

# C.S.T. Spark Education Portfolios

CST Spark Graduation Portfolio  
CST Spark 2026 Education Portfolio  
CST Spark 2029 Education Portfolio  
CST Spark 2032 Education Portfolio  
CST Spark 2035 Education Portfolio  
CST Spark 2038 Education Portfolio  
CST Spark 2041 Education Portfolio

Audited Financial Statements and Management Report of Fund Performance

October 31, 2024



# CST Spark Education Portfolios

## Contents

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Management's Responsibility for Financial Reporting	1
Independent Auditor's Report	1
CST Spark Graduation Portfolio	3
CST Spark 2026 Education Portfolio	14
CST Spark 2029 Education Portfolio	25
CST Spark 2032 Education Portfolio	36
CST Spark 2035 Education Portfolio	47
CST Spark 2038 Education Portfolio	58
CST Spark 2041 Education Portfolio	69
Generic Notes to Financial Statements	80

# CST Spark Education Portfolios

## Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by CST Spark Inc. ("CST Spark") as manager of the CST Spark Education Portfolios (the "Funds") and approved by the Board of Directors of CST Spark. We are responsible for the information contained within the financial statements. We have maintained appropriate procedures and controls to ensure that timely and reliable financial information is produced. The financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") (and they include certain amounts that are based on estimates and judgements). The material accounting policies, which we believe are appropriate for the Funds, are described in Note 3 to the financial statements.

Deloitte LLP is the external auditor of the Funds. 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.



**Peter Lewis**  
Chief Executive Officer  
C.S.T. Spark Inc.



**Christopher Ferris, CPA, CGA, CFA**  
Chief Financial and Operations Officer  
C.S.T. Spark Inc.

December 17, 2024

## Independent Auditor's Report

To the Unitholders of

CST Spark Graduation Portfolio  
CST Spark 2026 Education Portfolio  
CST Spark 2029 Education Portfolio  
CST Spark 2032 Education Portfolio  
CST Spark 2035 Education Portfolio  
CST Spark 2038 Education Portfolio  
CST Spark 2041 Education Portfolio  
(each individually, the "Fund")

### Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at October 31, 2024, and 2023, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (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 Fund as at October 31, 2024 and 2023, and its financial performance and its cash flows for the years or period then ended in accordance with IFRS Accounting Standards.

### 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 Fund 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 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

# CST Spark Education Portfolios

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 Accounting Standards, 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund'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 Fund'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 Fund'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 Fund 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 17, 2024

# CST Spark Graduation Portfolio

## Annual Management Report of Fund Performance

### Introduction

This annual management report of fund performance contains financial highlights but does not contain the complete audited annual financial statements of CST Spark Graduation Portfolio (the “Fund”). You can obtain a copy of the audited annual financial statements at your request, and at no cost, by calling 1-800-461-7100, by writing to us at 2235 Sheppard Avenue East, Suite 1600, Toronto, Ontario M2J 5B8, or by visiting our website at [www.cstspark.ca](http://www.cstspark.ca) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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, 2024, that have affected the Fund’s performance and outlook.

### Investment Objective and Strategies

The Fund seeks to provide security holders with a relatively stable level of income, preserving capital and maintaining liquidity. The Fund primarily invests in a diversified asset mix consisting of exchange trade funds providing exposure to fixed income, money market, cash equivalents and equity securities.

The Fund’s assets are passively managed by BlackRock Asset Management Canada Limited (“BlackRock”) according to a pre-defined glide path mandate using exchange-traded funds (“ETFs”).

### Risk

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

### Results of Operations

As at October 31, 2024 the net asset value of the Fund was \$2.1 million. During the year, the Fund’s units gained 11.5%. The Fund’s return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for further details regarding returns.

### Economic Review

The global economy continued to stabilize over the year with the International Monetary Fund (IMF) projecting global growth rates to remain steady at 3.2% through 2024 and into 2025. The growth forecast for the United States economy was revised upwards based on persistent consumer demand. Global inflation declined from an annual average of 6.7% in 2023 to 5.8% in 2024 and 4.3% in 2025, with advanced economies returning to their inflation targets sooner than emerging markets and developing economies. The IMF noted that global growth risk levels remain elevated however tilted to the downside citing potential escalation in regional conflicts, overly restrictive monetary policy, and financial market instability, amongst other key scenarios.

Over the first half of fiscal 2024, the Bank of Canada held the policy rate steady at 5.0%, however with slowing inflation and weakening economic demand, a series of rate cuts were initiated beginning in May and further lowered to 3.75% in October. Canadian GDP growth marginally improved inching from 0.0% in October 2023 to 0.5% by July 2024. Inflation levels dropped as the CPI further declined from 3.1% to 1.6%. The Canadian labour market experienced difficulties throughout the period as unemployment levels rose from 5.7% to 6.5% by year end. The Canadian dollar weakened relative to the US dollar to just under 72 cents U.S. by the end of October.

The Canadian fixed income market rallied over the year as the yield curve flattened and shifted downwards translating into impressive bond gains with the FTSE Canada Universe index rising 12.5%. Both longer dated and non-government bond issuances benefitted as the FTSE Canada Long Term Bond Index rose 15.8% along with the FTSE Canada Corporate Bond Index up 12.9%. More conservatively positioned short-term bonds benefitted as the FTSE Canadian Short-Term Bond Index rose 8.2%, with cash (as represented by the FTSE 91 Day Treasury Bill Index) gaining 5.1% over the period.

In this environment, equity markets provided exceptionally impressive returns led by the U.S. S&P 500 gaining 38.6% (in CDN dollars) over the fiscal year as technology, and in particular artificial intelligence related stocks pushed the benchmark index to new highs. Canadian equity markets also benefitted as the S&P/TSX Composite rose 32.1% on the strength of the Financials and Materials sectors. Non-North American equity markets posted double digit annual returns as the MSCI EAFE IMI Index rose 23.6% followed by the MSCI Emerging Markets IMI Index gaining 25.1% (both in CDN dollars).

# CST Spark Graduation Portfolio

## Related Party Transactions

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The Fund is managed by C.S.T. Spark Inc. (the “Manager”). The Manager is responsible for the overall management and administration of the Fund, which includes day-to-day management, distribution, and administration, including portfolio management, trustee, record-keeping, accounting, taxation, valuation, distribution, and custody services. The Manager, at its discretion, may outsource some of these functions to third parties, in the best interest of the Fund.

## Management Fees

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As compensation for its services, the Manager is entitled to receive an annual management fee of 1.3% (the “Management Fee”) plus applicable taxes. The Management Fee is calculated daily and payable monthly, in arrears, based on the daily average net asset value (“NAV”) of the Fund.

Where a Fund invests in an underlying investment fund, including an exchange traded fund (ETF), the fees and expenses

payable by that underlying fund are in addition to the fees and expenses payable by the Fund. No sales or redemption fees, other than brokerage fees, are payable by a Fund when it buys or sells securities of an underlying fund.

The Fund holds ETFs that are managed by BlackRock. The management expense ratios of these ETFs, as reported in their most recent ETF Facts range from 0.06% to 0.72%, for a weighted average cost of 0.14% (per annum including applicable taxes). These fees are not paid directly by you but impact the prices of the ETFs that the Fund holds.

The Manager does not charge a management fee that would be reasonably expected to duplicate a fee payable by the underlying funds in which a Fund invests for the same service.

The Manager, in its sole discretion, may waive or absorb a portion of a Fund’s Management Fee. Such waivers or absorptions may be terminated at any time without notice.

During the year, a Management Fee of \$30,191 (2023 – \$30,563) was paid to the Manager.

# CST Spark Graduation Portfolio

## Financial Highlights

For the year ended

	October 31, 2024 \$	October 31, 2023 \$	October 31, 2022 <sup>8</sup> \$
<b>The Fund's Net Assets per Unit<sup>1</sup></b>			
Net assets, beginning of year	9.55	9.36	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.36	0.32	0.17
Total expenses	(0.15)	(0.14)	(0.15)
Realized gains (losses)	0.08	(0.06)	(0.07)
Unrealized gains (losses)	0.65	0.12	(0.63)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.94</b>	<b>0.24</b>	<b>(0.68)</b>
<b>Distributions:</b>			
From dividends	(0.22)	(0.04)	(0.02)
From capital gains	(0.01)	-	-
<b>Total annual distributions<sup>3</sup></b>	<b>(0.23)</b>	<b>(0.04)</b>	<b>(0.02)</b>
<b>Net assets, end of year</b>	<b>10.26</b>	<b>9.55</b>	<b>9.36</b>
<b>Ratios and Supplemental Data</b>			
Total net asset value (000's)	\$ 2,070	\$ 2,265	\$ 2,227
Number of units outstanding	201,625	237,104	237,937
Management expense ratio <sup>4</sup>	1.46%	1.46%	1.45%
Management expense ratio before waivers or absorption <sup>5</sup>	1.46%	1.46%	1.45%
Trading expense ratio <sup>6</sup>	0.01%	0.01%	0.06%
Portfolio turnover rate <sup>7</sup>	15.76%	22.65%	21.43%
Net asset value per unit	10.26	9.55	9.36

<sup>1</sup> This information is derived from the Fund's audited annual financial statements, as applicable.

<sup>2</sup> Net Assets and Total distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per share since it does not reflect unitholder transactions as shown on the Statements of Changes in Net Assets and accordingly columns may not add.

<sup>3</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.

<sup>4</sup> Management expense ratio ("MER") is based on total expenses (including incentive fees, if any; excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

<sup>5</sup> The Manager may waive or absorb a portion of the operating expenses of the Fund. Waivers and absorption can be terminated at any time.

<sup>6</sup> The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

<sup>7</sup> The Fund's portfolio turnover rate indicates how actively the Fund adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's turnover in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>8</sup> As at October 31, 2022 or for the period from November 1, 2021 (date of commencement of operations) to October 31, 2022, as applicable.

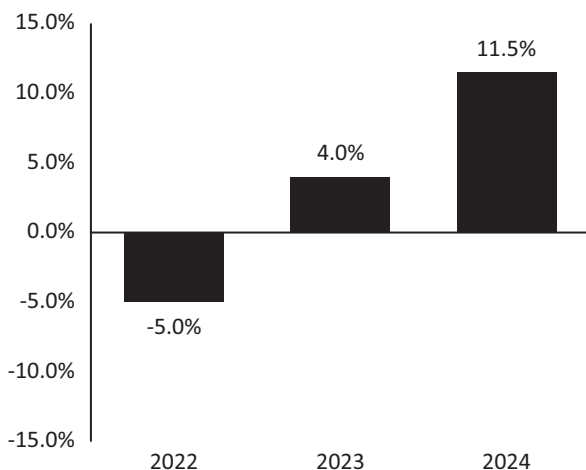
# CST Spark Graduation Portfolio

## Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future.

## Year by Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



For the years ended October 31.

## Summary of Fund Investment Portfolio

Portfolio Allocation as at October 31, 2024	% of Net Asset Value
Canadian Fixed Income Funds	46.0%
Money Market Funds	35.3%
U.S. Equity Funds	7.4%
Non-North American Equity Funds	5.9%
Canadian Equity Funds	3.7%
Global Real Estate Funds	1.9%
Cash/and other <sup>1</sup>	(0.2)%

**Total Portfolio Allocation** **100.0%**

<sup>1</sup> The Cash and Other Net Assets may appear negative due to the timing of cash flows between the trade date and settlement date for transactions on underlying securities.

The following Top Holdings table shows the 25 largest holdings (or all holdings if the total number of holdings is less than 25).

Top 25 Holdings as at October 31, 2024	% of Net Asset Value
iShares Premium Money Market ETF	35.3%
iShares Core Canadian Short Term Bond Index ETF	33.9%
iShares Core Canadian Universe Bond Index ETF	11.2%
iShares Core S&P 500 Index ETF	7.4%
iShares Core S&P/TSX Capped Composite Index ETF	3.7%
iShares Core MSCI EAFE IMI Index ETF	3.3%
iShares Core MSCI Emerging Markets IMI Index ETF	2.6%
iShares Global Real Estate Index ETF	1.9%
iShares Canadian Real Return Bond Index ETF	0.9%
<b>Total holdings as a percentage of net asset value</b>	<b>100.2%</b>

The prospectus and other information about the underlying investment funds in the portfolio are available at [www.sedarplus.ca](http://www.sedarplus.ca).



# CST Spark Graduation Portfolio

## Statement of Financial Position

As at October 31

	2024	2023
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 3,120	\$ 4,672
Investments (Note 5)	2,073,506	2,247,661
Receivable for investments sold	6,617	-
Subscriptions receivable	-	15,684
	<b>2,083,243</b>	<b>2,268,017</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Payable for investments purchased	-	289
Management fees payable	3,189	2,871
Redemptions payable	10,500	-
	<b>13,689</b>	<b>3,160</b>
<b>Net Assets attributable to holders of redeemable units</b>	<b>\$2,069,554</b>	<b>\$2,264,857</b>
<b>Redeemable units outstanding (Note 6)</b>	<b>201,625</b>	<b>237,104</b>
<b>Net Assets attributable to holders of redeemable units per unit</b>	<b>\$ 10.26</b>	<b>\$ 9.55</b>

Approved on behalf of the Board of Directors of the Manager, C.S.T. Spark Inc.



Douglas P. McPhie, FCPA, FCA



Peter Lewis

# CST Spark Graduation Portfolio

## Statements of Comprehensive Income

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Income</b>		
Other income	\$ -	\$ 473
Net gain (loss) on investments		
Distributions from underlying funds	82,034	78,333
Interest for distribution purposes	1,690	127
Net realized gain (loss) on investments	18,356	(14,610)
Net change in unrealized appreciation on investments	153,092	30,312
<b>Total net gain on investments</b>	<b>255,172</b>	<b>94,162</b>
<b>Total income, net</b>	<b>255,172</b>	<b>94,635</b>
<b>Expenses (Note 8)</b>		
Independent review committee expense	52	-
Interest expense	246	6
Management fees	30,191	30,563
Transaction costs (Note 3)	247	269
Harmonized sales tax	3,590	3,695
<b>Total operating expenses</b>	<b>34,326</b>	<b>34,533</b>
Withholding taxes (Note 7)	(1,035)	(1,034)
<b>Increase in Net Assets attributable to holders of redeemable units from operations</b>	<b>\$219,811</b>	<b>\$ 59,068</b>
<b>Weighted average number of units outstanding</b>	<b>234,007</b>	<b>245,760</b>
<b>Increase in Net Assets attributable to holders of redeemable units per unit</b>	<b>\$ 0.94</b>	<b>\$ 0.24</b>

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

# CST Spark Graduation Portfolio

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Net Assets attributable to holders of redeemable units – Beginning of year</b>	<b>\$2,264,857</b>	<b>\$2,226,840</b>
<b>Increase in Net Assets attributable to holders of redeemable units from operations</b>	<b>219,811</b>	<b>59,068</b>
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued	313,806	595,170
Reinvestments of distributions to holders of redeemable units	53,076	11,028
Redemption of redeemable units	(728,920)	(616,221)
<b>Net (decrease) from redeemable unit transactions</b>	<b>(362,038)</b>	<b>(10,023)</b>
<b>Distributions to holders of redeemable units</b>		
From net investment income	(50,828)	(10,635)
From net realized capital gains	(2,248)	(393)
<b>Total distributions to holders of redeemable units</b>	<b>(53,076)</b>	<b>(11,028)</b>
<b>Decrease (increase) in Net Assets attributable to holders of redeemable units during the year</b>	<b>(195,303)</b>	<b>38,017</b>
<b>Net Assets attributable to holders of redeemable units – End of year</b>	<b>\$2,069,554</b>	<b>\$2,264,857</b>

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

# CST Spark Graduation Portfolio

## Statements of Cash Flows

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Cash flows from (used in) Operating activities</b>		
Increase in Net Assets attributable to holders of redeemable units from operations	\$ 219,811	\$ 59,068
<b>Adjustments to reconcile to operating cash flows:</b>		
Net realized (gain) loss on investments	(18,356)	14,610
Net change in unrealized (appreciation) on investments	(153,092)	(30,312)
Purchase of investments	(363,737)	(577,571)
Proceeds from investments sold	702,434	527,901
Increase in management fees payable	318	188
<b>Net cash flows (used in) operating activities</b>	<b>387,378</b>	<b>(6,116)</b>
<b>Cash flows from (used in) Financing activities</b>		
Proceeds from redeemable units issued	329,490	619,519
Redemption of redeemable units	(718,420)	(616,736)
<b>Net cash flows (used in) from financing activities</b>	<b>(388,930)</b>	<b>2,783</b>
<b>Increase (decrease) in cash</b>		
Net (decrease) in cash	(1,552)	(3,333)
Cash, beginning of year	4,672	8,005
<b>Cash, end of year</b>	<b>\$ 3,120</b>	<b>\$ 4,672</b>
<b>Supplemental cash flow information:</b>		
Interest received, net of withholding taxes*	\$ 1,690	\$ 127
Interest paid*	(246)	(6)

\* Included in operating activities

# CST Spark Graduation Portfolio

## Schedule of Investment Portfolio

As at October 31, 2024

	Number of Units	Average Cost (\$)	Fair Value (\$)	Percentage of Net Assets (%)
<b>Exchange-traded funds</b>				
iShares Canadian Real Return Bond Index ETF	755	18,044	17,335	
iShares Core Canadian Short Term Bond Index ETF	26,293	698,887	702,023	
iShares Core Canadian Universe Bond Index ETF	8,215	240,989	232,238	
iShares Core MSCI EAFE IMI Index ETF	1,810	60,850	69,178	
iShares Core MSCI Emerging Markets IMI Index ETF	1,794	48,929	53,389	
iShares Core S&P 500 Index ETF	3,111	110,968	153,435	
iShares Core S&P/TSX Capped Composite Index ETF	2,008	66,469	77,368	
iShares Global Real Estate Index ETF	1,276	38,665	40,003	
iShares Premium Money Market ETF	14,562	728,206	728,537	
<b>Total Exchange-traded funds</b>		<b>2,012,007</b>	<b>2,073,506</b>	<b>100.2</b>
<b>Embedded Broker Commissions</b> <i>(Note 3)</i>		<b>(650)</b>		
<b>Total Investments</b>		<b>2,011,357</b>	<b>2,073,506</b>	<b>100.2</b>
<b>Other Assets Less Liabilities</b>			<b>(3,952)</b>	<b>(0.2)</b>
<b>Net Assets attributable to holders of redeemable units</b>			<b>2,069,554</b>	<b>100.0</b>

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

# CST Spark Graduation Portfolio

## Notes to Financial Statements – Fund Specific Information

October 31, 2024 and 2023

These fund specific notes shall be read in conjunction with the accompanying notes to the financial statements which are an integral part of these financial statements. These fund specific notes can be referenced to the accompanying notes by the corresponding note number. Since they are supplemental to the accompanying notes, there may not be a corresponding specific note to match every accompanying note.

### General Information (Note 1)

The CST Spark Graduation Portfolio (the “Fund”) is an open-ended investment fund established under the laws of the Province of Ontario pursuant to a declaration of trust dated November 1, 2021. Commencement of operations was November 1, 2021.

The investment objective of the Fund is to provide investors with a relatively stable level of income, preserving capital and maintaining liquidity.

### Fair Value of Financial Instruments (Note 5)

#### Classification of investments under the fair value hierarchy

The tables below illustrate the classification of the Fund’s financial instruments measured at fair value at the reporting date. The amounts are based on the values recognized in the Statement of Financial Position.

As at October 31, 2024:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Exchange-traded funds	\$2,073,506	\$ -	\$ -	\$2,073,506
	\$2,073,506	\$ -	\$ -	\$2,073,506

As at October 31, 2023:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Exchange-traded funds	\$2,247,661	\$ -	\$ -	\$2,247,661
	\$2,247,661	\$ -	\$ -	\$2,247,661

There were no transfers of financial assets between Level 1, Level 2 and Level 3 for the years ended October 31, 2024 and 2023. All fair value measurements above are recurring.

