

Canadian Scholarship Trust Family Savings Plan

Semi-Annual Financial Statements

April 30, 2021

Unaudited



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Unaudited semi-annual financial statements

The accompanying semi-annual financial statements have not been reviewed by the external auditors of the Plan in accordance with assurance standards applicable to a review of interim financial statements

Statements of Financial Position

As at April 30, 2021 and October 31, 2020

(in thousands of Canadian dollars)

	Apr 30, 2021	Oct 31, 2020
		(Audited)
Assets		
Cash and cash equivalents	\$ 9,929	\$ 821
Investments, at fair value <i>(Note 4 and Schedule I)</i>	455,476	437,052
Accrued income and other receivables	2,517	2,787
Government grants receivable	91	281
	468,013	440,941
Liabilities		
Accounts payable and accrued liabilities	1,259	1,592
	1,259	1,592
Net Assets Attributable to Subscribers and Beneficiaries	466,754	439,349
Represented by:		
Non-Discretionary Funds		
Accumulated income held for future education assistance payments	109,620	95,697
Subscribers' deposits <i>(Note 7)</i>	206,463	200,787
Government grants	93,841	91,479
Income on Government grants	56,830	51,386
	\$466,754	\$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 six months ended April 30, 2021 and 2020

(in thousands of Canadian dollars)

	2021	2020
Income		
Interest	\$ 3,768	\$ 3,957
Realized gains on sale of investments	800	1,688
Change in unrealized gains (losses)	16,268	(4,421)
Dividends	1,310	1,540
	22,146	2,764
Expenses		
Administration fees (Note 3 (a))	2,526	2,256
Portfolio management fees	209	171
Custodian and Trustee fees	79	75
Independent Review Committee fees	3	3
	2,817	2,505
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$19,329	\$ 259

Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries

For the six months ended April 30, 2021 and 2020

(in thousands of Canadian dollars)

	2021	2020
Net Assets Attributable to Subscribers and Beneficiaries, Beginning of the Period	\$439,349	\$396,549
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	19,329	259
Transfers from internal and external plans	17,563	18,357
	36,892	18,616
Receipts		
Net increase in Subscribers' deposits (Note 7)	5,676	8,370
Disbursements		
Government grants repaid (net of receipts)	(384)	(541)
Payments to beneficiaries		
Education assistance payments	(7,903)	(6,288)
Government grants	(6,571)	(5,308)
Return of income	(305)	(303)
Total payments to beneficiaries	(14,779)	(11,899)
Receipts less Disbursements	(9,487)	(4,070)
Change in Net Assets Attributable to Subscribers and Beneficiaries	27,405	14,546
Net Assets Attributable to Subscribers and Beneficiaries, End of the Period	\$466,754	\$411,095

Statements of Cash Flows

For the six months ended April 30, 2021 and 2020

(in thousands of Canadian dollars)

	2021	2020
Operating Activities		
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$ 19,329	\$ 259
Net disbursements for investment transactions	(1,356)	(14,983)
Items not affecting cash		
Realized gains on sale of investments	(800)	(1,688)
Change in unrealized (gains) losses	(16,268)	4,421
Change in non-cash operating capital		
Decrease (increase) in Accrued income and other receivables	270	(1,172)
Decrease (increase) in Government grants receivable	190	(152)
Decrease in Accounts payable and accrued liabilities	(333)	(1,035)
Cash flow from (used in) Operating Activities	1,032	(14,350)
Financing Activities		
Transfers from internal and external plans	17,563	18,357
Net Government grants received (repaid)	(384)	(541)
Net increase in Subscribers' deposits (Note 7)	5,676	8,370
Payments to beneficiaries	(14,779)	(11,899)
Cash flow from Financing Activities	8,076	14,287
Net increase (decrease) in Cash and cash equivalents	9,108	(63)
Cash and cash equivalents, Beginning of the Period		
Cash	508	1,889
Cash equivalents	313	279
	821	2,168
Cash and cash equivalents, End of the Period		
Cash	4,930	1,346
Cash equivalents	4,999	759
	\$ 9,929	\$ 2,105
Supplemental cash flow information:		
Withholding Taxes	\$ –	\$ –
Interest Income Received	8,963	3,925

