Canadian Scholarship Trust Family Savings Plan

Semi-Annual Financial Statements

April 30, 2023

Unaudited

cst SAVINGS

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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, 2023 and October 31, 2022

(thousands of Canadian dollars)

	2023	2022
		(Audited)
Assets		
Cash and cash equivalents	**$ 2,901**	$ 21,413
Investments, at fair value *(Note 4 and Schedule I)*	**488,751**	436,313
Accrued income and other receivables	**5,789**	5,752
Government grants receivable	**452**	338
	497,893	463,816
Liabilities		
Accounts payable and accrued liabilities	**3,561**	3,095
	3,561	3,095
Net Assets Attributable to Subscribers and Beneficiaries	**494,332**	460,721
Represented by:		
Non-Discretionary Funds		
Accumulated income held for future education assistance payments	**103,013**	87,187
Subscribers' deposits *(Note 7)*	**225,519**	218,953
Government grants	**110,580**	108,346
Income on Government grants	**55,220**	46,235
	$494,332	$460,721

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

Douglas P. McPhie, FCPA, FCA
Director

Sherry J. MacDonald, CPA, CA
Director

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

Statements of Comprehensive Income

For the six months ended April 30, 2023 and 2022

(thousands of Canadian dollars)

	2023	2022
Income		
Interest	**$ 4,457**	$ 4,138
Realized (losses) on sale of investments	**(1,852)**	(614)
Change in unrealized gains (losses)	**27,420**	(35,295)
Dividends	**1,990**	2,664
	32,015	(29,107)
Expenses		
Administration fees *(Note 3(a))*	**2,626**	2,765
Portfolio management fees	**193**	174
Custodian and trustee fees	**43**	75
Independent Review Committee fees	**6**	3
	2,868	3,017
Increase (decrease) in Net Assets from Operations Attributable to Subscribers and Beneficiaries	**$29,147**	$(32,124)

Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries

For the six months ended April 30, 2023 and 2022

(thousands of Canadian dollars)

	2023	2022
Net Assets Attributable to Subscribers and Beneficiaries, Beginning of Period	**$460,721**	$493,919
Increase (decrease) in Net Assets from Operations Attributable to Subscribers and Beneficiaries	**29,147**	(32,124)
Transfers from internal and external plans	**20,436**	30,367
	49,583	(1,757)
Receipts		
Net increase in Subscribers' deposits *(Note 7)*	**6,566**	6,340
Government grants received (net of repayments)	**(979)**	(1,719)
Disbursements		
Payments to beneficiaries		
Education assistance payments	**(10,484)**	(14,606)
Government grants	**(10,642)**	(10,948)
Return of income	**(433)**	(380)
Total payments to beneficiaries	**(21,559)**	(25,934)
Receipts less Disbursements	**(15,972)**	(21,313)
Change in Net Assets Attributable to Subscribers and Beneficiaries	**33,611**	(23,070)
Net Assets Attributable to Subscribers and Beneficiaries, End of Period	**$494,332**	$470,849

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

Statements of Cash Flows

For the six months ended April 30, 2023 and 2022

(thousands of Canadian dollars)

	2023	2022
Operating Activities		
Increase (decrease) in Net Assets from Operations Attributable to Subscribers and Beneficiaries	**$ 29,147**	$(32,124)
Items not affecting cash		
Realized losses on sale of investments	**1,852**	614
Change in unrealized (gains) losses	**(27,420)**	35,295
Change in non-cash operating capital		
Increase in Accrued income and other receivables	**(37)**	(1,855)
Increase in Government grants receivable	**(114)**	(200)
Increase (decrease) in Accounts payable and accrued liabilities	**466**	(623)
Purchase of investments	**(68,127)**	(65,809)
Proceeds from sale and maturities of investments	**41,257**	57,417
Cash flows (used in) Operating Activities	**(22,976)**	(7,285)
Financing Activities		
Transfers from internal and external plans	**20,436**	30,367
Net increase in Subscribers' deposits *(Note 7)*	**6,566**	6,340
Government grants repiad (net of receipts)	**(979)**	(1,719)
Payments to beneficiaries	**(21,559)**	(25,934)
Cash flows from Financing Activities	**4,464**	9,054
Net (decrease) increase in Cash and cash equivalents	**(18,512)**	1,769
Cash and cash equivalents, Beginning of Period	**21,413**	5,616
Cash and cash equivalents, End of Period	**2,901**	7,385
Supplemental cash flow information:		
Withholding taxes	**$ –**	$ –
Interest received	**4,420**	2,283