### Redeemable Units of the Fund (Note 6)

For the years ended October 31, 2024 and 2023, changes in outstanding units were as follows:

Number of Redeemable Units	2024	2023
Balance – Beginning of period	237,104	237,937
Redeemable units issued	31,849	62,379
Redeemable units reinvested	5,477	1,165
Redeemable units redeemed	(72,805)	(64,377)
	(35,479)	(833)
Balance – End of period	201,625	237,104

### Taxation of Fund (Note 7)

As at December 31, 2023, the Fund had unused capital losses of \$nil, which may be carried forward indefinitely to reduce future net realized capital gains. There were \$nil unused non-capital losses available for tax purposes.

### Related Party Transactions and Other Expenses (Note 8)

#### Related party transactions

On November 1, 2021, the Manager purchased 15,001 units of the Fund at per unit price of \$10 for a total consideration of \$150,010. The Manager may not redeem the initial units of the Fund that it purchased on November 1, 2021, until the Fund has received total subscriptions of \$500,000 from other investors.

#### Management fees

Management Fees of 1.3% are charged to the Fund by the Manager. As of October 31, 2024, management fees payable to the Manager was \$3,189 (2023 – \$2,871).

# CST Spark Graduation Portfolio

## Notes to Financial Statements – Fund Specific Information

(continued)

October 31, 2024 and 2023

### Financial Risk Management (Note 9)

#### Currency risk

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	October 31, 2024	October 31, 2023
U.S. dollar	8.7%	8.6%
Japanese yen	1.0%	1.0%
Euro	0.9%	1.0%
Chinese yuan	0.6%	0.6%
Pound sterling	0.6%	0.6%
Australian dollar	0.4%	0.3%
Other currencies	3.0%	2.9%
<b>Total</b>	<b>15.2%</b>	<b>15.0%</b>

As at October 31, 2024, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively by approximately 0.2% or \$3,150 (2023 – 0.2% or \$3,411). In practice, actual results could differ materially from this sensitivity analysis.

#### Interest rate risk

As at October 31, 2024, fixed income and debt securities, excluding short-term investments, comprise 81.3% (2023 – 80.7%) of the NAV of the Fund. The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity as at:

Maturity schedule	October 31, 2024	October 31, 2023
Less than 1 year	44.1%	46.5%
1-5 years	46.9%	44.8%
5-10 years	4.2%	4.2%
10-15 years	0.9%	0.8%
15-20 years	0.8%	0.8%
> 20 years	3.1%	2.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

#### Other price risk

As at October 31, 2024, the Fund was exposed to other price risk to the extent the underlying ETFs invest in securities subject to market fluctuations. Substantially all of the Fund's net assets were exposed to other price risk. If the prices of the securities held by the underlying funds had increased or decreased by 10%, with all other factors remaining constant, net asset attributable to holders of redeemable units would have increased or decreased by approximately \$207,351 (2023 – \$224,766). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

#### Credit risk

As at October 31, 2024, credit-exposed securities, excluding short-term investments, comprise 81.3% (2023 – 80.7%) of the NAV of the Fund. The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	October 31, 2024	October 31, 2023
A-1+	18.1%	27.2%
A-1	19.0%	18.5%
AAA	28.2%	25.8%
AA	11.9%	12.2%
A	9.6%	9.9%
BB	6.8%	6.3%
Other	6.4%	0.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

### Investments in Underlying Funds (Note 10)

The Fund's ownership interest as a percentage of NAV of each of the underlying funds is less than 0.05%. All underlying funds are established and conduct business in Canada.

# CST Spark 2026 Education Portfolio

## Annual Management Report of Fund Performance

### Introduction

This annual management report of fund performance contains financial highlights but does not contain the complete audited annual financial statements of CST Spark 2026 Education Portfolio. You can obtain a copy of the audited annual financial statements at your request, and at no cost, by calling 1-800-461-7100, by writing to us at 2235 Sheppard Avenue East, Suite 1600, Toronto, Ontario M2J 5B8, or by visiting our website at [www.cstspark.ca](http://www.cstspark.ca) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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, 2024, that have affected the Fund's performance and outlook.

### Investment Objective and Strategies

The Fund seeks to provide the opportunity for capital appreciation and income for the purposes of funding a post-secondary education anticipated to begin between 2025 and 2027. The Fund primarily invests in a diversified asset mix consisting of exchange trade funds providing exposure to fixed income, money market, cash equivalents and equity securities. The actual asset mix of the Fund will be adjusted on a quarterly basis as the investment portfolio transitions over time, from an emphasis on equities to an emphasis on fixed income securities. When the Fund approaches its end date, the asset mix transitions to a substantially more conservative mix with the majority of assets allocated to fixed income securities and/or money market and cash equivalent securities.

The Fund's assets are passively managed by BlackRock Asset Management Canada Limited ("BlackRock") according to a pre-defined glide path mandate using exchange-traded funds ("ETFs").

### Risk

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

### Results of Operations

As at October 31, 2024, the net asset value of the Fund was \$2.3 million. During the year, the Fund's units gained 17.9%. The Fund's return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for further details regarding returns.

### Economic Review

The global economy continued to stabilize over the year with the International Monetary Fund (IMF) projecting global growth rates to remain steady at 3.2% through 2024 and into 2025. The growth forecast for the United States economy was revised upwards based on persistent consumer demand. Global inflation declined from an annual average of 6.7% in 2023 to 5.8% in 2024 and 4.3% in 2025, with advanced economies returning to their inflation

targets sooner than emerging markets and developing economies. The IMF noted that global growth risk levels remain elevated however tilted to the downside citing potential escalation in regional conflicts, overly restrictive monetary policy, and financial market instability, amongst other key scenarios.

Over the first half of fiscal 2024, the Bank of Canada held the policy rate steady at 5.0%, however with slowing inflation and weakening economic demand, a series of rate cuts were initiated beginning in May and further lowered to 3.75% in October. Canadian GDP growth marginally improved inching from 0.0% in October 2023 to 0.5% by July 2024. Inflation levels dropped as the CPI further declined from 3.1% to 1.6%. The Canadian labour market experienced difficulties throughout the period as unemployment levels rose from 5.7% to 6.5% by year end. The Canadian dollar weakened relative to the US dollar to just under 72 cents U.S. by the end of October.

The Canadian fixed income market rallied over the year as the yield curve flattened and shifted downwards translating into impressive bond gains with the FTSE Canada Universe index rising 12.5%. Both longer dated and non-government bond issuances benefitted as the FTSE Canada Long Term Bond Index rose 15.8% along with the FTSE Canada Corporate Bond Index up 12.9%. More conservatively positioned short-term bonds benefitted as the FTSE Canadian Short-Term Bond Index rose 8.2%, with cash (as represented by the FTSE 91 Day Treasury Bill Index) gaining 5.1% over the period.

In this environment, equity markets provided exceptionally impressive returns led by the U.S. S&P 500 gaining 38.6% (in CDN dollars) over the fiscal year as technology, and in particular artificial intelligence related stocks pushed the benchmark index to new highs. Canadian equity markets also benefitted as the S&P/TSX Composite rose 32.1% on the strength of the Financials and Materials sectors. Non-North American equity markets posted double digit annual returns as the MSCI EAFE IMI Index rose 23.6% followed by the MSCI Emerging Markets IMI Index gaining 25.1% (both in CDN dollars).



# CST Spark 2026 Education Portfolio

## Related Party Transactions

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The Fund is managed by C.S.T. Spark Inc. (the “Manager”). The Manager is responsible for the overall management and administration of the Fund, which includes day-to-day management, distribution, and administration, including portfolio management, trustee, record-keeping, accounting, taxation, valuation, distribution, and custody services. The Manager, at its discretion, may outsource some of these functions to third parties, in the best interest of the Fund.

## Management Fees

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As compensation for its services, the Manager is entitled to receive an annual management fee of 1.3% (the “Management Fee”) plus applicable taxes. The Management Fee is calculated daily and payable monthly, in arrears, based on the daily average net asset value (“NAV”) of the Fund.

Where a Fund invests in an underlying investment fund, including an exchange traded fund (ETF), the fees and expenses

payable by that underlying fund are in addition to the fees and expenses payable by the Fund. No sales or redemption fees, other than brokerage fees, are payable by a Fund when it buys or sells securities of an underlying fund.

The Fund holds ETFs that are managed by BlackRock. The management expense ratios of these ETFs, as reported in their most recent ETF Facts range from 0.06% to 0.72%, for a weighted average cost of 0.16% (per annum including applicable taxes). These fees are not paid directly by you but impact the prices of the ETFs that the Fund holds.

The Manager does not charge a management fee that would be reasonably expected to duplicate a fee payable by the underlying funds in which a Fund invests for the same service.

The Manager, in its sole discretion, may waive or absorb a portion of a Fund’s Management Fee. Such waivers or absorptions may be terminated at any time without notice.

During the year, a Management Fee of \$27,647 (2023 – \$20,247) was paid to the Manager.

# CST Spark 2026 Education Portfolio

## Financial Highlights

For the year ended

	October 31, 2024 \$	October 31, 2023 \$	October 31, 2022 <sup>8</sup> \$
<b>The Fund's Net Assets per Unit<sup>1</sup></b>			
Net assets, beginning of year	8.57	8.50	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.28	0.25	0.23
Total expenses	(0.15)	(0.14)	(0.14)
Realized gains (losses)	0.12	(0.20)	(0.27)
Unrealized gains (losses)	1.08	0.18	(1.40)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>1.33</b>	<b>0.09</b>	<b>(1.58)</b>
<b>Distributions:</b>			
From dividends	(0.13)	(0.09)	(0.05)
<b>Total annual distributions<sup>3</sup></b>	<b>(0.13)</b>	<b>(0.09)</b>	<b>(0.05)</b>
<b>Net assets, end of year</b>	<b>9.82</b>	<b>8.57</b>	<b>8.50</b>
<b>Ratios and Supplemental Data</b>			
Total net asset value (000's)	\$ 2,336	\$ 1,760	\$ 1,276
Number of units outstanding	237,952	205,236	150,127
Management expense ratio <sup>4</sup>	1.46%	1.45%	1.45%
Management expense ratio before waivers or absorption <sup>5</sup>	1.46%	1.45%	1.45%
Trading expense ratio <sup>6</sup>	0.02%	0.03%	0.07%
Portfolio turnover rate <sup>7</sup>	31.87%	30.57%	23.21%
Net asset value per unit	9.82	8.57	8.50

<sup>1</sup> This information is derived from the Fund's audited annual financial statements, as applicable.

<sup>2</sup> Net Assets and Total distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per share since it does not reflect unitholder transactions as shown on the Statements of Changes in Net Assets and accordingly columns may not add.

<sup>3</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.

<sup>4</sup> Management expense ratio ("MER") is based on total expenses (including incentive fees, if any; excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

<sup>5</sup> The Manager may waive or absorb a portion of the operating expenses of the Fund. Waivers and absorption can be terminated at any time.

<sup>6</sup> The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

<sup>7</sup> The Fund's portfolio turnover rate indicates how actively the Fund adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's turnover in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>8</sup> As at October 31, 2022 or for the period from November 1, 2021 (date of commencement of operations) to October 31, 2022, as applicable.

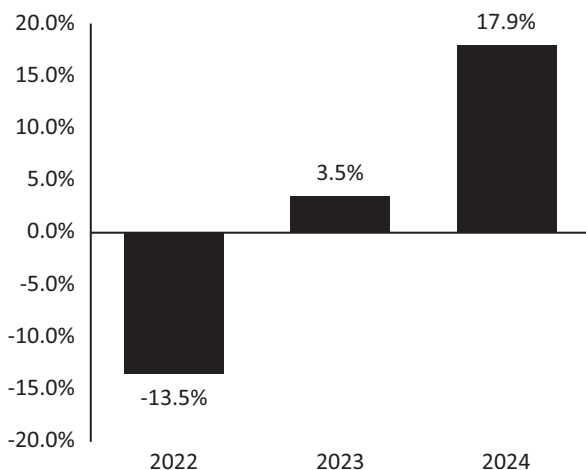
# CST Spark 2026 Education Portfolio

## Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future.

## Year by Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



For the years ended October 31.

## Summary of Fund Investment Portfolio

Portfolio Allocation as at October 31, 2024	% of Net Asset Value
Canadian Fixed Income Funds	56.9%
Money Market Funds	13.0%
U.S. Equity Funds	12.5%
Non-North American Funds	10.0%
Canadian Equity Funds	4.9%
Global Real Estate Funds	3.1%
Cash and other <sup>1</sup>	(0.4)%
<b>Total Portfolio Allocation</b>	<b>100.0%</b>

<sup>1</sup> The Cash and Other Net Assets may appear negative due to the timing of cash flows between the trade date and settlement date for transactions on underlying securities.

The following Top Holdings table shows the 25 largest holdings (or all holdings if the total number of holdings is less than 25).

Top 25 Holdings as at October 31, 2024	% of Net Asset Value
iShares Core Canadian Universe Bond Index ETF	42.0%
iShares Premium Money Market ETF	13.0%
iShares Core Canadian Short Term Bond Index ETF	13.0%
iShares Core S&P 500 Index ETF	12.5%
iShares Core MSCI EAFE IMI Index ETF	5.6%
iShares Core S&P/TSX Capped Composite Index ETF	4.9%
iShares Core MSCI Emerging Markets IMI ETF	4.4%
iShares Global Real Estate Index ETF	3.1%
iShares Canadian Real Return Bond Index ETF	1.9%
<b>Total holdings as a percentage of net asset value</b>	<b>100.4%</b>

The prospectus and other information about the underlying investment funds in the portfolio are available at [www.sedarplus.ca](http://www.sedarplus.ca).

# CST Spark 2026 Education Portfolio

## Statement of Financial Position

As at October 31

	2024	2023
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 4,613	\$ 2,370
Investments (Note 5)	2,344,577	1,749,773
Receivable for investments sold	7,298	-
Subscriptions receivable	-	9,878
	<b>2,356,488</b>	<b>1,762,021</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Payable for investments purchased	7,421	-
Management fees payable	3,368	2,195
Redemptions payable	9,369	-
	<b>20,158</b>	<b>2,195</b>
<b>Net Assets attributable to holders of redeemable units</b>	<b>\$2,336,330</b>	<b>\$1,759,826</b>
<b>Redeemable units outstanding (Note 6)</b>	<b>237,952</b>	<b>205,236</b>
<b>Net Assets attributable to holders of redeemable units per unit</b>	<b>\$ 9.82</b>	<b>\$ 8.57</b>

Approved on behalf of the Board of Directors of the Manager, C.S.T. Spark Inc.



Douglas P. McPhie, FCPA, FCA



Peter Lewis

# CST Spark 2026 Education Portfolio

## Statements of Comprehensive Income

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Income</b>		
Other income	\$ -	\$ 646
Net gain (loss) on investments		
Distributions from underlying funds	62,825	42,883
Interest for distribution purposes	1,314	93
Net realized gain (loss) on investments	26,565	(36,045)
Net change in unrealized appreciation on investments	244,132	32,636
<b>Total net gain on investments</b>	<b>334,836</b>	<b>39,567</b>
<b>Total income, net</b>	<b>334,836</b>	<b>40,213</b>
<b>Expenses (Note 8)</b>		
Independent review committee expense	40	-
Interest expense	192	5
Management fees	27,647	20,247
Transaction costs (Note 3)	438	404
Harmonized sales tax	3,186	2,351
<b>Total operating expenses</b>	<b>31,503</b>	<b>23,007</b>
Withholding taxes (Note 7)	(1,650)	(1,408)
<b>Increase in Net Assets attributable to holders of redeemable units from operations</b>	<b>\$301,683</b>	<b>\$ 15,798</b>
<b>Weighted average number of units outstanding</b>	<b>227,098</b>	<b>177,115</b>
<b>Increase in Net Assets attributable to holders of redeemable units per unit</b>	<b>\$ 1.33</b>	<b>\$ 0.09</b>

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

# CST Spark 2026 Education Portfolio

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Net Assets attributable to holders of redeemable units – Beginning of year</b>	<b>\$1,759,826</b>	<b>\$1,276,350</b>
<b>Increase in Net Assets attributable to holders of redeemable units from operations</b>	<b>301,683</b>	<b>15,798</b>
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued	<b>432,371</b>	552,326
Reinvestments of distributions to holders of redeemable units	<b>26,395</b>	14,429
Redemption of redeemable units	<b>(157,550)</b>	(84,648)
<b>Net increase from redeemable unit transactions</b>	<b>301,216</b>	<b>482,107</b>
<b>Distributions to holders of redeemable units</b>		
From net investment income	<b>(26,395)</b>	(14,429)
<b>Total distributions to holders of redeemable units</b>	<b>(26,395)</b>	<b>(14,429)</b>
<b>Increase in Net Assets attributable to holders of redeemable units during the year</b>	<b>576,504</b>	<b>483,476</b>
<b>Net Assets attributable to holders of redeemable units – End of year</b>	<b>\$2,336,330</b>	<b>\$1,759,826</b>

# CST Spark 2026 Education Portfolio

## Statements of Cash Flows

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Cash flows from (used in) Operating activities</b>		
Increase in Net Assets attributable to holders of redeemable units from operations	\$ 301,683	\$ 15,798
<b>Adjustments to reconcile to operating cash flows:</b>		
Net realized (gain) loss on investments	(26,565)	36,045
Net change in unrealized (appreciation) on investments	(244,132)	(32,636)
Purchase of investments	(998,868)	(964,155)
Proceeds from investments sold	674,884	473,930
Increase in management fees payable	1,173	675
<b>Net cash flows (used in) operating activities</b>	<b>(291,825)</b>	<b>(470,343)</b>
<b>Cash flows from (used in) Financing activities</b>		
Proceeds from redeemable units issued	442,249	552,714
Redemption of redeemable units	(148,181)	(84,648)
<b>Net cash flows from financing activities</b>	<b>294,068</b>	<b>468,066</b>
<b>Increase (decrease) in cash</b>		
Net increase (decrease) in cash	2,243	(2,277)
Cash, beginning of year	2,370	4,647
<b>Cash, end of year</b>	<b>\$ 4,613</b>	<b>\$ 2,370</b>
<b>Supplemental cash flow information:</b>		
Interest received, net of withholding taxes*	\$ 1,314	\$ 93
Interest paid*	(192)	(5)

\* included in operating activities

# CST Spark 2026 Education Portfolio

## Schedule of Investment Portfolio

As at October 31, 2024

	Number of Units	Average Cost (\$)	Fair Value (\$)	Percentage of Net Assets (%)
<b>Exchange-traded funds</b>				
iShares Canadian Real Return Bond Index ETF	1,935	45,334	44,428	
iShares Core Canadian Short Term Bond Index ETF	11,403	297,719	304,460	
iShares Core Canadian Universe Bond Index ETF	34,673	974,770	980,205	
iShares Core MSCI EAFE IMI Index ETF	3,402	114,957	130,024	
iShares Core MSCI Emerging Markets IMI Index ETF	3,497	96,960	104,071	
iShares Core S&P 500 Index ETF	5,924	214,658	292,172	
iShares Core S&P/TSX Capped Composite Index ETF	2,943	97,421	113,394	
iShares Global Real Estate Index ETF	2,282	68,724	71,541	
iShares Premium Money Market ETF	6,082	304,421	304,282	
<b>Total Exchange-traded funds</b>		<b>2,214,964</b>	<b>2,344,577</b>	<b>100.4</b>
<b>Embedded Broker Commissions</b> <i>(Note 3)</i>		<b>(650)</b>		
<b>Total Investments</b>		<b>2,214,314</b>	<b>2,344,577</b>	<b>100.4</b>
<b>Other Assets Less Liabilities</b>			<b>(8,247)</b>	<b>(0.4)</b>
<b>Net Assets attributable to holders of redeemable units</b>			<b>2,336,330</b>	<b>100.0</b>



# CST Spark 2026 Education Portfolio

## Notes to Financial Statements – Fund Specific Information

October 31, 2024 and 2023

These fund specific notes shall be read in conjunction with the accompanying notes to the financial statements which are an integral part of these financial statements. These fund specific notes can be referenced to the accompanying notes by the corresponding note number. Since they are supplemental to the accompanying notes, there may not be a corresponding specific note to match every accompanying note.

### General Information (Note 1)

The CST Spark 2026 Education Portfolio (the “Fund”) is an open-ended investment fund established under the laws of the Province of Ontario pursuant to a declaration of trust dated November 1, 2021. Commencement of operations was November 1, 2021.

The investment objective of the Fund is to provide the opportunity for capital appreciation and income for the purpose of funding post-secondary education anticipated to begin between 2025 and 2027.