Schedule I – Statement of Investment Portfolio

As at April 30, 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 – 8.1%						Provincial – 28.6% (continued)					
Canada Housing Trust	1.75	15 Jun 2022	320	325	322	Province of Alberta	3.10	1 Jun 2024	1,850	1,982	1,976
Canada Housing Trust	2.40	15 Dec 2022	303	313	306	Province of Alberta	2.35	1 Jun 2025	2,700	2,838	2,869
Canada Housing Trust	2.35	15 Jun 2023	106	110	106	Province of Alberta	2.20	1 Jun 2026	350	365	347
Canada Housing Trust	2.35	15 Sep 2023	231	241	244	Province of Alberta	2.55	1 Jun 2027	152	160	166
Canada Housing Trust	2.55	15 Dec 2023	287	302	287	Province of Alberta	2.90	1 Dec 2028	110	118	112
Canada Housing Trust	2.90	15 Jun 2024	112	120	117	Province of Alberta	2.90	20 Sep 2029	100	107	99
Canada Housing Trust	1.80	15 Dec 2024	3,386	3,505	3,500	Province of Alberta	2.05	1 Jun 2030	614	609	620
Canada Housing Trust	2.55	15 Mar 2025	3,075	3,269	3,259	Province of Alberta	1.65	1 Jun 2031	110	104	108
Canada Housing Trust	0.95	15 Jun 2025	328	328	330	Province of Alberta	3.45	1 Dec 2043	205	222	215
Canada Housing Trust	1.95	15 Dec 2025	3,290	3,419	3,413	Province of Alberta	3.30	1 Dec 2046	275	290	296
Canada Housing Trust	2.25	15 Dec 2025	3,000	3,158	3,144	Province of Alberta	3.05	1 Dec 2048	131	133	129
Canada Housing Trust	1.25	15 Jun 2026	133	133	133	Province of Alberta	3.10	1 Jun 2050	674	688	716
Canada Housing Trust	2.35	15 Mar 2028	202	213	197	Province of Alberta	2.95	1 Jun 2052	35	35	35
Canada Housing Trust	2.65	15 Mar 2028	112	120	111	Province of British Columbia	2.70	18 Dec 2022	1,950	2,025	2,018
Canada Housing Trust	2.65	15 Dec 2028	174	187	174	Province of British Columbia	3.30	18 Dec 2023	1,225	1,312	1,278
Canada Housing Trust	2.10	15 Sep 2029	186	191	191	Province of British Columbia	2.85	18 Jun 2025	3,017	3,242	3,272
Canada Housing Trust	1.75	15 Jun 2030	183	182	191	Province of British Columbia	2.55	18 Jun 2027	272	289	299
Canada Housing Trust	1.10	15 Mar 2031	87	81	87	Province of British Columbia	2.95	18 Dec 2028	107	116	111
Canada Housing Trust	1.40	15 Mar 2031	105	100	105	Province of British Columbia	5.70	18 Jun 2029	175	225	230
Government of Canada	–	10 Jun 2021	150	150	150	Province of British Columbia	2.20	18 Jun 2030	256	260	263
Government of Canada	2.75	1 Jun 2022	225	231	232	Province of British Columbia	1.55	18 Jun 2031	63	60	61
Government of Canada	0.25	1 Aug 2022	168	168	168	Province of British Columbia	4.70	18 Jun 2037	50	64	63
Government of Canada	1.00	1 Sep 2022	232	234	228	Province of British Columbia	4.30	18 Jun 2042	125	157	145
Government of Canada	0.25	1 Nov 2022	325	325	325	Province of British Columbia	3.20	18 Jun 2044	350	377	361
Government of Canada	0.25	1 Feb 2023	125	125	125	Province of British Columbia	2.80	18 Jun 2048	100	101	101
Government of Canada	1.75	1 Mar 2023	259	266	268	Province of British Columbia	2.95	18 Jun 2050	470	486	504
Government of Canada	0.25	1 May 2023	500	499	500	Province of Manitoba	2.55	2 Jun 2023	2,203	2,297	2,215
Government of Canada	1.50	1 Jun 2023	180	185	185	Province of Manitoba	2.45	2 Jun 2025	3,300	3,483	3,512
Government of Canada	2.00	1 Sep 2023	439	456	451	Province of Manitoba	2.55	2 Jun 2026	100	106	102
Government of Canada	2.25	1 Mar 2024	51	54	53	Province of Manitoba	3.00	2 Jun 2028	146	158	159
Government of Canada	0.25	1 Apr 2024	1,100	1,092	1,093	Province of Manitoba	2.75	2 Jun 2029	110	117	114
Government of Canada	2.50	1 Jun 2024	150	159	159	Province of Manitoba	2.05	2 Jun 2030	55	55	57
Government of Canada	1.50	1 Sep 2024	89	92	92	Province of Manitoba	2.05	2 Jun 2031	34	33	34
Government of Canada	1.25	1 Mar 2025	85	87	88	Province of Manitoba	5.70	5 Mar 2037	100	139	139
Government of Canada	0.50	1 Sep 2025	323	319	324	Province of Manitoba	4.10	5 Mar 2041	200	240	240
Government of Canada	0.25	1 Mar 2026	716	693	694	Province of Manitoba	4.05	5 Sep 2045	200	241	237
Government of Canada	1.50	1 Jun 2026	75	77	76	Province of Manitoba	3.40	5 Sep 2048	100	110	107
Government of Canada	1.00	1 Jun 2027	46	46	47	Province of Manitoba	3.20	5 Mar 2050	86	91	88
Government of Canada	2.00	1 Jun 2028	212	223	231	Province of Manitoba	2.05	5 Sep 2052	57	47	55
Government of Canada	2.25	1 Jun 2029	3,118	3,335	3,345	Province of New Brunswick	1.55	4 May 2022	675	683	658
Government of Canada	1.25	1 Jun 2030	3,406	3,338	3,364	Province of New Brunswick	2.85	2 Jun 2023	1,050	1,101	1,091
Government of Canada	0.50	1 Dec 2030	8,308	7,537	7,565	Province of New Brunswick	1.80	14 Aug 2025	772	794	799
Government of Canada	5.75	1 Jun 2033	150	215	243	Province of New Brunswick	3.10	14 Aug 2028	20	22	21
Government of Canada	5.00	1 Jun 2037	125	180	185	Province of New Brunswick	4.80	3 Jun 2041	375	487	459
Government of Canada	4.00	1 Jun 2041	125	168	178	Province of New Brunswick	3.10	14 Aug 2048	118	122	121
Government of Canada	3.50	1 Dec 2045	175	225	243	Province of New Brunswick	3.05	14 Aug 2050	31	32	33
Government of Canada	2.75	1 Dec 2048	144	165	194	Province of Newfoundland and Labrador	1.95	2 Jun 2022	425	432	418
Government of Canada	2.00	1 Dec 2051	594	583	608	Province of Newfoundland and Labrador	2.30	2 Jun 2025	800	837	839
Government of Canada	2.75	1 Dec 2064	50	59	57	Province of Newfoundland and Labrador	3.00	2 Jun 2026	225	242	234
				37,583	37,688	Province of Newfoundland and Labrador	1.25	2 Jun 2027	25	24	25
Provincial – 28.6%											
Province of Alberta	2.55	15 Dec 2022	1,940	2,008	1,991						
Province of Alberta	2.65	1 Sep 2023	788	826	812						