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

Schedule I – Statement of Investment Portfolio

As at April 30, 2023

(thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value ($)	Fair Value ($)	Average Cost ($)
Bonds					
Federal – 11.0%					
Aéroports de Montréal	6.95	16 Apr 2032	190	210	243
Aéroports de Montréal	5.67	16 Oct 2037	157	175	223
Calgary Airport Authority	3.20	7 Oct 2036	91	79	91
Calgary Airport Authority	3.34	7 Oct 2038	269	233	269
Canada Housing Trust	2.90	15 Jun 2024	612	603	613
Canada Housing Trust	1.80	15 Dec 2024	386	373	402
Canada Housing Trust	2.55	15 Mar 2025	2,075	2,026	2,198
Canada Housing Trust	0.95	15 Jun 2025	728	686	697
Canada Housing Trust	1.95	15 Dec 2025	840	804	851
Canada Housing Trust	2.25	15 Dec 2025	3,100	2,991	3,249
Canada Housing Trust	1.25	15 Jun 2026	562	524	543
Canada Housing Trust	1.10	15 Dec 2026	433	399	410
Canada Housing Trust	1.55	15 Dec 2026	420	394	402
Canada Housing Trust	2.35	15 Jun 2027	400	385	385
Canada Housing Trust	3.80	15 Jun 2027	185	188	185
Canada Housing Trust	1.60	15 Dec 2031	2,000	1,751	1,874
Government of Canada	0.25	1 May 2023	7,700	7,701	7,647
Government of Canada	1.50	1 Jun 2023	2,750	2,743	2,733
Government of Canada	2.00	1 Sep 2023	3,600	3,570	3,537
Government of Canada	2.25	1 Mar 2024	435	428	427
Government of Canada	1.50	1 Sep 2024	1,264	1,224	1,217
Government of Canada	0.75	1 Oct 2024	1,250	1,196	1,187
Government of Canada	0.50	1 Sep 2025	1,953	1,820	1,818
Government of Canada	0.25	1 Mar 2026	1,300	1,191	1,189
Government of Canada	1.50	1 Jun 2026	807	767	760
Government of Canada	1.00	1 Sep 2026	414	386	389
Government of Canada	1.25	1 Mar 2027	968	903	906
Government of Canada	1.00	1 Jun 2027	940	869	853
Government of Canada	8.00	1 Jun 2027	1,500	1,786	2,024
Government of Canada	2.25	1 Jun 2029	2,000	1,939	2,143
Government of Canada	1.25	1 Jun 2030	2,500	2,250	2,457
Government of Canada	7.21	1 Nov 2030	60	38	43
Government of Canada	0.50	1 Dec 2030	6,600	5,560	6,011
Government of Canada	1.50	1 Jun 2031	2,430	2,198	2,488
Government of Canada	1.50	1 Dec 2031	2,000	1,799	1,926
Government of Canada	2.00	1 Jun 2032	850	793	789
Government of Canada	2.50	1 Dec 2032	1,099	1,067	1,037
Government of Canada	2.75	1 Jun 2033	107	106	105
Government of Canada	1.75	1 Dec 2053	555	423	414
Greater Toronto Airports Authority	7.10	4 Jun 2031	281	334	407
Greater Toronto Airports Authority	6.98	15 Oct 2032	65	78	96
Greater Toronto Airports Authority	6.47	2 Feb 2034	176	207	253
Greater Toronto Airports Authority	4.53	2 Dec 2041	437	439	570
Montreal Airport	3.03	21 Apr 2050	283	219	296
Montreal Airport	3.44	26 Apr 2051	276	230	276
Vancouver International Airport	2.80	21 Sep 2050	265	198	262
Winnipeg Airports Authority	5.21	28 Sep 2040	79	81	93
				54,364	56,988

Security	Interest Rate (%)	Maturity Date	Par Value ($)	Fair Value ($)	Average Cost ($)
Bonds (continued)					
Provincial – 20.6%					
Province of Alberta	3.10	1 Jun 2024	1,650	1,630	1,725
Province of Alberta	2.35	1 Jun 2025	1,375	1,334	1,449
Province of Alberta	2.20	1 Jun 2026	2,200	2,110	2,264
Province of Alberta	2.55	1 Jun 2027	3,302	3,190	3,195
Province of Alberta	2.90	1 Dec 2028	110	107	113
Province of Alberta	2.90	20 Sep 2029	25	24	25
Province of Alberta	2.05	1 Jun 2030	339	309	342
Province of Alberta	1.65	1 Jun 2031	128	111	124
Province of Alberta	4.15	1 Jun 2033	74	77	74
Province of Alberta	3.45	1 Dec 2043	205	187	215
Province of Alberta	3.30	1 Dec 2046	175	155	188
Province of Alberta	3.05	1 Dec 2048	231	195	230
Province of Alberta	3.10	1 Jun 2050	149	127	158
Province of Alberta	2.95	1 Jun 2052	168	138	171
Province of British Columbia	2.85	18 Jun 2025	2,042	2,001	2,189
Province of British Columbia	2.30	18 Jun 2026	1,100	1,058	1,130
Province of British Columbia	2.55	18 Jun 2027	1,272	1,230	1,230
Province of British Columbia	2.95	18 Dec 2028	107	105	104
Province of British Columbia	5.70	18 Jun 2029	175	197	230
Province of British Columbia	2.20	18 Jun 2030	181	167	186
Province of British Columbia	3.20	18 Jun 2032	124	121	120
Province of British Columbia	4.70	18 Jun 2037	50	54	63
Province of British Columbia	4.30	18 Jun 2042	100	104	120
Province of British Columbia	3.20	18 Jun 2044	100	88	102
Province of British Columbia	2.80	18 Jun 2048	175	142	153
Province of British Columbia	2.95	18 Jun 2050	245	204	251
Province of British Columbia	2.75	18 Jun 2052	305	243	265
Province of Manitoba	2.45	2 Jun 2025	2,700	2,624	2,874
Province of Manitoba	2.55	2 Jun 2026	1,400	1,357	1,471
Province of Manitoba	2.60	2 Jun 2027	500	484	489
Province of Manitoba	2.75	2 Jun 2029	110	106	114
Province of Manitoba	2.05	2 Jun 2030	55	50	57
Province of Manitoba	2.05	2 Jun 2031	53	47	53
Province of Manitoba	3.90	2 Dec 2032	27	28	27
Province of Manitoba	5.70	5 Mar 2037	100	118	139
Province of Manitoba	4.10	5 Mar 2041	100	100	120
Province of Manitoba	4.05	5 Sep 2045	100	99	119
Province of Manitoba	3.20	5 Mar 2050	86	74	88
Province of Manitoba	2.05	5 Sep 2052	129	85	107
Province of Manitoba	3.80	5 Sep 2053	47	45	46
Province of New Brunswick	3.65	3 Jun 2024	300	298	301
Province of New Brunswick	1.80	14 Aug 2025	797	762	818
Province of New Brunswick	2.60	14 Aug 2026	531	515	553
Province of New Brunswick	2.35	14 Aug 2027	500	478	475
Province of New Brunswick	3.10	14 Aug 2028	20	20	21
Province of New Brunswick	2.55	14 Aug 2031	48	45	46
Province of New Brunswick	5.50	27 Jan 2034	200	231	234
Province of New Brunswick	4.80	3 Jun 2041	225	245	275
Province of New Brunswick	3.10	14 Aug 2048	68	57	70
Province of New Brunswick	3.05	14 Aug 2050	31	26	33
Province of New Brunswick	2.90	14 Aug 2052	22	18	22
Province of Newfoundland and Labrador	2.30	2 Jun 2025	700	678	734