### Fair Value of Financial Instruments (Note 5)

#### Classification of investments under the fair value hierarchy

The tables below illustrate the classification of the Fund’s financial instruments measured at fair value at the reporting date. The amounts are based on the values recognized in the Statement of Financial Position.

As at October 31, 2024:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Exchange-traded funds	\$2,344,577	\$ -	\$ -	\$2,344,577
	\$2,344,577	\$ -	\$ -	\$2,344,577

As at October 31, 2023:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Exchange-traded funds	\$1,749,773	\$ -	\$ -	\$1,749,773
	\$1,749,773	\$ -	\$ -	\$1,749,773

There were no transfers of financial assets between Level 1, Level 2 and Level 3 for the years ended October 31, 2024 and 2023. All fair value measurements above are recurring.

### Redeemable Units of the Fund (Note 6)

For the years ended October 31, 2024 and 2023, changes in outstanding units were as follows:

Number of Redeemable Units	2024	2023
Balance – Beginning of period	205,236	150,127
Redeemable units issued	46,359	63,056
Redeemable units reinvested	2,889	1,654
Redeemable units redeemed	(16,532)	(9,601)
	32,716	55,109
Balance – End of period	237,952	205,236

### Taxation of Fund (Note 7)

As at December 31, 2023, the Fund had unused capital losses of \$16,544, which may be carried forward indefinitely to reduce future net realized capital gains. There were \$nil unused non-capital losses available for tax purposes.

### Related Party Transactions and Other Expenses (Note 8)

#### Related party transactions

On November 1, 2021, the Manager purchased 15,001 units of the Fund at per unit price of \$10 for a total consideration of \$150,010. The Manager may not redeem the initial units of the Fund that it purchased on November 1, 2021, until the Fund has received total subscriptions of \$500,000 from other investors.

#### Management fees

Management Fees of 1.3% are charged to the Fund by the Manager. As of October 31, 2024, management fees payable to the Manager was \$3,368 (2023 – \$2,195).

# CST Spark 2026 Education Portfolio

## Notes to Financial Statements – Fund Specific Information

(continued)

October 31, 2024 and 2023

### Financial Risk Management (Note 9)

#### Currency risk

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	October 31, 2024	October 31, 2023
U.S. dollar	14.6%	18.5%
Euro	1.6%	2.0%
Japanese yen	1.6%	2.1%
Chinese yuan	1.1%	0.8%
Pound sterling	0.9%	1.2%
Australian dollar	0.6%	0.7%
Other currencies	5.1%	4.6%
<b>Total</b>	<b>25.5%</b>	<b>29.9%</b>

As at October 31, 2024, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively by approximately 0.3% or \$5,950 (2023 – 0.3% or \$5,254). In practice, actual results could differ materially from this sensitivity analysis.

#### Interest rate risk

As at October 31, 2024, fixed income and debt securities, excluding short-term investments, comprise 69.9% (2023 – 64.1%) of the NAV of the Fund. The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity as at:

Maturity schedule	October 31, 2024	October 31, 2023
Less than 1 year	19.5%	9.6%
1-5 years	43.3%	40.1%
5-10 years	17.9%	22.1%
10-15 years	3.6%	5.8%
15-20 years	3.3%	5.1%
> 20 years	12.4%	17.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

#### Other price risk

As at October 31, 2024, the Fund was exposed to other price risk to the extent the underlying ETFs invest in securities subject to market fluctuations. Substantially all of the Fund's net assets were exposed to other price risk. If the prices of the securities held by the underlying funds had increased or decreased by 10%, with all other factors remaining constant, net asset attributable to holders of redeemable units would have increased or decreased by approximately \$234,458 (2023 – \$174,977). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

#### Credit risk

As at October 31, 2024, credit-exposed securities, excluding short-term investments, comprise 69.9% (2023 – 64.1%) of the NAV of the Fund. The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	October 31, 2024	October 31, 2023
A-1+	7.8%	5.3%
A-1	8.1%	3.6%
AAA	37.2%	44.8%
AA	22.8%	25.2%
A	12.5%	12.6%
BB	8.9%	8.4%
Other	2.7%	0.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

### Investments in Underlying Funds (Note 10)

The Fund's ownership interest as a percentage of NAV of each of the underlying funds is less than 0.05%. All underlying funds are established and conduct business in Canada.

# CST Spark 2029 Education Portfolio

## Annual Management Report of Fund Performance

### Introduction

This annual management report of fund performance contains financial highlights but does not contain the complete audited annual financial statements of CST Spark 2029 Education Portfolio (the “Fund”). You can obtain a copy of the audited annual financial statements at your request, and at no cost, by calling 1-800-461-7100, by writing to us at 2235 Sheppard Avenue East, Suite 1600, Toronto, Ontario M2J 5B8, or by visiting our website at [www.cstspark.ca](http://www.cstspark.ca) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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, 2024, that have affected the Fund’s performance and outlook.

### Investment Objective and Strategies

The Fund seeks to provide the opportunity for capital appreciation and income for the purposes of funding a post-secondary education anticipated to begin between 2028 and 2030. The Fund primarily invests in a diversified asset mix consisting of exchange trade funds providing exposure to fixed income, money market, cash equivalents and equity securities. The actual asset mix of the Fund will be adjusted on a quarterly basis as the investment portfolio transitions over time, from an emphasis on equities to an emphasis on fixed income securities. When the Fund approaches its end date, the asset mix transitions to a substantially more conservative mix with the majority of assets allocated to fixed income securities and/or money market and cash equivalent securities.

The Fund’s assets are passively managed by BlackRock Asset Management Canada Limited (“BlackRock”) according to a pre-defined glide path mandate using exchange-traded funds (“ETFs”).

### Risk

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

### Results of Operations

As at October 31, 2024, the net asset value of the Fund was \$1.9 million. During the year, the Fund’s units gained 22.4%. The Fund’s return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for further details regarding returns.

### Economic Review

The global economy continued to stabilize over the year with the International Monetary Fund (IMF) projecting global growth rates to remain steady at 3.2% through 2024 and into 2025. The growth forecast for the United States economy was revised upwards based on persistent consumer demand. Global inflation declined from an annual average of 6.7% in 2023 to 5.8% in 2024 and 4.3% in 2025, with advanced economies returning to their inflation

targets sooner than emerging markets and developing economies. The IMF noted that global growth risk levels remain elevated however tilted to the downside citing potential escalation in regional conflicts, overly restrictive monetary policy, and financial market instability, amongst other key scenarios.

Over the first half of fiscal 2024, the Bank of Canada held the policy rate steady at 5.0%, however with slowing inflation and weakening economic demand, a series of rate cuts were initiated beginning in May and further lowered to 3.75% in October. Canadian GDP growth marginally improved inching from 0.0% in October 2023 to 0.5% by July 2024. Inflation levels dropped as the CPI further declined from 3.1% to 1.6%. The Canadian labour market experienced difficulties throughout the period as unemployment levels rose from 5.7% to 6.5% by year end. The Canadian dollar weakened relative to the US dollar to just under 72 cents U.S. by the end of October.

The Canadian fixed income market rallied over the year as the yield curve flattened and shifted downwards translating into impressive bond gains with the FTSE Canada Universe index rising 12.5%. Both longer dated and non-government bond issuances benefitted as the FTSE Canada Long Term Bond Index rose 15.8% along with the FTSE Canada Corporate Bond Index up 12.9%. More conservatively positioned short-term bonds benefitted as the FTSE Canadian Short-Term Bond Index rose 8.2%, with cash (as represented by the FTSE 91 Day Treasury Bill Index) gaining 5.1% over the period.

In this environment, equity markets provided exceptionally impressive returns led by the U.S. S&P 500 gaining 38.6% (in CDN dollars) over the fiscal year as technology, and in particular artificial intelligence related stocks pushed the benchmark index to new highs. Canadian equity markets also benefitted as the S&P/TSX Composite rose 32.1% on the strength of the Financials and Materials sectors. Non-North American equity markets posted double digit annual returns as the MSCI EAFE IMI Index rose 23.6% followed by the MSCI Emerging Markets IMI Index gaining 25.1% (both in CDN dollars).

# CST Spark 2029 Education Portfolio

## Related Party Transactions

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The Fund is managed by C.S.T. Spark Inc. (the “Manager”). The Manager is responsible for the overall management and administration of the Fund, which includes day-to-day management, distribution, and administration, including portfolio management, trustee, record-keeping, accounting, taxation, valuation, distribution, and custody services. The Manager, at its discretion, may outsource some of these functions to third parties, in the best interest of the Fund.

## Management Fees

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As compensation for its services, the Manager is entitled to receive an annual management fee of 1.3% (the “Management Fee”) plus applicable taxes. The Management Fee is calculated daily and payable monthly, in arrears, based on the daily average net asset value (“NAV”) of the Fund.

Where a Fund invests in an underlying investment fund, including an exchange traded fund (ETF), the fees and expenses

payable by that underlying fund are in addition to the fees and expenses payable by the Fund. No sales or redemption fees, other than brokerage fees, are payable by a Fund when it buys or sells securities of an underlying fund.

The Fund holds ETFs that are managed by BlackRock. The management expense ratios of these ETFs, as reported in their most recent ETF Facts range from 0.06% to 0.72%, for a weighted average cost of 0.19% (per annum including applicable taxes). These fees are not paid directly by you but impact the prices of the ETFs that the Fund holds.

The Manager does not charge a management fee that would be reasonably expected to duplicate a fee payable by the underlying funds in which a Fund invests for the same service.

The Manager, in its sole discretion, may waive or absorb a portion of a Fund’s Management Fee. Such waivers or absorptions may be terminated at any time without notice.

During the year, a Management Fee of \$21,594 (2023 – \$15,997) was paid to the Manager.

# CST Spark 2029 Education Portfolio

## Financial Highlights

For the year ended

	October 31, 2024 \$	October 31, 2023 \$	October 31, 2022 <sup>8</sup> \$
<b>The Fund's Net Assets per Unit<sup>1</sup></b>			
Net assets, beginning of year	8.59	8.49	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.27	0.24	0.22
Total expenses	(0.15)	(0.14)	(0.14)
Realized gains (losses)	0.13	(0.01)	(0.06)
Unrealized gains (losses)	1.46	0.03	(1.59)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>1.71</b>	<b>0.12</b>	<b>(1.57)</b>
<b>Distributions:</b>			
From dividends	(0.12)	(0.09)	(0.07)
From capital gains	(0.01)	(0.01)	-
<b>Total annual distributions<sup>3</sup></b>	<b>(0.13)</b>	<b>(0.10)</b>	<b>(0.07)</b>
<b>Net assets, end of year</b>	<b>10.22</b>	<b>8.59</b>	<b>8.49</b>

### Ratios and Supplemental Data

Total net asset value (000's)	\$ 1,866	\$ 1,355	\$ 1,000
Number of units outstanding	184,506	157,628	117,711
Management expense ratio <sup>4</sup>	1.45%	1.45%	1.44%
Management expense ratio before waivers or absorption <sup>5</sup>	1.45%	1.45%	1.44%
Trading expense ratio <sup>6</sup>	0.01%	0.02%	0.06%
Portfolio turnover rate <sup>7</sup>	16.26%	13.33%	7.87%
Net asset value per unit	10.22	8.59	8.49

<sup>1</sup> This information is derived from the Fund's audited annual financial statements, as applicable.

<sup>2</sup> Net Assets and Total distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per share since it does not reflect unitholder transactions as shown on the Statements of Changes in Net Assets and accordingly columns may not add.

<sup>3</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.

<sup>4</sup> Management expense ratio ("MER") is based on total expenses (including incentive fees, if any; excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

<sup>5</sup> The Manager may waive or absorb a portion of the operating expenses of the Fund. Waivers and absorption can be terminated at any time.

<sup>6</sup> The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

<sup>7</sup> The Fund's portfolio turnover rate indicates how actively the Fund adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's turnover in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>8</sup> As at October 31, 2022 or for the period from November 1, 2021 (date of commencement of operations) to October 31, 2022, as applicable.

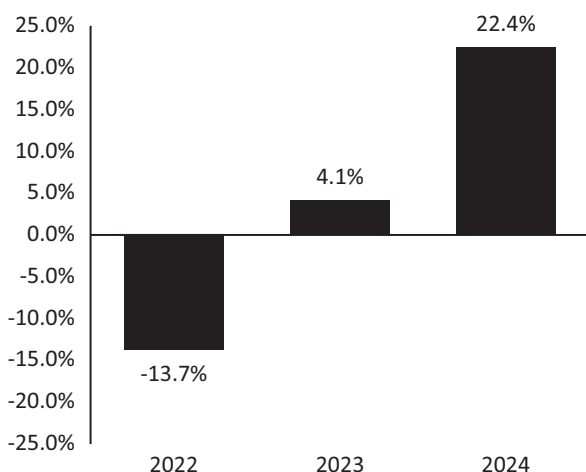
# CST Spark 2029 Education Portfolio

## Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future.

## Year by Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



For the years ended October 31.

## Summary of Fund Investment Portfolio

Portfolio Allocation as at October 31, 2024	% of Net Asset Value
Canadian Fixed Income Funds	56.0%
U.S. Equity Funds	20.2%
Non-North American Equity Funds	11.2%
Canadian Equity Funds	8.1%
Global Real Estate Funds	4.4%
Cash and other	0.1%
<b>Total Portfolio Allocation</b>	<b>100.0%</b>

The following Top Holdings table shows the 25 largest holdings (or all holdings if the total number of holdings is less than 25).

Top 25 Holdings as at October 31, 2024	% of Net Asset Value
iShares Core Canadian Universe Bond Index ETF	27.5%
iShares Core S&P 500 Index ETF	20.2%
iShares Core Canadian Long Term Bond Index ETF	20.2%
iShares Canadian Real Return Bond Index ETF	8.3%
iShares Core S&P/TSX Capped Composite Index ETF	8.1%
iShares Core MSCI EAFE IMI Index ETF	7.8%
iShares Global Real Estate Index ETF	4.4%
iShares Core MSCI Emerging Markets IMI Index ETF	3.4%
<b>Total holdings as a percentage of net asset value</b>	<b>99.9%</b>

The prospectus and other information about the underlying investment funds in the portfolio are available at [www.sedarplus.ca](http://www.sedarplus.ca).

# CST Spark 2029 Education Portfolio

## Statement of Financial Position

As at October 31

	2024	2023
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 3,749	\$ 1,745
Investments (Note 5)	1,885,693	1,346,000
Receivable for investments sold	12,377	-
Subscriptions receivable	-	8,629
	<b>1,901,819</b>	<b>1,356,374</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Payable for investments purchased	12,894	-
Management fees payable	2,698	1,695
	<b>15,592</b>	<b>1,695</b>
<b>Net Assets attributable to holders of redeemable units</b>	<b>\$1,886,227</b>	<b>\$1,354,679</b>
<b>Redeemable units outstanding (Note 6)</b>	<b>184,506</b>	<b>157,628</b>
<b>Net Assets attributable to holders of redeemable units per unit</b>	<b>\$ 10.22</b>	<b>\$ 8.59</b>

Approved on behalf of the Board of Directors of the Manager, C.S.T. Spark Inc.



Douglas P. McPhie, FCPA, FCA



Peter Lewis

# CST Spark 2029 Education Portfolio

## Statements of Comprehensive Income

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Income</b>		
Other income (loss)	\$ -	\$ (22)
Net gain (loss) on investments		
Distributions from underlying funds	45,713	33,833
Interest for distribution purposes	1,036	69
Net realized gain (loss) on investments	21,551	(1,990)
Net change in unrealized appreciation on investments	252,062	3,891
<b>Total net gain on investments</b>	<b>320,362</b>	<b>35,803</b>
<b>Total income, net</b>	<b>320,362</b>	<b>35,781</b>
<b>Expenses (Note 8)</b>		
Independent review committee expense	31	-
Interest expense	146	3
Management fees	21,594	15,997
Transaction costs (Note 3)	232	194
Harmonized sales tax	2,409	1,800
<b>Total operating expenses</b>	<b>24,412</b>	<b>17,994</b>
Withholding taxes (Note 7)	(1,794)	(1,611)
<b>Increase in Net Assets attributable to holders of redeemable units from operations</b>	<b>\$294,156</b>	<b>\$ 16,176</b>
<b>Weighted average number of units outstanding</b>	<b>172,163</b>	<b>138,693</b>
<b>Increase in Net Assets attributable to holders of redeemable units per unit</b>	<b>\$ 1.71</b>	<b>\$ 0.12</b>



# CST Spark 2029 Education Portfolio

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Net Assets attributable to holders of redeemable units – Beginning of year</b>	<b>\$1,354,679</b>	<b>\$ 999,896</b>
<b>Increase in Net Assets attributable to holders of redeemable units from operations</b>	<b>294,156</b>	<b>16,176</b>
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued	<b>300,233</b>	372,499
Reinvestments of distributions to holders of redeemable units	<b>20,728</b>	12,510
Redemption of redeemable units	<b>(62,841)</b>	(33,892)
<b>Net increase from redeemable unit transactions</b>	<b>258,120</b>	<b>351,117</b>
<b>Distributions to holders of redeemable units</b>		
From net investment income	<b>(19,561)</b>	(11,434)
From net realized capital gains	<b>(1,167)</b>	(1,076)
<b>Total distributions to holders of redeemable units</b>	<b>(20,728)</b>	<b>(12,510)</b>
<b>Increase in Net Assets attributable to holders of redeemable units during the year</b>	<b>531,548</b>	<b>354,783</b>
<b>Net Assets attributable to holders of redeemable units – End of year</b>	<b>\$1,886,227</b>	<b>\$1,354,679</b>

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

# CST Spark 2029 Education Portfolio

## Statements of Cash Flows

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Cash flows from (used in) Operating activities</b>		
Increase in Net Assets attributable to holders of redeemable units from operations	\$ 294,156	\$ 16,176
<b>Adjustments to reconcile to operating cash flows:</b>		
Net realized (gain) loss on investments	(21,551)	1,990
Net change in unrealized (appreciation) on investments	(252,062)	(3,891)
Purchase of investments	(535,236)	(522,516)
Proceeds from investments sold	269,673	162,848
Increase in management fees payable	1,003	525
<b>Net cash flows (used in) operating activities</b>	<b>(244,017)</b>	<b>(344,868)</b>
<b>Cash flows from (used in) Financing activities</b>		
Proceeds from redeemable units issued	308,862	377,174
Redemption of redeemable units	(62,841)	(33,892)
<b>Net cash flows from financing activities</b>	<b>246,021</b>	<b>343,282</b>
<b>Increase (decrease) in cash</b>		
Net increase (decrease) in cash	2,004	(1,586)
Cash, beginning of year	1,745	3,331
<b>Cash, end of year</b>	<b>\$ 3,749</b>	<b>\$ 1,745</b>
<b>Supplemental cash flow information:</b>		
Interest received, net of withholding taxes*	\$ 1,036	\$ 69
Interest paid*	(146)	(3)

\* included in operating activities

# CST Spark 2029 Education Portfolio

## Schedule of Investment Portfolio

As at October 31, 2024

	Number of Units	Average Cost (\$)	Fair Value (\$)	Percentage of Net Assets (%)
<b>Exchange-traded funds</b>				
iShares Canadian Real Return Bond Index ETF	6,802	157,815	156,174	
iShares Core Canadian Long Term Bond Index ETF	19,591	399,572	381,241	
iShares Core Canadian Universe Bond Index ETF	18,375	522,586	519,461	
iShares Core MSCI EAFE IMI Index ETF	3,831	129,305	146,421	
iShares Core MSCI Emerging Markets IMI Index ETF	2,175	59,527	64,728	
iShares Core S&P 500 Index ETF	7,722	279,322	380,849	
iShares Core S&P/TSX Capped Composite Index ETF	3,991	132,474	153,773	
iShares Global Real Estate Index ETF	2,649	79,871	83,046	
<b>Total Exchange-traded funds</b>		<b>1,760,472</b>	<b>1,885,693</b>	<b>99.9</b>
<b>Embedded Broker Commissions</b> <i>(Note 3)</i>		<b>(588)</b>		
<b>Total Investments</b>		<b>1,759,884</b>	<b>1,885,693</b>	<b>99.9</b>
<b>Other Assets Less Liabilities</b>			<b>534</b>	<b>0.1</b>
<b>Net Assets attributable to holders of redeemable units</b>			<b>1,886,227</b>	<b>100.0</b>

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

# CST Spark 2029 Education Portfolio

## Notes to Financial Statements – Fund Specific Information

October 31, 2024 and 2023

These fund specific notes shall be read in conjunction with the accompanying notes to the financial statements which are an integral part of these financial statements. These fund specific notes can be referenced to the accompanying notes by the corresponding note number. Since they are supplemental to the accompanying notes, there may not be a corresponding specific note to match every accompanying note.