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

Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 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 – 28.6% (continued)						Provincial – 28.6% (continued)					
Province of Newfoundland and Labrador	2.85	2 Jun 2028	33	35	32	Province of Québec	2.75	1 Sep 2027	275	295	274
Province of Newfoundland and Labrador	2.85	2 Jun 2029	51	54	52	Province of Québec	2.75	1 Sep 2028	323	346	336
Province of Newfoundland and Labrador	1.75	2 Jun 2030	59	57	58	Province of Québec	2.30	1 Sep 2029	297	307	302
Province of Newfoundland and Labrador	3.70	17 Oct 2048	20	22	21	Province of Québec	1.90	1 Sep 2030	626	618	640
Province of Newfoundland and Labrador	2.65	17 Oct 2050	322	288	307	Province of Québec	1.50	1 Sep 2031	243	228	235
Province of Nova Scotia	1.00	17 Apr 2023	500	505	504	Province of Québec	6.25	1 Jun 2032	200	278	275
Province of Nova Scotia	2.10	1 Jun 2027	675	697	699	Province of Québec	5.75	1 Dec 2036	550	776	797
Province of Nova Scotia	1.10	1 Jun 2028	25	24	25	Province of Québec	5.00	1 Dec 2041	200	272	265
Province of Nova Scotia	2.00	1 Sep 2030	65	64	66	Province of Québec	4.25	1 Dec 2043	400	500	475
Province of Nova Scotia	3.15	1 Dec 2051	199	210	228	Province of Québec	3.50	1 Dec 2045	425	477	453
Province of Ontario	3.15	2 Jun 2022	8,670	8,939	9,028	Province of Québec	3.50	1 Dec 2048	474	536	538
Province of Ontario	1.95	27 Jan 2023	2,300	2,362	2,366	Province of Québec	3.10	1 Dec 2051	633	670	730
Province of Ontario	2.85	2 Jun 2023	7,450	7,815	7,663	Province of Saskatchewan	3.20	3 Jun 2024	725	779	773
Province of Ontario	2.60	8 Sep 2023	4,136	4,334	4,256	Province of Saskatchewan	0.80	2 Sep 2025	967	955	959
Province of Ontario	3.50	2 Jun 2024	8,575	9,292	9,258	Province of Saskatchewan	3.05	2 Dec 2028	113	123	115
Province of Ontario	2.30	8 Sep 2024	2,179	2,286	2,241	Province of Saskatchewan	2.20	2 Jun 2030	57	58	59
Province of Ontario	2.65	5 Feb 2025	2,000	2,128	2,144	Province of Saskatchewan	5.80	5 Sep 2033	125	170	166
Province of Ontario	2.60	2 Jun 2025	9,800	10,401	10,484	Province of Saskatchewan	4.75	1 Jun 2040	200	260	259
Province of Ontario	1.75	8 Sep 2025	6,767	6,953	7,030	Province of Saskatchewan	2.75	2 Dec 2046	250	245	231
Province of Ontario	2.40	2 Jun 2026	300	316	303	Province of Saskatchewan	3.30	2 Jun 2048	25	27	25
Province of Ontario	1.35	8 Sep 2026	76	76	76	Province of Saskatchewan	3.10	2 Jun 2050	138	144	149
Province of Ontario	2.60	2 Jun 2027	839	891	881	Province of Saskatchewan	2.80	2 Dec 2052	24	24	24
Province of Ontario	1.05	8 Sep 2027	110	106	110	Province of Saskatchewan	2.95	2 Jun 2058	23	23	22
Province of Ontario	2.90	2 Jun 2028	973	1,049	1,054					133,119	132,986
