

C.S.T. Consultants Inc.



Canadian Scholarship Trust Group Savings Plan

Audited Financial Statements and
Management Report of Fund Performance

October 31, 2017 and 2016



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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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

Management Report of Fund Performance

Introduction

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

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

Investment Objective and Strategy

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

Over the fourth quarter of the Fiscal 2017 period, the Plan implemented changes to its investment structure to enhance diversification and improve yield. These changes include the elimination of the corporate bond mandate, an increased allocation to financial institution bonds, a reduced allocation to equities and transition to a non-hedged U.S. equity mandate.

With these changes, the Plan modified the blend of indices comprising its Benchmark beginning October 1, 2017 to the following, which more closely reflects the Plan’s new strategic investment mix (see *Annual Compound Returns* for further details):

40.0%	FTSE TMX Canada Short Term Bond Index
10.0%	FTSE TMX Canada 91 Day Treasury Bond Index
40.0%	FTSE TMX Financial Institution Bond Index
8.0%	S&P US Total Market Index (CAD)
2.0%	S&P/TSX Capped Composite Index

The Plan’s Canadian government fixed income securities are passively managed by TD Asset Management Inc. and CIBC Asset Management Inc., according to pre-specified duration targets. Financial institution debt securities are actively managed by Greystone Managed Investments Inc. and TD Asset Management Inc. The active fixed income portfolios focus on strategies where value can be added on a sustainable basis and may rely upon sector allocation, credit research and duration management, dependent upon the managers’ expertise and mandate.

The Plan’s US equity assets are managed by BlackRock Asset Management Canada Limited. These assets are allocated to ETFs traded on Canadian exchanges that replicate the performance of the S&P U.S. Total Market Return Index. The Plan’s Canadian equity assets are actively managed between two managers. Sionna Investment Managers Inc. seeks to generate long term capital appreciation by investing in a diversified portfolio of quality Canadian companies. CGOV Asset Management strives to construct a focused portfolio composed of Canadian companies identified as having effective management with superior long term prospects. All

of the above listed assets and investment agreements are managed in accordance with our policies and agreements.

Risk

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

Results of Operation

2017 Plan Performance

For 2017, the Plan’s rate of return, net of fees, was 3.4% compared to the investment policy benchmark (“Benchmark”) return of 3.6% and the FTSE TMX Canada All Government Bond Index return of –1.2% (“Broad-based Index”). The Plan’s return is after the deduction of fees and expenses of 0.7%, while the Benchmark and Broad-based Index returns do not include any costs of investing such as fees, expenses and commissions.

In comparison to the Benchmark, the Plan’s transition to the current asset mix, added value provided by the Canadian equity allocation, and reduced exposure to longer dated government bonds were the most significant contributors to Plan relative returns over the fiscal year.

In comparison to the Broad-based Index, the Plan’s allocation to U.S. and Canadian equities added value as both asset classes significantly outperformed the FTSE TMX Canada All Government Bond Index.

Economic Review

Global economic growth strengthened in 2017 with forecasts revised upwards to 3.6 percent in 2017 and 3.7 percent in 2018 according to the October 2017 World Economic Outlook (“WEO”). Global pickup in economic activity that started in the second half of 2016 gained further momentum in the first half of 2017. In advanced economies, growth was largely broad based, with stronger activity in the United States and Canada, the euro area and Japan. Financial market sentiment was generally strong, with continued gains in equity markets in both advanced and emerging market economies. Inflation remained soft and generally below target.

Economic growth in the United States rebounded in the second quarter with improved consumption growth and persistent business investment. The Federal Reserve Board raised interest rates in March and June of 2017 and announced in September plans to reduce

quantitative easing measures. Core inflation marginally declined in 2017 with an expectation by the Federal Reserve Board of reaching 2 percent by 2019.

The Canadian economy grew rapidly in the second quarter of 2017, as growth was broad based across regions and industries. The Bank of Canada increased the overnight rate in July and September of 2017; however, elected to pause further tightening in light of uncertainty from geopolitical developments, notably the renegotiation of the North American Free Trade Agreement. Inflation marginally crept upwards through 2017 reflecting stronger economic activity and higher gasoline prices and is projected by the Bank of Canada to rise to 2 percent for the second half of 2018.

The Canadian fixed income market experienced negative returns following each of the Bank of Canada's interest rate hikes. Bond prices partially recovered in October as yields fell on the expectation the Bank of Canada would refrain from further rate hikes for the remainder of 2017. In this environment, long term federal bonds were amongst the worst performing market segment with losses exceeding 5% over the year. Provincial bonds outperformed relative to federals, however were still in negative territory. Corporate bonds including Financials generated positive returns over the year as spreads tightened in October.

U.S. equities, as represented by the S&P 500 (a broad index of U.S. large cap stocks), continued to soar with an annual return of 23.6% (USD). Index gains were widespread with 10 of the 11 S&P 500 sectors in positive territory with the majority providing double digit annual returns. Amongst the gainers, the Information Technology and Financials sectors were the strongest with annual returns in excess of 35%.

The S&P/TSX Composite Capped Index (a broad index of Canadian stocks) grew by 11.5% over the year with eight out of the eleven sectors in positive territory. Consumer Discretionary, Industrials, and Financials experienced strong growth with returns in excess of 20% over the period. Both the Energy and Materials sectors detracted over the period.

Portfolio Manager Changes

With the fourth quarter implementation of the current investment strategy, the Plan's portfolio managers and mandates were either re-aligned or changed. The corporate bond allocation managed by Canso Investment Counsel Ltd. was terminated with assets

reallocated to financial institution bonds. The aggregate allocation to U.S. equity ETFs was reduced, unhedged and consolidated fully with BlackRock Asset Management Canada Ltd.