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

Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 2023

(thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value ($)	Fair Value ($)	Average Cost ($)
Bonds (continued)					
Provincial – 20.6% (continued)					
Province of Newfoundland and Labrador	3.00	2 Jun 2026	700	686	742
Province of Newfoundland and Labrador	1.25	2 Jun 2027	625	571	566
Province of Newfoundland and Labrador	2.85	2 Jun 2028	33	32	32
Province of Newfoundland and Labrador	2.85	2 Jun 2029	51	49	52
Province of Newfoundland and Labrador	1.75	2 Jun 2030	59	52	58
Province of Newfoundland and Labrador	2.05	2 Jun 2031	83	73	80
Province of Newfoundland and Labrador	3.70	17 Oct 2048	20	18	21
Province of Newfoundland and Labrador	2.65	17 Oct 2050	212	155	202
Province of Newfoundland and Labrador	3.15	2 Dec 2052	56	45	50
Province of Nova Scotia	2.15	1 Jun 2025	200	193	193
Province of Nova Scotia	2.10	1 Jun 2027	500	475	518
Province of Nova Scotia	1.10	1 Jun 2028	25	22	25
Province of Nova Scotia	2.00	1 Sep 2030	88	80	89
Province of Nova Scotia	2.40	1 Dec 2031	50	46	48
Province of Nova Scotia	3.15	1 Dec 2051	292	249	328
Province of Ontario	3.50	2 Jun 2024	6,730	6,677	7,218
Province of Ontario	2.30	8 Sep 2024	1,779	1,736	1,780
Province of Ontario	2.65	5 Feb 2025	2,760	2,699	2,887
Province of Ontario	2.60	2 Jun 2025	8,400	8,192	8,976
Province of Ontario	1.75	8 Sep 2025	4,517	4,310	4,622
Province of Ontario	2.40	2 Jun 2026	1,800	1,737	1,850
Province of Ontario	1.35	8 Sep 2026	2,433	2,267	2,248
Province of Ontario	2.60	2 Jun 2027	9,354	9,062	9,119
Province of Ontario	1.05	8 Sep 2027	2,870	2,599	2,561
Province of Ontario	3.60	8 Mar 2028	2,977	3,006	2,948
Province of Ontario	6.50	8 Mar 2029	100	116	133
Province of Ontario	2.70	2 Jun 2029	500	481	477
Province of Ontario	2.05	2 Jun 2030	754	688	786
Province of Ontario	1.35	2 Dec 2030	227	195	217
Province of Ontario	2.15	2 Jun 2031	500	452	500
Province of Ontario	2.25	2 Dec 2031	335	303	329
Province of Ontario	3.75	2 Jun 2032	255	259	260
Province of Ontario	5.60	2 Jun 2035	500	587	648
Province of Ontario	4.70	2 Jun 2037	375	407	462
Province of Ontario	4.60	2 Jun 2039	300	323	340
Province of Ontario	4.65	2 Jun 2041	225	244	262
Province of Ontario	3.50	2 Jun 2043	325	302	317
Province of Ontario	3.45	2 Jun 2045	475	436	501
Province of Ontario	2.90	2 Dec 2046	525	437	504
Province of Ontario	2.80	2 Jun 2048	425	346	410
Province of Ontario	2.90	2 Jun 2049	395	326	376
Province of Ontario	1.90	2 Dec 2051	359	235	277
Province of Ontario	2.55	2 Dec 2052	371	283	314
Province of Ontario	3.75	2 Dec 2053	508	495	470
Province of Prince Edward Island	1.20	11 Feb 2028	8	7	8