Province of Ontario	6.50	8 Mar 2029	200	267	266	Corporate – 25.1%					
Province of Ontario	2.70	2 Jun 2029	357	378	369	407 International Inc.	2.59	25 May 2032	442	441	471
Province of Ontario	2.05	2 Jun 2030	554	553	584	407 International Inc.	3.65	8 Sep 2044	300	310	350
Province of Ontario	1.35	2 Dec 2030	777	724	744	407 International Inc.	3.72	11 May 2048	226	237	263
Province of Ontario	2.15	2 Jun 2031	190	189	189	407 International Inc.	2.84	7 Mar 2050	186	166	184
Province of Ontario	5.85	8 Mar 2033	150	204	203	Access Justice Durham Ltd.	5.02	31 Aug 2039	114	135	145
Province of Ontario	5.60	2 Jun 2035	900	1,229	1,237	Aéroports de Montréal	5.67	16 Oct 2037	157	204	223
Province of Ontario	4.70	2 Jun 2037	575	733	709	Algonquin Power & Utilities Corp.	2.85	15 Jul 2031	190	190	190
Province of Ontario	4.60	2 Jun 2039	550	700	645	Alimentation					
Province of Ontario	4.65	2 Jun 2041	225	291	276	Couche-Tard Inc.	3.06	26 Jul 2024	448	473	479
Province of Ontario	3.45	2 Jun 2045	575	637	606	Allied Properties REIT	3.11	8 Apr 2027	192	199	193
Province of Ontario	2.90	2 Dec 2046	675	682	674	Allied Properties REIT	3.13	15 May 2028	154	158	155
Province of Ontario	2.80	2 Jun 2048	525	520	507	Allied Properties REIT	3.12	21 Feb 2030	259	259	259
Province of Ontario	2.90	2 Jun 2049	570	575	547	AltaGas Ltd.	2.16	10 Jun 2025	270	275	271
Province of Ontario	2.65	2 Dec 2050	994	954	1,031	AltaGas Ltd.	2.48	30 Nov 2030	354	337	352
Province of Ontario	1.90	2 Dec 2051	659	532	584	AltaGas Ltd.	4.99	4 Oct 2047	222	246	276
Province of Prince Edward Island	1.20	11 Feb 2028	8	8	8	AltaLink, L.P.	5.38	26 Mar 2040	1,009	1,298	1,380
Province of Prince Edward Island	2.65	1 Dec 2051	7	7	7	Bank of America	3.30	24 Apr 2024	3,108	3,253	3,215
Province of Québec	3.50	1 Dec 2022	6,840	7,183	7,222	Bank of Montreal	2.85	6 Mar 2024	1,083	1,139	1,135
Province of Québec	3.00	1 Sep 2023	5,375	5,686	5,597	Bank of Montreal	2.28	29 Jul 2024	940	975	986
Province of Québec	3.75	1 Sep 2024	5,145	5,648	5,670	Bank of Montreal	2.70	11 Sep 2024	3,500	3,695	3,701
Province of Québec	2.75	1 Sep 2025	5,425	5,814	5,890	Bank of Montreal	2.37	3 Feb 2025	493	513	494
Province of Québec	8.50	1 Apr 2026	900	1,206	1,206	Bank of Montreal	2.88	17 Sep 2029	2,016	2,116	2,038
Province of Québec	2.50	1 Sep 2026	275	292	273	Bank of Montreal	2.08	17 Jun 2030	400	407	401
						Bank of Nova Scotia	2.36	8 Nov 2022	11	11	11
						Bank of Nova Scotia	2.29	28 Jun 2024	1,500	1,562	1,565
						Bank of Nova Scotia	2.49	23 Sep 2024	2,500	2,610	2,614
						Bank of Nova Scotia	3.89	18 Jan 2029	628	674	660
						Bank of Nova Scotia	2.84	3 Jul 2029	3,040	3,183	3,085

