

Canadian Scholarship Trust Family Savings Plan

Audited Financial Statements and
Management Report of Fund Performance
October 31, 2022 and 2021



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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. Savings Inc. (“CST Savings”), formerly 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, 2022, 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 -9.6% compared to the investment policy benchmark (the “Benchmark”) return of -3.9%. In comparison, the following Broad-based indices, the FTSE Canada Short-Term Government Bond Index generated a return of -3.8%, and the S&P/TSX Capped Composite Index fell -4.9% 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. The Plan’s allocation to longer dated fixed income underperformed relative to the benchmark. In addition, the U.S. and International equities allocation underperformed relative to the Canadian equity component of the investment policy benchmark.

Economic Review

The global economy experienced a number of challenges throughout the fiscal 2022 period. Inflation reached decades level highs followed by central banks responding with monetary tightening and rapid increases in interest rates. These actions,

combined with Russia's invasion of Ukraine, and China's economic slowdown all contributed to steep losses and extreme volatility across bonds and equities. In October, the International Monetary Fund further reduced its 2023 global growth forecast from 3.2% to 2.7%. Market risk volatility measures continue to remain elevated with considerably more economic downside and potential further slowing of the global economy in the near future.

Similar to other developed global regions, in 2022 the Canadian economy experienced inflation at the highest level in decades, with the Consumer Price Index rising to 8.1% in June before partially declining to 6.9% in October. The Bank of Canada responded by rapidly raising the overnight lending rate six times throughout the year, starting at 0.25% in February 2022 and moving to 3.75% by October. The Canadian economy continued to expand throughout 2022, albeit at a slower pace, as GDP moderated from 1.6% in December 2021 to 0.8% by July 2022. The Canadian labour market was extremely tight throughout the year with unemployment reaching a 40 year low of 4.9% in July, before slightly ticking upwards to 5.2% in October. Similar to most other global currencies, the Canadian dollar weakened relative to the US dollar, falling below 74 cents U.S., as investors sought the safety of the world's reserve currency.

With the unprecedented speed and amount of central bank rate hikes implemented throughout the year, fixed income investors experienced some of the worst annual losses in decades. In this environment, the broad Canadian bond market (the FTSE Canada Universe Bond Index) declined by -10.4%, with longer dated maturities such as the FTSE Canada Long-Term Bond Index falling

by a staggering -19.1% over the same period. Canadian corporate bonds fared slightly better as spreads over government bonds narrowed, resulting in a return of -9.9%. Investors of historically more conservative short-term bonds faced losses as well, for the FTSE Canadian Short-Term Bond Index fell by -4.2% over the year. Cash was a rare exception to the price declines as the FTSE 91 Day Treasury Index generated a positive return of 1.2% over the period.

Given the volatile global economic events described above, equity returns across almost all markets experienced broad-based price losses. Developed equity markets including both U.S. large cap equities (as represented by the S&P 500) and international equities (as reflected by the MSCI EAFE IMI Index) fell by -6.1% and -15.7%, respectively. Canadian equities (as represented by the S&P/TSX Capped Composite) provided marginally better return falling by -4.9% as the economy's larger exposure to commodities and energy stocks helped partially cushion against losses. 2022 was an extremely difficult year for Emerging Market equities as the MSCI Emerging Markets IMI Index was down by -23.9%.

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)	2022	2021	2020	2019	2018
Statements of Financial Position					
Total Assets	\$463,816	\$497,795	\$440,941	\$398,595	\$343,231
Net Assets	460,721	493,919	439,349	396,549	339,553
% Change of Net Assets Attributable to Subscribers and Beneficiaries	(6.7)%	12.4%	10.8%	16.8%	6.9%
Statements of Comprehensive Income					
Net Investment (Loss) Income	\$ (47,620)	\$ 27,970	\$ 14,455	\$ 31,899	\$ 1,669
Statements of Changes in Net Assets					
Education Assistance Payments	\$ (27,857)	\$ (18,876)	\$ (13,755)	\$ (12,908)	\$ (11,445)
Government Grants Repaid (net of receipts)	(1,635)	479	180	(816)	(783)
Government Grant payments to Beneficiaries	(25,083)	(15,462)	(11,513)	(11,477)	(10,180)
Other					
Total number of Agreements	77,977	74,305	70,786	67,054	64,092
% Change in the total number of Agreements	4.9%	5.0%	5.6%	4.6%	4.9%

Management Fees

Administration Fees

An administration fee of \$5,409 thousand (2021 – \$5,210 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, CST Savings, 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. CST Savings is the exclusive distributor of the Canadian Scholarship Trust Plans.

In exchange for its administrative services, CST Savings 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 0.07%, including taxes, (2021 – 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 2022 these fees charged to the Plan amounted to \$111 thousand (2021 – \$174 thousand) and were 0.02% including taxes (2021 – 0.04%) of the average market value of assets.

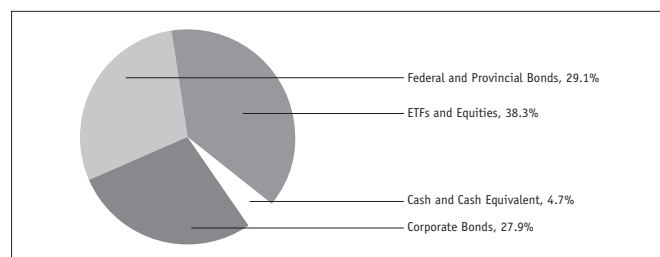
Summary of Plan Investment Fund

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, 2022



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.