Security	Interest Rate (%)	Maturity Date	Par Value ($)	Fair Value ($)	Average Cost ($)
Bonds (continued)					
Provincial – 20.6% (continued)					
Province of Prince Edward Island	1.85	27 Jul 2031	19	17	18
Province of Prince Edward Island	2.65	1 Dec 2051	7	5	7
Province of Prince Edward Island	3.60	17 Jan 2053	25	23	24
Province of Québec	3.75	1 Sep 2024	2,995	2,980	3,242
Province of Québec	2.75	1 Sep 2025	4,350	4,251	4,560
Province of Québec	8.50	1 Apr 2026	1,675	1,898	2,097
Province of Québec	2.50	1 Sep 2026	4,825	4,674	4,974
Province of Québec	2.75	1 Sep 2027	3,875	3,777	3,751
Province of Québec	2.75	1 Sep 2028	663	643	641
Province of Québec	2.30	1 Sep 2029	297	279	302
Province of Québec	1.90	1 Sep 2030	176	158	162
Province of Québec	1.50	1 Sep 2031	330	282	311
Province of Québec	3.25	1 Sep 2032	484	472	459
Province of Québec	5.00	1 Dec 2038	325	365	369
Province of Québec	5.00	1 Dec 2041	350	396	476
Province of Québec	4.25	1 Dec 2043	125	129	149
Province of Québec	3.50	1 Dec 2045	415	384	426
Province of Québec	3.50	1 Dec 2048	524	484	535
Province of Québec	3.10	1 Dec 2051	408	350	424
Province of Québec	2.85	1 Dec 2053	413	336	351
Province of Saskatchewan	3.20	3 Jun 2024	575	569	613
Province of Saskatchewan	0.80	2 Sep 2025	767	716	761
Province of Saskatchewan	2.55	2 Jun 2026	918	890	958
Province of Saskatchewan	2.65	2 Jun 2027	600	582	580
Province of Saskatchewan	3.05	2 Dec 2028	63	62	64
Province of Saskatchewan	2.20	2 Jun 2030	57	53	59
Province of Saskatchewan	2.15	2 Jun 2031	73	66	72
Province of Saskatchewan	5.80	5 Sep 2033	50	59	66
Province of Saskatchewan	2.75	2 Dec 2046	150	120	139
Province of Saskatchewan	3.30	2 Jun 2048	25	22	25
Province of Saskatchewan	2.80	2 Dec 2052	167	133	151
Province of Saskatchewan	2.95	2 Jun 2058	23	19	22
				101,145	107,294
Corporate – 28.3%					
407 International Inc.	6.47	27 Jul 2029	500	561	652
407 International Inc.	3.65	8 Sep 2044	300	262	350
407 International Inc.	3.72	11 May 2048	226	198	263
Access Justice Durham Ltd.	5.02	31 Aug 2039	156	161	196
Allied Properties REIT	3.11	8 Apr 2027	192	174	193
Allied Properties REIT	3.13	15 May 2028	354	312	334
Allied Properties REIT	3.12	21 Feb 2030	259	218	259
AltaGas Ltd.	2.16	10 Jun 2025	270	255	271
AltaGas Ltd.	2.48	30 Nov 2030	704	598	644
AltaGas Ltd.	4.50	15 Aug 2044	301	260	271
AltaGas Ltd.	4.99	4 Oct 2047	222	205	276
AltaLink, LP	3.67	6 Nov 2023	400	397	396
AltaLink, LP	5.38	26 Mar 2040	740	817	1,012
Bank of America	1.98	15 Sep 2027	251	229	238
Bank of America	3.62	16 Mar 2028	1,172	1,122	1,141
Bank of Montreal	2.70	11 Sep 2024	3,500	3,409	3,701

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

Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 2023

(thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value ($)	Fair Value ($)	Average Cost ($)
Bonds (continued)					
Corporate – 28.3% (continued)					
Bank of Montreal	2.37	3 Feb 2025	208	200	204
Bank of Montreal	1.55	28 May 2026	1,179	1,080	1,143
Bank of Montreal	3.65	1 Apr 2027	762	739	743
Bank of Montreal	4.31	1 Jun 2027	1,276	1,267	1,263
Bank of Montreal	2.88	17 Sep 2029	2,016	1,949	2,038
Bank of Montreal	2.08	17 Jun 2030	800	750	771
Bank of Montreal	6.53	27 Oct 2032	253	267	253
Bank of Montreal	7.33	26 Nov 2082	227	227	227
Bank of Nova Scotia	2.29	28 Jun 2024	1,500	1,459	1,565
Bank of Nova Scotia	2.49	23 Sep 2024	2,500	2,419	2,614
Bank of Nova Scotia	2.16	3 Feb 2025	300	287	283
Bank of Nova Scotia	1.85	2 Nov 2026	501	459	501
Bank of Nova Scotia	2.95	8 Mar 2027	850	804	833
Bank of Nova Scotia	2.84	3 Jul 2029	3,040	2,949	3,085
Bank of Nova Scotia	3.93	3 May 2032	217	207	217
Bank of Nova Scotia	5.65	31 Dec 2056	37	38	45
Bank of Nova Scotia	7.02	27 Jul 2082	246	242	246
Bell Canada	4.70	11 Sep 2023	1,000	998	998
Bell Canada	2.50	14 May 2030	342	301	341
Bell Canada	3.00	17 Mar 2031	300	268	266
Bell Canada	5.85	10 Nov 2032	665	720	676
Bell Canada	6.10	16 Mar 2035	100	109	137
Bell Canada	4.75	29 Sep 2044	213	201	272
Bell Canada	4.35	18 Dec 2045	356	317	331
Bell Canada	4.45	27 Feb 2047	125	113	151
Bell Canada	3.50	30 Sep 2050	676	515	682
BMW Canada Inc.	4.76	10 Feb 2025	110	110	110
Brookfield Renewable Partners LP	4.25	15 Jan 2029	414	406	481
Brookfield Renewable Partners LP	5.29	28 Oct 2033	265	271	265
Brookfield Renewable Partners LP	3.33	13 Aug 2050	117	85	116
Caisse Centrale Desjardins	2.42	4 Oct 2024	2,816	2,720	2,932
Caisse Centrale Desjardins	5.20	1 Oct 2025	406	411	406
Caisse Centrale Desjardins	5.04	23 Aug 2032	523	520	523
Canadian Imperial Bank of Commerce	3.29	15 Jan 2024	1,500	1,482	1,597
Canadian Imperial Bank of Commerce	2.35	28 Aug 2024	500	483	520
Canadian Imperial Bank of Commerce	2.75	7 Mar 2025	250	241	239
Canadian Imperial Bank of Commerce	4.33	15 May 2025	218	216	218
Canadian Imperial Bank of Commerce	1.10	19 Jan 2026	1,800	1,641	1,762
Canadian Imperial Bank of Commerce	1.70	15 Jul 2026	2,650	2,427	2,649
Canadian Imperial Bank of Commerce	2.25	7 Jan 2027	412	380	411
Canadian Imperial Bank of Commerce	4.95	29 Jun 2027	413	419	412
Canadian Imperial Bank of Commerce	5.05	7 Oct 2027	463	472	462
Canadian Imperial Bank of Commerce	2.95	19 Jun 2029	272	264	275