### General Information (Note 1)

The CST Spark 2029 Education Portfolio (the “Fund”) is an open-ended investment fund established under the laws of the Province of Ontario pursuant to a declaration of trust dated November 1, 2021. Commencement of operations was November 1, 2021.

The investment objective of the Fund is to provide the opportunity for capital appreciation and income for the purpose of funding post-secondary education anticipated to begin between 2028 and 2030.

### Fair Value of Financial Instruments (Note 5)

#### Classification of investments under the fair value hierarchy

The tables below illustrate the classification of the Fund’s financial instruments measured at fair value at the reporting date. The amounts are based on the values recognized in the Statement of Financial Position.

As at October 31, 2024:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Exchange-traded funds	\$1,885,693	\$ -	\$ -	\$1,885,693
	\$1,885,693	\$ -	\$ -	\$1,885,693

As at October 31, 2023:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Exchange-traded funds	\$1,346,000	\$ -	\$ -	\$1,346,000
	\$1,346,000	\$ -	\$ -	\$1,346,000

There were no transfers of financial assets between Level 1, Level 2 and Level 3 for the years ended October 31, 2024 and 2023. All fair value measurements above are recurring.

### Redeemable Units of the Fund (Note 6)

For the years ended October 31, 2024 and 2023, changes in outstanding units were as follows:

Number of Redeemable Units	2024	2023
Balance – Beginning of period	157,628	117,711
Redeemable units issued	31,212	42,306
Redeemable units reinvested	2,207	1,437
Redeemable units redeemed	(6,541)	(3,826)
	26,878	39,917
Balance – End of period	184,506	157,628

### Taxation of Fund (Note 7)

As at December 31, 2023, the Fund had unused capital losses of \$nil, which may be carried forward indefinitely to reduce future net realized capital gains. There were \$nil unused non-capital losses available for tax purposes.

### Related Party Transactions and Other Expenses (Note 8)

#### Related party transactions

On November 1, 2021, the Manager purchased 15,001 units of the Fund at per unit price of \$10 for a total consideration of \$150,010. The Manager may not redeem the initial units of the Fund that it purchased on November 1, 2021, until the Fund has received total subscriptions of \$500,000 from other investors.

#### Management fees

Management Fees of 1.3% are charged to the Fund by the Manager. As of October 31, 2024, management fees payable to the Manager was \$2,698 (2023 – \$1,695).

# CST Spark 2029 Education Portfolio

## Notes to Financial Statements – Fund Specific Information

(continued)

October 31, 2024 and 2023

### Financial Risk Management (Note 9)

#### Currency risk

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	October 31, 2024	October 31, 2023
U.S. dollar	23.2%	26.3%
Japanese yen	2.3%	3.0%
Euro	2.2%	2.8%
Pound sterling	1.3%	1.7%
Australian dollar	0.9%	1.0%
Chinese yuan	0.8%	1.1%
Other currencies	5.1%	6.4%
<b>Total</b>	<b>35.8%</b>	<b>42.3%</b>

As at October 31, 2024, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively by approximately 0.4% or \$6,744 (2023 – 0.4% or \$5,744). In practice, actual results could differ materially from this sensitivity analysis.

#### Interest rate risk

As at October 31, 2024, fixed income and debt securities, excluding short-term investments, comprise 56.0% (2023 – 49.0%) of the NAV of the Fund. The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity as at:

Maturity schedule	October 31, 2024	October 31, 2023
Less than 1 year	0.5%	0.5%
1-5 years	22.3%	19.6%
5-10 years	16.9%	14.5%
10-15 years	11.7%	11.7%
15-20 years	10.4%	11.9%
> 20 years	38.2%	41.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

#### Other price risk

As at October 31, 2024, the Fund was exposed to other price risk to the extent the underlying ETFs invest in securities subject to market fluctuations. Substantially all of the Fund's net assets were exposed to other price risk. If the prices of the securities held by the underlying funds had increased or decreased by 10%, with all other factors remaining constant, net asset attributable to holders of redeemable units would have increased or decreased by approximately \$188,569 (2023 – \$134,600). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

#### Credit risk

As at October 31, 2024, credit-exposed securities, excluding short-term investments, comprise 56.0% (2023 – 49.0%) of the NAV of the Fund. The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	October 31, 2024	October 31, 2023
AAA	41.0%	38.1%
AA	36.6%	38.5%
A	14.1%	14.9%
BB	8.2%	8.2%
Other	0.1%	0.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

### Investments in Underlying Funds (Note 10)

The Fund's ownership interest as a percentage of NAV of each of the underlying funds is less than 0.05%. All underlying funds are established and conduct business in Canada.

# CST Spark 2032 Education Portfolio

## Annual Management Report of Fund Performance

### Introduction

This annual management report of fund performance contains financial highlights but does not contain the complete audited annual financial statements of CST Spark 2032 Education Portfolio (the “Fund”). You can obtain a copy of the audited annual financial statements at your request, and at no cost, by calling 1-800-461-7100, by writing to us at 2235 Sheppard Avenue East, Suite 1600, Toronto, Ontario M2J 5B8, or by visiting our website at [www.cstspark.ca](http://www.cstspark.ca) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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, 2024, that have affected the Fund’s performance and outlook.

### Investment Objective and Strategies

The Fund seeks to provide the opportunity for capital appreciation and income for the purposes of funding a post-secondary education anticipated to begin between 2031 and 2033. The Fund primarily invests in a diversified mix consisting of exchange traded funds providing exposure to fixed income, money market, cash equivalents and equity securities. The actual asset mix of the Fund will be adjusted on a quarterly basis as the investment portfolio transitions over time, from an emphasis on equities to an emphasis on fixed income securities. When the Fund approaches its end date, the asset mix transitions to a substantially more conservative mix with the majority of assets allocated to fixed income securities and/or money market and cash equivalent securities.

The Fund’s assets are passively managed by BlackRock Asset Management Canada Limited (“BlackRock”) according to a pre-defined glide path mandate using exchange-traded funds (“ETFs”).

### Risk

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

### Results of Operations

As at October 31, 2024, the net asset value of the Fund was \$1.8 million. During the year, the Fund’s units gained 25.9%. The Fund’s return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for further details regarding returns.

### Economic Review

The global economy continued to stabilize over the year with the International Monetary Fund (IMF) projecting global growth rates to remain steady at 3.2% through 2024 and into 2025. The growth forecast for the United States economy was revised upwards based on persistent consumer demand. Global inflation declined from an annual average of 6.7% in 2023 to 5.8% in 2024 and 4.3% in 2025, with advanced economies returning to their inflation

targets sooner than emerging markets and developing economies. The IMF noted that global growth risk levels remain elevated however tilted to the downside citing potential escalation in regional conflicts, overly restrictive monetary policy, and financial market instability, amongst other key scenarios.

Over the first half of fiscal 2024, the Bank of Canada held the policy rate steady at 5.0%, however with slowing inflation and weakening economic demand, a series of rate cuts were initiated beginning in May and further lowered to 3.75% in October. Canadian GDP growth marginally improved inching from 0.0% in October 2023 to 0.5% by July 2024. Inflation levels dropped as the CPI further declined from 3.1% to 1.6%. The Canadian labour market experienced difficulties throughout the period as unemployment levels rose from 5.7% to 6.5% by year end. The Canadian dollar weakened relative to the US dollar to just under 72 cents U.S. by the end of October.

The Canadian fixed income market rallied over the year as the yield curve flattened and shifted downwards translating into impressive bond gains with the FTSE Canada Universe index rising 12.5%. Both longer dated and non-government bond issuances benefitted as the FTSE Canada Long Term Bond Index rose 15.8% along with the FTSE Canada Corporate Bond Index up 12.9%. More conservatively positioned short-term bonds benefitted as the FTSE Canadian Short-Term Bond Index rose 8.2%, with cash (as represented by the FTSE 91 Day Treasury Bill Index) gaining 5.1% over the period.

In this environment, equity markets provided exceptionally impressive returns led by the U.S. S&P 500 gaining 38.6% (in CDN dollars) over the fiscal year as technology, and in particular artificial intelligence related stocks pushed the benchmark index to new highs. Canadian equity markets also benefitted as the S&P/TSX Composite rose 32.1% on the strength of the Financials and Materials sectors. Non-North American equity markets posted double digit annual returns as the MSCI EAFE IMI Index rose 23.6% followed by the MSCI Emerging Markets IMI Index gaining 25.1% (both in CDN dollars).

# CST Spark 2032 Education Portfolio

## Related Party Transactions

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The Fund is managed by C.S.T. Spark Inc. (the “Manager”). The Manager is responsible for the overall management and administration of the Fund, which includes day-to-day management, distribution, and administration, including portfolio management, trustee, record-keeping, accounting, taxation, valuation, distribution, and custody services. The Manager, at its discretion, may outsource some of these functions to third parties, in the best interest of the Fund.

## Management Fees

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As compensation for its services, the Manager is entitled to receive an annual management fee of 1.3% (the “Management Fee”) plus applicable taxes. The Management Fee is calculated daily and payable monthly, in arrears, based on the daily average net asset value (“NAV”) of the Fund.

Where a Fund invests in an underlying investment fund, including an exchange traded fund (ETF), the fees and expenses

payable by that underlying fund are in addition to the fees and expenses payable by the Fund. No sales or redemption fees, other than brokerage fees, are payable by a Fund when it buys or sells securities of an underlying fund.

The Fund holds ETFs that are managed by BlackRock. The management expense ratios of these ETFs, as reported in their most recent ETF Facts range from 0.06% to 0.72%, for a weighted average cost of 0.19% (per annum including applicable taxes). These fees are not paid directly by you but impact the prices of the ETFs that the Fund holds.

The Manager does not charge a management fee that would be reasonably expected to duplicate a fee payable by the underlying funds in which a Fund invests for the same service.

The Manager, in its sole discretion, may waive or absorb a portion of a Fund’s Management Fee. Such waivers or absorptions may be terminated at any time without notice.

During the year, a Management Fee of \$20,627 (2023 – \$14,751) was paid to the Manager.

# CST Spark 2032 Education Portfolio

## Financial Highlights

For the year ended

	October 31, 2024	October 31, 2023	October 31, 2022 <sup>8</sup>
	\$	\$	\$
<b>The Fund's Net Assets per Unit<sup>1</sup></b>			
Net assets, beginning of year	8.74	8.49	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.26	0.23	0.21
Total expenses	(0.16)	(0.15)	(0.15)
Realized gains (losses)	0.14	(0.01)	(0.03)
Unrealized gains (losses)	1.80	0.21	(1.54)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>2.04</b>	<b>0.28</b>	<b>(1.51)</b>
<b>Distributions:</b>			
From dividends	(0.10)	(0.09)	(0.07)
From capital gains	-	(0.01)	-
<b>Total annual distributions<sup>3</sup></b>	<b>(0.10)</b>	<b>(0.10)</b>	<b>(0.07)</b>
<b>Net assets, end of year</b>	<b>10.73</b>	<b>8.74</b>	<b>8.49</b>

### Ratios and Supplemental Data

Total net asset value (000's)	\$ 1,840	\$ 1,268	\$ 941
Number of units outstanding	171,459	144,971	110,796
Management expense ratio <sup>4</sup>	1.45%	1.45%	1.44%
Management expense ratio before waivers or absorption <sup>5</sup>	1.45%	1.45%	1.44%
Trading expense ratio <sup>6</sup>	0.01%	0.01%	0.06%
Portfolio turnover rate <sup>7</sup>	8.16%	8.22%	5.95%
Net asset value per unit	10.73	8.74	8.49

<sup>1</sup> This information is derived from the Fund's audited annual financial statements, as applicable.

<sup>2</sup> Net Assets and Total distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per share since it does not reflect unitholder transactions as shown on the Statements of Changes in Net Assets and accordingly columns may not add.

<sup>3</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.

<sup>4</sup> Management expense ratio ("MER") is based on total expenses (including incentive fees, if any; excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

<sup>5</sup> The Manager may waive or absorb a portion of the operating expenses of the Fund. Waivers and absorption can be terminated at any time.

<sup>6</sup> The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

<sup>7</sup> The Fund's portfolio turnover rate indicates how actively the Fund adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's turnover in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>8</sup> As at October 31, 2022 or for the period from November 1, 2021 (date of commencement of operations) to October 31, 2022, as applicable.



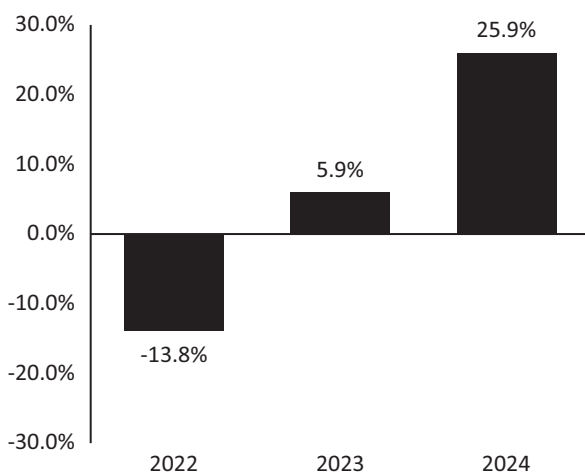
# CST Spark 2032 Education Portfolio

## Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future.

## Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



For the years ended October 31.

## Summary of Fund Investment Portfolio

Portfolio Allocation as at October 31, 2024	% of Net Asset Value
Canadian Fixed Income Funds	35.1%
U.S. Equity Funds	30.2%
Non-North American Equity Funds	16.7%
Canadian Equity Funds	11.5%
Global Real Estate Funds	6.5%
Cash and other	0.0%
<b>Total Portfolio Allocation</b>	<b>100.0%</b>

The following Top Holdings table shows the 25 largest holdings (or all holdings if the total number of holdings is less than 25).

Top 25 Holdings as at October 31, 2024	% of Net Asset Value
iShares Core S&P 500 Index ETF	30.2%
iShares Core Canadian Long Term Bond Index ETF	15.9%
iShares Core Canadian Universe Bond Index ETF	14.1%
iShares Core MSCI EAFE IMI Index ETF	11.6%
iShares Core S&P/TSX Capped Composite Index ETF	11.5%
iShares Global Real Estate Index ETF	6.5%
iShares Core MSCI Emerging Markets IMI Index ETF	5.1%
iShares Canadian Real Return Bond Index ETF	5.1%
<b>Total holdings as a percentage of net asset value</b>	<b>100.0%</b>

The prospectus and other information about the underlying investment funds in the portfolio are available at [www.sedarplus.ca](http://www.sedarplus.ca).

# CST Spark 2032 Education Portfolio

## Statement of Financial Position

As at October 31

	2024	2023
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 3,780	\$ 1,880
Investments (Note 5)	1,839,010	1,262,287
Receivable for investments sold	19,429	-
Subscriptions receivable	-	5,039
	<b>1,862,219</b>	<b>1,269,206</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Payable for investments purchased	13,731	-
Management fees payable	2,627	1,585
Redemption payable	6,297	-
	<b>22,655</b>	<b>1,585</b>
<b>Net Assets attributable to holders of redeemable units</b>	<b>\$1,839,564</b>	<b>\$1,267,621</b>
<b>Redeemable units outstanding (Note 6)</b>	<b>171,459</b>	<b>144,971</b>
<b>Net Assets attributable to holders of redeemable units per unit</b>	<b>\$ 10.73</b>	<b>\$ 8.74</b>

Approved on behalf of the Board of Directors of the Manager, C.S.T. Spark Inc.



Douglas P. McPhie, FCPA, FCA



Peter Lewis

# CST Spark 2032 Education Portfolio

## Statements of Comprehensive Income

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Income</b>		
Other income (loss)	\$ -	\$ (95)
Net gain (loss) on investments		
Distributions from underlying funds	39,835	29,432
Interest for distribution purposes	987	66
Net realized gain (loss) on investments	21,675	(780)
Net change in unrealized appreciation on investments	287,089	24,837
<b>Total net gain on investments</b>	<b>349,586</b>	<b>53,555</b>
<b>Total income, net</b>	<b>349,586</b>	<b>53,460</b>
<b>Expenses</b> <i>(Note 8)</i>		
Independent review committee expense	29	-
Interest expense	161	3
Management fees	20,627	14,751
Transaction costs <i>(Note 3)</i>	137	138
Harmonized sales tax	2,323	1,688
<b>Total operating expenses</b>	<b>23,277</b>	<b>16,580</b>
Withholding taxes <i>(Note 7)</i>	(2,394)	(1,869)
<b>Increase in Net Assets attributable to holders of redeemable units from operations</b>	<b>\$323,915</b>	<b>\$ 35,011</b>
<b>Weighted average number of units outstanding</b>	<b>158,678</b>	<b>126,736</b>
<b>Increase in Net Assets attributable to holders of redeemable units per unit</b>	<b>\$ 2.04</b>	<b>\$ 0.28</b>

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

# CST Spark 2032 Education Portfolio

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Net Assets attributable to holders of redeemable units – Beginning of year</b>	<b>\$1,267,621</b>	<b>\$ 940,876</b>
<b>Increase in Net Assets attributable to holders of redeemable units from operations</b>	<b>323,915</b>	<b>35,011</b>
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued	289,200	316,025
Reinvestments of distributions to holders of redeemable units	15,840	11,377
Redemption of redeemable units	(41,171)	(24,291)
<b>Net increase from redeemable unit transactions</b>	<b>263,869</b>	<b>303,111</b>
<b>Distributions to holders of redeemable units</b>		
From net investment income	(15,399)	(10,188)
From net realized capital gains	(442)	(1,189)
<b>Total distributions to holders of redeemable units</b>	<b>(15,841)</b>	<b>(11,377)</b>
<b>Increase in Net Assets attributable to holders of redeemable units during the year</b>	<b>571,943</b>	<b>326,745</b>
<b>Net Assets attributable to holders of redeemable units – End of year</b>	<b>\$1,839,564</b>	<b>\$1,267,621</b>

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

# CST Spark 2032 Education Portfolio

## Statements of Cash Flows

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Cash flows from (used in) Operating activities</b>		
Increase in Net Assets attributable to holders of redeemable units from operations	\$ 323,915	\$ 35,011
<b>Adjustments to reconcile to operating cash flows:</b>		
Net realized loss on investments	(21,675)	780
Net change in unrealized depreciation (appreciation) on investments	(287,089)	(24,837)
Purchase of investments	(403,226)	(413,604)
Proceeds from investments sold	129,568	92,454
Increase in management fees payable	1,042	483
<b>Net cash flows (used in) operating activities</b>	<b>(257,465)</b>	<b>(309,713)</b>
<b>Cash flows from (used in) Financing activities</b>		
Proceeds from redeemable units issued	294,239	336,521
Redemption of redeemable units	(34,874)	(28,250)
<b>Net cash flows from financing activities</b>	<b>259,365</b>	<b>308,271</b>
<b>Increase (decrease) in cash</b>		
Net increase (decrease) in cash	1,900	(1,442)
Cash, beginning of year	1,880	3,322
<b>Cash, end of year</b>	<b>\$ 3,780</b>	<b>\$ 1,880</b>
<b>Supplemental cash flow information:</b>		
Interest received, net of withholding taxes*	\$ 987	\$ 66
Interest paid*	(161)	(3)

\* included in operating activities

# CST Spark 2032 Education Portfolio

## Schedule of Investment Portfolio

As at October 31, 2024

	Number of Units	Average Cost (\$)	Fair Value (\$)	Percentage of Net Assets (%)
<b>Exchange-traded funds</b>				
iShares Canadian Real Return Bond Index ETF	4,052	94,408	93,034	
iShares Core Canadian Long Term Bond Index ETF	15,029	306,919	292,464	
iShares Core Canadian Universe Bond Index ETF	9,169	261,586	259,208	
iShares Core MSCI EAFE IMI Index ETF	5,597	188,515	213,917	
iShares Core MSCI Emerging Markets IMI Index ETF	3,143	86,011	93,536	
iShares Core S&P 500 Index ETF	11,261	408,743	555,392	
iShares Core S&P/TSX Capped Composite Index ETF	5,479	183,609	211,106	
iShares Global Real Estate Index ETF	3,839	114,763	120,353	
<b>Total Exchange-traded funds</b>		<b>1,644,554</b>	<b>1,839,010</b>	<b>100.0</b>
<b>Embedded Broker Commissions</b> <i>(Note 3)</i>		<b>(535)</b>		
<b>Total Investments</b>		<b>1,644,019</b>	<b>1,839,010</b>	<b>100.0</b>
<b>Other Assets Less Liabilities</b>			<b>554</b>	<b>-</b>
<b>Net Assets attributable to holders of redeemable units</b>			<b>1,839,564</b>	<b>100.0</b>

# CST Spark 2032 Education Portfolio

## Notes to Financial Statements – Fund Specific Information

October 31, 2024 and 2023

These fund specific notes shall be read in conjunction with the accompanying notes to the financial statements which are an integral part of these financial statements. These fund specific notes can be referenced to the accompanying notes by the corresponding note number. Since they are supplemental to the accompanying notes, there may not be a corresponding specific note to match every accompanying note.

