 Index ETF			806,520	27,002	25,591
Telus Corporation	4.70	6 Mar 2048	125	137	154	iShares Core S&P U.S. ETF			1,534,074	66,180	44,207
Telus Corporation	3.95	16 Feb 2050	431	419	463	iShares Core MSCI EAFE IMI Index ETF			1,076,640	37,801	33,742
Thomson Reuters Corporation	2.24	14 May 2025	426	429	428	iShares Global Infrastructure Index ETF			317,578	10,083	9,186
Toronto Dominion Bank	1.94	13 Mar 2025	613	615	615	iShares Global Real Estate Index ETF			310,919	10,117	9,487
Toronto Dominion Bank	3.22	25 Jul 2029	818	846	817	Vanguard FTSE Emerging Markets All Cap Index ETF			99,600	3,747	3,934
Toronto Dominion Bank	4.86	4 Mar 2031	1,225	1,352	1,347					184,723	153,886
Toronto Dominion Bank	3.06	26 Jan 2032	405	416	415	Total Equities – 37.3%				184,723	153,886
Toyota Credit Canada Inc.	2.64	27 Mar 2024	500	512	525	Total Investments – 98.9%				489,028	464,841
Toyota Credit Canada Inc.	2.31	23 Oct 2024	2,000	2,031	2,082	Cash and cash equivalents – 1.1%				5,616	5,616
TransCanada PipeLines Limited	3.80	5 Apr 2027	502	532	535	Total Investment Fund – 100.0%				494,644	470,457
TransCanada PipeLines Limited	3.39	15 Mar 2028	190	197	204	Represented by:					
TransCanada PipeLines Limited	3.00	18 Sep 2029	265	268	268	Cash and cash equivalents				5,616	
TransCanada PipeLines Limited	6.50	9 Dec 2030	130	156	167	Investments, at fair value				489,028	
TransCanada PipeLines Limited	4.55	15 Nov 2041	1,863	1,970	2,053					494,644	
Union Gas Limited	5.20	23 Jul 2040	912	1,145	1,207						
Union Gas Limited	4.20	2 Jun 2044	329	370	393						

Schedule II – Subscribers’ Deposits and Accumulated Income

As at October 31, 2021 and 2020

(in thousands of Canadian dollars)

The following table provides a summary of Family Savings Plan agreements, Subscribers’ Deposits and Accumulated Income:

Opening Agreements	Inflow Agreements	Outflow Agreements	Closing Agreements	Subscribers’ Deposits	Accumulated Income
70,786	10,339	6,820	74,305	212,379	119,264

The changes in Subscribers’ deposits are as follows:

	2021	2020
Net payments from subscribers ¹	\$ 11,248	\$ 9,358
Inter-plan principal transfers	58,209	48,613
Return of principal	(57,865)	(44,697)
Net increase in Subscribers’ deposits	11,592	13,274
Balance, Beginning of Year	200,787	187,513
Balance, End of Year	\$212,379	\$200,787

1. Net of Sales charges collected of \$33 (2020 – \$11).

Notes to the Financial Statements

October 31, 2021 and 2020

(in thousands of Canadian dollars)

Note 1. Nature of Operations

The Canadian Scholarship Trust Family Savings Plan (the “Plan”) is a self-determined Education Savings Plan that was established on March 1, 1997. The objective of the Plan is to assist parents and others to save for the post-secondary education of children. The Plan is managed and distributed by C.S.T. Consultants Inc. (“C.S.T.C.”), a wholly-owned subsidiary of the Canadian Scholarship Trust Foundation (the “Foundation”). The Plan’s registered place of business is 1600-2235 Sheppard Avenue East, Toronto, Ontario, Canada.

Payments are made by a subscriber to an account maintained by the Plan’s trustee on behalf of one or more beneficiaries. Payments of sales charges are made from the subscriber’s initial contribution. The principal accumulated over the term of the subscriber’s education savings plan agreement (the “Agreement”) is returned in whole or in part at any time at the request of the subscriber. A beneficiary is deemed to be a qualified student upon receipt of evidence of enrolment in a qualifying educational program at an eligible institution. Education assistance payments (“EAPs”) paid to a beneficiary from the Plan are determined by the subscriber and are paid from the income earned on the subscriber’s principal.

There are a number of government grants that may be available to beneficiaries including the Canada Education Savings Grant Program (“CESG”), the Canada Learning Bond (“CLB”), the Quebec Education Savings Incentive (“QESI”) and the British Columbia Training and Education Savings Grant (“BCTESG”) (collectively, “Government Grants”).