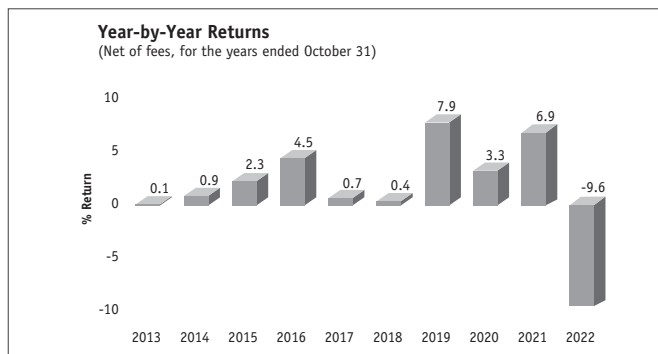
Issuer			Fair Value (\$ 000's)	% of Plan Portfolio Assets
iShares Core S&P U.S. ETF			63,444	13.9%
iShares Core MSCI EAFE IMI Index ETF			36,772	8.0%
iShares Core S&P 500 Index ETF			25,808	5.6%
BMO S&P 500 Index ETF			15,160	3.3%
iShares Core MSCI Emerging Markets IMI Index ETF			14,391	3.1%
iShares Global Infrastructure Index ETF			8,947	2.0%
Province of Ontario	2.60%	2 Jun 2027	8,145	1.8%
iShares Global Real Estate Index ETF			8,131	1.8%
Province of Ontario	2.60%	2 Jun 2025	8,099	1.8%
Province of Ontario	3.50%	2 Jun 2024	6,562	1.4%
Government of Canada	0.50%	1 Dec 2030	5,302	1.2%
Province of Ontario	1.75%	8 Sep 2025	4,711	1.0%
Province of Ontario	2.40%	2 Jun 2026	4,557	1.0%
Province of Québec	2.50%	1 Sep 2026	4,421	1.0%
Province of Québec	3.75%	1 Sep 2024	4,419	1.0%
Toronto Dominion Bank	1.94%	13 Mar 2025	3,634	0.8%
Bank of Montreal	2.70%	11 Sep 2024	3,364	0.7%
Province of Alberta	2.55%	1 Jun 2027	3,125	0.7%
Province of Québec	2.75%	1 Sep 2025	2,996	0.7%
Province of Québec	2.75%	1 Sep 2027	2,978	0.7%
Canada Housing Trust	2.25%	15 Dec 2025	2,951	0.6%
Bank of Nova Scotia	2.84%	3 Jul 2029	2,898	0.6%
Vanguard FTSE Emerging Markets All Cap Index ETF			2,889	0.6%
Caisse Centrale Desjardins	2.42%	4 Oct 2024	2,674	0.6%
Wells Fargo & Company	2.98%	19 May 2026	2,620	0.6%
Top 25 long positions as a percentage of Total Portfolio Asset of the Plan				54.5%

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, 2022 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 as a percentage of the Plan's Total Portfolio for the periods shown ending on October 31, 2022.

	Period			
	1Yr	3Yr	5Yr	10Yr
Net Plan Return*	(9.6)	0.0	1.6	1.7
Benchmark	(3.9)	2.7	3.7	3.2
FTSE Canada Short-Term Government Bond	(3.8)	(0.4)	0.0	0.7
S&P/TSX Capped Composite	(4.9)	8.9	7.1	7.8

* 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. Savings Inc., formerly 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 14, 2022



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, 2022 and 2021, 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, 2022 and 2021, 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 14, 2022

Statements of Financial Position

As at October 31, 2022 and October 31, 2021

(thousands of Canadian dollars)

	2022	2021
Assets		
Cash and cash equivalents	\$ 21,413	\$ 5,616
Investments, at fair value <i>(Note 4 and Schedule I)</i>	436,313	489,028
Accrued income and other receivables	5,752	2,849
Government grants receivable	338	302
	463,816	497,795
Liabilities		
Accounts payable and accrued liabilities	3,095	3,876
	3,095	3,876
Net Assets Attributable to Subscribers and Beneficiaries	460,721	493,919
Represented by:		
Non-Discretionary Funds		
Accumulated income held for future education assistance payments	87,187	119,264
Subscribers' deposits <i>(Schedule II)</i>	218,953	212,379
Government grants	108,346	100,587
Income on Government grants	46,235	61,689
	\$460,721	\$493,919

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, 2022 and 2021

(thousands of Canadian dollars)

	2022	2021
Income		
Interest	\$ 8,503	\$ 7,808
Realized (losses) gains on sale of investments	(8,157)	7,896
Change in unrealized (losses) gains	(45,885)	15,162
Dividends	3,795	2,846
	(41,744)	33,712
Expenses		
Administration fees and account maintenance fees (Note 3(a))	5,409	5,210
Portfolio management fees	351	352
Custodian and Trustee fees	111	174
Independent Review Committee fees	5	6
	5,876	5,742
(Decrease) increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$(47,620)	\$27,970

Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries

For the years ended October 31, 2022 and 2021

(thousands of Canadian dollars)

	2022	2021
Net Assets Attributable to Subscribers and Beneficiaries, Beginning of Year	\$493,919	\$439,349
(Decrease) increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	(47,620)	27,970
Transfers from internal and external plans	63,188	49,553
	15,568	77,523
Receipts		
Net increase in Subscribers' deposits (Schedule II)	6,574	11,592
Government grants received (net of repayments)	(1,635)	479
Disbursements		
Payments to beneficiaries		
Education assistance payments	(27,857)	(18,876)
Government grants	(25,083)	(15,462)
Return of income	(765)	(686)
Total payments to beneficiaries	(53,705)	(35,024)
Receipts less Disbursements	(48,766)	(22,953)
Change in Net Assets Attributable to Subscribers and Beneficiaries	(33,198)	54,570
Net Assets Attributable to Subscribers and Beneficiaries, End of Year	\$460,721	\$493,919

Statements of Cash Flows

For the years ended October 31, 2022 and 2021

(thousands of Canadian dollars)

	2022	2021
Operating Activities		
(Decrease) increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$ (47,620)	\$ 27,970
Items not affecting cash		
Realized loss (gains) on sale of investments	8,157	(7,896)
Change in unrealized losses (gains)	45,885	(15,162)
Change in non-cash operating capital		
(Increase) in Accrued income and other receivables	(2,903)	(62)
(Increase) in Government grants receivable	(36)	(21)
(Decrease) increase in Accounts payable and accrued liabilities	(781)	2,284
Purchase of investments	(172,195)	(339,924)
Proceeds from sale and maturities of investments	170,868	311,006
Cash flows from (used in) Operating Activities	1,375	(21,805)
Financing Activities		
Transfers from internal and external plans	63,188	49,553
Net increase in Subscribers' deposits <i>(Schedule II)</i>	6,574	11,592
Net Government grants (repaid) received	(1,635)	479
Payments to beneficiaries	(53,705)	(35,024)
Cash flows from Financing Activities	14,422	26,600
Net increase (decrease) in Cash and cash equivalents	15,797	4,795
Cash and cash equivalents, Beginning of the Year	5,616	821
Cash and cash equivalents, End of the Year	21,413	5,616
Supplemental cash flow information:		
Interest received	\$ 5,600	\$ 7,746