### General Information (Note 1)

The CST Spark 2032 Education Portfolio (the “Fund”) is an open-ended investment fund established under the laws of the Province of Ontario pursuant to a declaration of trust dated November 1, 2021. Commencement of operations was November 1, 2021.

The investment objective of the Fund is to provide the opportunity for capital appreciation and income for the purpose of funding post-secondary education anticipated to begin between 2031 and 2033.

### Fair Value of Financial Instruments (Note 5)

#### Classification of investments under the fair value hierarchy

The tables below illustrate the classification of the Fund’s financial instruments measured at fair value at the reporting date. The amounts are based on the values recognized in the Statement of Financial Position.

As at October 31, 2024:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Exchange-traded funds	\$1,839,010	\$ -	\$ -	\$1,839,010
	\$1,839,010	\$ -	\$ -	\$1,839,010

As at October 31, 2023:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Exchange-traded funds	\$1,262,287	\$ -	\$ -	\$1,262,287
	\$1,262,287	\$ -	\$ -	\$1,262,287

There were no transfers of financial assets between Level 1, Level 2 and Level 3 for the years ended October 31, 2024 and 2023. All fair value measurements above are recurring.

### Redeemable Units of the Fund (Note 6)

For the years ended October 31, 2024 and 2023, changes in outstanding units were as follows:

Number of Redeemable Units	2024	2023
Balance – Beginning of period	144,971	110,796
Redeemable units issued	28,835	35,562
Redeemable units reinvested	1,661	1,311
Redeemable units redeemed	(4,008)	(2,698)
	26,488	34,175
Balance – End of period	171,459	144,971

### Taxation of Fund (Note 7)

As at December 31, 2023, the Fund had unused capital losses of \$nil, which may be carried forward indefinitely to reduce future net realized capital gains. There were \$nil unused non-capital losses available for tax purposes.

### Related Party Transactions and Other Expenses (Note 8)

#### Related party transactions

On November 1, 2021, the Manager purchased 15,001 units of the Fund at per unit price of \$10 for a total consideration of \$150,010. The Manager may not redeem the initial units of the Fund that it purchased on November 1, 2021, until the Fund has received total subscriptions of \$500,000 from other investors.

#### Management fees

Management Fees of 1.3% are charged to the Fund by the Manager. As of October 31, 2024, management fees payable to the Manager was \$2,627 (2023 – \$1,585).

# CST Spark 2032 Education Portfolio

## Notes to Financial Statements – Fund Specific Information

(continued)

October 31, 2024 and 2023

### Financial Risk Management (Note 9)

#### Currency risk

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	October 31, 2024	October 31, 2023
U.S. dollar	34.7%	36.2%
Japanese yen	3.4%	4.1%
Euro	3.3%	3.8%
Pound sterling	1.9%	2.4%
Australian dollar	1.3%	1.3%
Chinese yuan	1.2%	1.6%
Other currencies	7.6%	8.9%
Total	53.4%	58.3%

As at October 31, 2024, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively by approximately 0.5% or \$9,823 (2023 – 0.6% or \$7,395). In practice, actual results could differ materially from this sensitivity analysis.

#### Interest rate risk

As at October 31, 2024, fixed income and debt securities, excluding short-term investments, comprise 35.1% (2023 – 32.0%) of the NAV of the Fund. The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity as at:

Maturity schedule	October 31, 2024	October 31, 2023
Less than 1 year	0.5%	0.4%
1-5 years	18.6%	19.7%
5-10 years	14.3%	14.5%
10-15 years	12.7%	11.7%
15-20 years	11.5%	11.9%
> 20 years	42.4%	41.8%
Total	100.0%	100.0%

#### Other price risk

As at October 31, 2024, the Fund was exposed to other price risk to the extent the underlying ETFs invest in securities subject to market fluctuations. Substantially all of the Fund's net assets were exposed to other price risk. If the prices of the securities held by the underlying funds had increased or decreased by 10%, with all other factors remaining constant, net asset attributable to holders of redeemable units would have increased or decreased by approximately \$183,901 (2023 – \$126,229). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

#### Credit risk

As at October 31, 2024, credit-exposed securities, excluding short-term investments, comprise 35.1% (2023 – 32.0%) of the NAV of the Fund. The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	October 31, 2024	October 31, 2023
AAA	38.8%	37.9%
AA	38.6%	38.6%
A	14.5%	14.9%
BB	8.0%	8.3%
Other	0.1%	0.3%
Total	100.0%	100.0%

### Investments in Underlying Funds (Note 10)

The Fund's ownership interest as a percentage of NAV of each of the underlying funds is less than 0.05%. All underlying funds are established and conduct business in Canada.



# CST Spark 2035 Education Portfolio

## Annual Management Report of Fund Performance

### Introduction

This annual management report of fund performance contains financial highlights but does not contain the complete audited annual financial statements of CST Spark 2035 Education Portfolio (the “Fund”). You can obtain a copy of the audited annual financial statements at your request, and at no cost, by calling 1-800-461-7100, by writing to us at 2235 Sheppard Avenue East, Suite 1600, Toronto, Ontario M2J 5B8, or by visiting our website at [www.cstspark.ca](http://www.cstspark.ca) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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, 2024, that have affected the Fund’s performance and outlook.

### Investment Objective and Strategies

The Fund seeks to provide the opportunity for capital appreciation and income for the purposes of funding a post-secondary education anticipated to begin between 2034 and 2036. The Fund primarily invests in a diversified mix consisting of exchange traded funds providing exposure to fixed income, money market, cash equivalents and equity securities. The actual asset mix of the Fund will be adjusted on a quarterly basis as the investment portfolio transitions over time, from an emphasis on equities to an emphasis on fixed income securities. When the Fund approaches its end date, the asset mix transitions to a substantially more conservative mix with the majority of assets allocated to fixed income securities and/or money market and cash equivalent securities.

The Fund’s assets are passively managed by BlackRock Asset Management Canada Limited (“BlackRock”) according to a pre-defined glide path mandate using exchange-traded funds (“ETFs”).

### Risk

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

### Results of Operations

As at October 31, 2024, the net asset value of the Fund was \$2.1 million. During the year, the Fund’s units gained 28.2%. The Fund’s return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for further details regarding returns.

### Economic Review

The global economy continued to stabilize over the year with the International Monetary Fund (IMF) projecting global growth rates to remain steady at 3.2% through 2024 and into 2025. The growth forecast for the United States economy was revised upwards based on persistent consumer demand. Global inflation declined from an annual average of 6.7% in 2023 to 5.8% in 2024 and 4.3% in 2025, with advanced economies returning to their inflation

targets sooner than emerging markets and developing economies. The IMF noted that global growth risk levels remain elevated however tilted to the downside citing potential escalation in regional conflicts, overly restrictive monetary policy, and financial market instability, amongst other key scenarios.

Over the first half of fiscal 2024, the Bank of Canada held the policy rate steady at 5.0%, however with slowing inflation and weakening economic demand, a series of rate cuts were initiated beginning in May and further lowered to 3.75% in October. Canadian GDP growth marginally improved inching from 0.0% in October 2023 to 0.5% by July 2024. Inflation levels dropped as the CPI further declined from 3.1% to 1.6%. The Canadian labour market experienced difficulties throughout the period as unemployment levels rose from 5.7% to 6.5% by year end. The Canadian dollar weakened relative to the US dollar to just under 72 cents U.S. by the end of October.

The Canadian fixed income market rallied over the year as the yield curve flattened and shifted downwards translating into impressive bond gains with the FTSE Canada Universe index rising 12.5%. Both longer dated and non-government bond issuances benefitted as the FTSE Canada Long Term Bond Index rose 15.8% along with the FTSE Canada Corporate Bond Index up 12.9%. More conservatively positioned short-term bonds benefitted as the FTSE Canadian Short-Term Bond Index rose 8.2%, with cash (as represented by the FTSE 91 Day Treasury Bill Index) gaining 5.1% over the period.

In this environment, equity markets provided exceptionally impressive returns led by the U.S. S&P 500 gaining 38.6% (in CDN dollars) over the fiscal year as technology, and in particular artificial intelligence related stocks pushed the benchmark index to new highs. Canadian equity markets also benefitted as the S&P/TSX Composite rose 32.1% on the strength of the Financials and Materials sectors. Non-North American equity markets posted double digit annual returns as the MSCI EAFE IMI Index rose 23.6% followed by the MSCI Emerging Markets IMI Index gaining 25.1% (both in CDN dollars).

# CST Spark 2035 Education Portfolio

## Related Party Transactions

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The Fund is managed by C.S.T. Spark Inc. (the “Manager”). The Manager is responsible for the overall management and administration of the Fund, which includes day-to-day management, distribution, and administration, including portfolio management, trustee, record-keeping, accounting, taxation, valuation, distribution, and custody services. The Manager, at its discretion, may outsource some of these functions to third parties, in the best interest of the Fund.

## Management Fees

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As compensation for its services, the Manager is entitled to receive an annual management fee of 1.3% (the “Management Fee”) plus applicable taxes. The Management Fee is calculated and payable monthly, in arrears, based on the daily average net asset value (“NAV”) of the Fund.

Where a Fund invests in an underlying investment fund, including an exchange traded fund (ETF), the fees and expenses

payable by that underlying fund are in addition to the fees and expenses payable by the Fund. No sales or redemption fees, other than brokerage fees, are payable by a Fund when it buys or sells securities of an underlying fund.

The Fund holds ETFs that are managed by BlackRock. The management expense ratios of these ETFs, as reported in their most recent ETF Facts range from 0.06% to 0.72%, for a weighted average cost of 0.19% (per annum including applicable taxes). These fees are not paid directly by you but impact the prices of the ETFs that the Fund holds.

The Manager does not charge a management fee that would be reasonably expected to duplicate a fee payable by the underlying funds in which a Fund invests for the same service.

The Manager, in its sole discretion, may waive or absorb a portion of a Fund’s Management Fee. Such waivers or absorptions may be terminated at any time without notice.

During the year, a Management Fee of \$24,162 (2023 – \$16,842) was paid to the Manager.

# CST Spark 2035 Education Portfolio

## Financial Highlights

For the year ended

	October 31, 2024 \$	October 31, 2023 \$	October 31, 2022 <sup>8</sup> \$
<b>The Fund's Net Assets per Unit<sup>1</sup></b>			
Net assets, beginning of year	8.86	8.51	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.25	0.23	0.20
Total expenses	(0.17)	(0.15)	(0.15)
Realized gains (losses)	0.13	(0.01)	(0.03)
Unrealized gains (losses)	2.05	0.31	(1.53)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>2.26</b>	<b>0.38</b>	<b>(1.51)</b>
<b>Distributions:</b>			
From dividends	(0.10)	(0.09)	(0.07)
From capital gains	-	(0.01)	-
<b>Total annual distributions<sup>3</sup></b>	<b>(0.10)</b>	<b>(0.10)</b>	<b>(0.07)</b>
<b>Net assets, end of year</b>	<b>11.08</b>	<b>8.86</b>	<b>8.51</b>

### Ratios and Supplemental Data

Total net asset value (000's)	\$ 2,146	\$ 1,472	\$ 1,068
Number of units outstanding	193,726	166,129	125,477
Management expense ratio <sup>4</sup>	1.46%	1.45%	1.44%
Management expense ratio before waivers or absorption <sup>5</sup>	1.46%	1.45%	1.44%
Trading expense ratio <sup>6</sup>	0.01%	0.01%	0.06%
Portfolio turnover rate <sup>7</sup>	9.17%	7.23%	6.15%
Net asset value per unit	11.08	8.86	8.51

<sup>1</sup> This information is derived from the Fund's audited annual financial statements, as applicable.

<sup>2</sup> Net Assets and Total distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per share since it does not reflect unitholder transactions as shown on the Statements of Changes in Net Assets and accordingly columns may not add.

<sup>3</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.

<sup>4</sup> Management expense ratio ("MER") is based on total expenses (including incentive fees, if any; excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

<sup>5</sup> The Manager may waive or absorb a portion of the operating expenses of the Fund. Waivers and absorption can be terminated at any time.

<sup>6</sup> The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

<sup>7</sup> The Fund's portfolio turnover rate indicates how actively the Fund adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's turnover in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>8</sup> As at October 31, 2022 or for the period from November 1, 2021 (date of commencement of operations) to October 31, 2022, as applicable.

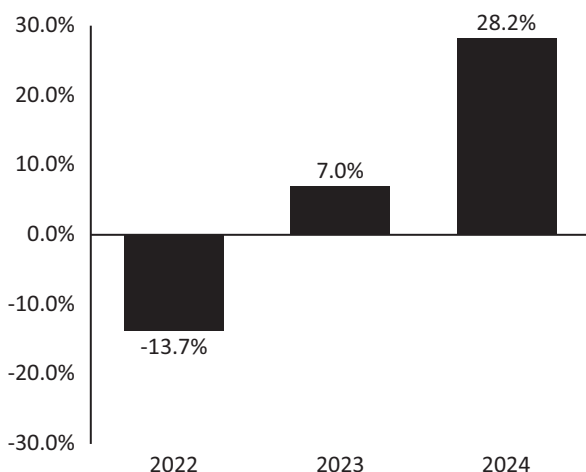
# CST Spark 2035 Education Portfolio

## Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future.

## Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



For the years ended October 31.

## Summary of Fund Investment Portfolio

Portfolio Allocation as at October 31, 2024	% of Net Asset Value
U.S. Equity Funds	36.3%
Canadian Fixed Income Funds	21.7%
Non-North American Equity Funds	20.1%
Canadian Equity Funds	13.9%
Global Real Estate Funds	8.0%
Cash and other	0.0%
<b>Total Portfolio Allocation</b>	<b>100.0%</b>

The following Top Holdings table shows the 25 largest holdings (or all holdings if the total number of holdings is less than 25).

Top 25 Holdings as at October 31, 2024	% of Net Asset Value
iShares Core S&P 500 Index ETF	36.3%
iShares Core MSCI EAFE IMI Index ETF	13.9%
iShares Core S&P/TSX Capped Composite Index ETF	13.9%
iShares Core Canadian Long Term Bond Index ETF	9.9%
iShares Core Canadian Universe Bond Index ETF	8.7%
iShares Global Real Estate Index ETF	8.0%
iShares Core MSCI Emerging Markets IMI Index ETF	6.2%
iShares Canadian Real Return Bond Index ETF	3.1%
<b>Total holdings as a percentage of net asset value</b>	<b>100.0%</b>

The prospectus and other information about the underlying investment funds in the portfolio are available at [www.sedarplus.ca](http://www.sedarplus.ca).

# CST Spark 2035 Education Portfolio

## Statement of Financial Position

As at October 31

	2024	2023
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 4,365	\$ 3,210
Investments (Note 5)	2,145,753	1,465,221
Receivable for investments sold	19,084	-
Subscriptions receivable	-	6,122
	<b>2,169,202</b>	<b>1,474,553</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Payable for investments purchased	11,889	392
Management fees payable	3,080	1,843
Redemptions payable	8,003	-
	<b>22,972</b>	<b>2,235</b>
<b>Net Assets attributable to holders of redeemable units</b>	<b>\$2,146,230</b>	<b>\$1,472,318</b>
<b>Redeemable units outstanding (Note 6)</b>	<b>193,726</b>	<b>166,129</b>
<b>Net Assets attributable to holders of redeemable units per unit</b>	<b>\$ 11.08</b>	<b>\$ 8.86</b>

Approved on behalf of the Board of Directors of the Manager, C.S.T. Spark Inc.



Douglas P. McPhie, FCPA, FCA



Peter Lewis

# CST Spark 2035 Education Portfolio

## Statements of Comprehensive Income

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Income</b>		
Other income	\$ -	\$ 393
Net gain (loss) on investments		
Distributions from underlying funds	44,041	32,354
Interest for distribution purposes	1,119	77
Net realized gain (loss) on investments	22,775	(1,500)
Net change in unrealized appreciation on investments	373,114	44,017
<b>Total net gain on investments</b>	<b>441,049</b>	<b>74,948</b>
<b>Total income, net</b>	<b>441,049</b>	<b>75,341</b>
<b>Expenses (Note 8)</b>		
Independent review committee expense	34	-
Interest expense	159	4
Management fees	24,162	16,842
Transaction costs (Note 3)	150	143
Harmonized sales tax	2,814	1,963
<b>Total operating expenses</b>	<b>27,319</b>	<b>18,952</b>
Withholding taxes (Note 7)	(3,268)	(2,416)
<b>Increase in Net Assets attributable to holders of redeemable units from operations</b>	<b>\$410,462</b>	<b>\$ 53,973</b>
<b>Weighted average number of units outstanding</b>	<b>181,437</b>	<b>143,534</b>
<b>Increase in Net Assets attributable to holders of redeemable units per unit</b>	<b>\$ 2.26</b>	<b>\$ 0.38</b>

# CST Spark 2035 Education Portfolio

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Net Assets attributable to holders of redeemable units – Beginning of year</b>	<b>\$1,472,318</b>	<b>\$1,067,640</b>
<b>Increase in Net Assets attributable to holders of redeemable units from operations</b>	<b>410,462</b>	<b>53,973</b>
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued	<b>363,981</b>	390,252
Reinvestments of distributions to holders of redeemable units	<b>16,488</b>	12,948
Redemption of redeemable units	<b>(100,531)</b>	(39,547)
<b>Net increase from redeemable unit transactions</b>	<b>279,938</b>	<b>363,653</b>
<b>Distributions to holders of redeemable units</b>		
From net investment income	<b>(16,488)</b>	(11,481)
From net realized capital gains	<b>-</b>	(1,467)
<b>Total distributions to holders of redeemable units</b>	<b>(16,488)</b>	<b>(12,948)</b>
<b>Increase in Net Assets attributable to holders of redeemable units during the year</b>	<b>673,912</b>	<b>404,678</b>
<b>Net Assets attributable to holders of redeemable units – End of year</b>	<b>\$2,146,230</b>	<b>\$1,472,318</b>

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

# CST Spark 2035 Education Portfolio

## Statements of Cash Flows

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Cash flows from (used in) Operating activities</b>		
Increase in Net Assets attributable to holders of redeemable units from operations	\$ 410,462	\$ 53,973
<b>Adjustments to reconcile to operating cash flows:</b>		
Net realized loss on investments	(22,775)	1,500
Net change in unrealized depreciation (appreciation) on investments	(373,114)	(44,017)
Purchase of investments	(462,197)	(461,471)
Proceeds from investments sold	169,967	92,824
(Decrease) increase in management fees payable	1,237	576
<b>Net cash flows (used in) operating activities</b>	<b>(276,420)</b>	<b>(356,615)</b>
<b>Cash flows from (used in) Financing activities</b>		
Proceeds from redeemable units issued	370,103	399,007
Redemption of redeemable units	(92,528)	(44,887)
<b>Net cash flows from financing activities</b>	<b>277,575</b>	<b>354,120</b>
<b>Increase (decrease) in cash</b>		
Net increase (decrease) in cash	1,155	(2,495)
Cash, beginning of year	3,210	5,705
<b>Cash, end of year</b>	<b>\$ 4,365</b>	<b>\$ 3,210</b>
<b>Supplemental cash flow information:</b>		
Interest received, net of withholding taxes*	\$ 1,119	\$ 77
Interest paid*	(159)	(4)

\* included in operating activities



# CST Spark 2035 Education Portfolio

## Schedule of Investment Portfolio

As at October 31, 2024

	Number of Units	Average Cost (\$)	Fair Value (\$)	Percentage of Net Assets (%)
<b>Exchange-traded funds</b>				
iShares Canadian Real Return Bond Index ETF	2,857	66,748	65,597	
iShares Core Canadian Long Term Bond Index ETF	10,947	224,233	213,029	
iShares Core Canadian Universe Bond Index ETF	6,616	189,048	187,034	
iShares Core MSCI EAFE IMI Index ETF	7,797	264,010	298,000	
iShares Core MSCI Emerging Markets IMI Index ETF	4,492	122,398	133,682	
iShares Core S&P 500 Index ETF	15,802	576,627	779,355	
iShares Core S&P/TSX Capped Composite Index ETF	7,741	260,529	298,261	
iShares Global Real Estate Index ETF	5,448	161,906	170,795	
<b>Total Exchange-traded funds</b>		<b>1,865,499</b>	<b>2,145,753</b>	<b>100.0</b>
<b>Embedded Broker Commissions</b> <i>(Note 3)</i>		<b>(585)</b>		
<b>Total Investments</b>		<b>1,864,914</b>	<b>2,145,753</b>	<b>100.0</b>
<b>Other Assets Less Liabilities</b>			<b>477</b>	<b>-</b>
<b>Net Assets attributable to holders of redeemable units</b>			<b>2,146,230</b>	<b>100.0</b>

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

# CST Spark 2035 Education Portfolio

## Notes to Financial Statements – Fund Specific Information

October 31, 2024 and 2023

These fund specific notes shall be read in conjunction with the accompanying notes to the financial statements which are an integral part of these financial statements. These fund specific notes can be referenced to the accompanying notes by the corresponding note number. Since they are supplemental to the accompanying notes, there may not be a corresponding specific note to match every accompanying note.