The Plan collects Government Grants, which are credited directly into subscribers’ Agreements 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 Registered Education Savings Plans under the Income Tax Act (Canada). Current tax legislation provides that income credited on subscribers’ principal is not taxable income of the subscriber unless withdrawn as an Accumulated Income Payment subject to certain eligibility requirements. The deposits are not deductible for income tax purposes and are not taxable when returned to the subscriber. Payments made to a beneficiary, including EAPs, Government Grants and investment income earned on Government Grants are taxable income of that beneficiary in the year that the payments are made.

Note 2. Significant Accounting Policies

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

These financial statements were approved by the Board of Directors of the Foundation on December 16, 2021.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis except for financial instruments classified as “at fair value through profit or loss” (“FVTPL”), which are measured at fair value.

(c) Financial instruments

The Plan recognizes financial assets and financial liabilities when it becomes a party to a contract. Financial assets and financial liabilities, with the exception of those classified as FVTPL, are measured at fair value plus transaction costs on initial recognition. Financial assets and financial liabilities classified as FVTPL are measured at fair value on initial recognition and transaction costs are expensed when incurred. Investments, at fair value have been classified as FVTPL.

Measurement in subsequent periods depends on the classification of the financial instrument. The financial assets and financial liabilities of the Plan are classified as follows:

Financial asset or financial liability	Classification
Investments, at fair value	FVTPL ⁱ
Cash and cash equivalents	Amortized Cost ⁱⁱ
Accrued income and other receivables	Amortized Cost ⁱⁱ
Receivables for securities sold	Amortized Cost ⁱⁱ
Accounts payable and accrued liabilities	Amortized Cost ⁱⁱⁱ
Payables for securities purchased	Amortized Cost ⁱⁱⁱ

ⁱ Financial assets are designated as FVTPL when acquired principally for the purpose of trading. Financial assets classified as FVTPL are measured at fair value, with changes in unrealized gains and losses recognized on the Statements of Comprehensive Income.

ⁱⁱ Financial assets classified as Amortized Cost are non-derivative financial assets that are held to collect contractual cash flows and are not quoted in an active market. Subsequent to initial recognition, these financial assets are carried at amortized cost using the effective interest method.

ⁱⁱⁱ Financial liabilities classified as Amortized Cost are liabilities that are not derivative liabilities or classified as FVTPL. Subsequent to initial recognition, financial liabilities are carried at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial instrument and allocating interest over the relevant period. The effective interest rate is the rate that discounts estimated future cash flows (including all transaction costs and other premiums or discounts) through the expected life of the financial instrument to the net carrying amount on initial recognition.

Impairment is based on expected credit losses for the investment securities, which are based on a range of possible outcomes and consider all available reasonable and supportable information including internal and external ratings, historical loss experience, and expectations about future cash flows.

(d) Investment valuation

Investments, at fair value include the following types of securities: bonds, money market securities, equities, exchange-traded funds (“ETF”), and pooled funds.

Notes to the Financial Statements (continued)

October 31, 2021 and 2020

(in thousands of Canadian dollars)

Note 2. Significant Accounting Policies (continued)

(d) Investment valuation (continued)

The fair value of fixed income securities that are not publicly traded is measured by using either the average bid price from multiple dealers, or by the present value of contractual cash flows, discounted at current market rates. Interest accrued at the reporting date is included in Accrued income and other receivables on the Statements of Financial Position.

The fair value of securities that are publicly traded in an active market is measured using bid prices at the reporting date.

Note 8 provides further guidance on fair value measurements.

(e) Investment transactions and income recognition

Investment transactions are accounted for on a trade-date basis. Interest represents the coupon interest received by the Plan accounted for on an accrual basis. The Plan does not amortize premiums paid or discounts received on the purchase of fixed income securities. Dividends and distributions are accrued as of the ex-dividend date and ex-distribution date, respectively. Realized gains (losses) on the sale of investments and Change in unrealized gains (losses) are calculated with reference to the average cost of the related investments and are recognized in the period that such gains (losses) occur.

(f) Subscribers' deposits and sales charges

Subscribers' deposits reflect amounts received from subscribers and do not include future amounts receivable on outstanding Agreements. A sales charge is required as part of the initial contribution under each Agreement. Sales charges collected during the reporting period are paid to C.S.T.C.

(g) Income taxes

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

(h) Cash and cash equivalents

Cash and cash equivalents include deposit balances with banks and securities with a purchase date to maturity of 90 days or less and includes term deposits, treasury bills and bankers' acceptances.

(i) Foreign currency

The functional and presentation currency of the Plan is the Canadian Dollar.

To the extent applicable in any period, foreign currency purchases and sales of investments and foreign currency dividend and interest income are translated into Canadian dollars at the rate of exchange prevailing at the time of the transactions. Realized and unrealized foreign currency gains or losses on investments are included in the Statements of Comprehensive Income in Realized gains (losses) on sale of investments and Change in unrealized gains (losses), respectively.