Security	Interest Rate (%)	Maturity Date	Par Value ($)	Fair Value ($)	Average Cost ($)
Bonds (continued)					
Corporate – 28.3% (continued)					
Canadian Imperial Bank of Commerce	2.01	21 Jul 2030	721	674	692
Canadian Imperial Bank of Commerce	4.20	7 Apr 2032	155	150	155
Canadian Imperial Bank of Commerce	5.33	20 Jan 2033	296	298	296
Canadian Imperial Bank of Commerce	7.15	28 Jul 2082	188	186	187
Canadian Pacific Railway Company	3.05	9 Mar 2050	188	140	185
Canadian Tire Corp Ltd.	3.17	6 Jul 2023	1,300	1,295	1,295
Canadian Utilities Limited	9.40	1 May 2023	1,000	1,001	1,003
Canadian Western Bank	1.93	16 Apr 2026	420	383	420
Cenovus Energy Inc.	3.50	7 Feb 2028	258	247	252
Central 1 Credit Union	1.32	29 Jan 2026	284	256	283
Centre Hospitalier de l'Universite de Montreal	6.72	30 Sep 2049	773	879	989
Choice Properties REIT	3.56	9 Sep 2024	255	250	258
Choice Properties REIT	3.53	11 Jun 2029	220	204	227
Choice Properties REIT	2.98	4 Mar 2030	881	781	855
Choice Properties REIT	6.00	24 Jun 2032	492	522	492
Classic RMBS Trust	1.53	15 Sep 2026	231	79	84
Classic RMBS Trust	1.43	15 Nov 2051	281	48	50
Clover LP	4.22	31 Mar 2034	87	84	95
Clover LP	4.22	30 Jun 2034	56	55	61
Coast Capital Savings Credit Union	5.25	29 Oct 2030	77	75	85
Concentra Bank	1.46	17 May 2024	163	156	163
Connect 6ix GP	6.11	30 Nov 2046	251	260	251
Connect 6ix GP	6.21	30 Nov 2060	180	188	180
Co-operators Financial Services	3.33	13 May 2030	304	264	310
Crombie Real Estate Investment Trust	2.69	31 Mar 2028	571	509	582
Crombie Real Estate Investment Trust	5.24	28 Sep 2029	235	235	235
CT Real Estate Investment Trust	3.03	5 Feb 2029	211	189	211
CT Real Estate Investment Trust	2.37	6 Jan 2031	346	282	343
CU Inc.	4.54	24 Oct 2041	218	217	269
CU Inc.	4.72	9 Sep 2043	737	750	943
CU Inc.	3.76	19 Nov 2046	575	509	463
Cu Inc.	2.96	7 Sep 2049	216	164	219
Daimler Canada Finance Inc.	2.97	13 Mar 2024	500	491	528
Dollarama Inc.	3.55	6 Nov 2023	500	496	493
Dream Summit Industrial LP	2.15	17 Sep 2025	49	46	49
Eagle Credit Card Trust	1.27	17 Jul 2025	83	77	83
Enbridge Gas Inc.	4.15	17 Aug 2032	85	84	80
Enbridge Inc.	2.44	2 Jun 2025	64	61	64
Enbridge Inc.	2.99	3 Oct 2029	299	273	300
Enbridge Inc.	3.10	21 Sep 2033	840	716	771
Enbridge Inc.	5.75	2 Sep 2039	255	262	320
Enbridge Inc.	4.57	11 Mar 2044	686	611	793
Enbridge Inc.	6.63	12 Apr 2078	1,046	1,033	1,106
Enbridge Pipelines Inc.	6.35	17 Nov 2023	1,000	1,005	1,007

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

Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 2023

(thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value ($)	Fair Value ($)	Average Cost ($)
Bonds (continued)					
Corporate – 28.3% (continued)					
Enbridge Pipelines Inc.	8.20	15 Feb 2024	750	766	774
Enbridge Pipelines Inc.	4.55	17 Aug 2043	689	619	787
Enmax Corporation	3.88	18 Oct 2029	314	297	350
Epcor Utilities Inc.	3.95	26 Nov 2048	307	280	380
Federation des caisses Desjardins du Quebec	4.41	19 May 2027	529	527	529
Federation des caisses Desjardins du Quebec	1.99	28 May 2031	1,552	1,407	1,421
First Nations ETF LP	4.14	31 Dec 2041	106	98	114
Ford Credit Canada Limited	1.15	15 Jun 2024	284	274	284
Foresters Life Insurance Company	2.89	15 Oct 2035	272	228	271
FortisAlberta Inc.	5.37	30 Oct 2039	926	1,003	1,241
FortisAlberta Inc.	2.63	8 Jun 2051	156	109	156
FortisBC Energy Inc.	5.90	26 Feb 2035	184	206	255
General Motors Financial of Canada Ltd.	3.25	7 Nov 2023	155	153	156
General Motors Financial of Canada Ltd.	1.70	9 Jul 2025	132	122	132
General Motors Financial of Canada Ltd.	5.20	9 Feb 2028	302	302	302
Gibson Energy Inc.	2.45	14 Jul 2025	50	47	50
Gibson Energy Inc.	2.85	14 Jul 2027	60	56	60
Gibson Energy Inc.	3.60	17 Sep 2029	248	231	267
Glacier Credit Card Trust	1.39	22 Sep 2025	385	356	384
Goldman Sachs Group, Inc.	2.01	28 Feb 2029	814	716	812
Granite REIT Holdings Limited Partnership	3.06	4 Jun 2027	213	198	215
Granite REIT Holdings Limited Partnership	2.38	18 Dec 2030	169	140	168
Great-West Lifeco Inc.	3.34	28 Feb 2028	500	478	478
Great-West Lifeco Inc.	6.67	21 Mar 2033	504	582	700
Great-West Lifeco Inc.	6.00	16 Nov 2039	172	194	238
H&R REIT	3.37	30 Jan 2024	52	51	53
H&R REIT	2.63	19 Feb 2027	162	146	162
HCN Canadian Holdings LP	2.95	15 Jan 2027	570	526	582
HomeEquity Bank	1.74	15 Dec 2025	179	163	179
Hospital Infrastructure Partner Inc.	5.44	31 Jan 2045	197	208	229
Hydro One Inc.	2.23	17 Sep 2031	1,000	871	859
Hydro One Inc.	6.93	1 Jun 2032	744	885	1,119
Hydro One Inc.	6.59	22 Apr 2043	133	169	208
Hydro One Inc.	3.91	23 Feb 2046	505	463	473
Hydro One Inc.	3.64	5 Apr 2050	632	551	601
Hydro-Québec	2.00	1 Sep 2028	108	101	105
Hydro-Québec	4.39	26 Sep 2041	250	246	251
Hydro-Québec	5.00	15 Feb 2045	100	114	139
Hydro-Québec	2.10	15 Feb 2060	206	134	176
Hydro-Québec	4.00	15 Feb 2063	84	85	81
Hyundai Capital Canada, Inc.	2.01	12 May 2026	145	133	145
IA Financial Group	2.40	21 Feb 2030	236	224	237
IA Financial Group	6.61	30 Jun 2082	87	84	87
Intact Financial Corporation	2.85	7 Jun 2027	316	298	319
Intact Financial Corporation	7.34	30 Jun 2083	173	173	173
Inter Pipeline Ltd.	5.76	17 Feb 2028	282	290	282