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

Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 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 – 25.1% (continued)						Corporate – 25.1% (continued)					
Bell Canada	3.35	22 Mar 2023	328	341	346	Daimler Canada Finance Inc.	2.57	22 Nov 2022	8	8	8
Bell Canada	4.70	11 Sep 2023	200	216	220	Daimler Canada Finance Inc.	2.54	21 Aug 2023	833	862	833
Bell Canada	2.90	10 Sep 2029	269	275	280	Daimler Canada Finance Inc.	2.97	13 Mar 2024	1,129	1,188	1,168
Bell Canada	2.50	14 May 2030	342	335	341	Eagle Credit Card Trust	1.27	17 Jul 2025	83	82	83
Bell Canada	6.10	16 Mar 2035	100	125	137	Enbridge Gas Inc.	3.01	9 Aug 2049	58	54	58
Bell Canada	4.75	29 Sep 2044	213	234	272	Enbridge Inc.	2.44	2 Jun 2025	164	170	165
Bell Canada	4.45	27 Feb 2047	125	132	151	Enbridge Inc.	2.99	3 Oct 2029	299	306	300
Bell Canada	3.50	30 Sep 2050	782	706	802	Enbridge Inc.	5.75	2 Sep 2039	255	301	320
BMW Canada Auto Trust	0.76	20 Apr 2024	54	54	54	Enbridge Inc.	4.57	11 Mar 2044	686	713	793
Brookfield Renewable Partners L.P.	4.25	15 Jan 2029	514	582	598	Enbridge Inc.	6.63	12 Apr 2078	702	788	770
Brookfield Renewable Partners L.P.	3.33	13 Aug 2050	117	107	116	Enbridge Pipelines Inc.	4.55	17 Aug 2043	689	732	787
Caisse Centrale Desjardins	3.06	11 Sep 2023	551	580	587	Enmax Corporation	3.88	18 Oct 2029	314	340	350
Caisse Centrale Desjardins	2.42	4 Oct 2024	2,816	2,932	2,932	EPCOR Utilities Inc.	3.95	26 Nov 2048	467	512	578
Calloway REIT Inc.	3.99	30 May 2023	248	263	262	Ford Credit Canada Limited	1.15	15 Jun 2024	284	284	284
Canadian Imperial Bank of Commerce	3.29	15 Jan 2024	1,500	1,593	1,597	Ford Credit Canada Limited	0.89	15 Aug 2024	167	167	167
Canadian Imperial Bank of Commerce	2.35	28 Aug 2024	500	519	520	Foresters Life Insurance Company	2.89	15 Oct 2035	272	269	271
Canadian Imperial Bank of Commerce	1.10	19 Jan 2026	1,800	1,764	1,762	FortisAlberta Inc.	5.37	30 Oct 2039	926	1,174	1,241
Canadian Imperial Bank of Commerce	3.45	4 Apr 2028	833	873	857	FortisAlberta Inc.	2.63	8 Jun 2051	156	133	156
Canadian Imperial Bank of Commerce	2.95	19 Jun 2029	272	286	275	FortisBC Energy Inc.	5.90	26 Feb 2035	184	239	255
Canadian Imperial Bank of Commerce	2.01	21 Jul 2030	371	376	372	General Motors Financial of Canada Ltd.	3.25	7 Nov 2023	155	163	156
Canadian Natural Resources Limited	3.55	3 Jun 2024	1,051	1,117	1,093	Gibson Energy Inc.	2.45	14 Jul 2025	50	51	50
Canadian Natural Resources Limited	2.50	17 Jan 2028	234	235	234	Gibson Energy Inc.	2.85	14 Jul 2027	60	61	60
Canadian Pacific Railway Ltd.	3.05	9 Mar 2050	188	169	185	Gibson Energy Inc.	3.60	17 Sep 2029	248	261	267
Canadian Western Bank	1.57	14 Sep 2023	1,010	1,023	1,012	Glacier Credit Card Trust	1.39	22 Sep 2025	385	383	384
Canadian Western Bank	1.93	16 Apr 2026	420	421	420	GMF Canada Leasing Trust	0.91	20 Jul 2023	86	86	86
Cenovus Energy Inc.	3.55	12 Mar 2025	424	448	443	GMF Canada Leasing Trust	1.05	20 Nov 2025	100	101	100
Cenovus Energy Inc.	3.50	7 Feb 2028	358	370	350	Goldman Sachs Group, Inc.	2.43	26 Apr 2023	339	345	346
Central 1 Credit Union	1.32	29 Jan 2026	284	279	283	Goldman Sachs Group, Inc.	2.01	28 Feb 2029	624	612	622
Central 1 Credit Union	3.06	14 Oct 2026	411	415	416	Granite REIT Holdings Limited Partnership	3.06	4 Jun 2027	213	224	215
Centre Hospitalier de l'Université de Montreal	6.72	30 Sep 2049	195	263	283	Granite REIT Holdings Limited Partnership	2.38	18 Dec 2030	169	161	168
Choice Properties REIT	4.90	5 Jul 2023	484	520	527	Greater Toronto Airports Authority	7.10	4 Jun 2031	396	543	573
Choice Properties REIT	3.56	9 Sep 2024	255	273	258	Greater Toronto Airports Authority	6.98	15 Oct 2032	65	89	96
Choice Properties REIT	3.53	11 Jun 2029	88	93	96	Greater Toronto Airports Authority	6.47	2 Feb 2034	176	238	253
Choice Properties REIT	2.98	4 Mar 2030	531	536	547	Greater Toronto Airports Authority	4.53	2 Dec 2041	437	511	570
Coast Capital Savings Credit Union	5.00	3 May 2028	444	472	470	Great-West Lifeco Inc.	6.67	21 Mar 2033	110	149	155
Coast Capital Savings Credit Union	5.25	29 Oct 2030	77	86	85	Great-West Lifeco Inc.	6.00	16 Nov 2039	103	139	145
Co-operators Financial Services	3.33	13 May 2030	304	296	310	Great-West Lifeco Inc.	2.38	14 May 2030	35	35	35
Crombie Real Estate Investment Trust	2.69	31 Mar 2028	571	570	582	H&R REIT	2.92	6 May 2022	128	130	129
CT REIT	2.37	6 Jan 2031	346	327	343	H&R REIT	3.42	23 Jan 2023	610	629	632
CU Inc.	4.54	24 Oct 2041	218	254	269	H&R REIT	3.37	30 Jan 2024	67	70	68
CU Inc.	4.72	9 Sep 2043	1,154	1,385	1,476	H&R REIT	2.63	19 Feb 2027	162	159	162
CU Inc.	2.96	7 Sep 2049	282	259	286	HCN Canadian Holdings L.P.	2.95	15 Jan 2027	570	589	582
						HomeEquity Bank	1.74	15 Dec 2025	179	178	179
						Hospital Infrastructure Partner Inc.	5.44	31 Jan 2045	69	83	92
						HSBC Bank Canada	2.17	29 Jun 2022	279	284	286
						HSBC Bank Canada	3.25	15 Sep 2023	35	37	37
						Hydro One Inc.	6.93	1 Jun 2032	744	1,036	1,119