(j) Critical accounting estimates and judgments

When preparing the financial statements, management makes estimates and judgments that affect the reported amounts recognized and disclosed in the financial statements. These estimates and judgments have a direct effect on the measurement of transactions and balances recognized in the financial statements. By their nature, these estimates and judgments are subject to measurement uncertainty and actual results could differ.

Note 3. Related Party Transactions

Related party transactions are measured at the exchange amount, which is the amount agreed between the parties.

(a) Distribution and Administration of the Plan

The Foundation, as the Plan sponsor, has appointed C.S.T.C. as the Scholarship Plan Dealer and Investment Fund Manager to distribute and administer the Plan. The distribution and administration agreements are renewable annually on November 1.

Annual administration fees are paid to the Foundation at 1% of the total amount of principal, Government Grants and income earned thereon.

During the year ended October 31, 2021, \$5,210 was recognized as an expense for Administration and account maintenance fees (2020 – \$4,621). Administration and account maintenance fees included in Accounts payable and accrued liabilities at October 31, 2021 was \$195 (2020 – \$276).

Sales charges paid by subscribers from their initial contributions are paid to C.S.T.C. as compensation for the sale and distribution of savings plans.

During the year ended October 31, 2021, \$33 was paid to C.S.T.C. from sales charges collected (2020 – \$11). Related amounts included in Accounts payable and accrued liabilities at October 31, 2021 was \$1 (2020 – \$nil).

(b) Fees paid for services of an Independent Review Committee

The Independent Review Committee ("IRC") provides independent review and oversight of conflicts of interest relating to the management of the Plans. For the year ended October 31, 2021, the Plan recognized an expense of \$6 (2020 – \$6) for the services of the IRC. IRC fees included in Accounts payable and accrued liabilities at October 31, 2021 was \$nil (2020 – \$nil).

(c) Fees paid to monitor and manage the portfolio managers

Included in Portfolio management fees on the Statements of Comprehensive Income is \$50 (2020 – \$60) charged by C.S.T.C. for expenses incurred to monitor and manage the portfolio managers. Included in Accounts payable and accrued liabilities is \$11 owing from C.S.T.C. at October 31, 2021 (2020 – \$18) relating to these expenses.

(d) Fees paid for investment management services provided by C.S.T. Asset Management Inc.

C.S.T.C. entered into an agreement with C.S.T. Asset Management Inc. ("CSTA") for CSTA to act as an investment

Notes to the Financial Statements (continued)

October 31, 2021 and 2020

(in thousands of Canadian dollars)

Note 3. Related Party Transactions (continued)

(d) Fees paid for investment management services provided by C.S.T. Asset Management Inc. (continued)

manager of a portion of the Plan's investment accounts on November 5, 2020 and shall continue in force thereafter until terminated. The agreement can be terminated with 30 days' notice. CSTA began billing the Plan quarterly for these services in March 2021. The fair value of the total investments managed by CSTA is \$93,031 as of October 31, 2021.

Included in Portfolio management fees on the Statements of Comprehensive Income is \$65 charged by C.S.T.A.M. for expenses incurred for the performance of these services. Included in Accounts payable and accrued liabilities is \$38 owing to C.S.T.A.M. at October 31, 2021 relating to these expenses.

Note 4. Investment Holdings

The investment holdings are disclosed in Schedule I – Statement of Investment Portfolio.

As of March 15, 2021, Government Grants are no longer invested in a separate fund with Government Grants of other RESP plans administered by C.S.T.C. Government Grant principal received and income earned thereon are invested collectively with Subscribers' principal and income earned on principal. Investment holdings are disclosed in Schedule I – Statement of Investment Portfolio.

Note 5. Capital Risk Management

The Plan's capital consists of the components of the net assets attributable to subscribers and beneficiaries as per the Statements of Financial Position. The Plan has obligations to return subscriber contributions upon maturity or termination as well as pay EAPs of investment income, grants and income on grants. The Plan invests subscriber contributions and government grants received in appropriate investments in accordance with its stated investment objectives while maintaining sufficient liquidity to meet subscribers' obligations.

Note 6. 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 according to the investment policy and mandates.

(a) Market risk

i. Interest rate risk

Interest rate risk is the risk of a change in the fair value or cash flows of the Plan's investments in interest-bearing financial instruments 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	
	Oct 31, 2021	Oct 31, 2020
Less than 1 year	2%	2%
1-3 years	19%	15%
3-5 years	18%	14%
Greater than 5 years	24%	37%
Total debt instruments	63%	68%

As at October 31, 2021, if prevailing interest rates had increased by 1%, the fair value of the Total Investment Fund of \$494,644 (2020 – \$437,873) as per the Schedule I – Statement of Investment Portfolio would have decreased by approximately \$15,244 (2020 – \$20,330). If prevailing interest rates had decreased by 1%, the fair value of the Total Investment Fund would have increased by approximately \$17,453 (2020 – \$17,520). This 1% change assumes a parallel shift in the yield curve with all other variables held constant. In practice, actual 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 other 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 equities and ETFs of the Plan, which represent 37% (2020 – 32%) of the Total Investment Fund amount as at October 31, 2021.