### General Information (Note 1)

The CST Spark 2035 Education Portfolio (the “Fund”) is an open-ended investment fund established under the laws of the Province of Ontario pursuant to a declaration of trust dated November 1, 2021. Commencement of operations was November 1, 2021.

The investment objective of the Fund is to provide the opportunity for capital appreciation and income for the purpose of funding post-secondary education anticipated to begin between 2034 and 2036.

### Fair Value of Financial Instruments (Note 5)

#### Classification of investments under the fair value hierarchy

The tables below illustrate the classification of the Fund’s financial instruments measured at fair value at the reporting date. The amounts are based on the values recognized in the Statement of Financial Position.

As at October 31, 2024:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Exchange-traded funds	\$2,145,753	\$ -	\$ -	\$2,145,753
	\$2,145,753	\$ -	\$ -	\$2,145,753

As at October 31, 2023:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Exchange-traded funds	\$1,465,221	\$ -	\$ -	\$1,465,221
	\$1,465,221	\$ -	\$ -	\$1,465,221

There were no transfers of financial assets between Level 1, Level 2 and Level 3 for the years ended October 31, 2024 and 2023. All fair value measurements above are recurring.

### Redeemable Units of the Fund (Note 6)

For the years ended October 31, 2024 and 2023, changes in outstanding units were as follows:

Number of Redeemable Units	2024	2023
Balance – Beginning of period	166,129	125,477
Redeemable units issued	35,585	43,522
Redeemable units reinvested	1,707	1,492
Redeemable units redeemed	(9,695)	(4,362)
	27,597	40,652
Balance – End of period	193,726	166,129

### Taxation of Fund (Note 7)

As at December 31, 2023, the Fund had unused capital losses of \$nil, which may be carried forward indefinitely to reduce future net realized capital gains. There were \$nil unused non-capital losses available for tax purposes.

### Related Party Transactions and Other Expenses (Note 8)

#### Related party transactions

On November 1, 2021, the Manager purchased 15,001 units of the Fund at per unit price of \$10 for a total consideration of \$150,010. The Manager may not redeem the initial units of the Fund that it purchased on November 1, 2021, until the Fund has received total subscriptions of \$500,000 from other investors.

#### Management fees

Management Fees of 1.3% are charged to the Fund by the Manager. As of October 31, 2024, management fees payable to the Manager was \$3,080 (2023 – \$1,843).

# CST Spark 2035 Education Portfolio

## Notes to Financial Statements – Fund Specific Information

(continued)

October 31, 2024 and 2023

### Financial Risk Management (Note 9)

#### Currency risk

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	October 31, 2024	October 31, 2023
U.S. dollar	41.8%	42.3%
Japanese yen	4.0%	4.7%
Euro	3.9%	4.5%
Pound sterling	2.3%	2.7%
Chinese yen	1.6%	1.8%
Australian dollar	1.5%	1.6%
Other currencies	9.2%	10.3%
<b>Total</b>	<b>64.4%</b>	<b>67.9%</b>

As at October 31, 2024, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively by approximately 0.6% or \$13,805 (2023 – 0.7% or \$10,006). In practice, actual results could differ materially from this sensitivity analysis.

#### Interest rate risk

As at October 31, 2024, fixed income and debt securities, excluding short-term investments, comprise 21.7% (2023 – 20.9%) of the NAV of the Fund. The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity as at:

Maturity schedule	October 31, 2024	October 31, 2023
Less than 1 year	0.4%	0.4%
1-5 years	18.5%	19.7%
5-10 years	14.2%	14.5%
10-15 years	12.7%	11.7%
15-20 years	11.6%	11.9%
> 20 years	42.6%	41.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

#### Other price risk

As at October 31, 2024, the Fund was exposed to other price risk to the extent the underlying ETFs invest in securities subject to market fluctuations. Substantially all of the Fund's net assets were exposed to other price risk. If the prices of the securities held by the underlying funds had increased or decreased by 10%, with all other factors remaining constant, net asset attributable to holders of redeemable units would have increased or decreased by approximately \$214,575 (2023 – \$146,522). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

#### Credit risk

As at October 31, 2024, credit-exposed securities, excluding short-term investments, comprise 21.7% (20.9%) of the NAV of the Fund. The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	October 31, 2024	October 31, 2023
AAA	38.6%	38.1%
AA	38.7%	38.5%
A	14.5%	14.9%
BB	8.0%	8.2%
Other	0.2%	0.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

### Investments in Underlying Funds (Note 10)

The Fund's ownership interest as a percentage of NAV of each of the underlying funds is less than 0.05%. All underlying funds are established and conduct business in Canada.

# CST Spark 2038 Education Portfolio

## Annual Management Report of Fund Performance

### Introduction

This annual management report of fund performance contains financial highlights but does not contain the complete audited annual financial statements of CST Spark 2038 Education Portfolio (the “Fund”). You can obtain a copy of the audited annual financial statements at your request, and at no cost, by calling 1-800-461-7100, by writing to us at 2235 Sheppard Avenue East, Suite 1600, Toronto, Ontario M2J 5B8, or by visiting our website at [www.cstspark.ca](http://www.cstspark.ca) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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, 2024, that have affected the Fund’s performance and outlook.

### Investment Objective and Strategies

The Fund seeks to provide the opportunity for capital appreciation and income for the purposes of funding a post-secondary education anticipated to begin between 2037 and 2039. The Fund primarily invests in a diversified asset mix consisting of exchange trade funds providing exposure to fixed income, money market, cash equivalents and equity securities. The actual asset mix of the Fund will be adjusted on a quarterly basis as the investment portfolio transitions over time, from an emphasis on equities to an emphasis on fixed income securities. When the Fund approaches its end date, the asset mix transitions to a substantially more conservative mix with the majority of assets allocated to fixed income securities and/or money market and cash equivalent securities.

The Fund’s assets are passively managed by BlackRock Asset Management Canada Limited (“BlackRock”) according to a pre-defined glide path mandate using exchange-traded funds (“ETFs”).

### Risk

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

### Results of Operations

As at October 31, 2024, the net asset value of the Fund was \$2.9 million. During the year, the Fund’s units gained 29.5%. The Fund’s return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for further details regarding returns.

### Economic Review

The global economy continued to stabilize over the year with the International Monetary Fund (IMF) projecting global growth rates to remain steady at 3.2% through 2024 and into 2025. The growth forecast for the United States economy was revised upwards based on persistent consumer demand. Global inflation declined from an annual average of 6.7% in 2023 to 5.8% in 2024 and 4.3% in 2025, with advanced economies returning to their inflation

targets sooner than emerging markets and developing economies. The IMF noted that global growth risk levels remain elevated however tilted to the downside citing potential escalation in regional conflicts, overly restrictive monetary policy, and financial market instability, amongst other key scenarios.

Over the first half of fiscal 2024, the Bank of Canada held the policy rate steady at 5.0%, however with slowing inflation and weakening economic demand, a series of rate cuts were initiated beginning in May and further lowered to 3.75% in October. Canadian GDP growth marginally improved inching from 0.0% in October 2023 to 0.5% by July 2024. Inflation levels dropped as the CPI further declined from 3.1% to 1.6%. The Canadian labour market experienced difficulties throughout the period as unemployment levels rose from 5.7% to 6.5% by year end. The Canadian dollar weakened relative to the US dollar to just under 72 cents U.S. by the end of October.

The Canadian fixed income market rallied over the year as the yield curve flattened and shifted downwards translating into impressive bond gains with the FTSE Canada Universe index rising 12.5%. Both longer dated and non-government bond issuances benefitted as the FTSE Canada Long Term Bond Index rose 15.8% along with the FTSE Canada Corporate Bond Index up 12.9%. More conservatively positioned short-term bonds benefitted as the FTSE Canadian Short-Term Bond Index rose 8.2%, with cash (as represented by the FTSE 91 Day Treasury Bill Index) gaining 5.1% over the period.

In this environment, equity markets provided exceptionally impressive returns led by the U.S. S&P 500 gaining 38.6% (in CDN dollars) over the fiscal year as technology, and in particular artificial intelligence related stocks pushed the benchmark index to new highs. Canadian equity markets also benefitted as the S&P/TSX Composite rose 32.1% on the strength of the Financials and Materials sectors. Non-North American equity markets posted double digit annual returns as the MSCI EAFE IMI Index rose 23.6% followed by the MSCI Emerging Markets IMI Index gaining 25.1% (both in CDN dollars).

# CST Spark 2038 Education Portfolio

## Related Party Transactions

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The Fund is managed by C.S.T. Spark Inc. (the “Manager”). The Manager is responsible for the overall management and administration of the Fund, which includes day-to-day management, distribution, and administration, including portfolio management, trustee, record-keeping, accounting, taxation, valuation, distribution, and custody services. The Manager, at its discretion, may outsource some of these functions to third parties, in the best interest of the Fund.

## Management Fees

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As compensation for its services, the Manager is entitled to receive an annual management fee of 1.3% (the “Management Fee”) plus applicable taxes. The Management Fee is calculated daily and payable monthly, in arrears, based on the daily average net asset value (“NAV”) of the Fund.

Where a Fund invests in an underlying investment fund, including an exchange traded fund (ETF), the fees and expenses

payable by that underlying fund are in addition to the fees and expenses payable by the Fund. No sales or redemption fees, other than brokerage fees, are payable by a Fund when it buys or sells securities of an underlying fund.

The Fund holds ETFs that are managed by BlackRock. The management expense ratios of these ETFs, as reported in their most recent ETF Facts range from 0.06% to 0.72%, for a weighted average cost of 0.19% (per annum including applicable taxes). These fees are not paid directly by you but impact the prices of the ETFs that the Fund holds.

The Manager does not charge a management fee that would be reasonably expected to duplicate a fee payable by the underlying funds in which a Fund invests for the same service.

The Manager, in its sole discretion, may waive or absorb a portion of a Fund’s Management Fee. Such waivers or absorptions may be terminated at any time without notice.

During the year, a Management Fee of \$31,338 (2023 – \$20,386) was paid to the Manager.

# CST Spark 2038 Education Portfolio

## Financial Highlights

For the year ended

	October 31, 2024 \$	October 31, 2023 \$	October 31, 2022 <sup>8</sup> \$
<b>The Fund's Net Assets per Unit<sup>1</sup></b>			
Net assets, beginning of year	8.94	8.53	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.24	0.23	0.19
Total expenses	(0.17)	(0.15)	(0.15)
Realized gains (losses)	0.11	–	(0.02)
Unrealized gains (losses)	2.21	0.32	(1.46)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>2.39</b>	<b>0.40</b>	<b>(1.44)</b>
<b>Distributions:</b>			
From dividends	(0.09)	(0.09)	(0.07)
From capital gains	–	(0.01)	–
<b>Total annual distributions<sup>3</sup></b>	<b>(0.09)</b>	<b>(0.10)</b>	<b>(0.07)</b>
<b>Net assets, end of year</b>	<b>11.30</b>	<b>8.94</b>	<b>8.53</b>
<b>Ratios and Supplemental Data</b>			
Total net asset value (000's)	\$ 2,865	\$ 1,844	\$ 1,227
Number of units outstanding	253,445	206,284	143,908
Management expense ratio <sup>4</sup>	1.45%	1.45%	1.44%
Management expense ratio before waivers or absorption <sup>5</sup>	1.45%	1.45%	1.44%
Trading expense ratio <sup>6</sup>	0.01%	0.01%	0.06%
Portfolio turnover rate <sup>7</sup>	6.64%	6.55%	5.96%
Net asset value per unit	11.30	8.94	8.53

<sup>1</sup> This information is derived from the Fund's audited annual financial statements, as applicable.

<sup>2</sup> Net Assets and Total distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per share since it does not reflect unitholder transactions as shown on the Statements of Changes in Net Assets and accordingly columns may not add.

<sup>3</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.

<sup>4</sup> Management expense ratio ("MER") is based on total expenses (including incentive fees, if any; excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

<sup>5</sup> The Manager may waive or absorb a portion of the operating expenses of the Fund. Waivers and absorption can be terminated at any time.

<sup>6</sup> The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

<sup>7</sup> The Fund's portfolio turnover rate indicates how actively the Fund adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's turnover in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>8</sup> As at October 31, 2022 or for the period from November 1, 2021 (date of commencement of operations) to October 31, 2022, as applicable.

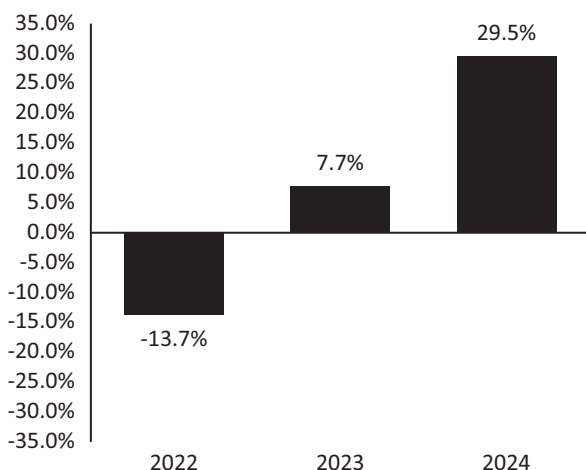
# CST Spark 2038 Education Portfolio

## Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future.

## Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



For the years ended October 31.

## Summary of Fund Investment Portfolio

Portfolio Allocation as at October 31, 2024	% of Net Asset Value
U.S. Equity Funds	39.8%
Non-North American Equity Funds	21.9%
Canadian Equity Funds	15.6%
Canadian Fixed Income Funds	14.2%
Global Real Estate Funds	8.5%
Cash and other	0.0%
<b>Total Portfolio Allocation</b>	<b>100.0%</b>

The following Top Holdings table shows the 25 largest holdings (or all holdings if the total number of holdings is less than 25).

### Top 25 Holdings as at October 31, 2024

Holdings Issuer	% of Net Asset Value
iShares Core S&P 500 Index ETF	39.8%
iShares Core S&P/TSX Capped Composite Index ETF	15.6%
iShares Core MSCI EAFE IMI Index ETF	15.3%
iShares Global Real Estate Index ETF	8.5%
iShares Core MSCI Emerging Markets IMI Index ETF	6.6%
iShares Core Canadian Long Term Bond Index ETF	6.2%
iShares Core Canadian Universe Bond Index ETF	5.8%
iShares Canadian Real Return Bond Index ETF	2.2%
<b>Total holdings as a percentage of net asset value</b>	<b>100.0%</b>

The prospectus and other information about the underlying investment funds in the portfolio are available at [www.sedarplus.ca](http://www.sedarplus.ca).

# CST Spark 2038 Education Portfolio

## Statement of Financial Position

As at October 31

	2024	2023
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 5,937	\$ 3,864
Investments (Note 5)	2,863,929	1,816,045
Receivable for investments sold	22,190	–
Subscriptions receivable	10	27,192
	<b>2,892,066</b>	<b>1,847,101</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Payable for investments purchased	22,890	1,218
Management fees payable	4,058	2,279
	<b>26,948</b>	<b>3,497</b>
<b>Net Assets attributable to holders of redeemable units</b>	<b>\$2,865,118</b>	<b>\$1,843,604</b>
<b>Redeemable units outstanding (Note 6)</b>	<b>253,445</b>	<b>206,284</b>
<b>Net Assets attributable to holders of redeemable units per unit</b>	<b>\$ 11.30</b>	<b>\$ 8.94</b>

Approved on behalf of the Board of Directors of the Manager, C.S.T. Spark Inc.