Schedule I – Statement of Investment Portfolio

As at October 31, 2022

(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 – 7.7%						Provincial – 21.4% (continued)					
Aéroports de Montréal	6.95	16 Apr 2032	196	213	251	Province of Alberta	2.20	1 Jun 2026	2,400	2,263	2,470
Aéroports de Montréal	5.67	16 Oct 2037	157	165	223	Province of Alberta	2.55	1 Jun 2027	3,302	3,125	3,195
Calgary Airport Authority	3.20	7 Oct 2036	91	74	91	Province of Alberta	2.90	1 Dec 2028	110	104	113
Calgary Airport Authority	3.34	7 Oct 2038	319	256	319	Province of Alberta	2.90	20 Sep 2029	25	23	25
Canada Housing Trust	2.90	15 Jun 2024	612	601	613	Province of Alberta	2.05	1 Jun 2030	339	297	342
Canada Housing Trust	1.80	15 Dec 2024	386	369	402	Province of Alberta	1.65	1 Jun 2031	128	106	124
Canada Housing Trust	2.55	15 Mar 2025	2,075	2,007	2,198	Province of Alberta	4.15	1 Jun 2033	74	74	74
Canada Housing Trust	0.95	15 Jun 2025	728	674	697	Province of Alberta	3.45	1 Dec 2043	205	177	215
Canada Housing Trust	1.95	15 Dec 2025	840	792	851	Province of Alberta	3.30	1 Dec 2046	175	146	188
Canada Housing Trust	2.25	15 Dec 2025	3,100	2,951	3,249	Province of Alberta	3.05	1 Dec 2048	231	183	230
Canada Housing Trust	1.25	15 Jun 2026	562	513	543	Province of Alberta	3.10	1 Jun 2050	224	179	238
Canada Housing Trust	1.10	15 Dec 2026	433	389	410	Province of Alberta	2.95	1 Jun 2052	168	130	171
Canada Housing Trust	1.55	15 Dec 2026	420	385	402	Province of British Columbia	3.30	18 Dec 2023	1,625	1,608	1,695
Canada Housing Trust	2.35	15 Jun 2027	400	377	385	Province of British Columbia	2.85	18 Jun 2025	2,042	1,983	2,189
Canada Housing Trust	3.80	15 Jun 2027	185	185	185	Province of British Columbia	2.30	18 Jun 2026	1,100	1,041	1,130
Canada Housing Trust	1.60	15 Dec 2031	2,000	1,675	1,874	Province of British Columbia	2.55	18 Jun 2027	922	873	891
Government of Canada	0.25	1 Nov 2022	20	20	20	Province of British Columbia	2.95	18 Dec 2028	107	102	104
Government of Canada	0.50	1 Nov 2023	850	820	820	Province of British Columbia	5.70	18 Jun 2029	175	193	230
Government of Canada	0.75	1 Feb 2024	625	600	606	Province of British Columbia	2.20	18 Jun 2030	181	160	186
Government of Canada	2.25	1 Mar 2024	226	221	227	Province of British Columbia	3.20	18 Jun 2032	124	116	120
Government of Canada	0.25	1 Apr 2024	675	641	656	Province of British Columbia	4.70	18 Jun 2037	50	52	63
Government of Canada	1.50	1 Sep 2024	764	732	740	Province of British Columbia	4.30	18 Jun 2042	100	98	120
Government of Canada	0.75	1 Oct 2024	750	707	717	Province of British Columbia	3.20	18 Jun 2044	175	145	178
Government of Canada	0.50	1 Sep 2025	823	751	771	Province of British Columbia	2.80	18 Jun 2048	175	133	153
Government of Canada	0.25	1 Mar 2026	448	400	419	Province of British Columbia	2.95	18 Jun 2050	245	191	251
Government of Canada	1.50	1 Jun 2026	807	751	760	Province of British Columbia	2.75	18 Jun 2052	205	152	187
Government of Canada	1.00	1 Sep 2026	414	376	389	Province of British Columbia	4.25	18 Dec 2053	99	99	95
Government of Canada	1.25	1 Mar 2027	88	80	86	Province of Manitoba	2.45	2 Jun 2025	2,700	2,595	2,874
Government of Canada	1.00	1 Jun 2027	625	562	564	Province of Manitoba	2.55	2 Jun 2026	1,400	1,335	1,471
Government of Canada	8.00	1 Jun 2027	1,500	1,789	2,024	Province of Manitoba	2.60	2 Jun 2027	500	474	489
Government of Canada	2.25	1 Jun 2029	2,000	1,880	2,143	Province of Manitoba	2.75	2 Jun 2029	110	102	114
Government of Canada	1.25	1 Jun 2030	2,500	2,161	2,457	Province of Manitoba	2.05	2 Jun 2030	55	48	57
Government of Canada	7.21	1 Nov 2030	60	39	45	Province of Manitoba	2.05	2 Jun 2031	53	45	53
Government of Canada	0.50	1 Dec 2030	6,600	5,302	6,011	Province of Manitoba	3.90	2 Dec 2032	27	26	27
Government of Canada	1.50	1 Jun 2031	2,430	2,105	2,488	Province of Manitoba	5.70	5 Mar 2037	100	113	139
Government of Canada	1.50	1 Dec 2031	2,000	1,721	1,926	Province of Manitoba	4.10	5 Mar 2041	100	95	120
Government of Canada	2.00	1 Jun 2032	83	74	75	Province of Manitoba	4.05	5 Sep 2045	100	93	119
Government of Canada	1.75	1 Dec 2053	441	307	326	Province of Manitoba	3.20	5 Mar 2050	86	69	88
Greater Toronto Airports Authority	7.10	4 Jun 2031	281	322	407	Province of Manitoba	2.05	5 Sep 2052	129	78	107
Greater Toronto Airports Authority	6.98	15 Oct 2032	65	75	96	Province of Manitoba	3.80	5 Sep 2053	47	42	46
Greater Toronto Airports Authority	6.47	2 Feb 2034	176	197	253	Province of New Brunswick	3.65	3 Jun 2024	300	298	301
Greater Toronto Airports Authority	4.53	2 Dec 2041	437	407	570	Province of New Brunswick	1.80	14 Aug 2025	797	750	818
Montreal Airport	3.03	21 Apr 2050	283	198	296	Province of New Brunswick	2.60	14 Aug 2026	531	506	553
Montreal Airport	3.44	26 Apr 2051	276	208	276	Province of New Brunswick	3.10	14 Aug 2028	20	19	21
Vancouver International Airport						Province of New Brunswick	2.55	14 Aug 2031	48	43	46
Winnipeg Airports Authority	2.80	21 Sep 2050	265	178	262	Province of New Brunswick	5.50	27 Jan 2034	300	332	351
	5.21	28 Sep 2040	81	79	95	Province of New Brunswick	4.80	3 Jun 2041	275	284	336
				35,329	39,218	Province of New Brunswick	3.10	14 Aug 2048	68	54	70
						Province of New Brunswick	3.05	14 Aug 2050	31	24	33
						Province of New Brunswick	2.90	14 Aug 2052	22	16	22
						Province of Newfoundland and Labrador	2.30	2 Jun 2025	700	669	734
						Province of Newfoundland and Labrador	3.00	2 Jun 2026	700	677	742
						Province of Newfoundland and Labrador	1.25	2 Jun 2027	225	200	204
Provincial – 21.4%											
Province of Alberta	3.10	1 Jun 2024	1,950	1,920	2,039						
Province of Alberta	2.35	1 Jun 2025	1,375	1,319	1,449						