Security	Interest Rate (%)	Maturity Date	Par Value ($)	Fair Value ($)	Average Cost ($)
Bonds (continued)					
Corporate – 28.3% (continued)					
Inter Pipeline Ltd.	3.98	25 Nov 2031	967	879	952
Inter Pipeline Ltd.	5.85	18 May 2032	385	397	385
Inter Pipeline Ltd.	5.09	27 Nov 2051	328	290	296
Investors Group Inc.	7.45	9 May 2031	100	117	133
Investors Group Inc.	7.00	31 Dec 2032	78	91	110
Investors Group Inc.	7.11	7 Mar 2033	79	92	109
John Deere Credit Inc.	2.40	17 Sep 2024	1,000	969	1,046
JPMorgan Chase & Co.	1.90	5 Mar 2028	743	671	713
Laurentian Bank of Canada	1.15	3 Jun 2024	263	251	263
Laurentian Bank of Canada	1.95	17 Mar 2025	314	295	314
Laurentian Bank of Canada	4.60	2 Sep 2025	350	344	350
Liberty Utilities Canada LP	3.32	14 Feb 2050	951	721	938
Loblaw Companies Limited	4.49	11 Dec 2028	387	390	457
Loblaw Companies Limited	2.28	7 May 2030	200	175	172
Loblaw Companies Limited	6.54	17 Feb 2033	252	281	348
Loblaw Companies Limited	6.15	29 Jan 2035	295	321	406
Loblaw Companies Limited	5.90	18 Jan 2036	240	256	319
Loblaw Companies Limited	5.34	13 Sep 2052	270	285	270
Manitoba Telecom Services Inc.	4.00	27 May 2024	750	742	737
Manulife Bank of Canada	2.86	16 Feb 2027	351	330	351
Manulife Bank of Canada	7.12	19 Jun 2082	337	331	336
Manulife Financial Corporation	2.24	12 May 2030	264	250	265
Manulife Financial Corporation	5.41	10 Mar 2033	541	550	541
Manulife Financial Corporation	2.82	13 May 2035	779	682	756
Manulife Financial Corporation	5.06	15 Dec 2041	499	483	613
MCAP Commercial LP	3.74	25 Aug 2025	88	83	88
MCAP Commercial LP	3.38	26 Nov 2027	204	183	204
Metro Inc.	4.27	4 Dec 2047	456	411	550
Morgan Stanley	1.78	4 Aug 2027	514	467	514
National Australia Bank	3.52	12 Jun 2030	330	313	332
National Bank of Canada	2.98	4 Mar 2024	1,000	982	1,059
National Bank of Canada	2.58	3 Feb 2025	88	85	86
National Bank of Canada	5.30	3 Nov 2025	337	342	337
National Bank of Canada	1.57	18 Aug 2026	553	515	553
National Bank of Canada	5.43	16 Aug 2032	856	863	859
North West Redwater Partnership	2.80	1 Jun 2027	212	200	222
North West Redwater Partnership	4.25	1 Jun 2029	1,020	1,018	1,135
North West Redwater Partnership	4.15	1 Jun 2033	179	172	201
North West Redwater Partnership	3.70	23 Feb 2043	215	183	221
North West Redwater Partnership	4.05	22 Jul 2044	192	171	216
North West Redwater Partnership	3.75	1 Jun 2051	250	208	249
Nova Scotia Power Inc.	4.95	15 Nov 2032	254	259	254
Nova Scotia Power Inc.	5.61	15 Jun 2040	45	48	66
Pembina Pipeline Corporation	2.56	1 Jun 2023	2,480	2,475	2,473
Pembina Pipeline Corporation	3.71	11 Aug 2026	377	366	406