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

Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 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 – 25.1% (continued)						Corporate – 25.1% (continued)					
Hydro One Inc.	6.59	22 Apr 2043	133	198	208	Pembina Pipeline Corporation	4.67	28 May 2050	241	248	244
Hydro One Inc.	3.63	25 Jun 2049	184	192	202	Plenary Health Hamilton L.P.	5.80	31 May 2043	70	87	94
Hydro One Inc.	3.64	5 Apr 2050	507	531	559	Real Estate Asset Liquidity Trust	2.38	12 Dec 2028	140	136	133
Hydro-Québec	5.00	15 Feb 2045	500	688	693	Real Estate Asset Liquidity Trust	2.87	12 Jan 2030	110	112	110
Hydro-Québec	4.00	15 Feb 2055	562	699	730	Reliance L.P.	2.68	1 Dec 2027	129	131	130
Hydro-Québec	2.10	15 Feb 2060	181	148	169	Reliance L.P.	2.67	1 Aug 2028	225	225	225
IA Financial Group	2.40	21 Feb 2030	236	244	237	Riocan Real Estate Investment Trust	3.21	29 Sep 2023	609	636	624
Intact Financial Corporation	2.85	7 Jun 2027	316	331	319	Riocan Real Estate Investment Trust	3.29	12 Feb 2024	195	205	200
Investors Group Inc.	7.00	31 Dec 2032	78	106	110	Rogers Communications Inc.	4.00	13 Mar 2024	249	267	271
John Deere Credit Inc.	2.40	17 Sep 2024	1,000	1,043	1,046	Rogers Communications Inc.	6.68	4 Nov 2039	34	45	50
JPMorgan Chase & Co.	1.90	5 Mar 2028	493	491	493	Rogers Communications Inc.	6.11	25 Aug 2040	72	89	90
Laurentian Bank of Canada	3.00	12 Sep 2022	281	289	289	Rogers Communications Inc.	6.56	22 Mar 2041	210	273	311
Laurentian Bank of Canada	3.45	27 Jun 2023	220	231	231	Royal Bank of Canada	2.35	2 Jul 2024	1,500	1,559	1,562
Laurentian Bank of Canada	1.15	3 Jun 2024	263	262	263	Royal Bank of Canada	2.61	1 Nov 2024	2,688	2,819	2,814
Liberty Utilities Canada L.P.	3.32	14 Feb 2050	951	855	938	Royal Bank of Canada	2.33	28 Jan 2027	418	431	420
Loblaw Companies Limited	4.49	11 Dec 2028	197	226	237	Royal Bank of Canada	2.74	25 Jul 2029	1,663	1,738	1,686
Loblaw Companies Limited	6.54	17 Feb 2033	252	322	348	Royal Bank of Canada	2.88	23 Dec 2029	1,220	1,281	1,248
Loblaw Companies Limited	6.15	29 Jan 2035	295	371	406	Royal Bank of Canada	2.09	30 Jun 2030	336	342	337
Loblaw Companies Limited	5.90	18 Jan 2036	240	296	319	Shaw Communications Inc.	3.30	10 Dec 2029	327	339	333
Manufacturers Life Insurance Company	3.18	22 Nov 2027	829	859	868	Shaw Communications Inc.	2.90	9 Dec 2030	100	99	100
Manulife Bank of Canada	1.50	25 Jun 2025	353	355	353	SmartCentres Real Estate Investment Trust	1.74	16 Dec 2025	308	304	307
Manulife Financial Corporation	3.32	9 May 2028	1,140	1,194	1,152	SmartCentres Real Estate Investment Trust	3.19	11 Jun 2027	568	590	591
Manulife Financial Corporation	2.24	12 May 2030	264	272	265	SmartCentres Real Estate Investment Trust	3.53	20 Dec 2029	288	298	304
Manulife Financial Corporation	2.82	13 May 2035	529	534	538	SNC-Lavalin Innisfree McGill Finance Inc.	6.63	30 Jun 2044	442	578	628
Manulife Financial Corporation	5.06	15 Dec 2041	318	375	398	Summit Industrial Income REIT	2.15	17 Sep 2025	49	50	49
MCAP Commercial L.P.	3.74	25 Aug 2025	88	92	88	Sun Life Financial Inc.	2.06	1 Oct 2035	382	363	379
MCAP Commercial L.P.	3.38	26 Nov 2027	204	204	204	Sun Life Financial Inc.	5.40	29 May 2042	45	56	58
Metro Inc.	4.27	4 Dec 2047	442	465	539	Suncor Energy Inc.	5.00	9 Apr 2030	178	207	182
Montreal Airport	3.03	21 Apr 2050	283	262	296	Sunlife Financial Inc.	2.58	10 May 2032	472	488	486
Montreal Airport	3.44	26 Apr 2051	276	277	276	Sysco Canada, Inc.	3.65	25 Apr 2025	56	60	57
National Australia Bank	3.52	12 Jun 2030	330	347	332	TELUS Corporation	3.63	1 Mar 2028	1,096	1,187	1,162
National Bank of Canada	2.98	4 Mar 2024	1,000	1,056	1,059	TELUS Corporation	3.30	2 May 2029	593	626	609
National Bank of Canada	1.57	18 Aug 2026	553	555	553	TELUS Corporation	4.40	29 Jan 2046	470	487	563
NAV Canada	3.53	23 Feb 2046	111	116	130	TELUS Corporation	4.70	6 Mar 2048	125	136	154
North West Redwater Partnership	2.80	1 Jun 2027	116	120	121	TELUS Corporation	3.95	16 Feb 2050	431	415	463
North West Redwater Partnership	4.25	1 Jun 2029	820	917	938	Thomson Reuters Corporation	2.24	14 May 2025	426	439	428
North West Redwater Partnership	4.15	1 Jun 2033	79	85	89	Toronto Dominion Bank	1.91	18 Jul 2023	45	46	47
North West Redwater Partnership	4.05	22 Jul 2044	192	196	216	Toronto Dominion Bank	1.94	13 Mar 2025	613	629	615
Nova Scotia Power Inc.	5.61	15 Jun 2040	45	58	66	Toronto Dominion Bank	3.22	25 Jul 2029	818	867	817
Pembina Pipeline Corporation	2.56	1 Jun 2023	171	176	172	Toronto Dominion Bank	4.86	4 Mar 2031	1,225	1,398	1,347
Pembina Pipeline Corporation	3.71	11 Aug 2026	377	407	406	Toronto Dominion Bank	3.06	26 Jan 2032	405	428	415
Pembina Pipeline Corporation	3.31	1 Feb 2030	1,015	1,049	1,028	Toyota Credit Canada Inc.	2.64	27 Mar 2024	500	524	525
Pembina Pipeline Corporation	4.74	21 Jan 2047	398	412	466	Toyota Credit Canada Inc.	2.31	23 Oct 2024	2,000	2,080	2,082
						TransCanada PipeLines Limited	3.80	5 Apr 2027	502	546	535