Recent Developments and Other Information

Recent Canadian economic data depicted mixed results as GDP unexpectedly shrank in August by 0.1 percent from July, followed with stronger than anticipated labour-force survey results released in October and November by Statistics Canada. The Bank of Canada announced on December 6, 2017 the decision to maintain the overnight rate at 1 per cent as a cautious approach in light of softening economic data and ongoing strained discussions related to the renegotiation of the North American Free Trade Act.

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

Future Accounting Standards

In July 2014, the IASB finalized the reform of financial instruments accounting and issued IFRS 9 (as revised in 2014), which contains the requirements for the classification and measurement of financial assets and financial liabilities, impairment methodology, and general hedge accounting. IFRS 9 (as revised in 2014) will supersede IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 will be effective for the Plan's financial statements during its fiscal 2019 year.

IFRS 15 was issued in May 2014, replacing existing guidance related to revenue recognition and will be effective for the Plan's financial statements during its fiscal 2019 year. IFRS 15 includes a single revenue recognition model based on the principal that revenue is recognized when control of a good or service is transferred to the customer. When appropriate, contracts with customers are divided into separate performance obligations, each of which represent promises to deliver distinct goods or services. IFRS 15 provides guidance for recognizing revenue from performance obligations that are delivered at a point in time, or delivered over time and also includes additional disclosure requirements.

Financial and Operating Highlights (with comparative figures)

The following table is intended to help you understand the key financial results for the past five fiscal years ending October 31 for the Plan. This information is derived from the Plan's audited annual financial statements.

(\$ thousands)	2017 ¹	2016 ¹	2015 ¹	2014 ¹	2013 ²
Statements OF Financial Position					
Total Assets	\$408,550	\$561,079	\$691,290	\$823,046	\$928,431
Net Assets	406,053	547,639	680,892	817,873	483,334
% Change of Net Assets Attributable to Subscribers' and Beneficiaries	(25.9)%	(19.6)%	(16.7)%	69.2%	(8.5)%
Statements of Comprehensive Income					
Net Investment Income	\$ 19,981	\$ 22,249	\$ 18,678	\$ 26,256	\$ 19,601
Statements of Changes in Net Assets					
Education Assistance Payments	\$ (37,651)	\$ (37,807)	\$ (38,270)	\$ (32,630)	\$ (28,176)
Government Grants Received (net of repayments)	169	930	1,975	2,891	4,557
Government Grant Payments to Beneficiaries	(14,229)	(13,597)	(12,743)	(10,723)	(9,179)
Other					
Total number of units	347,503	390,793	430,138	463,792	492,028
% Change in the total number of units	(11.1)%	(9.1)%	(7.3)%	(5.7)%	(3.7)%

Note:

1 Based on financial statements in accordance with IFRS

2 Based on financial statements in accordance with Canadian GAAP

Management Fees

Administration Fees

An administration fee of \$2,652 thousand (2016 – \$3,390 thousand) comprising Plan administration and processing fees and financial reporting expenses was paid to the Canadian Scholarship Trust Foundation (“the Foundation”), the sponsor and administrator of the Plan, in accordance with subscribers’ Education Savings Plan Agreements. The administration of the Plan includes processing and call centre services related to new agreements, Government grants, plan modifications, terminations, maturities and Education Assistance Payments (“EAPs”). The annual administration fee is calculated as 0.5% of the total amount of net Contributions, Government Grants and income earned on these amounts, subject to applicable taxes, and is paid monthly.

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

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

Portfolio Management Fees

The Plan’s annual investment management fee was 0.12% including taxes (2016 – 0.12%), of the average market value of assets based on the Investment Management Agreements with portfolio managers. The portfolio managers provide investment advisory and discretionary managed account services with respect to purchasing, selling, and dealing in securities.

Trustee and Custodian Fees

The Plan pays trustee and custodian fees to RBC Investor Services Trust to settle all investment trades and disburse fees, EAPs and other amounts in accordance with the terms of the Plan Agreement. For 2017 these fees charged to the Plan amounted to \$191 thousand (2016 – \$182 thousand) and were 0.04% including taxes (2016 – 0.03%), of the average market value of assets.

Summary of Plan Investment Portfolio

The Plan’s Total Portfolio Assets are comprised of the Principal and Income for all education savings plan agreements that have not reached their maturity date, and the assets from which eligible beneficiaries collect EAP payments.

Government Grant assets and related investment income are specific to each beneficiary, but are invested together with funds from other Plans administered by the Foundation. Any payments to beneficiaries from Government Grant assets are treated as separate payments and not included in EAP values paid out.

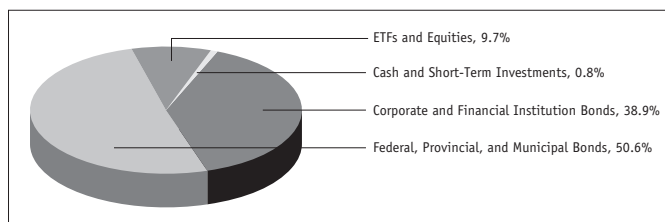
Sales Charge Refund assets and related investment income are used to pay Sales Charge Refund Entitlements to qualified beneficiaries. These assets are invested together with funds from other Plans administered by the Foundation. Any payments to beneficiaries from Sales Charge Refund assets are treated as separate payments.

The Plan’s Total Portfolio Assets as presented and as defined in this report, reflect only the Principal and Income assets. The Plan’s Total

Portfolio Assets do not include the allocation of assets from the Government Grant and Sales Charge Refund asset pools that are attributable to this Plan.