Douglas P. McPhie, FCPA, FCA



Peter Lewis



# CST Spark 2038 Education Portfolio

## Statements of Comprehensive Income

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Income</b>		
Other income	\$ -	\$ 747
Net gain (loss) on investments		
Distributions from underlying funds	54,953	38,202
Interest for distribution purposes	1,422	93
Net realized gain (loss) on investments	25,658	(841)
Net change in unrealized appreciation on investments	511,765	57,630
<b>Total net gain on investments</b>	<b>593,798</b>	<b>95,084</b>
<b>Total income, net</b>	<b>593,798</b>	<b>95,831</b>
<b>Expenses (Note 8)</b>		
Independent review committee expenses	42	-
Interest expense	197	6
Management fees	31,338	20,386
Transaction costs (Note 3)	184	185
Harmonized sales tax	3,561	2,324
<b>Total operating expenses</b>	<b>35,322</b>	<b>22,901</b>
Withholding taxes (Note 7)	(4,510)	(3,086)
<b>Increase in Net Assets attributable to holders of redeemable units from operations</b>	<b>\$553,966</b>	<b>\$ 69,844</b>
<b>Weighted average number of units outstanding</b>	<b>231,649</b>	<b>172,697</b>
<b>Increase in Net Assets attributable to holders of redeemable units per unit</b>	<b>\$ 2.39</b>	<b>\$ 0.40</b>

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

# CST Spark 2038 Education Portfolio

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Net Assets attributable to holders of redeemable units – Beginning of year</b>	<b>\$1,843,604</b>	<b>\$1,227,304</b>
<b>Increase in Net Assets attributable to holders of redeemable units from operations</b>	<b>553,966</b>	<b>69,844</b>
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued	537,842	597,439
Reinvestments of distributions to holders of redeemable units	19,633	15,129
Redemption of redeemable units	(70,294)	(50,983)
<b>Net increase from redeemable unit transactions</b>	<b>487,181</b>	<b>561,585</b>
<b>Distributions to holders of redeemable units</b>		
From net investment income	(19,633)	(13,454)
From net realized capital gains	–	(1,675)
<b>Total distributions to holders of redeemable units</b>	<b>(19,633)</b>	<b>(15,129)</b>
<b>Increase in Net Assets attributable to holders of redeemable units during the year</b>	<b>1,021,514</b>	<b>616,300</b>
<b>Net Assets attributable to holders of redeemable units – End of year</b>	<b>\$2,865,118</b>	<b>\$1,843,604</b>

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

# CST Spark 2038 Education Portfolio

## Statements of Cash Flows

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Cash flows from (used in) Operating activities</b>		
Increase in Net Assets attributable to holders of redeemable units from operations	\$ 553,966	\$ 69,844
<b>Adjustments to reconcile to operating cash flows:</b>		
Net realized loss on investments	(25,658)	841
Net change in unrealized depreciation (appreciation) on investments	(511,765)	(57,630)
Purchase of investments	(670,709)	(660,560)
Proceeds from investments sold	159,730	101,634
Increase in management fees payable	1,779	855
<b>Net cash flows (used in) operating activities</b>	<b>(492,657)</b>	<b>(545,016)</b>
<b>Cash flows from (used in) Financing activities</b>		
Proceeds from redeemable units issued	565,024	592,984
Redemption of redeemable units	(70,294)	(51,150)
<b>Net cash flows from financing activities</b>	<b>494,730</b>	<b>541,834</b>
<b>Increase (decrease) in cash</b>		
Net increase (decrease) in cash	2,073	(3,182)
Cash, beginning of year	3,864	7,046
<b>Cash, end of year</b>	<b>\$ 5,937</b>	<b>\$ 3,864</b>
<b>Supplemental cash flow information:</b>		
Interest received, net of withholding taxes*	\$ 1,422	\$ 93
Interest paid*	(197)	(6)

\* included in operating activities

# CST Spark 2038 Education Portfolio

## Schedule of Investment Portfolio

As at October 31, 2024

	Number of Units	Average Cost (\$)	Fair Value (\$)	Percentage of Net Assets (%)
<b>Exchange-traded funds</b>				
iShares Canadian Real Return Bond Index ETF	2,700	62,319	61,992	
iShares Core Canadian Long Term Bond Index ETF	9,090	183,930	176,891	
iShares Core Canadian Universe Bond Index ETF	5,860	165,968	165,662	
iShares Core MSCI EAFE IMI Index ETF	11,432	384,396	436,931	
iShares Core MSCI Emerging Markets IMI Index ETF	6,372	171,080	189,631	
iShares Core S&P 500 Index ETF	23,109	846,611	1,139,737	
iShares Core S&P/TSX Capped Composite Index ETF	11,623	388,454	447,834	
iShares Global Real Estate Index ETF	7,823	228,735	245,251	
<b>Total Exchange-traded funds</b>		<b>2,431,493</b>	<b>2,863,929</b>	<b>100.0</b>
<b>Embedded Broker Commissions</b> <i>(Note 3)</i>		<b>(717)</b>		
<b>Total Investments</b>		<b>2,430,776</b>	<b>2,863,929</b>	<b>100.0</b>
<b>Other Assets Less Liabilities</b>			<b>1,189</b>	<b>-</b>
<b>Net Assets attributable to holders of redeemable units</b>			<b>2,865,118</b>	<b>100.0</b>

# CST Spark 2038 Education Portfolio

## Notes to Financial Statements – Fund Specific Information

October 31, 2024 and 2023

These fund specific notes shall be read in conjunction with the accompanying notes to the financial statements which are an integral part of these financial statements. These fund specific notes can be referenced to the accompanying notes by the corresponding note number. Since they are supplemental to the accompanying notes, there may not be a corresponding specific note to match every accompanying note.

### General Information (Note 1)

The CST Spark 2038 Education Portfolio (the “Fund”) is an open-ended investment fund established under the laws of the Province of Ontario pursuant to a declaration of trust dated November 1, 2021. Commencement of operations was November 1, 2021.

The investment objective of the Fund is to provide the opportunity for capital appreciation and income for the purpose of funding post-secondary education anticipated to begin between 2037 and 2039.

### Fair Value of Financial Instruments (Note 5)

#### Classification of investments under the fair value hierarchy

The tables below illustrate the classification of the Fund’s financial instruments measured at fair value at the reporting date. The amounts are based on the values recognized in the Statement of Financial Position.

As at October 31, 2024:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Exchange-traded funds	\$2,863,929	\$ -	\$ -	\$2,863,929
	\$2,863,929	\$ -	\$ -	\$2,863,929

As at October 31, 2023:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Exchange-traded funds	\$1,816,045	\$ -	\$ -	\$1,816,045
	\$1,816,045	\$ -	\$ -	\$1,816,045

There were no transfers of financial assets between Level 1, Level 2 and Level 3 for the years ended October 31, 2024 and 2023. All fair value measurements above are recurring.

### Redeemable Units of the Fund (Note 6)

For the years ended October 31, 2024 and 2023, changes in outstanding units were as follows:

Number of Redeemable Units	2024	2023
Balance – Beginning of period	206,284	143,908
Redeemable units issued	51,911	66,214
Redeemable units reinvested	1,958	1,744
Redeemable units redeemed	(6,708)	(5,582)
	47,161	62,376
Balance – End of period	253,445	206,284

### Taxation of Fund (Note 7)

As at December 31, 2023, the Fund had unused capital losses of \$nil, which may be carried forward indefinitely to reduce future net realized capital gains. There were \$nil unused non-capital losses available for tax purposes.

### Related Party Transactions and Other Expenses (Note 8)

#### Related party transactions

On November 1, 2021, the Manager purchased 15,001 units of the Fund at per unit price of \$10 for a total consideration of \$150,010. The Manager may not redeem the initial units of the Fund that it purchased on November 1, 2021, until the Fund has received total subscriptions of \$500,000 from other investors.

#### Management fees

Management Fees of 1.3% are charged to the Fund by the Manager. As of October 31, 2024, management fees payable to the Manager was \$4,058 (2023 – \$2,279).

# CST Spark 2038 Education Portfolio

## Notes to Financial Statements – Fund Specific Information

(continued)

October 31, 2024 and 2023

### Financial Risk Management (Note 9)

#### Currency risk

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	October 31, 2024	October 31, 2023
U.S. dollar	45.7%	45.1%
Japanese yen	4.4%	5.1%
Euro	4.3%	4.8%
Pound sterling	2.5%	2.9%
Australian dollar	1.7%	1.7%
Chinese yen	1.6%	2.0%
Other currencies	9.9%	11.0%
<b>Total</b>	<b>70.2%</b>	<b>72.6%</b>

As at October 31, 2024, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively by approximately 0.7% or \$20,100 (2023 – 0.7% or \$13,363). In practice, actual results could differ materially from this sensitivity analysis.

#### Interest rate risk

As at October 31, 2024, fixed income and debt securities, excluding short-term investments, comprise 14.2% (2023 – 14.1%) of the NAV of the Fund. The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity as at:

Maturity schedule	October 31, 2024	October 31, 2023
Less than 1 year	0.5%	0.5%
1-5 years	19.0%	19.7%
5-10 years	14.6%	14.5%
10-15 years	12.7%	11.7%
15-20 years	11.4%	11.9%
> 20 years	41.8%	41.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

#### Other price risk

As at October 31, 2024, the Fund was exposed to other price risk to the extent the underlying ETFs invest in securities subject to market fluctuations. Substantially all of the Fund's net assets were exposed to other price risk. If the prices of the securities held by the underlying funds had increased or decreased by 10%, with all other factors remaining constant, net asset attributable to holders of redeemable units would have increased or decreased by approximately \$286,393 (2023 – \$181,605). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

#### Credit risk

As at October 31, 2024, credit-exposed securities, excluding short-term investments, comprise 14.2% (2023 – 14.1%) of the NAV of the Fund. The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	October 31, 2024	October 31, 2023
AAA	39.5%	38.1%
AA	38.1%	38.5%
A	14.3%	14.9%
BB	8.0%	8.2%
Other	0.1%	0.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

### Investments in Underlying Funds (Note 10)

The Fund's ownership interest as a percentage of NAV of each of the underlying funds is less than 0.05%. All underlying funds are established and conduct business in Canada.

# CST Spark 2041 Education Portfolio

## Annual Management Report of Fund Performance

### Introduction

This annual management report of fund performance contains financial highlights but does not contain the complete audited annual financial statements of CST Spark 2041 Education Portfolio (the “Fund”). You can obtain a copy of the audited annual financial statements at your request, and at no cost, by calling 1-800-461-7100, by writing to us at 2235 Sheppard Avenue East, Suite 1600, Toronto, Ontario M2J 5B8, or by visiting our website at [www.cstspark.ca](http://www.cstspark.ca) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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, 2024 (the “period”), that have affected the Fund’s performance and outlook.

### Investment Objective and Strategies

The Fund seeks to provide the opportunity for capital appreciation and income for the purposes of funding a post-secondary education anticipated to begin between 2040 and 2042. The Fund primarily invests in a diversified asset mix consisting of exchange traded funds providing exposure to fixed income, money market, cash equivalents and equity securities. The actual asset mix of the Fund will be adjusted on a quarterly basis as the investment portfolio transitions over time, from an emphasis on equities to an emphasis on fixed income securities. When the Fund approaches its end date, the asset mix transitions to a substantially more conservative mix with the majority of assets allocated to fixed income securities and/or money market and cash equivalent securities.

The Fund’s assets are passively managed by BlackRock Asset Management Canada Limited (“BlackRock”) according to a pre-defined glide path mandate using exchange-traded funds (“ETFs”).

### Risk

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

### Results of Operations

As at October 31, 2024, the net asset value of the Fund was \$546 thousand. Over the past year, the Fund’s units gained 30.3%. The Fund’s return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for further details regarding returns.

### Economic Review

The global economy continued to stabilize over the year with the International Monetary Fund (IMF) projecting global growth rates to remain steady at 3.2% through 2024 and into 2025. The growth forecast for the United States economy was revised upwards based on persistent consumer demand. Global inflation declined from an annual average of 6.7% in 2023 to 5.8% in 2024 and 4.3%

in 2025, with advanced economies returning to their inflation targets sooner than emerging markets and developing economies. The IMF noted that global growth risk levels remain elevated however tilted to the downside citing potential escalation in regional conflicts, overly restrictive monetary policy, and financial market instability, amongst other key scenarios.

Over the first half of fiscal 2024, the Bank of Canada held the policy rate steady at 5.0%, however with slowing inflation and weakening economic demand, a series of rate cuts were initiated beginning in May and further lowered to 3.75% in October. Canadian GDP growth marginally improved inching from 0.0% in October 2023 to 0.5% by July 2024. Inflation levels dropped as the CPI further declined from 3.1% to 1.6%. The Canadian labour market experienced difficulties throughout the period as unemployment levels rose from 5.7% to 6.5% by year end. The Canadian dollar weakened relative to the US dollar to just under 72 cents U.S. by the end of October.

The Canadian fixed income market rallied over the year as the yield curve flattened and shifted downwards translating into impressive bond gains with the FTSE Canada Universe index rising 12.5%. Both longer dated and non-government bond issuances benefitted as the FTSE Canada Long Term Bond Index rose 15.8% along with the FTSE Canada Corporate Bond Index up 12.9%. More conservatively positioned short-term bonds benefitted as the FTSE Canadian Short-Term Bond Index rose 8.2%, with cash (as represented by the FTSE 91 Day Treasury Bill Index) gaining 5.1% over the period.

In this environment, equity markets provided exceptionally impressive returns led by the U.S. S&P 500 gaining 38.6% (in CDN dollars) over the fiscal year as technology, and in particular artificial intelligence related stocks pushed the benchmark index to new highs. Canadian equity markets also benefitted as the S&P/TSX Composite rose 32.1% on the strength of the Financials and Materials sectors. Non-North American equity markets posted double digit annual returns as the MSCI EAFE IMI Index rose 23.6% followed by the MSCI Emerging Markets IMI Index gaining 25.1% (both in CDN dollars).

# CST Spark 2041 Education Portfolio

## Related Party Transactions

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The Fund is managed by C.S.T. Spark Inc. (the “Manager”). The Manager is responsible for the overall management and administration of the Fund, which includes day-to-day management, distribution, and administration, including portfolio management, trustee, record-keeping, accounting, taxation, valuation, distribution, and custody services. The Manager, at its discretion, may outsource some of these functions to third parties, in the best interest of the Fund.

## Management Fees

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As compensation for its services, the Manager is entitled to receive an annual management fee of 1.3% (the “Management Fee”) plus applicable taxes. The Management Fee is calculated daily and payable monthly, in arrears, based on the daily average net asset value (“NAV”) of the Fund.

Where a Fund invests in an underlying investment fund, including an exchange traded fund (ETF), the fees and expenses

payable by that underlying fund are in addition to the fees and expenses payable by the Fund. No sales or redemption fees, other than brokerage fees, are payable by a Fund when it buys or sells securities of an underlying fund.

The Fund holds ETFs that are managed by BlackRock. The management expense ratios of these ETFs, as reported in their most recent ETF Facts range from 0.06% to 0.72%, for a weighted average cost of 0.19% (per annum including applicable taxes). These fees are not paid directly by you but impact the prices of the ETFs that the Fund holds.

The Manager does not charge a management fee that would be reasonably expected to duplicate a fee payable by the underlying funds in which a Fund invests for the same service.

The Manager, in its sole discretion, may waive or absorb a portion of a Fund’s Management Fee. Such waivers or absorptions may be terminated at any time without notice.

During the period, a Management Fee of \$5,300 (2023 – \$2,591) was paid to the Manager.



# CST Spark 2041 Education Portfolio

## Financial Highlights

For the year ended

	October 31, 2024 \$	October 31, 2023 \$	October 31, 2022 <sup>8</sup> \$
<b>The Fund's Net Assets per Unit<sup>1</sup></b>			
Net assets, beginning of year	9.01	8.59	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.24	0.22	0.13
Total expenses	(0.18)	(0.15)	(0.12)
Realized gains (losses)	0.09	(0.02)	(0.01)
Unrealized gains (losses)	2.24	0.29	(1.35)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>2.39</b>	<b>0.34</b>	<b>(1.35)</b>
<b>Distributions:</b>			
From dividends	(0.09)	(0.09)	-
From capital gains		(0.01)	-
<b>Total annual distributions<sup>3</sup></b>	<b>(0.09)</b>	<b>(0.10)</b>	<b>-</b>
<b>Net assets, end of year</b>	<b>11.45</b>	<b>9.01</b>	<b>8.59</b>

### Ratios and Supplemental Data

Total net asset value (000's)	\$ 546	\$ 266	\$ 155
Number of units outstanding	47,689	29,527	18,046
Management expense ratio <sup>4</sup>	1.46%	1.47%	1.44%
Management expense ratio before waivers or absorption <sup>5</sup>	1.46%	1.47%	1.44%
Trading expense ratio <sup>6</sup>	0.01%	0.02%	0.05%
Portfolio turnover rate <sup>7</sup>	6.20%	6.65%	3.31%
Net asset value per unit	11.45	9.01	8.59

<sup>1</sup> This information is derived from the Fund's audited annual financial statements, as applicable.

<sup>2</sup> Net Assets and Total distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per share since it does not reflect unitholder transactions as shown on the Statements of Changes in Net Assets and accordingly columns may not add.

<sup>3</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.

<sup>4</sup> Management expense ratio ("MER") is based on total expenses (including incentive fees, if any; excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

<sup>5</sup> The Manager may waive or absorb a portion of the operating expenses of the Fund. Waivers and absorption can be terminated at any time.

<sup>6</sup> The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

<sup>7</sup> The Fund's portfolio turnover rate indicates how actively the Fund adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's turnover in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>8</sup> As at October 31, 2022 or for the period from January 4, 2022 (date of commencement of operations) to October 31, 2022, as applicable.

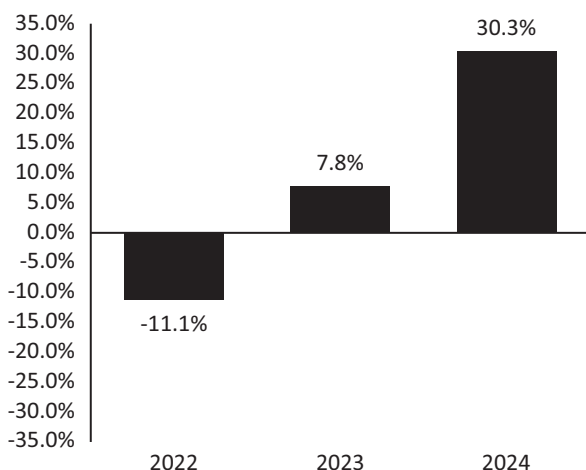
# CST Spark 2041 Education Portfolio

## Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future.

## Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



For the years ended October 31, 2024 and 2023 and the ten-month period ended October 31, 2022.

## Summary of Fund Investment Portfolio

Portfolio Allocation as at October 31, 2024	% of Net Asset Value
U.S. Equity Funds	40.6%
Non-North American Equity Funds	22.5%
Canadian Equity Funds	17.1%
Canadian Fixed Income Funds	11.0%
Global Real Estate Funds	8.8%
<b>Total Portfolio Allocation</b>	<b>100.0%</b>

The following Top Holdings table shows the 25 largest holdings (or all holdings if the total number of holdings is less than 25).

Top 25 Holdings as at October 31, 2024	% of Net Asset Value
iShares Core S&P 500 Index ETF	40.6%
iShares Core S&P/TSX Capped Composite Index ETF	17.1%
iShares Core MSCI EAFE IMI Index ETF	15.8%
iShares Global Real Estate Index ETF	8.8%
iShares Core MSCI Emerging Markets IMI Index ETF	6.7%
iShares Core Canadian Long Term Bond Index ETF	5.0%
iShares Core Canadian Universe Bond Index ETF	4.4%
iShares Canadian Real Return Bond Index ETF	1.6%
<b>Total holdings as a percentage of net asset value</b>	<b>100.0%</b>

The prospectus and other information about the underlying investment funds in the portfolio are available at [www.sedarplus.ca](http://www.sedarplus.ca).

# CST Spark 2041 Education Portfolio

## Statement of Financial Position

As at October 31

	2024	2023
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 3,149	\$ 580
Investments <i>(Note 5)</i>	545,991	263,571
Receivable for investments sold	4,093	-
Subscriptions receivable	-	2,305
	<b>553,233</b>	<b>266,456</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Payable for investments purchased	6,297	73
Management fees payable	748	331
	<b>7,045</b>	<b>404</b>
<b>Net Assets attributable to holders of redeemable units</b>	<b>\$546,188</b>	<b>\$266,052</b>
<b>Redeemable units outstanding</b> <i>(Note 6)</i>	<b>47,689</b>	<b>29,527</b>
<b>Net Assets attributable to holders of redeemable units per unit</b>	<b>\$ 11.45</b>	<b>\$ 9.01</b>

Approved on behalf of the Board of Directors of the Manager, C.S.T. Spark Inc.