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

Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 2023

(thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value ($)	Fair Value ($)	Average Cost ($)
Bonds (continued)					
Corporate – 28.3% (continued)					
Pembina Pipeline Corporation	3.31	1 Feb 2030	1,015	931	1,028
Pembina Pipeline Corporation	4.75	30 Apr 2043	250	226	265
Pembina Pipeline Corporation	4.81	25 Mar 2044	67	61	73
Pembina Pipeline Corporation	4.74	21 Jan 2047	398	354	466
Pembina Pipeline Corporation	4.67	28 May 2050	576	505	514
Plenary Health Hamilton LP	5.80	31 May 2043	237	256	270
Plenary Properties LTAP LP	6.29	31 Jan 2044	34	39	46
Power Financial Corporation	6.90	11 Mar 2033	87	101	118
Real Estate Asset Liquidity Trust	2.38	12 Dec 2028	140	94	102
Real Estate Asset Liquidity Trust	2.87	12 Feb 2055	110	97	110
Reliance LP	3.84	15 Mar 2025	133	130	142
Reliance LP	2.68	1 Dec 2027	129	117	130
Reliance LP	2.67	1 Aug 2028	375	335	356
Riocan Real Estate Investment Trust	3.29	12 Feb 2024	35	34	36
Riocan Real Estate Investment Trust	5.61	6 Oct 2027	229	231	229
Riocan Real Estate Investment Trust	2.83	8 Nov 2028	236	207	236
Rogers Communications Inc.	3.80	2 Nov 2023	500	496	492
Rogers Communications Inc.	3.65	31 Mar 2027	513	493	552
Rogers Communications Inc.	3.30	10 Dec 2029	327	300	333
Rogers Communications Inc.	2.90	9 Dec 2030	100	87	100
Rogers Communications Inc.	4.25	15 Apr 2032	689	651	671
Rogers Communications Inc.	6.68	4 Nov 2039	34	38	50
Rogers Communications Inc.	6.75	9 Nov 2039	265	297	348
Rogers Communications Inc.	6.11	25 Aug 2040	442	467	558
Rogers Communications Inc.	6.56	22 Mar 2041	438	485	571
Rogers Communications Inc.	5.25	15 Apr 2052	202	193	191
Royal Bank of Canada	2.35	2 Jul 2024	1,500	1,456	1,562
Royal Bank of Canada	2.61	1 Nov 2024	2,500	2,419	2,624
Royal Bank of Canada	1.94	1 May 2025	2,434	2,308	2,327
Royal Bank of Canada	5.24	2 Nov 2026	400	409	400
Royal Bank of Canada	2.33	28 Jan 2027	678	628	687
Royal Bank of Canada	4.61	26 Jul 2027	600	603	597
Royal Bank of Canada	1.83	31 Jul 2028	650	573	650
Royal Bank of Canada	2.74	25 Jul 2029	2,063	1,996	2,071
Royal Bank of Canada	2.88	23 Dec 2029	1,220	1,172	1,248
Royal Bank of Canada	2.09	30 Jun 2030	336	315	337
Royal Bank of Canada	2.94	3 May 2032	266	245	266
Sienna Senior Living Inc.	2.82	31 Mar 2027	111	100	111
SmartCentres Real Estate Investment Trust	1.74	16 Dec 2025	308	281	307
SmartCentres Real Estate Investment Trust	3.19	11 Jun 2027	568	525	591
SmartCentres Real Estate Investment Trust	3.53	20 Dec 2029	288	257	304
SNC-Lavalin Innisfree McGill Finance Inc.	6.63	30 Jun 2044	578	671	779
Sun Life Financial Inc.	2.58	10 May 2032	472	433	486
Sun Life Financial Inc.	2.80	21 Nov 2033	803	725	803
Sun Life Financial Inc.	4.78	10 Aug 2034	372	370	372
Sun Life Financial Inc.	2.06	1 Oct 2035	382	314	379

Security	Interest Rate (%)	Maturity Date	Par Value ($)	Fair Value ($)	Average Cost ($)
Bonds (continued)					
Corporate – 28.3% (continued)					
Sun Life Financial Inc.	3.15	18 Nov 2036	200	174	171
Sun Life Financial Inc.	5.40	29 May 2042	150	151	190
Sysco Canada, Inc.	3.65	25 Apr 2025	56	55	57
Telus Corporation	3.63	1 Mar 2028	323	311	343
Telus Corporation	5.25	15 Nov 2032	686	708	665
Telus Corporation	4.85	5 Apr 2044	155	146	176
Telus Corporation	4.40	29 Jan 2046	470	413	563
Telus Corporation	4.70	6 Mar 2048	425	389	433
Telus Corporation	3.95	16 Feb 2050	431	348	463
Toronto Dominion Bank	1.94	13 Mar 2025	3,913	3,725	3,725
Toronto Dominion Bank	2.67	9 Sep 2025	1,000	956	940
Toronto Dominion Bank	2.26	7 Jan 2027	403	373	403
Toronto Dominion Bank	4.21	1 Jun 2027	537	531	537
Toronto Dominion Bank	5.38	21 Oct 2027	709	734	709
Toronto Dominion Bank	4.68	8 Jan 2029	1,165	1,180	1,165
Toronto Dominion Bank	3.22	25 Jul 2029	1,218	1,186	1,203
Toronto Dominion Bank	4.86	4 Mar 2031	50	50	55
Toronto Dominion Bank	3.06	26 Jan 2032	605	564	600
Toronto Dominion Bank	7.28	31 Oct 2082	191	191	191
Toyota Credit Canada Inc.	2.64	27 Mar 2024	500	490	525
Toyota Credit Canada Inc.	2.31	23 Oct 2024	2,000	1,931	2,082
TransCanada PipeLines Limited	3.80	5 Apr 2027	502	488	535
TransCanada PipeLines Limited	3.39	15 Mar 2028	190	180	204
TransCanada PipeLines Limited	3.00	18 Sep 2029	265	242	268
TransCanada PipeLines Limited	6.50	9 Dec 2030	130	139	167
TransCanada PipeLines Limited	5.33	12 May 2032	230	236	230
TransCanada PipeLines Limited	4.55	15 Nov 2041	1,581	1,415	1,742
TransCanada PipeLines Limited	4.34	15 Oct 2049	375	316	295
TransCanada PipeLines Limited	5.92	12 May 2052	48	51	48
Union Gas Limited	3.79	10 Jul 2023	1,300	1,297	1,297
Union Gas Limited	5.20	23 Jul 2040	912	970	1,207
Union Gas Limited	4.20	2 Jun 2044	329	309	393
Ventas Canada Finance Limited	3.30	1 Dec 2031	342	294	341
VW Credit Canada Inc.	2.85	26 Sep 2024	500	485	526
Wells Fargo & Company	2.57	1 May 2026	496	473	499
Wells Fargo & Company	2.98	19 May 2026	2,842	2,693	2,926
				139,156	150,138
Total Fixed Income – 59.9%				**294,665**	**314,420**