As at October 31, 2021, if equity and underlying indices prices had increased or decreased by 1%, with all other variables held constant, the fair value of the Total Investment Fund as per Schedule I – Statement of Investment Portfolio would have increased or decreased by approximately \$1,847 (2020 – \$1,380). In practice, actual results may differ materially.

Notes to the Financial Statements (continued)

October 31, 2021 and 2020

(in thousands of Canadian dollars)

Note 6. Risks Associated with Financial Instruments (continued)

(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 mainly 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 Canadian Securities Administrators. The Plan has a concentration of investments in government and government guaranteed bonds, which are considered to be high credit quality investments thereby moderating credit risk.

The Plan's credit risk exposure is summarized below:

Credit rating	October 31, 2021		October 31, 2020	
	% of Total Investment Fund	Amount	% of Total Investment Fund	Amount
AAA	7%	\$ 35,912	4%	\$ 19,132
AA/AAH/AAL	34%	164,136	36%	157,891
A/AH/AL	14%	71,169	18%	77,011
BBB	7%	33,088	9%	38,650
R-1	0%	0	1%	5,415
Short-term unrated	1%	5,616	1%	1,304
Total debt instruments	63%	\$309,921	69%	\$299,403

The DBRS Morningstar 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 financial obligations as they come due. The Plan's exposure to liquidity risk is concentrated in principal repayments to subscribers and EAPs to beneficiaries. The Plan primarily invests in securities that are traded in active markets and can be readily sold. The Plan retains sufficient cash and cash equivalent positions to meet liquidity requirements by utilizing cash forecasting models that reflect the distribution of subscribers' deposits and accumulated income. 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 ETFs which represent 37% (2020 – 29%) of the Total Investment Fund. The fair value of the Total Investment Fund would increase or decrease by approximately \$1,847 (2020 – \$1,250) in response to a 1% depreciation or appreciation of the Canadian dollar currency exchange rate. In practice the actual change may differ materially.

Note 7. Sales Charge Refund

If a subscribers' Agreement is transferred from CST Advantage Plan, the subscriber may be eligible for a partial refund of the CST Advantage Plan sales charges paid. The percentage of sales charges to be refunded is dependent on the length of time the subscribers' Agreement was in CST Advantage Plan and ranges from 0% to 25% of the total sales charges paid. The sales charge refund ("SCR Entitlement") is paid to qualified beneficiaries proportionate to the amount of EAP withdrawn. The total amount refunded for the year ended October 31, 2021 was \$1,144.

SCR Entitlements are paid by CST Advantage Plan when incurred.

Note 8. Fair Value Measurements and Disclosure

Estimates of fair value used for measurement and disclosure are designed to approximate amounts that would be received to sell an asset, or paid to discharge a liability, in an orderly transaction between market participants.

The carrying values of other financial instruments such as Cash and cash equivalents, Accrued income and other receivables, Receivables for securities sold, Government grants receivable, Accounts payable and accrued liabilities and Payables for securities purchased approximate their fair values as these financial instruments are short term in nature.

The following table presents the level, in the fair value hierarchy, into which the Plan's financial instruments are categorized:

- Level 1 financial instruments are valued using quoted market prices.
- Level 2 financial instruments are valued using directly or indirectly observable inputs.
- Level 3 financial instruments are valued using unobservable inputs (including the use of assumptions based on the best information available).

Notes to the Financial Statements (continued)

October 31, 2021 and 2020

(in thousands of Canadian dollars)

Note 8. Fair Value Measurements and Disclosure (continued)

Assets Measured at Fair Value as of October 31, 2021

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ –	\$ 304,305	\$ –	\$304,305
ETFs and Equity securities	184,723	–	–	184,723
Total Investments, at fair value	\$184,723	\$304,305	\$ –	\$489,028

Assets Measured at Fair Value as of October 31, 2020

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ –	\$ 298,582	\$ –	\$298,582
ETFs and Equity securities	138,470	–	–	138,470
Total Investments, at fair value	\$138,470	\$298,582	\$ –	\$437,052

For the years ended October 31, 2021 and 2020, there were no transfers between Levels 1 or 2.

Canadian Scholarship Trust Plan

Sponsor

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For updates on your Plan account, login to Online Services at www.cst.org

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