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

Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 2021

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
Bonds (continued)						Equity – 4.9%			
Corporate – 25.1% (continued)						Alimentation Couche-Tard Inc.	9,250	385	323
TransCanada PipeLines Limited	3.00	18 Sep 2029	265	272	268	ATCO Ltd.	11,853	500	452
TransCanada PipeLines Limited	6.50	9 Dec 2030	130	161	167	Bank of Montreal	8,525	989	708
TransCanada PipeLines Limited	4.55	15 Nov 2041	1,963	2,046	2,163	Brookfield Asset Management Inc.	15,977	895	778
Union Gas Limited	5.20	23 Jul 2040	912	1,140	1,207	CAE Inc.	12,300	474	316
Union Gas Limited	4.20	2 Jun 2044	479	538	572	Canadian National Railway Company	7,014	928	838
Vancouver International Airport	2.80	21 Sep 2050	265	236	262	Canadian Pacific Railway Company	2,133	978	686
Ventas Canada Finance Limited	2.80	12 Apr 2024	635	662	646	CCL Industries Inc.	12,161	848	718
VW Credit Canada Inc.	3.70	14 Nov 2022	1,489	1,555	1,541	CGI Group Inc.	8,319	905	832
VW Credit Canada Inc.	3.25	29 Mar 2023	718	750	735	Constellation Software Inc.	601	1,080	950
VW Credit Canada Inc.	2.85	26 Sep 2024	500	526	526	Dollarama Inc.	13,200	756	618
Wells Fargo & Company	3.18	8 Feb 2024	719	759	743	Empire Company Limited	17,250	667	593
Wells Fargo & Company	2.57	1 May 2026	496	516	499	Intact Financial Corporation	5,690	928	721
Wells Fargo & Company	2.98	19 May 2026	2,842	2,995	2,926	Loblaw Companies Limited	7,434	507	467
				116,765	118,089	Metro Inc.	15,524	874	850
Total Fixed Income – 61.8%				287,467	288,763	National Bank of Canada	11,150	996	736
						OpenText Corporation	14,000	810	804
						Quebecor Inc.	23,080	762	730
						Restaurant Brands International Inc.	7,650	645	606
						Richelieu Hardware Ltd.	3,876	166	140
						Ritchie Brothers Auctioneers	4,865	380	277
						Rogers Communications Inc.	6,300	381	363
						Royal Bank of Canada	10,100	1,185	970
						Stantec Inc.	3,093	178	150
						TELUS Corporation	23,650	603	582
						Thomson Reuters Corporation	7,325	835	737
						TMX Group Limited	5,875	794	768
						Topicus.com Inc.	1,045	96	21
						Toromont Industries Ltd.	10,917	1,070	765
						Toronto Dominion Bank	14,382	1,217	1,064
						Waste Connections, Inc.	4,025	589	523
						Winpak Ltd.	12,700	541	567
								22,962	19,653
						Exchange-traded Funds – 31.2%			
						BMO S&P 500 Index ETF	176,200	9,925	9,876
						iShares Core MSCI Emerging Markets IMI Index ETF	307,338	9,512	8,053
						iShares Core S&P 500 Index ETF	100,700	3,063	3,015
						iShares Core S&P U.S. ETF	1,538,555	60,465	43,056
						iShares Global Infrastructure Index ETF	262,694	7,781	7,248
						iShares Global Real Estate Index ETF	259,816	7,753	7,725
						iShares Core MSCI EAFE IMI Index ETF	1,293,952	43,826	39,997
						Vanguard FTSE Emerging Markets All Cap Index ETF	69,600	2,722	2,767
								145,047	121,737
						Total Equities – 36.1%		168,009	141,390
						Total Investments – 97.9%		455,476	430,153
						Cash and cash equivalents – 2.1%		9,926	9,926
						Total Portfolio Assets – 100.0%		465,402	440,079
						Represented by:			
						Cash and cash equivalents		9,926	
						Investments, at fair value		455,476	
								465,402	