The following chart illustrates the Plan’s Total Portfolio Assets by investment categories.

Asset Mix as at October 31, 2017



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

Issuer	Rate	Maturity Date	Fair Value (\$ 000's)	% of Plan Portfolio Assets
iShares Core S&P U.S. Total Market Index ETF			20,451	8.2%
Bank of Montreal			9,355	3.7%
Canada Housing Trust	3.40%	23 Apr 2021	7,109	2.8%
Government of Canada	3.75%	15 Mar 2020	6,686	2.7%
Royal Bank of Canada	0.74%	16 Nov 2017	5,514	2.2%
Toronto Dominion Bank	2.86%	04 Mar 2021	5,120	2.0%
Caisse Centrale Desjardins	2.05%	08 Mar 2021	4,729	1.9%
Canada Housing Trust	2.44%	17 Jul 2019	4,561	1.8%
Canada Housing Trust	1.25%	15 Dec 2020	4,550	1.8%
HSBC Bank Canada	1.20%	15 Jun 2020	4,517	1.8%
National Bank of Canada	2.91%	29 Sep 2021	4,513	1.8%
Royal Bank of Canada	2.11%	18 Mar 2022	4,250	1.7%
Government of Canada	1.65%	15 Jul 2021	3,935	1.6%
Toronto Dominion Bank	0.50%	01 Feb 2019	3,913	1.6%
Royal Bank of Canada	3.23%	24 Jul 2024	3,802	1.5%
Province of Ontario	2.00%	21 Mar 2022	3,800	1.5%
Royal Bank of Canada	4.20%	02 Jun 2020	3,742	1.5%
Manufacturers Life Insurance Company	4.93%	16 Jul 2025	3,616	1.4%
Government of Canada	2.39%	05 Jan 2026	3,555	1.4%
Government of Canada	0.75%	01 Sep 2020	3,501	1.4%
Government of Canada	3.75%	01 Jun 2019	3,475	1.4%
Bank of Nova Scotia	1.75%	01 Sep 2019	3,454	1.4%
Canada Housing Trust	2.40%	28 Oct 2019	3,449	1.4%
Bank of Montreal	1.75%	15 Jun 2022	3,330	1.3%
Government of Canada	2.10%	06 Oct 2020	3,265	1.3%

Top 25 long positions as a percentage of the Total Portfolio Assets of the Plan **51.1%**

Past Performance

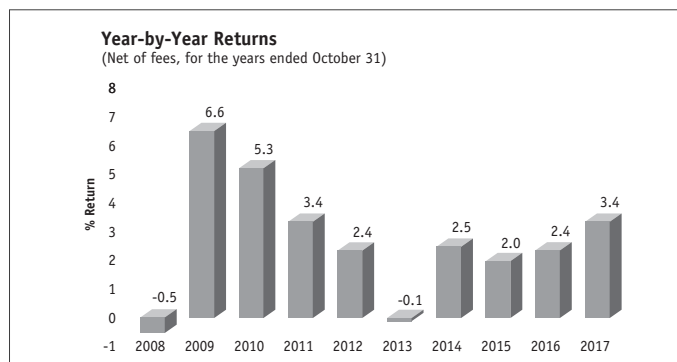
The returns presented in the following chart and the annual compound returns table are based on the investment performance of the Plan’s Total Portfolio Assets only and do not reflect the investment performance of assets from the Government Grants and Sales Charge Refund Entitlements. Investment returns have been calculated using market values and time-weighted cash flows during the periods. Total expenses incurred by the Plan, including administration, portfolio management, custody and trustee fees, and Independent Review Committee expenses have been deducted and only net returns are displayed in each period.

Past returns of the Plan do not necessarily indicate how it will perform in the future.

Plan changes as described within the Investment Objective and Strategy and Portfolio Manager Changes sections could have affected the performance of the Plan's Total Portfolio Assets had they been in effect throughout the performance measurement periods presented.

Year-by-Year Returns

The following bar chart illustrates the annual performance in each of the past ten years to October 31, 2017 of the Plan's Total Portfolio Assets. The chart illustrates in percentage terms how much an investment in the Plan's Total Portfolio Assets, made on the first day of each financial year, would have increased or decreased by the last day of each financial year:



Annual Compound Returns

The following table depicts the Plan's Benchmark comprised of the following specified indices in the weights and for the periods of indicated:

Index	Prior to: July 1, 2011	From: July 2, 2011 To: July 31, 2014	From: Aug 1, 2014 To: Sep 30, 2015	From: Oct 1, 2015 To: Sep 30, 2017	From: Oct 1, 2017 To: Current
FTSE TMX Canada Short Term Gov't Bond Index		47.0%	63.0%	30.9%	40.0%
FTSE TMX Canada All Gov't Bond Index	100.0%	47.0%			
FTSE TMX Canada Financials Bond Index				18.9%	40.0%
FTSE TMX Canada 91 Day Treasury Bill				13.2%	10.0%
FTSE TMX Canada All Corporate Bond Index		6.0%	19.0%	19.0%	
S&P U.S. Total Market Index (CAD)					8.0%
S&P 500 CAD Hedged Index			13.0%	13.0%	
S&P/TSX Capped Composite			5.0%	5.0%	2.0%

The FTSE TMX Canada Short Term Government Bond Index is a broad measure of Canadian investment grade fixed income securities, issued by the Government of Canada, including Crown Corporations and provincial governments, with maturities between 1 and 5 years.