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

Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2022

(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 – 21.4% (continued)						Provincial – 21.4% (continued)					
Province of Newfoundland and Labrador	2.85	2 Jun 2028	33	31	32	Province of Québec	2.75	1 Sep 2025	3,100	2,996	3,361
Province of Newfoundland and Labrador	2.85	2 Jun 2029	51	47	52	Province of Québec	8.50	1 Apr 2026	1,675	1,916	2,097
Province of Newfoundland and Labrador	1.75	2 Jun 2030	59	50	58	Province of Québec	2.50	1 Sep 2026	4,650	4,421	4,877
Province of Newfoundland and Labrador	2.05	2 Jun 2031	83	70	80	Province of Québec	2.75	1 Sep 2027	3,125	2,978	3,019
Province of Newfoundland and Labrador	3.70	17 Oct 2048	20	17	21	Province of Québec	2.75	1 Sep 2028	1,273	1,201	1,230
Province of Newfoundland and Labrador	2.65	17 Oct 2050	322	220	307	Province of Québec	2.30	1 Sep 2029	297	269	302
Province of Newfoundland and Labrador	3.15	2 Dec 2052	56	42	50	Province of Québec	1.90	1 Sep 2030	326	281	300
Province of Nova Scotia	2.15	1 Jun 2025	200	191	193	Province of Québec	1.50	1 Sep 2031	330	269	311
Province of Nova Scotia	2.10	1 Jun 2027	500	464	518	Province of Québec	3.25	1 Sep 2032	84	79	81
Province of Nova Scotia	1.10	1 Jun 2028	25	22	25	Province of Québec	5.00	1 Dec 2038	325	348	369
Province of Nova Scotia	2.00	1 Sep 2030	88	76	89	Province of Québec	5.00	1 Dec 2041	350	376	476
Province of Nova Scotia	2.40	1 Dec 2031	50	44	48	Province of Québec	4.25	1 Dec 2043	125	122	149
Province of Nova Scotia	3.15	1 Dec 2051	292	232	328	Province of Québec	3.50	1 Dec 2045	375	325	388
Province of Ontario	3.50	2 Jun 2024	6,625	6,562	7,147	Province of Québec	3.50	1 Dec 2048	574	495	586
Province of Ontario	2.30	8 Sep 2024	2,279	2,206	2,305	Province of Québec	3.10	1 Dec 2051	358	286	394
Province of Ontario	2.65	5 Feb 2025	2,000	1,939	2,144	Province of Québec	2.85	1 Dec 2053	363	274	318
Province of Ontario	2.60	2 Jun 2025	8,400	8,099	8,975	Province of Saskatchewan	3.20	3 Jun 2024	575	567	613
Province of Ontario	1.75	8 Sep 2025	5,017	4,711	5,133	Province of Saskatchewan	0.80	2 Sep 2025	767	701	761
Province of Ontario	2.40	2 Jun 2026	4,800	4,557	4,934	Province of Saskatchewan	2.55	2 Jun 2026	918	876	958
Province of Ontario	1.35	8 Sep 2026	2,433	2,212	2,268	Province of Saskatchewan	2.65	2 Jun 2027	600	570	580
Province of Ontario	2.60	2 Jun 2027	8,589	8,145	8,388	Province of Saskatchewan	3.05	2 Dec 2028	63	60	64
Province of Ontario	1.05	8 Sep 2027	1,410	1,237	1,250	Province of Saskatchewan	2.20	2 Jun 2030	57	50	59
Province of Ontario	3.60	8 Mar 2028	102	101	102	Province of Saskatchewan	2.15	2 Jun 2031	73	63	72
Province of Ontario	6.50	8 Mar 2029	200	229	266	Province of Saskatchewan	5.80	5 Sep 2033	50	57	66
Province of Ontario	2.05	2 Jun 2030	754	660	786	Province of Saskatchewan	2.75	2 Dec 2046	150	112	139
Province of Ontario	1.35	2 Dec 2030	377	309	361	Province of Saskatchewan	3.30	2 Jun 2048	25	21	25
Province of Ontario	2.15	2 Jun 2031	500	433	500	Province of Saskatchewan	2.80	2 Dec 2052	167	124	151
Province of Ontario	2.25	2 Dec 2031	335	290	329	Province of Saskatchewan	2.95	2 Jun 2058	23	17	22
Province of Ontario	3.75	2 Jun 2032	55	54	57					97,938	107,052
Province of Ontario	5.60	2 Jun 2035	500	563	648	Corporate – 27.9%					
Province of Ontario	4.70	2 Jun 2037	375	388	462	407 International Inc.	6.47	27 Jul 2029	500	546	652
Province of Ontario	4.60	2 Jun 2039	200	204	234	407 International Inc.	3.65	8 Sep 2044	300	240	350
Province of Ontario	4.65	2 Jun 2041	225	231	262	407 International Inc.	3.72	11 May 2048	226	181	263
Province of Ontario	3.50	2 Jun 2043	400	349	390	Access Justice Durham Ltd.	5.02	31 Aug 2039	159	157	200
Province of Ontario	3.45	2 Jun 2045	475	408	501	Alimentation Couche-Tard Inc.	3.06	26 Jul 2024	143	138	153
Province of Ontario	2.90	2 Dec 2046	525	407	504	Allied Properties REIT	3.11	8 Apr 2027	192	171	193
Province of Ontario	2.80	2 Jun 2048	425	321	410	Allied Properties REIT	3.13	15 May 2028	354	306	334
Province of Ontario	2.90	2 Jun 2049	545	418	519	Allied Properties REIT	3.12	21 Feb 2030	259	212	259
Province of Ontario	1.90	2 Dec 2051	659	395	509	AltaGas Ltd.	2.16	10 Jun 2025	270	249	271
Province of Ontario	2.55	2 Dec 2052	346	243	312	AltaGas Ltd.	2.48	30 Nov 2030	704	560	644
Province of Ontario	3.75	2 Dec 2053	508	460	470	AltaGas Ltd.	4.50	15 Aug 2044	301	238	271
Province of Prince Edward Island	1.20	11 Feb 2028	8	7	8	AltaGas Ltd.	4.99	4 Oct 2047	222	187	276
Province of Prince Edward Island	1.85	27 Jul 2031	19	16	18	AltaLink, LP	3.67	6 Nov 2023	400	395	396
Province of Prince Edward Island	2.65	1 Dec 2051	7	5	7	AltaLink, LP	5.38	26 Mar 2040	740	762	1,012
Province of Prince Edward Island	3.60	17 Jan 2053	25	21	24	Bank of America	1.98	15 Sep 2027	251	220	238
Province of Québec	3.75	1 Sep 2024	4,445	4,419	4,860	Bank of America	3.62	16 Mar 2028	1,172	1,084	1,141
						Bank of Montreal	2.70	11 Sep 2024	3,500	3,364	3,701
						Bank of Montreal	2.37	3 Feb 2025	1,143	1,075	1,123
						Bank of Montreal	1.55	28 May 2026	1,179	1,041	1,143
						Bank of Montreal	3.65	1 Apr 2027	762	715	743
						Bank of Montreal	4.31	1 Jun 2027	1,276	1,230	1,263
						Bank of Montreal	2.88	17 Sep 2029	2,016	1,913	2,038
						Bank of Montreal	2.08	17 Jun 2030	800	728	771