Douglas P. McPhie, FCPA, FCA



Peter Lewis

# CST Spark 2041 Education Portfolio

## Statements of Comprehensive Income

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Income</b>		
Other income	\$ -	\$ 22
Net gain (loss) on investments		
Distributions from underlying funds	9,068	4,753
Interest for distribution purposes	207	6
Net realized gain (loss) on investments	3,596	(527)
Net change in unrealized appreciation on investments	86,271	6,530
Total net gain on investments	99,142	10,762
<b>Total income, net</b>	<b>99,142</b>	<b>10,784</b>
<b>Expenses (Note 8)</b>		
Independent review committee expense	6	-
Interest expense	29	2
Management fees	5,300	2,591
Transaction costs (Note 3)	52	31
Harmonized sales tax	638	329
<b>Total operating expenses</b>	<b>6,025</b>	<b>2,953</b>
Withholding taxes (Note 7)	(760)	(380)
<b>Increase in Net Assets attributable to holders of redeemable units from operations</b>	<b>\$92,357</b>	<b>\$ 7,451</b>
<b>Weighted average number of units outstanding</b>	<b>38,627</b>	<b>21,795</b>
<b>Increase in Net Assets attributable to holders of redeemable units per unit</b>	<b>\$ 2.39</b>	<b>\$ 0.34</b>

# CST Spark 2041 Education Portfolio

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Net Assets attributable to holders of redeemable units – Beginning of year</b>	<b>\$266,052</b>	<b>\$155,099</b>
<b>Increase in Net Assets attributable to holders of redeemable units from operations</b>	<b>92,357</b>	<b>7,451</b>
<b>Redeemable unit transactions</b>		
Proceeds from redeemable units issued	195,040	109,410
Reinvestments of distributions to holders of redeemable units	2,913	1,770
Redemption of redeemable units	(7,261)	(5,908)
<b>Net increase from redeemable unit transactions</b>	<b>190,692</b>	<b>105,272</b>
<b>Distributions to holders of redeemable units</b>		
From net investment income	(2,913)	(1,638)
From net realized capital gains	–	(132)
<b>Total distributions to holders of redeemable units</b>	<b>(2,913)</b>	<b>(1,770)</b>
<b>Increase in Net Assets attributable to holders of redeemable units during the year</b>	<b>280,136</b>	<b>110,953</b>
<b>Net Assets attributable to holders of redeemable units – End of year</b>	<b>\$546,188</b>	<b>\$266,052</b>

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

# CST Spark 2041 Education Portfolio

## Statements of Cash Flows

For the years ended October 31, 2024 and 2023

	2024	2023
<b>Cash flows from (used in) Operating activities</b>		
Increase in Net Assets attributable to holders of redeemable units from operations	\$ 92,357	\$ 7,451
<b>Adjustments to reconcile to operating cash flows:</b>		
Net realized loss on investments	(3,596)	527
Net change in unrealized depreciation (appreciation) on investments	(86,271)	(6,530)
Purchase of investments	(215,653)	(117,378)
Proceeds from investments sold	25,231	13,138
Increase in management fees payable	417	145
<b>Net cash flows (used in) operating activities</b>	<b>(187,515)</b>	<b>(102,647)</b>
<b>Cash flows from (used in) Financing activities</b>		
Proceeds from redeemable units issued	197,345	108,818
Redemption of redeemable units	(7,261)	(5,908)
<b>Net cash flows from financing activities</b>	<b>190,084</b>	<b>102,910</b>
<b>Increase (decrease) in cash</b>		
Net increase in cash	2,569	263
Cash, beginning of year	580	317
<b>Cash, end of year</b>	<b>\$ 3,149</b>	<b>\$ 580</b>
<b>Supplemental cash flow information:</b>		
Interest received, net of withholding taxes*	\$ 207	\$ 6
Interest paid*	(29)	2

\* included in operating activities

# CST Spark 2041 Education Portfolio

## Schedule of Investment Portfolio

As at October 31, 2024

	Number of Units	Average Cost (\$)	Fair Value (\$)	Percentage of Net Assets (%)
<b>Exchange-traded funds</b>				
iShares Canadian Real Return Bond Index ETF	382	8,789	8,771	
iShares Core Canadian Long Term Bond Index ETF	1,402	28,276	27,283	
iShares Core Canadian Universe Bond Index ETF	853	24,194	24,114	
iShares Core MSCI EAFE IMI Index ETF	2,263	78,898	86,492	
iShares Core MSCI Emerging Markets IMI Index ETF	1,226	33,091	36,486	
iShares Core S&P 500 Index ETF	4,501	175,924	221,988	
iShares Core S&P/TSX Capped Composite Index ETF	2,406	80,886	92,703	
iShares Global Real Estate Index ETF	1,536	44,582	48,154	
<b>Total Exchange-traded funds</b>		<b>474,640</b>	<b>545,991</b>	<b>100.0</b>
<b>Embedded Broker Commissions</b> <i>(Note 3)</i>		<b>(127)</b>		
<b>Total Investments</b>		<b>474,513</b>	<b>545,991</b>	<b>100.0</b>
<b>Other Assets Less Liabilities</b>			<b>197</b>	<b>-</b>
<b>Net Assets attributable to holders of redeemable units</b>			<b>546,188</b>	<b>100.0</b>

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

# CST Spark 2041 Education Portfolio

## Notes to Financial Statements – Fund Specific Information

October 31, 2024 and 2023

These fund specific notes shall be read in conjunction with the accompanying notes to the financial statements which are an integral part of these financial statements. These fund specific notes can be referenced to the accompanying notes by the corresponding note number. Since they are supplemental to the accompanying notes, there may not be a corresponding specific note to match every accompanying note.

### General Information (Note 1)

The CST Spark 2041 Education Portfolio (the “Fund”) is an open-ended investment fund established under the laws of the Province of Ontario pursuant to a declaration of trust dated January 4, 2022. Commencement of operations was January 4, 2022.

The investment objective of the Fund is to provide the opportunity for capital appreciation and income for the purpose of funding post-secondary education anticipated to begin between 2040 and 2042.

### Fair Value of Financial Instruments (Note 5)

#### Classification of investments under the fair value hierarchy

The tables below illustrate the classification of the Fund’s financial instruments measured at fair value at the reporting date. The amounts are based on the values recognized in the Statement of Financial Position.

As at October 31, 2024:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Exchange-traded funds	\$545,991	\$ -	\$ -	\$545,991
	\$545,991	\$ -	\$ -	\$545,991

As at October 31, 2023:

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Exchange-traded funds	\$263,571	\$ -	\$ -	\$263,571
	\$263,571	\$ -	\$ -	\$263,571

There were no transfers of financial assets between Level 1, Level 2 and Level 3 for the years ended October 31, 2024 and 2023. All fair value measurements above are recurring.

### Redeemable Units of the Fund (Note 6)

For the years ended October 31, 2024 and 2023, changes in outstanding units were as follows:

Number of Redeemable Units	2024	2023
Balance – Beginning of period	29,527	18,046
Redeemable units issued	18,549	11,919
Redeemable units reinvested	297	203
Redeemable units redeemed	(684)	(641)
	18,162	11,481
Balance – End of period	47,689	29,527

### Taxation of Fund (Note 7)

As at December 31, 2023, the Fund had unused capital losses of \$nil, which may be carried forward indefinitely to reduce future net realized capital gains. There were \$nil unused non-capital losses available for tax purposes.

### Related Party Transactions and Other Expenses (Note 8)

#### Related party transactions

On November 1, 2021, the Manager purchased 15,001 units of the Fund at per unit price of \$10 for a total consideration of \$150,010. The Manager may not redeem the initial units of the Fund that it purchased on November 1, 2021, until the Fund has received total subscriptions of \$500,000 from other investors.

#### Management fees

Management Fees of 1.3% are charged to the Fund by the Manager. As of October 31, 2024, management fees payable to the Manager was \$748 (2023 – \$331).



# CST Spark 2041 Education Portfolio

## Notes to Financial Statements – Fund Specific Information

(continued)

October 31, 2024 and 2023

### Financial Risk Management (Note 9)

#### Currency risk

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	October 31, 2024	October 31, 2023
U.S. dollar	46.8%	45.7%
Japanese yen	4.6%	5.2%
Euro	4.4%	2.0%
Pound sterling	2.6%	3.0%
Australian dollar	1.7%	1.7%
Chinese yen	1.7%	4.8%
Other currencies	10.1%	11.1%
Total	71.9%	73.5%

As at October 31, 2024, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively by approximately 0.7% or \$3,928 (2023 – 0.7% or \$1,956). In practice, actual results could differ materially from this sensitivity analysis.

#### Interest rate risk

As at October 31, 2024, fixed income and debt securities, excluding short-term investments, comprise 11.0% (2023 – 11.1%) of the NAV of the Fund. The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity as at:

Maturity schedule	October 31, 2024	October 31, 2023
Less than 1 year	0.5%	0.5%
1-5 years	18.4%	19.9%
5-10 years	14.3%	14.6%
10-15 years	12.8%	11.7%
15-20 years	11.6%	11.8%
> 20 years	42.4%	41.5%
Total	100.0%	100.0%

#### Other price risk

As at October 31, 2024, the Fund was exposed to other price risk to the extent the underlying ETFs invest in securities subject to market fluctuations. Substantially all of the Fund's net assets were exposed to other price risk. If the prices of the securities held by the underlying funds had increased or decreased by 10%, with all other factors remaining constant, net asset attributable to holders of redeemable units would have increased or decreased by approximately \$54,599 (2023 – \$26,357). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

#### Credit risk

As at October 31, 2024, credit-exposed securities, excluding short-term investments, comprise 11.0% (2023 – 11.1%) of the NAV of the Fund. The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	October 31, 2024	October 31, 2023
AAA	38.8%	38.4%
AA	38.6%	38.3%
A	14.5%	14.8%
BB	8.0%	8.2%
Other	0.1%	0.3%
Total	100.0%	100.0%

### Investments in Underlying Funds (Note 10)

The Fund's ownership interest as a percentage of NAV of each of the underlying funds is less than 0.05%. All underlying funds are established and conduct business in Canada.

# CST Spark Education Portfolios

## Generic Notes to Financial Statements

October 31, 2024 and 2023

These notes shall be read in conjunction with the accompanying fund specific notes which are an integral part of these financial statements.

### 1. General Information

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The investment activities of the below funds, each a “Fund” and collectively the “Funds”, are managed by C.S.T. Spark Inc. (the “Manager”):

- CST Spark Graduation Portfolio
- CST Spark 2026 Education Portfolio
- CST Spark 2029 Education Portfolio
- CST Spark 2032 Education Portfolio
- CST Spark 2035 Education Portfolio
- CST Spark 2038 Education Portfolio
- CST Spark 2041 Education Portfolio

The Funds invest primarily in a diversified mix of Exchange Traded Funds (“ETFs”) providing exposure to fixed income, money market, cash equivalents and equity securities.

The fundamental investment objective of the Funds may not be changed without the approval of majority vote of the Fund’s unitholders represented at a meeting called for that purpose.

The address of the Funds’ registered office is 2235 Sheppard Avenue East, Suite 1600, Toronto, Ontario M2J 5B8.

The Trustee of the Funds is RBC Investor Services Trust.

The Funds may issue an unlimited number of units of an unlimited number of series. Currently only Series A have been issued.

### 2. Basis of Presentation

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#### (a) Statement of compliance:

These annual financial statements have been prepared in compliance with IFRS Accounting Standards, as issued by the International Accounting Standards Board. The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivatives) at fair value through profit and loss. The financial statements were authorized for issue by the Manager’s Board of Directors on December 17, 2024.

#### (b) Functional and presentational currency:

The Funds’ subscriptions, redemptions and certain operating activities are denominated in Canadian dollars, which is also their functional and presentation currency.

#### (c) Financial period:

The information provided in these financial statements and notes thereto is as at October 31, 2024 and 2023, and for the years then ended.

### 3. Material Accounting Policies

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The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### (a) Financial instruments:

The Fund initially records financial instruments at fair value. The Fund’s investments transactions are accounted for on the trade date. The Fund classifies and measures financial instruments in accordance with IFRS 9 Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are either classified at amortized cost, or fair value through profit or loss (“FVTPL”), or fair value through other comprehensive income (“FVOCI”). Financial instruments are subsequently measured as FVTPL or amortized cost with changes in fair value or amortized cost recognized in the Statement of Comprehensive Income.

The Funds’ obligations for Net Assets attributable to holders of redeemable units are presented at the redemption amount. All other financial assets and liabilities are initially recognized at fair value and subsequently measured at amortized cost. Under this method, financial assets and liabilities reflect the amounts required to be received or paid, discounted when appropriate, at the financial instrument’s effective interest rate. The fair values of the Funds’ financial assets and liabilities that are not carried at FVTPL approximate their carrying amounts due to their short-term nature.

The net asset value (“NAV”) per unit is determined by dividing the aggregate market value of the net assets of the Fund by the total number of units of the Fund outstanding before giving effect to redemptions or subscriptions to units on that day.

Distributions from income trusts and pooled funds are recognized when the Fund has earned the right to receive payment of the distributions. The cost of investments is determined using the average cost method.

#### (b) Redeemable units of the Funds:

Units of the Funds are offered for sale on a continuous basis and may be purchased or redeemed on any valuation day at the NAV per unit. A valuation day is any day that the Toronto Stock Exchange is open for trading or such other time as the Manager may from time to time determine to be a day for valuation for any Fund.

Unitholders of each Fund are entitled to a contractual obligation of annual distribution of any net income and net realized capital gains by the Fund. This annual distribution can be in cash or reinvested in the units of the Fund at the option of the unitholders. Consequently, the outstanding redeemable units of each Fund are classified as financial liabilities in accordance with the requirements of International Accounting Standard 32 Financial Instruments: Presentation.

The Funds’ obligation for net assets attributable to holders of redeemable units is presented at the redemption amount, which approximates fair value and is payable if the holder exercises the

# CST Spark Education Portfolios

## Generic Notes to Financial Statements (continued)

October 31, 2024 and 2023

### 3. Material Accounting Policies (continued)

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**(b) Redeemable units of the Funds: (continued)**

right to put the units back to the Funds.

**(c) Increase (decrease) in net assets attributable to holders of redeemable units per class unit:**

The increase (decrease) in Net Assets attributable to holders of redeemable units per unit is calculated by dividing the increase (decrease) in Net Assets attributable to holders of redeemable units by the weighted average number of units outstanding during the period.

**(d) Cash:**

Cash includes cash in hand. Bank indebtedness, if any, are shown in current liabilities in the Statements of Financial Position.

**(e) Foreign exchange:**

Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses on foreign denominated assets and liabilities other than investments are presented separately in the Statements of Comprehensive Income. Foreign currency gains and losses on investments are included in the Net realized gain (loss) on investments and Net change in unrealized appreciation (depreciation) on investments in the Statements of Comprehensive Income.

**(f) Transaction costs:**

Transaction costs such as brokerage commissions incurred in the purchase and sale of securities are expensed as incurred and are recognized in the Statements of Comprehensive Income.

**(g) Investments in underlying funds and unconsolidated structured entities:**

Underlying funds are valued on each business day at their net asset value as reported by the underlying funds' managers.

In determining whether an exchange-traded fund in which a Fund invests, but that it does not consolidate, meets the definitions of either a structured entity or of an associate, the Fund is required to make significant judgments about whether these underlying funds have the typical characteristics of a structured entity or of an associate. The Funds have assessed the characteristics of these underlying funds and have concluded that they do not meet the definition of either a structured entity or of an associate because the Funds do not have contracts or financing arrangements with these underlying funds and the Funds do not have an ability to influence the activities of these underlying funds or the returns it receives from investing in these underlying funds.

**(h) New standards and interpretations not yet adopted:**

IFRS 18, *Presentation and Disclosure in Financial Statements* replaces IAS 1, *Presentation of Financial Statements*, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements, including specified categories and defined subtotals.

IFRS 18 is required to be applied retrospectively for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.

The Funds are currently assessing the impact of adoption of this standard.

### 4. Critical Accounting Estimates and Judgements

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The preparation of financial statements in conformity with IFRS requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

### 5. Fair Value of Financial Instruments

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The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Funds classify fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

*Level 1:* Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

*Level 2:* Inputs other than quoted prices included within Level 1 that are observable either directly or indirectly; and

*Level 3:* Inputs that are unobservable.

### 6. Redeemable Units of the Funds

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Redeemable units of the Funds are offered to the public by way of simplified prospectus. Redeemable units of the Funds are redeemable at the option of the unitholders in accordance with the provisions of the declaration of trust at their net asset value per unit and do not have any nominal or par value.

The Funds have no restrictions or specific capital requirements on the subscription and redemption of units. The relevant movements are shown on the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units. In accordance with the objectives and risk management policies outlined in Note 9, the Funds

# CST Spark Education Portfolios

## Generic Notes to Financial Statements (continued)

October 31, 2024 and 2023

### 6. Redeemable Units of the Funds (continued)

endeavour to invest subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions. Liquidity is supported by the disposal of marketable securities when necessary.

Unitholders have the right to make an election to receive cash instead of additional units on the payment of a distribution by each Fund by written notification to the Trustee.

### 7. Taxation of the Fund

The Funds, with the exception of CST Spark 2041 Education Portfolio, qualify as open-ended mutual fund trusts or unit trusts under the Income Tax Act (Canada). CST Spark 2041 Education Portfolio is a qualified trust under the *Income Tax Act (Canada)*. In general, the Funds are subject to income tax; however, no income tax is payable on net income and/or net realized capital gains which are distributed to unitholders. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset. In addition, for mutual fund trusts, income taxes payable on net realized capital gains are refundable on a formula basis when units of the Funds are redeemed. It is the intention of the Funds to pay out all net income and realized capital gains each year so that the Funds will not be subject to income taxes. Accordingly, no provision for income taxes is recorded.

### 8. Related Party Transactions

Each Fund pays an annual management fee (the “Management Fee”) that is calculated and payable monthly in arrears based on the daily average NAV for each Fund during the relevant month and is subject to harmonized sales tax and other applicable taxes. The Manager is responsible for the overall management and administration of the Fund.

The Manager may, from time to time in its discretion, waive or absorb a portion of the Management Fee charged at any given time.

### 9. Financial Risk Management

The Manager is responsible for managing each Fund’s assets, which consist primarily of financial instruments.

A Fund’s investment activities expose it to a variety of financial risks. Manager seeks to minimize potential adverse effects of these risks on a Fund’s performance by employing professional, experienced portfolio managers, daily monitoring of the Fund’s holdings and market events, diversifying its investment portfolio within the constraints of its investment objectives and, in some cases, periodically hedging certain risk exposures through the use of derivatives. To assist in managing risks, the Manager also uses internal guidelines,

maintains a governance structure that oversees each Fund’s investment activities and monitors compliance with the Fund’s investment strategies, internal guidelines and securities regulations.

Financial instrument risk, as applicable to a Fund, is disclosed in its Notes to Financial Statements – Fund Specific Information. These risks include a Fund’s direct risks and pro rata exposure to the risks of underlying funds, as applicable.

#### Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of a Fund, will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than the functional currency is affected by changes in the value of the functional currency in relation to the value of the currency in which the investment is denominated. When the value of the functional currency falls in relation to foreign currencies, then the value of the foreign investments rises. When the value of the functional currency rises, the value of the foreign investments falls. The currency risk as disclosed in the Fund Specific Information in the Notes to Financial Statements represents the monetary and non-monetary foreign exchange exposure of a Fund.

#### Interest rate risk

Interest rate risk is the risk of a change in the fair value or cash flows of a Fund’s investments in interest-bearing financial instruments due to fluctuations in market interest rates. There is an inverse relationship between changes in interest rates and changes in the fair value of interest-bearing securities.

#### Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to 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 Funds have indirect exposure to other price risk arising from investment in the underlying ETFs which invest in equity securities.

#### Credit risk

Credit risk refers to the ability of the issuer of debt securities to make interest payments and repay principal. The Funds are exposed to indirect credit risk to the extent that the underlying ETFs are invested in debt instruments and preferred securities.

#### Liquidity risk

Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. A Fund is exposed to daily cash redemptions of redeemable units. Liquidity risk is managed by investing the majority of a Fund’s assets in investments that are traded in an active market and that can be readily disposed. Each Fund maintains sufficient liquidity to fund anticipated redemptions. All non-derivative financial liabilities,

# CST Spark Education Portfolios

## Generic Notes to Financial Statements (continued)

October 31, 2024 and 2023

### **9. Financial Risk Management (continued)**

#### **Liquidity risk (continued)**

other than redeemable units, are due within one year.

#### **Concentration risk**

Concentration risk arises as a result of net financial instrument exposures to the same category, such as geographical region, asset type, and industry sector or market segment. Financial instruments in the same category have similar characteristics and may be affected similarly by changes in economic or other conditions.

#### **Capital risk management**

The capital of each Fund is represented by the net assets attributable to holders of redeemable units. The amount of net assets attributable to holders of redeemable units can change significantly subject to the amount and frequency of subscriptions and redemptions at the discretion of unitholders. On any trading day, unitholders may redeem units of any of the Funds

for cash at a redemption price per unit equal to the respective NAV of the Fund.

### **10. Investments in Underlying Funds**

The Funds invest in ETFs which provide access to the returns of stock indices, bond indices, or a basket of assets and are intended to replicate the economic effects that would apply had the Funds directly purchased the underlying reference asset or basket of assets. An investment in an ETF is subject to all of the risks of investing in the securities held by the ETF.

The Funds account for their investments in these ETFs at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, as applicable, represents the maximum exposure to losses at that date.

During the years ended October 31, 2024 and 2023, the Funds did not provide financial support to underlying funds and have no intention of providing financial or other support.

# CST Spark Education Portfolios

## **Investment Fund Manager**

C.S.T. Spark Inc.  
2235 Sheppard Avenue East, Suite 1600  
Toronto, Ontario M2J 5B8

## **Trustee**

RBC Investor Services Trust  
155 Wellington Street West, 2<sup>nd</sup> Floor  
Toronto, ON M5V 3L3

## **Auditor**

Deloitte LLP  
Bay Adelaide East  
8 Adelaide Street West, Suite 200  
Toronto, Ontario M5H 0A9

## **Bank**

Royal Bank of Canada  
Royal Bank Plaza  
South Tower  
200 Bay Street, 10<sup>th</sup> Floor  
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