The FTSE TMX Canada All Government Bond Index is a broad measure of Canadian investment grade fixed income securities, issued by the Government of Canada, including Crown Corporations and provincial governments, with maturities greater than 1 year.

The FTSE TMX Canada Financials Bond Index is a broad measure of Canadian investment grade fixed income securities, issued by bank, insurance, financial service, and auto finance corporations, with maturities greater than one year.

The FTSE TMX Canada 91-Day Treasury Bill Index is based upon the average daily yield of 91-Day Treasury Bills.

The FTSE TMX Canada All Corporate Bond Index is a broad measure of Canadian investment grade fixed income securities issued by corporations, with maturities greater than one year.

The S&P US Total Market CAD Index is designed to track the broad U.S. equity market, including large, mid, small, and micro-cap stocks.

The S&P 500 CAD Hedged Index is a broad measure of the returns of the S&P 500 while hedging Canadian dollar risk, but not the underlying equity market risk. The S&P 500 is a market-capitalization-weighted stock market index which includes 500 of the top companies in industries of the U.S. economy.

The S&P/TSX Capped Composite Index reflects price movements of selected securities listed on the Toronto Stock Exchange and weighted by market capitalization, with a capped weight of 10% on all of the constituents.

The following table illustrates the annual compound returns of the Plan's Total Portfolio Assets, for the periods shown ending on October 31, 2017.

	Period			
	1 Yr	3 Yr	5 Yr	10 Yr
Net Plan Return*	3.4	2.6	2.0	2.7
Benchmark	3.6	3.3	2.9	4.3
Broad-based Index: FTSE TMX Canada All Government Bond Index	-1.2	3.0	2.8	4.6

Note:

* The Plan returns are after the deduction of fees and expenses, while the Benchmarks and Broad-based Index returns do not include any costs of investing such as fees, expenses and commissions. The Plan's fees and expenses were 0.7% for all periods.

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

Securities regulations require that we also show Benchmark returns that would have been applicable to the time periods if the Benchmark was not modified as previously described (the "Former Benchmark"). The Former Benchmark return for the above time periods were 3.6% (1 Year), 3.3% (3 Year), 2.9% (5 Year) and 4.3% (10 Year).

The Former Benchmark is comprised of the following specified indices in the weights and for the periods of time as indicated:

Index	Prior to: July 1, 2011	From: July 2, 2011 To: July 31, 2014	From: Aug 1, 2014 To: Sep 30, 2015	From: Oct 1, 2015 To: Sep 30, 2017
FTSE TMX Canada Short Term Gov't Bond Index		47.0%	63.0%	30.9%
FTSE TMX Canada All Gov't Bond Index	100.0%	47.0%		
FTSE TMX Canada Financials Bond Index				18.9%
FTSE TMX Canada 91 Day Treasury Bill				13.2%
FTSE TMX Canada All Corporate Bond Index		6.0%	19.0%	19.0%
S&P U.S. Total Market Index (CAD)				8.0%
S&P 500 CAD Hedged Index			13.0%	13.0%
S&P/TSX Capped Composite			5.0%	5.0%

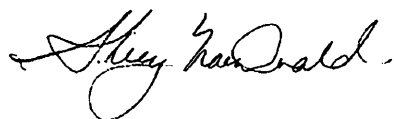
In comparison to the Former Benchmark, the Plan's transition to the current asset mix, added value provided by the Canadian equity allocation, and reduced exposure to longer dated government bonds were the most significant contributors to Plan relative returns over the fiscal year.

Management's Responsibility for Financial Reporting

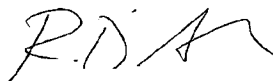
The accompanying financial statements of the Canadian Scholarship Trust Group Savings Plan (the "Plan") are prepared by management and are approved by the Board of Directors of the Canadian Scholarship Trust Foundation (the "Foundation"). Management is responsible for the information and representations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

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

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



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



Richard D'Archivio, CPA, CA, CFA
Vice President, Chief Financial Officer

Toronto, Ontario
December 19, 2017

Independent Auditor's Report

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

We have audited the accompanying financial statements of the Canadian Scholarship Trust Group Savings Plan, which comprise the statements of financial position as at October 31, 2017 and 2016, and the statements of comprehensive income, statements of changes in net assets attributable to subscribers' and beneficiaries and statements of cash flows for the years ended October 31, 2017 and 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Canadian Scholarship Trust Group Savings Plan as at October 31, 2017, and 2016 and the results of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.



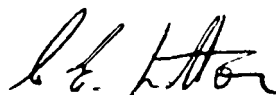
Chartered Professional Accountants
Licensed Public Accountants
December 19, 2017

Statements of Financial Position

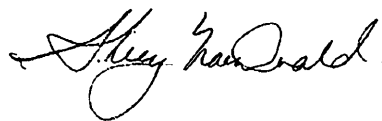
As at October 31, 2017 and 2016 (in thousands of Canadian dollars)

	2017	2016
Assets		
Cash and cash equivalents	\$ 2,965	\$ 3,669
Receivables for securities sold	613	239
Investments, at fair value <i>(Note 4 and Schedule I)</i>	398,960	545,028
Accrued interest and other receivables	6,002	12,061
Government grants receivable	10	82
	408,550	561,079
Liabilities		
Payables for securities purchased	1,176	536
Accounts payable, accrued liabilities and unclaimed subscribers' funds	1,321	12,904
	2,497	13,440
Net Assets Attributable to Subscribers' and Beneficiaries	406,053	547,639
Represented by:		
Non-Discretionary Funds		
Accumulated income held for future education assistance payments	119,387	150,372
Subscribers' deposits <i>(Schedule II)</i>	132,568	211,685
Government grants	71,952	88,804
Income on Government grants	46,859	50,227
Sales charge refund entitlements <i>(Note 8)</i>	24,669	32,160
General Fund <i>(Note 7)</i>	3,785	-
Unrealized Gains (Losses)	6,224	13,782
Discretionary Funds		
Donations from the Foundation <i>(Note 7)</i>	609	609
	\$406,053	\$547,639