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

Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2022

(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 – 27.9% (continued)						Corporate – 27.9% (continued)					
Bank of Montreal	6.53	27 Oct 2032	253	259	253	Centre Hospitalier de l'Université de Montreal	6.72	30 Sep 2049	778	835	995
Bank of Montreal	7.33	26 Nov 2082	227	224	227	Choice Properties REIT	3.56	9 Sep 2024	255	246	258
Bank of Nova Scotia	2.29	28 Jun 2024	1,500	1,439	1,565	Choice Properties REIT	3.53	11 Jun 2029	220	194	227
Bank of Nova Scotia	2.49	23 Sep 2024	2,575	2,452	2,686	Choice Properties REIT	2.98	4 Mar 2030	881	736	855
Bank of Nova Scotia	1.95	10 Jan 2025	756	706	756	Choice Properties REIT	6.00	24 Jun 2032	492	494	492
Bank of Nova Scotia	1.85	2 Nov 2026	591	520	591	Classic RMBS Trust	1.53	15 Sep 2026	231	118	109
Bank of Nova Scotia	2.95	8 Mar 2027	850	775	833	Classic RMBS Trust	1.43	15 Nov 2051	281	83	83
Bank of Nova Scotia	3.89	18 Jan 2029	628	614	660	Clover LP	4.22	31 Mar 2034	92	87	100
Bank of Nova Scotia	2.84	3 Jul 2029	3,040	2,898	3,085	Clover LP	4.22	30 Jun 2034	59	56	64
Bank of Nova Scotia	3.93	3 May 2032	217	200	217	Coast Capital Savings Credit Union	5.00	3 May 2028	444	442	470
Bank of Nova Scotia	5.65	31 Dec 2056	37	38	45	Coast Capital Savings Credit Union	5.25	29 Oct 2030	77	75	85
Bank of Nova Scotia	7.02	27 Jul 2082	361	349	361	Concentra Bank	1.46	17 May 2024	163	153	163
Bell Canada	2.50	14 May 2030	342	282	341	Co-operators Financial Services	3.33	13 May 2030	304	258	310
Bell Canada	3.00	17 Mar 2031	300	252	266	Crombie Real Estate Investment Trust	2.69	31 Mar 2028	571	489	582
Bell Canada	6.10	16 Mar 2035	100	102	137	CT Real Estate Investment Trust	3.03	5 Feb 2029	211	181	211
Bell Canada	4.75	29 Sep 2044	213	184	272	CT Real Estate Investment Trust	2.37	6 Jan 2031	346	267	343
Bell Canada	4.35	18 Dec 2045	356	288	331	CU Inc.	4.54	24 Oct 2041	218	200	269
Bell Canada	4.45	27 Feb 2047	125	102	151	CU Inc.	4.72	9 Sep 2043	1,019	955	1,303
Bell Canada	3.50	30 Sep 2050	882	601	890	CU Inc.	2.96	7 Sep 2049	216	148	219
Brookfield Renewable Partners LP	4.25	15 Jan 2029	414	394	481	Daimler Canada Finance Inc.	1.85	15 Dec 2023	294	282	294
Brookfield Renewable Partners LP	3.33	13 Aug 2050	117	79	116	Daimler Canada Finance Inc.	2.97	13 Mar 2024	500	485	528
Caisse Centrale Desjardins	2.42	4 Oct 2024	2,816	2,674	2,932	Dollarama Inc.	3.55	6 Nov 2023	500	492	493
Caisse Centrale Desjardins	1.59	10 Sep 2026	750	657	667	Eagle Credit Card Trust	1.27	17 Jul 2025	83	75	83
Caisse Centrale Desjardins	5.04	23 Aug 2032	523	501	523	Enbridge Inc.	2.44	2 Jun 2025	164	153	165
Canadian Imperial Bank of Commerce	3.29	15 Jan 2024	1,500	1,465	1,597	Enbridge Inc.	2.99	3 Oct 2029	299	256	300
Canadian Imperial Bank of Commerce	2.35	28 Aug 2024	990	942	1,028	Enbridge Inc.	3.10	21 Sep 2033	840	662	771
Canadian Imperial Bank of Commerce	4.33	15 May 2025	218	213	218	Enbridge Inc.	5.75	2 Sep 2039	255	242	320
Canadian Imperial Bank of Commerce	1.10	19 Jan 2026	1,800	1,581	1,762	Enbridge Inc.	4.57	11 Mar 2044	686	553	793
Canadian Imperial Bank of Commerce	1.70	15 Jul 2026	2,650	2,338	2,649	Enbridge Inc.	6.63	12 Apr 2078	702	671	770
Canadian Imperial Bank of Commerce	2.25	7 Jan 2027	412	366	411	Enbridge Pipelines Inc.	4.55	17 Aug 2043	689	562	787
Canadian Imperial Bank of Commerce	4.95	29 Jun 2027	413	408	412	Enmax Corporation	3.88	18 Oct 2029	314	284	350
Canadian Imperial Bank of Commerce	5.05	7 Oct 2027	463	458	462	EPCOR Utilities Inc.	3.95	26 Nov 2048	467	387	578
Canadian Imperial Bank of Commerce	2.95	19 Jun 2029	272	260	275	EPCOR Utilities Inc.	4.73	2 Sep 2052	200	189	200
Canadian Imperial Bank of Commerce	2.01	21 Jul 2030	721	651	692	Federation des caisses Desjardins du Quebec	4.41	19 May 2027	529	510	529
Canadian Imperial Bank of Commerce	4.20	7 Apr 2032	155	144	155	Federation des caisses Desjardins du Quebec	1.99	28 May 2031	1,552	1,352	1,421
Canadian Imperial Bank of Commerce	7.15	28 Jul 2082	109	106	109	First Nations ETF LP	4.14	31 Dec 2041	108	98	117
Canadian Pacific Railway Company	2.54	28 Feb 2028	234	207	234	Ford Credit Canada Limited	1.15	15 Jun 2024	284	270	284
Canadian Pacific Railway Ltd.	3.05	9 Mar 2050	188	126	185	Foresters Life Insurance Company	2.89	15 Oct 2035	272	221	271
Canadian Western Bank	1.93	16 Apr 2026	420	373	420	FortisAlberta Inc.	5.37	30 Oct 2039	926	941	1,241
Cenovus Energy Inc.	3.50	7 Feb 2028	258	240	252	FortisAlberta Inc.	2.63	8 Jun 2051	156	98	156
Central 1 Credit Union	1.32	29 Jan 2026	284	248	283	FortisBC Energy Inc.	5.90	26 Feb 2035	184	196	255
						General Motors Financial of Canada Ltd.	3.25	7 Nov 2023	155	151	156
						General Motors Financial of Canada Ltd.	1.70	9 Jul 2025	132	118	132
						Gibson Energy Inc.	2.45	14 Jul 2025	50	46	50
						Gibson Energy Inc.	2.85	14 Jul 2027	60	54	60