Securities	Number of Securities	Fair Value ($)	Average Cost ($)
Exchange-traded Funds – 39.5%			
BMO S&P 500 Index ETF	293	18,072	16,423
iShares Core MSCI Emerging Markets IMI Index ETF	651	16,280	18,016

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

Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 2023

(thousands of Canadian dollars)

Securities	Number of Securities	Fair Value ($)	Average Cost ($)
Exchange-traded Funds – 39.5% (continued)			
iShares Core S&P 500 Index ETF	862	28,261	27,285
iShares Core S&P U.S. ETF	1,644	68,560	48,454
iShares Global Infrastructure Index ETF	263	9,231	7,563
iShares Global Real Estate Index ETF	314	8,573	9,406
iShares Core MSCI EAFE IMI Index ETF	1,230	42,460	37,971
Vanguard FTSE Emerging Markets All Cap Index ETF	81	2,649	3,193
		194,086	168,311
Total Equities – 39.5%		**194,086**	**168,311**
		488,751	**482,731**

Securities	Number of Securities	Fair Value ($)	Average Cost ($)
Exchange-traded Funds – 39.5% (continued)			
Cash and cash equivalents – 0.6%		**2,901**	**2,901**
Total Portfolio Assets – 100.0%		**491,652**	**485,632**
Represented by :			
Cash and cash equivalents		2,901	
Investments, at fair value		488,751	
		491,652	

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

Notes to the Financial Statements

Six months ended April 30, 2023 and 2022

(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. 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 June 14, 2023.

(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)

Six months ended April 30, 2023 and 2022

(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 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 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, 2023, $2,626 was recognized as an expense for Administration and account maintenance fees (2022 – $2,765). Administration and account maintenance fees included in Accounts payable and accrued liabilities at April 30, 2023 was $46 (October 31, 2022 – $163).

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 six months ended April 30, 2023, $14 was paid to CST Savings from sales charges collected (2022 – $12). Related amounts included in Accounts payable and accrued liabilities at April 30, 2023 was $nil (October 31, 2022 – $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 six months ended April 30, 2023, the Plan recognized an expense of $6 (2022 – $3) for the services of the IRC. IRC fees included in Accounts payable and accrued liabilities at April 30, 2023 was $1 (October 31, 2022 – $nil).

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

Included in Portfolio management fees on the Statements of Comprehensive Income is $36 (2022 – $30) charged by CST Savings for expenses incurred to monitor and manage the portfolio managers. Included in Accounts payable and accrued liabilities is $18 owing from CST Savings at April 30, 2023 (October 31, 2022 – $21) relating to these expenses.

Notes to the Financial Statements (continued)

Six months ended April 30, 2023 and 2022

(Unaudited, in thousands of Canadian dollars)

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	% of Total Investment Fund	
	Apr 30, 2023	Oct 31, 2022
Less than 1 year	**6%**	5%
1-3 years	**18%**	10%
3-5 years	**14%**	18%
Greater than 5 years	**22%**	29%
Total debt instruments	**60%**	62%

As at April 30, 2023, if prevailing interest rates had increased by 1%, the fair value of the Total Investment Fund of $491,652 (October 31, 2022 – $457,726) as per the Schedule I – Statement of Investment Portfolio would have decreased by approximately $13,415 (October 31, 2022 – $11,546). If prevailing interest rates had decreased by 1%, the fair value of the Total Investment Fund would have increased by approximately $11,767 (October 31, 2022 – $13,078). 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 40% (October 31, 2022 – 38%) of the Total Investment Fund amount as at April 30, 2023.

As at April 30, 2023, 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 $1,941 (October 31, 2022 – $1,755). 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, 2023 and 2022

(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:

	April 30, 2023		October 31, 2022	
Credit rating	**% of Total Investment Fund**	**Amount**	% of Total Investment Fund	Amount
AAA	**11%**	**$ 53,142**	8%	$ 34,370
AA/AAH/AAL	**27%**	**136,101**	30%	138,686
A/AH/AL	**13%**	**63,446**	14%	64,052
BBB	**8%**	**38,199**	7%	31,612
R-1	**0%**	**–**	0%	65
Short-term unrated	**1%**	**6,678**	3%	13,399
Total debt instruments	**60%**	**$297,566**	62%	$282,184

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 40% (October 31, 2022 – 38%) of the Total Investment Fund. The fair value of the Total Investment Fund would increase or decrease by approximately $1,905 (October 31, 2022 – $1,723) 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 are as follows:

	2023	2022
Payments from subscribers	**$ 5,725**	$ 5,765
Inter-plan principal transfers	**28,404**	34,358
Return of principal	**(27,563)**	(33,783)
Net increase in Subscribers' deposits	**6,566**	6,340
Balance, Beginning of Period	**218,953**	212,379
Balance, End of Period	**$225,519**	$218,719

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, 2023, was $1,407 (October 31, 2022 – $2,262).

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.

Notes to the Financial Statements (continued)

Six months ended April 30, 2023 and 2022

(Unaudited, in thousands of Canadian dollars)

Note 9. Fair Value Measurements and Disclosure (continued)

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

i. Level 1 financial instruments are valued using quoted market prices.
ii. Level 2 financial instruments are valued using directly or indirectly observable inputs.
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, 2023

	Level 1	Level 2	Level 3	Total
Fixed income securities	$ –	$ 294,665	$ –	**$294,665**
ETFs and Equity securities	194,086	–	–	**194,086**
Total Investments, at fair value	**$194,086**	**$294,665**	**$ –**	**$488,751**

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**

For the six months ended April 30, 2023 and year ended October 31, 2022, there were no transfers between Levels 1 and 2.

Canadian Scholarship Trust Plan

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