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



Colin E. Litton, FCPA, FCA
Director



Sherry J. MacDonald, CPA, CA
Director

Statements of Comprehensive Income

For the years ended October 31, 2017 and 2016 (in thousands of Canadian dollars)

	2017	2016
Income		
Interest for allocation to subscriber accounts	\$10,406	\$13,227
Realized gains (losses) on sale of investments	15,430	2,940
Change in unrealized gains (losses)	(7,558)	4,210
Dividends	5,117	6,217
	23,395	26,594
Expenses		
Administration and account maintenance fees <i>(Note 3(a))</i>	2,652	3,390
Portfolio management fees	562	761
Custodian and trustee fees	191	182
Independent Review Committee fees	9	12
	3,414	4,345
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$19,981	\$22,249

Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries

For the years ended October 31, 2017 and 2016 (in thousands of Canadian dollars)

	2017	2016
Net Assets Attributable to Subscribers and Beneficiaries, Beginning of Year	\$ 547,639	\$ 680,892
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	19,981	22,249
Transfers to internal and external plans	(9,405)	(6,078)
	10,576	16,171
Receipts		
Government grants received (net of repayments)	169	930
Disbursements		
Net decrease in Subscribers' deposits <i>(Schedule II)</i>	(79,117)	(78,253)
Payments to beneficiaries		
Education assistance payments	(37,651)	(37,807)
Government grants	(14,229)	(13,597)
Refund of Sales Charge	(11,543)	(11,811)
Return of interest	(9,791)	(8,886)
Total payments to beneficiaries	(73,214)	(72,101)
Receipts less Disbursements	(152,162)	(149,424)
Change in Net Assets Attributable to Subscribers and Beneficiaries	(141,586)	(133,253)
Net Assets Attributable to Subscribers and Beneficiaries, End of Year	\$ 406,053	\$ 547,639

Statements of Cash Flows

For the years ended October 31, 2017 and 2016 (in thousands of Canadian dollars)

	2017	2016
Operating Activities		
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$ 19,981	\$ 22,249
Net proceeds from investment transactions	154,206	100,802
Items not affecting cash		
Realized gains on sale of investments	(15,430)	(2,940)
Change in unrealized (gains) losses	7,558	(4,210)
Change in non-cash operating working capital		
Decrease (increase) in Accrued interest and other receivables	6,059	(3,205)
Decrease in Government grants receivable	72	111
(Decrease) increase in Accounts payable, accrued liabilities and unclaimed subscribers' funds	(11,583)	3,931
Cash flow from Operating Activities	160,863	116,738
Financing Activities		
Transfers to internal and external plans	(9,405)	(6,078)
Government grants received (net of repayments)	169	930
Net decrease in Subscribers' deposits (<i>Schedule II</i>)	(79,117)	(78,253)
Payments to beneficiaries	(73,214)	(72,101)
Cash flow used in Financing Activities	(161,567)	(155,502)
Net (decrease) increase in Cash and cash equivalents	(704)	(38,764)
Cash and cash equivalents, Beginning of Year		
Cash	2,766	2,491
Cash equivalents	903	39,942
	3,669	42,433
Cash and cash equivalents, End of Year		
Cash	1,603	2,766
Cash equivalents	1,362	903
	\$ 2,965	\$ 3,669
Supplemental cash flow information:		
Withholding Taxes	\$ 211	\$ 279
Interest Income Received	11,660	13,624