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

Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2022

(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 – 27.9% (continued)						Corporate – 27.9% (continued)					
Gibson Energy Inc.	3.60	17 Sep 2029	248	219	267	Manulife Financial Corporation	2.82	13 May 2035	779	641	756
Glacier Credit Card Trust	1.39	22 Sep 2025	385	345	384	Manulife Financial Corporation	5.06	15 Dec 2041	499	456	613
Goldman Sachs Group, Inc.	2.01	28 Feb 2029	814	681	812	MCAP Commercial LP	3.74	25 Aug 2025	88	82	88
Granite REIT Holdings Limited Partnership	3.06	4 Jun 2027	213	191	215	MCAP Commercial LP	3.38	26 Nov 2027	204	178	204
Granite REIT Holdings Limited Partnership	2.38	18 Dec 2030	169	132	168	Metro Inc.	4.27	4 Dec 2047	456	372	550
Great-West Lifeco Inc.	3.34	28 Feb 2028	500	461	478	Morgan Stanley	1.78	4 Aug 2027	514	449	514
Great-West Lifeco Inc.	6.67	21 Mar 2033	504	556	700	National Australia Bank	3.52	12 Jun 2030	330	309	332
Great-West Lifeco Inc.	6.00	16 Nov 2039	172	181	238	National Bank of Canada	2.98	4 Mar 2024	1,000	971	1,059
H&R REIT	3.37	30 Jan 2024	67	65	68	National Bank of Canada	2.58	3 Feb 2025	88	83	86
H&R REIT	2.63	19 Feb 2027	162	142	162	National Bank of Canada	1.57	18 Aug 2026	553	500	553
HCN Canadian Holdings LP	2.95	15 Jan 2027	570	507	582	National Bank of Canada	5.43	16 Aug 2032	856	834	859
HomeEquity Bank	1.74	15 Dec 2025	179	159	179	North West Redwater Partnership	2.80	1 Jun 2027	212	194	222
Hospital Infrastructure Partner Inc.	5.44	31 Jan 2045	111	110	144	North West Redwater Partnership	4.25	1 Jun 2029	1,020	978	1,135
HSBC Bank Canada	3.40	24 Mar 2025	445	427	445	North West Redwater Partnership	4.15	1 Jun 2033	179	163	201
HSBC Bank Canada	1.78	20 May 2026	361	321	361	North West Redwater Partnership	3.70	23 Feb 2043	215	168	221
Hydro One Inc.	2.23	17 Sep 2031	1,000	818	859	North West Redwater Partnership	4.05	22 Jul 2044	192	157	216
Hydro One Inc.	6.93	1 Jun 2032	744	849	1,119	North West Redwater Partnership	3.75	1 Jun 2051	250	189	249
Hydro One Inc.	6.59	22 Apr 2043	133	156	208	Nova Scotia Power Inc.	5.61	15 Jun 2040	45	46	66
Hydro One Inc.	3.91	23 Feb 2046	505	421	473	Pembina Pipeline Corporation	2.56	1 Jun 2023	480	473	493
Hydro One Inc.	3.64	5 Apr 2050	632	500	601	Pembina Pipeline Corporation	3.71	11 Aug 2026	377	356	406
Hydro-Québec	2.00	1 Sep 2028	108	98	105	Pembina Pipeline Corporation	3.31	1 Feb 2030	1,015	882	1,028
Hydro-Québec	4.39	26 Sep 2041	250	226	251	Pembina Pipeline Corporation	4.75	30 Apr 2043	250	204	265
Hydro-Québec	5.00	15 Feb 2045	100	108	139	Pembina Pipeline Corporation	4.81	25 Mar 2044	67	55	73
Hydro-Québec	2.10	15 Feb 2060	206	122	176	Pembina Pipeline Corporation	4.74	21 Jan 2047	398	320	466
Hydro-Québec	4.00	15 Feb 2063	84	79	81	Pembina Pipeline Corporation	4.67	28 May 2050	576	452	514
Hyundai Capital Canada, Inc.	2.01	12 May 2026	145	128	145	Plenary Health Hamilton LP	5.80	31 May 2043	240	247	274
iA Financial Corporation Inc.	6.61	30 Jun 2082	122	117	122	Plenary Properties LTAP LP	6.29	31 Jan 2044	35	38	46
IA Financial Group	2.40	21 Feb 2030	236	219	237	Power Financial Corporation	6.90	11 Mar 2033	87	96	118
Intact Financial Corporation	2.85	7 Jun 2027	316	288	319	Real Estate Asset Liquidity Trust	2.38	12 Dec 2028	140	95	124
Inter Pipeline Ltd.	3.98	25 Nov 2031	967	821	952	Real Estate Asset Liquidity Trust	2.87	12 Jan 2030	110	93	110
Inter Pipeline Ltd.	5.85	18 May 2032	385	374	385	Reliance LP	3.84	15 Mar 2025	133	127	142
Inter Pipeline Ltd.	5.09	27 Nov 2051	301	236	272	Reliance LP	2.68	1 Dec 2027	129	112	130
Investors Group Inc.	7.45	9 May 2031	100	113	133	Reliance LP	2.67	1 Aug 2028	375	320	356
Investors Group Inc.	7.00	31 Dec 2032	78	87	110	Riocan Real Estate Investment Trust	3.29	12 Feb 2024	195	189	200
Investors Group Inc.	7.11	7 Mar 2033	79	89	109	Riocan Real Estate Investment Trust	2.83	8 Nov 2028	236	198	236
John Deere Credit Inc.	2.40	17 Sep 2024	1,000	954	1,046	Rogers Communications Inc.	3.65	31 Mar 2027	513	478	552
JPMorgan Chase & Co.	1.90	5 Mar 2028	743	646	713	Rogers Communications Inc.	4.25	15 Apr 2032	1,278	621	671
Laurentian Bank of Canada	1.15	3 Jun 2024	263	246	263	Rogers Communications Inc.	6.68	4 Nov 2039	34	35	50
Laurentian Bank of Canada	1.95	17 Mar 2025	314	289	314	Rogers Communications Inc.	6.11	25 Aug 2040	442	432	558
Laurentian Bank of Canada	4.60	2 Sep 2025	350	340	350						
Liberty Utilities Canada LP	3.32	14 Feb 2050	951	656	938						
Loblaw Companies Limited	4.49	11 Dec 2028	387	376	457						
Loblaw Companies Limited	2.28	7 May 2030	200	165	172						
Loblaw Companies Limited	6.54	17 Feb 2033	252	267	348						
Loblaw Companies Limited	6.15	29 Jan 2035	295	305	406						
Loblaw Companies Limited	5.90	18 Jan 2036	240	243	319						
Loblaw Companies Limited	5.34	13 Sep 2052	270	259	270						
Lower Mattagami Energy Limited	4.85	31 Oct 2033	355	355	355						
Manulife Bank of Canada	2.86	16 Feb 2027	351	319	351						
Manulife Bank of Canada	7.12	19 Jun 2082	236	230	236						
Manulife Financial Corporation	2.24	12 May 2030	264	243	265						