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

Notes to the Financial Statements

Six months ended April 30, 2021 and 2020

(Unaudited, 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 June 10, 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)

Six months ended April 30, 2021 and 2020

(Unaudited, 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 9 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 six months ended April 30, 2021, \$2,526 was recognized as an expense for Administration and account maintenance fees (2020 – \$2,256). Administration and account maintenance fees included in Accounts payable and accrued liabilities at April 30, 2021 was \$157 (October 31, 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 six months ended April 30, 2021, \$16 was paid to C.S.T.C. from sales charges collected (2020 – \$1). Related amounts included in Accounts payable and accrued liabilities at April 30, 2021 was \$nil (October 31, 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 six months ended April 30, 2021, the Plan recognized an expense of \$3 (2020 – \$3) for the services of the IRC. IRC fees included in Accounts payable and accrued liabilities at April 30, 2021 was \$1 (October 31, 2020 – \$nil).

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

Included in Portfolio management fees on the Statements of Comprehensive Income is \$20 (2020 – \$23) charged by C.S.T.C. for expenses incurred to monitor and manage the portfolio managers. Included in Accounts payable and accrued liabilities is \$4 owing to C.S.T.C. at April 30, 2021 (October 31, 2020 – \$18) relating to these expenses.

Notes to the Financial Statements (continued)

Six months ended April 30, 2021 and 2020

(Unaudited, in thousands of Canadian dollars)

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	
	Apr 30, 2021	Oct 31, 2020
Less than 1 year	2%	2%
1-3 years	15%	15%
3-5 years	23%	14%
Greater than 5 years	24%	37%
Total debt instruments	64%	68%

As at April 30, 2021, if prevailing interest rates had increased by 1%, the fair value of the Total Investment Fund of \$465,405 (October 31, 2020 – \$437,873) as per the Schedule I – Statement of Investment Portfolio would have decreased by approximately \$14,420 (October 31, 2020 – \$20,330). If prevailing interest rates had decreased by 1%, the fair value of the Total Investment Fund would have increased by approximately \$16,570 (October 31, 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 36% (October 31, 2020 – 32%) of the Total Investment Fund amount as at April 30, 2021.

As at April 30, 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 \$1,680 (October 31, 2020 – \$1,380). In practice, actual 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 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.

Notes to the Financial Statements (continued)

Six months ended April 30, 2021 and 2020

(Unaudited, in thousands of Canadian dollars)

Note 6. Risks Associated with Financial Instruments (continued)

(b) Credit risk (continued)

The Plan's credit risk exposure is summarized below:

Credit rating	April 30, 2021		October 31, 2020	
	% of Total Investment Fund	Amount	% of Total Investment Fund	Amount
AAA	8%	\$ 39,019	4%	\$ 19,132
AA/AAH/AAL	34%	156,909	36%	157,891
A/AH/AL	14%	63,326	18%	77,011
BBB	7%	33,065	9%	38,650
R-1	0%	168	1%	5,415
Short-term unrated	1%	4,909	0%	1,304
Total debt instruments	64%	\$297,396	68%	\$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 32% (October 31, 2020 – 29%) of the Total Investment Fund. The fair value of the Total Investment Fund would increase or decrease by approximately \$1,450 (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. Subscribers' Deposits

The changes in Subscribers' deposits for the six months ended April 30, 2021 and 2020 are as follows:

	April 30, 2021	April 30, 2020
Payments from subscribers	\$ 6,099	\$ 4,962
Inter-plan principal transfers	20,075	21,347
Return of principal	(20,498)	(17,939)
Net increase in Subscribers' deposits	5,676	8,370
Balance, Beginning of the Period	200,787	187,513
Balance, End of the Period	\$206,463	\$195,883

Note 8. 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 six months ended April 30, 2021 was \$449.

SCR Entitlements are paid by CST Advantage Plan when incurred.

Note 9. 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.

Notes to the Financial Statements (continued)

Six months ended April 30, 2021 and 2020

(Unaudited, in thousands of Canadian dollars)

Note 9. Fair Value Measurements and Disclosure (continued)

iii. Level 3 financial instruments are valued using unobservable inputs (including the use of assumptions based on the best information available).

Assets Measured at Fair Value as of April 30, 2021

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 287,467	\$ -	\$287,467
ETFs and Equity securities	168,009	-	-	168,009
Total Investments, at fair value	\$168,009	\$287,467	\$ -	\$455,476

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 six months ended April 30, 2021 and year ended October 31, 2020, there were no transfers between Levels 1 or 2.

Canadian Scholarship Trust Plan

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