Schedule I – Statement of Investment Portfolio

As at October 31, 2017 (in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds						Bonds (continued)					
Federal – 38.7%						Provincial – 10.8% (continued)					
Canada Housing Trust	2.35	15 Dec 2018	1,200	1,213	1,252	Province of British Columbia	2.25	1 Mar 2019	50	51	51
Canada Housing Trust	4.10	15 Dec 2018	925	953	1,015	Province of British Columbia	4.10	18 Dec 2019	250	263	282
Canada Housing Trust	1.95	15 Jun 2019	1,650	1,663	1,697	Province of British Columbia	3.70	18 Dec 2020	300	318	326
Canada Housing Trust	2.00	15 Dec 2019	1,600	1,615	1,651	Province of British Columbia	3.25	18 Dec 2021	850	895	916
Canada Housing Trust	3.75	15 Mar 2020	6,769	7,109	7,506	Province of Manitoba	5.50	15 Nov 2018	135	141	156
Canada Housing Trust	1.20	15 Jun 2020	4,600	4,550	4,586	Province of Manitoba	1.15	21 Nov 2019	47	47	47
Canada Housing Trust	1.45	15 Jun 2020	900	896	907	Province of Manitoba	4.15	3 Jun 2020	200	212	224
Canada Housing Trust	1.25	15 Dec 2020	4,625	4,561	4,635	Province of Manitoba	1.55	5 Sep 2021	744	734	742
Canada Housing Trust	1.25	15 Jun 2021	1,973	1,936	1,991	Province of Manitoba	3.30	2 Jun 2024	833	881	890
Canada Housing Trust	3.80	15 Jun 2021	2,400	2,569	2,607	Province of New Brunswick	4.40	3 Jun 2019	150	157	166
Canada Housing Trust	1.15	15 Dec 2021	1,700	1,652	1,668	Province of New Brunswick	4.50	2 Jun 2020	800	856	902
Canada Housing Trust	1.50	15 Dec 2021	1,086	1,070	1,085	Province of New Brunswick	1.55	4 May 2022	225	220	218
Canada Housing Trust	2.65	15 Mar 2022	900	928	945	Province of Newfoundland and Labrador	1.95	2 Jun 2022	200	198	197
Canada Housing Trust	1.75	15 Jun 2022	3,477	3,449	3,483	Province of Nova Scotia	4.15	25 Nov 2019	200	210	222
Government of Canada	0.73	2 Nov 2017	1,150	1,147	1,147	Province of Nova Scotia	4.10	1 Jun 2021	350	376	384
Government of Canada	0.74	16 Nov 2017	6,700	6,686	6,686	Province of Ontario	4.40	2 Jun 2019	1,735	1,813	1,916
Government of Canada	0.74	30 Nov 2017	3,150	3,143	3,143	Province of Ontario	2.10	8 Sep 2019	600	606	625
Government of Canada	0.95	14 Dec 2017	1,425	1,421	1,421	Province of Ontario	4.20	2 Jun 2020	3,575	3,800	4,012
Government of Canada	1.00	28 Dec 2017	3,275	3,265	3,265	Province of Ontario	4.00	2 Jun 2021	2,150	2,307	2,376
Government of Canada	0.99	11 Jan 2018	1,150	1,145	1,145	Province of Ontario	1.35	8 Mar 2022	734	714	717
Government of Canada	0.91	25 Jan 2018	1,150	1,145	1,145	Province of Ontario	3.15	2 Jun 2022	2,675	2,805	2,851
Government of Canada	0.89	8 Feb 2018	1,175	1,170	1,170	Province of Québec	4.50	1 Dec 2018	250	258	275
Government of Canada	1.00	22 Feb 2018	1,231	1,225	1,225	Province of Québec	2.45	1 Dec 2019	600	610	626
Government of Canada	0.96	8 Mar 2018	1,175	1,168	1,168	Province of Québec	4.50	1 Dec 2019	1,175	1,244	1,300
Government of Canada	1.04	22 Mar 2018	1,150	1,143	1,143	Province of Québec	4.50	1 Dec 2020	1,050	1,135	1,195
Government of Canada	1.07	5 Apr 2018	1,175	1,168	1,168	Province of Québec	4.25	1 Dec 2021	1,675	1,825	1,876
Government of Canada	1.11	19 Apr 2018	1,175	1,168	1,168	Province of Québec	3.75	1 Sep 2024	1,555	1,694	1,716
Government of Canada	0.50	1 Nov 2018	1,375	1,364	1,366	Province of Saskatchewan	1.95	1 Mar 2019	150	151	152
Government of Canada	0.50	1 Feb 2019	3,975	3,935	3,943						
Government of Canada	1.75	1 Mar 2019	1,567	1,576	1,614					26,925	27,801
Government of Canada	0.75	1 May 2019	1,425	1,413	1,423						
Government of Canada	3.75	1 Jun 2019	3,375	3,501	3,618	Municipal – 1.1%					
Government of Canada	0.75	1 Aug 2019	1,445	1,430	1,429	City of Montreal	5.45	1 Dec 2019	150	161	172
Government of Canada	1.75	1 Sep 2019	3,452	3,475	3,577	City of Montreal	4.50	1 Dec 2021	500	547	561
Government of Canada	1.25	1 Nov 2019	1,600	1,596	1,588	City of Toronto	4.50	2 Dec 2019	50	53	56
Government of Canada	1.50	1 Mar 2020	2,425	2,430	2,466	City of Toronto	3.50	6 Dec 2021	475	501	514
Government of Canada	3.50	1 Jun 2020	2,400	2,526	2,670	Municipal Finance Authority of British Columbia	5.10	20 Nov 2018	125	130	139
Government of Canada	0.75	1 Sep 2020	3,625	3,555	3,608	Municipal Finance Authority of British Columbia	2.05	2 Jun 2019	800	807	819
Government of Canada	0.75	1 Mar 2021	977	953	981	Municipal Finance Authority of British Columbia	4.88	3 Jun 2019	100	105	112
Government of Canada	3.25	1 Jun 2021	2,659	2,816	2,989	Municipal Finance Authority of British Columbia	4.45	1 Jun 2020	125	133	141
Government of Canada	0.75	1 Sep 2021	1,845	1,792	1,831	Municipal Finance Authority of British Columbia	4.15	1 Jun 2021	200	215	225
Government of Canada	0.50	1 Mar 2022	1,342	1,281	1,302	Regional Municipality of York	5.00	29 Apr 2019	125	131	140
Government of Canada	2.75	1 Jun 2022	1,675	1,761	1,813					2,783	2,879
Government of Canada	1.00	1 Sep 2022	1,875	1,821	1,816						
Government of Canada	2.75	1 Dec 2048	253	278	268						
				96,661	98,324						
Provincial – 10.8%						Corporate – 38.9%					
Province of Alberta	4.00	1 Dec 2019	225	236	248	Bank of Montreal	2.10	6 Oct 2020	3,324	3,330	3,333
Province of Alberta	1.25	1 Jun 2020	1,461	1,444	1,445	Bank of Montreal	1.88	31 Mar 2021	182	181	181
Province of Alberta	1.35	1 Sep 2021	400	392	395	Bank of Montreal	3.40	23 Apr 2021	8,977	9,355	9,410
Province of Alberta	1.60	1 Sep 2022	75	73	73	Bank of Montreal	2.70	11 Sep 2024	977	985	973
Province of British Columbia	4.65	18 Dec 2018	250	259	280	Bank of Nova Scotia	2.46	14 Mar 2019	2,587	2,613	2,629