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

Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2022

(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 – 27.9% (continued)						Corporate – 27.9% (continued)					
Rogers Communications Inc.	6.56	22 Mar 2041	388	397	516	TransCanada PipeLines Limited	3.00	18 Sep 2029	265	230	268
Rogers Communications Inc.	5.25	15 Apr 2052	304	175	191	TransCanada PipeLines Limited	6.50	9 Dec 2030	130	133	167
Royal Bank of Canada	2.35	2 Jul 2024	1,500	1,434	1,562	TransCanada PipeLines Limited	5.33	12 May 2032	230	226	230
Royal Bank of Canada	2.61	1 Nov 2024	2,500	2,379	2,624	TransCanada PipeLines Limited	4.55	15 Nov 2041	1,863	1,530	2,053
Royal Bank of Canada	1.94	1 May 2025	2,434	2,251	2,327	TransCanada PipeLines Limited	4.34	15 Oct 2049	375	287	295
Royal Bank of Canada	5.24	2 Nov 2026	400	400	400	TransCanada PipeLines Limited	5.92	12 May 2052	48	47	48
Royal Bank of Canada	2.33	28 Jan 2027	678	605	687	Union Gas Limited	5.20	23 Jul 2040	912	904	1,207
Royal Bank of Canada	4.61	26 Jul 2027	600	586	597	Union Gas Limited	4.20	2 Jun 2044	329	284	393
Royal Bank of Canada	1.83	31 Jul 2028	650	543	650	Ventas Canada Finance Limited	2.80	12 Apr 2024	635	609	646
Royal Bank of Canada	2.74	25 Jul 2029	2,063	1,961	2,071	Ventas Canada Finance Limited	3.30	1 Dec 2031	342	277	341
Royal Bank of Canada	2.88	23 Dec 2029	1,220	1,149	1,248	VW Credit Canada Inc.	3.70	14 Nov 2022	960	960	998
Royal Bank of Canada	2.09	30 Jun 2030	336	305	337	VW Credit Canada Inc.	2.85	26 Sep 2024	500	477	526
Royal Bank of Canada	2.94	3 May 2032	266	235	266	Wells Fargo & Company	3.18	8 Feb 2024	719	699	743
Shaw Communications Inc.	3.80	2 Nov 2023	500	492	492	Wells Fargo & Company	2.57	1 May 2026	496	461	499
Shaw Communications Inc.	3.30	10 Dec 2029	327	283	333	Wells Fargo & Company	2.98	19 May 2026	2,842	2,620	2,926
Shaw Communications Inc.	2.90	9 Dec 2030	100	82	100					127,504	144,287
Shaw Communications Inc.	6.75	9 Nov 2039	265	274	348						
Sienna Senior Living Inc.	2.82	31 Mar 2027	111	98	111						
SmartCentres Real Estate Investment Trust	1.74	16 Dec 2025	308	271	307						
SmartCentres Real Estate Investment Trust	3.19	11 Jun 2027	568	506	591						
SmartCentres Real Estate Investment Trust	3.53	20 Dec 2029	288	245	304						
SNC-Lavalin Innisfree McGill Finance Inc.	6.63	30 Jun 2044	429	473	609						
Summit Industrial Income REIT	2.15	17 Sep 2025	49	44	49						
Sun Life Financial Inc.	2.58	10 May 2032	472	415	486						
Sun Life Financial Inc.	2.80	21 Nov 2033	803	687	803						
Sun Life Financial Inc.	4.78	10 Aug 2034	372	354	372						
Sun Life Financial Inc.	2.06	1 Oct 2035	382	293	379						
Sun Life Financial Inc.	3.15	18 Nov 2036	200	163	171						
Sun Life Financial Inc.	5.40	29 May 2042	150	142	190						
Sysco Canada, Inc.	3.65	25 Apr 2025	56	54	57						
Telus Corporation	3.63	1 Mar 2028	1,096	1,014	1,162						
Telus Corporation	5.25	15 Nov 2032	540	527	520						
Telus Corporation	4.85	5 Apr 2044	155	133	176						
Telus Corporation	4.40	29 Jan 2046	470	374	563						
Telus Corporation	4.70	6 Mar 2048	425	353	433						
Telus Corporation	3.95	16 Feb 2050	431	313	463						
Toronto Dominion Bank	1.94	13 Mar 2025	3,913	3,634	3,723						
Toronto Dominion Bank	2.67	9 Sep 2025	1,000	934	940						
Toronto Dominion Bank	2.26	7 Jan 2027	403	359	403						
Toronto Dominion Bank	4.21	1 Jun 2027	537	516	537						
Toronto Dominion Bank	5.38	21 Oct 2027	709	713	709						
Toronto Dominion Bank	3.22	25 Jul 2029	1,218	1,167	1,203						
Toronto Dominion Bank	4.86	4 Mar 2031	50	49	55						
Toronto Dominion Bank	3.06	26 Jan 2032	605	542	600						
Toronto Dominion Bank	7.28	31 Oct 2082	191	188	191						
Toyota Credit Canada Inc.	2.64	27 Mar 2024	500	483	525						
Toyota Credit Canada Inc.	2.31	23 Oct 2024	2,000	1,895	2,082						
TransCanada PipeLines Limited	3.80	5 Apr 2027	502	472	535						
TransCanada PipeLines Limited	3.39	15 Mar 2028	190	173	204						