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

Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2017 (in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
Bonds (continued)						Equities – 1.5%			
Corporate – 38.9% (continued)						Agrium Inc.	1	127	111
Bank of Nova Scotia	2.40	28 Oct 2019	3,417	3,454	3,473	Alimentation Couche-Tard Inc.	2	109	106
Bank of Nova Scotia	2.09	9 Sep 2020	1,577	1,579	1,581	ATCO Ltd.	1	49	44
Bank of Nova Scotia	3.27	11 Jan 2021	885	917	913	AutoCanada Inc.	1	24	24
Bank of Nova Scotia	2.87	4 Jun 2021	430	441	438	Bank of Nova Scotia	3	211	164
Bank of Nova Scotia	1.90	2 Dec 2021	255	252	255	Birchcliff Energy Ltd.	7	38	48
Bank of Nova Scotia	1.84	27 Apr 2022	2,356	2,311	2,295	Boardwalk Real Estate Investment Trust	1	57	68
Caisse Centrale Desjardins	2.80	19 Nov 2018	1,496	1,513	1,529	Brookfield Asset Management Inc.	1	62	49
Caisse Centrale Desjardins	2.44	17 Jul 2019	4,680	4,729	4,713	Brookfield Infrastructure Partners L.P.	1	38	32
Canadian Imperial Bank of Commerce	2.30	11 Jul 2022	2,618	2,619	2,601	Brookfield Renewable Partners L.P.	1	31	29
Great-West Lifeco Inc.	6.67	21 Mar 2033	541	729	724	CAE Inc.	2	41	32
HSBC Bank Canada	2.08	26 Nov 2018	3,224	3,235	3,237	Canadian National Railway Company	1	90	72
HSBC Bank Canada	2.45	29 Jan 2021	250	252	251	Canadian Natural Resources Limited	2	70	47
HSBC Bank Canada	2.91	29 Sep 2021	4,415	4,517	4,490	Canadian Pacific Railway Company	0.3	62	52
HSBC Bank Canada	2.17	29 Jun 2022	649	643	644	Canadian Western Bank	1	22	14
Hydro-Québec	1.00	25 May 2019	408	405	406	CCL Industries Inc.	1	59	50
Hydro-Québec	11.00	15 Aug 2020	1,000	1,249	1,394	CGI Group Inc.	1	54	48
Manufacturers Life Insurance Company	2.93	29 Nov 2023	880	889	895	CI Financial Corp.	2	68	65
Manufacturers Life Insurance Company	2.64	15 Jan 2025	2,165	2,188	2,186	Computer Modeling Group Ltd.	2	22	21
Manufacturers Life Insurance Company	2.10	1 Jun 2025	862	859	855	DREAM Unlimited Corporation	3	20	20
Manufacturers Life Insurance Company	2.39	5 Jan 2026	3,609	3,616	3,591	Empire Company Limited	3	78	70
Manufacturers Life Insurance Company	3.18	22 Nov 2027	473	486	485	Enbridge Inc.	2	107	111
National Bank of Canada	1.49	26 Mar 2018	50	50	50	Enerflex Ltd.	4	73	64
National Bank of Canada	1.81	26 Jul 2021	250	247	245	Fairfax Financial Holdings Limited	0.1	72	66
National Bank of Canada	2.11	18 Mar 2022	4,545	4,513	4,486	Finning International Inc.	2	54	35
National Bank of Canada	1.96	30 Jun 2022	265	261	259	FirstService Corporation	0.3	27	17
Royal Bank of Canada	2.86	4 Mar 2021	5,385	5,507	5,411	Franco-Nevada Corporation	1	125	102
Royal Bank of Canada	2.03	15 Mar 2021	1,915	1,910	1,916	Freehold Royalties Ltd.	5	87	71
Royal Bank of Canada	1.65	15 Jul 2021	4,327	4,250	4,256	Granite REIT Holdings Limited Partnership	1	27	22
Royal Bank of Canada	1.58	13 Sep 2021	255	249	254	Great Canadian Gaming Corporation	1	41	29
Royal Bank of Canada	2.00	21 Mar 2022	3,843	3,802	3,794	Great-West Lifeco Inc.	1	53	49
Royal Bank of Canada	4.93	16 Jul 2025	3,230	3,742	3,696	IGM Financial Inc.	1	34	27
Sun Life Capital Trust	7.09	30 Jun 2052	770	1,021	1,002	Imperial Oil Limited	2	77	74
Toronto Dominion Bank	2.45	2 Apr 2019	3,120	3,151	3,174	Industrial Alliance Insurance and Financial Services Inc.	0.3	17	17
Toronto Dominion Bank	2.56	24 Jun 2020	235	239	237	Intact Financial Corporation	1	156	139
Toronto Dominion Bank	2.05	8 Mar 2021	5,125	5,120	5,079	Laurentian Bank of Canada	0.4	21	18
Toronto Dominion Bank	1.68	8 Jun 2021	2,265	2,235	2,235	Loblaw Companies Limited	2	102	104
Toronto Dominion Bank	2.62	22 Dec 2021	245	249	247	Magna International Inc.	1	86	75
Toronto Dominion Bank	1.99	23 Mar 2022	255	253	250	Maxar Technologies Ltd.	1	86	72
Toronto Dominion Bank	1.91	18 Jul 2023	260	253	250	Methanex Corporation	1	39	31
Toronto Dominion Bank	3.23	24 Jul 2024	3,750	3,913	3,899	METRO Inc.	1	55	55
Wells Fargo Financial Corporation Canada	3.04	29 Jan 2021	279	287	291	Morguard Corporation	0.1	24	19
Wells Fargo Financial Corporation Canada	3.46	24 Jan 2023	2,375	2,490	2,471	Mullen Group Ltd.	4	72	72
				97,089	96,984	Onex Corporation	0.3	25	21
						Pason System Inc.	3	55	54
Total Fixed Income – 89.5%			223,458	225,988		PrairieSky Royalty Ltd.	3	90	66
						Restaurant Brands International Inc.	0.3	27	21
						Ritchie Brothers Auctioneers Inc.	2	81	86
						ShawCor Ltd.	2	47	48
						Stella-Jones Inc.	1	35	30
						Suncor Energy Inc.	3	138	116
						TELUS Corporation	2	100	91
						Toromont Industries Ltd.	1	43	30