Securities	Number of Securities	Fair Value (\$)	Average Cost (\$)
Exchange-traded Funds – 38.3%			
BMO S&P 500 Index ETF	262,500	15,160	14,678
iShares Core MSCI Emerging Markets IMI Index ETF	651,187	14,391	18,025
iShares Core S&P 500 Index ETF	834,939	25,808	26,440
iShares Core S&P U.S. ETF	1,609,835	63,444	47,151
iShares Global Infrastructure Index ETF	263,076	8,947	7,567
iShares Global Real Estate Index ETF	308,115	8,131	9,264
iShares Core MSCI EAFE IMI Index ETF	1,296,616	36,772	40,186
Vanguard FTSE Emerging Markets All Cap Index ETF	99,600	2,889	3,928
		175,542	167,239
Total Equities – 38.3%		175,542	167,239
Total Investments – 95.3%		436,313	457,796
Cash and cash equivalents – 4.7%		21,413	21,413
Total Portfolio Assets – 100.0%		457,726	479,209
Total Investment Fund		457,726	479,209
Cash and cash equivalents		21,413	
Investments, at fair value		436,313	
		457,726	

Schedule II – Subscribers’ Deposits and Accumulated Income

As at October 31, 2022 and 2021

(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
74,305	13,041	9,369	77,977	218,593	87,187

The changes in Subscribers’ deposits are as follows:

	2022	2021
Net payments from subscribers ¹	\$ 10,770	\$ 11,248
Inter-plan principal transfers	77,321	58,209
Return of principal	(81,517)	(57,865)
Net increase in Subscribers’ deposits	6,574	11,592
Balance, Beginning of Year	212,379	200,787
Balance, End of Year	\$218,593	\$212,379

1. Net of Sales charges collected of \$27 (2021 – \$33)

Notes to the Financial Statements

October 31, 2022 and 2021

(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. Savings Inc. (“CST Savings”), formerly C.S.T. Consultants Inc., 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.

These financial statements were approved by the Board of Directors of the Foundation on December 14, 2022.

(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 (“ETFs”), and pooled funds.

Notes to the Financial Statements (continued)

October 31, 2022 and 2021

(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 CST Savings.

(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 CST Savings as the Scholarship Plan Dealer and Investment Fund Manager to distribute and administer the Plan. The agreements are renewable annually on November 1.

Annual administration and account maintenance 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, 2022, \$5,409 was recognized as an expense for Administration and account maintenance fees (2021 – \$5,210). Administration and account maintenance fees included in Accounts payable and accrued liabilities at October 31, 2022 was \$163 (2021 – \$195).

Sales charges paid by subscribers from their initial contributions are paid to CST Savings, as compensation for the sale and distribution of savings plans.

During the year ended October 31, 2022, \$27 was paid to CST Savings from sales charges collected (2021 – \$33). Related amounts included in Accounts payable and accrued liabilities at October 31, 2022 was \$1 (2021 – \$1).

(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, 2022, the Plan recognized an expense of \$5 (2021 – \$6) for the services of the IRC. IRC fees included in Accounts payable and accrued liabilities at October 31, 2022 was \$nil (2021 – \$nil).

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

Included in Portfolio management fees on the Statements of Comprehensive Income is \$71 (2021 – \$50) charged by CST Savings for expenses incurred to monitor and manage the portfolio managers. Included in Accounts payable and accrued liabilities is \$21 owing from CST Savings at October 31, 2022 (2021 – \$11) relating to these expenses.

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

CST Savings has appointed C.S.T. Asset Management Inc. ("CSTA") to manage a portion of the Plan's investment accounts.

Notes to the Financial Statements (continued)

October 31, 2022 and 2021

(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)

The agreement shall continue in force and can be terminated with 30 days' notice. The fair value of the total investments managed by CSTA is \$86,017 as of October 31, 2022 (2021 – \$93,031).

Included in Portfolio management fees on the Statements of Comprehensive Income is \$109 charged by CSTA for expenses incurred for the performance of these services (2021 – \$65).

Included in Accounts payable and accrued liabilities is \$9 owing to CSTA at October 31, 2022 relating to these expenses (2021 – \$38).

Note 4. Investment Holdings

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

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	Oct 31, 2022	Oct 31, 2021
Less than 1 year	5%	2%
1-3 years	10%	19%
3-5 years	18%	18%
Greater than 5 years	29%	24%
Total debt instruments	62%	63%

As at October 31, 2022, if prevailing interest rates had increased by 1%, the fair value of the Total Investment Fund of \$457,726 (2021 – \$494,644) as per the Schedule I – Statement of Investment Portfolio would have decreased by approximately \$11,546 (2021 – \$15,244). If prevailing interest rates had decreased by 1%, the fair value of the Total Investment Fund would have increased by approximately \$13,078 (2021 – \$17,453). 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 38% (2021 – 37%) of the Total Investment Fund amount as at October 31, 2022.

As at October 31, 2022, 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 \$1,755 (2021 – \$1,847). In practice, actual results may differ materially.

Notes to the Financial Statements (continued)

October 31, 2022 and 2021

(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, 2022		October 31, 2021	
	% of Total Investment Fund	Amount	% of Total Investment Fund	Amount
AAA	8%	\$ 34,370	7%	\$ 35,912
AA/AAH/AAL	30%	138,686	34%	164,136
A/AH/AL	14%	64,052	14%	71,169
BBB	7%	31,612	7%	33,088
R-1	0%	65	0%	0
Short-term unrated	3%	13,399	1%	5,616
Total debt instruments	62%	\$282,184	63%	\$309,921

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 38% (2021 – 37%) of the Total Investment Fund. The fair value of the Total Investment Fund would increase or decrease by approximately \$1,723 (2021 – \$1,847) 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, 2022 was \$2,262 (2021 – \$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, 2022 and 2021

(in thousands of Canadian dollars)

Note 8. Fair Value Measurements and Disclosure (continued)

Assets Measured at Fair Value as of October 31, 2022

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ –	\$ 260,771	\$ –	\$260,771
ETFs and Equity securities	175,542	–	–	175,542
Total Investments, at fair value	\$175,542	\$260,771	\$ –	\$436,313

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

For the years ended October 31, 2022 and 2021, there were no transfers between Levels 1 and 2.

Canadian Scholarship Trust Plan

Sponsor

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1.877.333.RESP (7377)

Investment Fund Manager and Distributor

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

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