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

Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2017 (in thousands of Canadian dollars)

Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
Equities – 1.5% (continued)			
Toronto Dominion Bank	3	219	168
Total Energy Services Inc.	2	26	25
Tucows Inc.	0.2	14	13
Wajax Corporation	1	22	19
Westshore Terminals Investment Corporation	3	62	60
Winpak Ltd.	1	27	26
		3,778	3,309
Exchange-traded Funds – 8.2%			
iShares Core S&P U.S. Total Market Index ETF	800	20,451	19,346
Total Equities and ETFs – 9.7%		24,229	22,655
Total Investments		247,687	248,643
Cash and cash equivalents – 0.8%		2,066	2,066
Total Portfolio Assets – 100.0%		249,753	250,709
Investments Allocation (Note 4)			
Government Grants (Appendix I)		125,695	119,941
Sales Charge Refund Entitlements (Appendix II)		25,578	24,152
Cash and cash equivalents (Appendices I, II)		899	899
Total Investment Fund		401,925	395,701
Represented by:			
Cash and cash equivalents		2,965	
Investments, at fair value		398,960	
		401,925	

Schedule II – Subscribers’ Deposits and Accumulated Income

As at October 31, 2017 and 2016 (in thousands of Canadian dollars)

The following table provides a summary of Group Savings Plan Units, Subscribers’ Deposits and Accumulated Income by year of eligibility.

Year of Eligibility	Opening Units	Inflow Units ¹	Outflow Units ²	Closing Units	Subscribers’ Deposits	Accumulated Income ³
2016 and prior to 2016	286,493	2,350	41,772	247,071	17,750	32,572
2017	78,972	879	4,408	75,443	20,884	35,475
2018	24,818	124	620	24,322	51,254	32,184
2019	253	52	12	293	41,598	18,600
2020	164	56		220	664	327
2021	30	5		35	242	125
2022	34	9		43	38	25
2023	11	11		22	68	42
2024 and thereafter	18	36		54	70	37
TOTAL	390,793	3,522	46,812	347,503	\$132,568	\$119,387

1 Inflow units are comprised of transfers in.

2 Outflow units are comprised of terminations, transfers out and education assistance payments.

3 Accumulated income represents both income allocated to subscribers’ accounts and income held for future education assistance payments.

The changes in Subscribers’ deposits are as follows:

	2017	2016
Payments from subscribers’	\$ 1,063	\$ 4,373
Inter-Plan principal transfers	(11,594)	(10,793)
Account maintenance fees	(121)	(185)
Return of principal	(68,465)	(71,648)
Net decrease in Subscribers’ deposits	(79,117)	(78,253)
Balance, Beginning of Year	211,685	289,938
Balance, End of Year	\$132,568	\$211,685

Schedule III – Education Assistance Payments

For the years ended October 31, 2017 and 2016 (in thousands of Canadian dollars, except for per unit amounts)

The following tables provide the total dollar payments by fiscal year, as well as number of eligible units paid and education assistance payment amounts by year of eligibility.

Education Assistance Payments	2017	2016	Education Assistance Payments	2017	2016
Current year payments	\$20,103	\$21,969	Non-Discretionary	\$37,651	\$37,807
Deferred payments	17,419	15,672	Discretionary	–	–
Advance payments	129	166		\$37,651	\$37,807
	\$37,651	\$37,807			

	Number of education assistance payment units				Amount of education assistance payment per unit			
	Year of Eligibility				Year of Eligibility			
	2017	2016	2015	2014	2017	2016	2015	2014
First	24,802.7	37,316.1	39,816.1	34,444.8	\$129	\$138	\$155	\$179
Second		30,126.4	33,491.0	30,389.6		192	176	221
Third			28,747.9	25,570.0			200	217
Fourth				21,479.4				250

Notes to the Financial Statements

October 31, 2017 and 2016 (in thousands of Canadian dollars)

Note 1. Nature of Operations

The Canadian Scholarship Trust Group Savings Plan (the “Plan”) is a Pooled Education Savings Plan that was established on September 1, 1991. Since June 2001, the Plan is no longer available for sale. The objective of the Plan is to assist parents and others to save for the post-secondary education of children. The Plan is managed by C.S.T. Consultants Inc. (“C.S.T.C.”), a wholly-owned subsidiary of the Canadian Scholarship Trust Foundation (the “Foundation”). The Plan’s registered place of business is 1600-2235 Sheppard Avenue East, Toronto, Ontario, Canada.

Payments are made by a subscriber to an account maintained by the Plan’s trustee on behalf of a beneficiary. Deductions of sales charges and account maintenance fees are made from the subscriber’s contributions. The principal accumulated over the term of the subscriber’s education savings plan agreement (the “Agreement”) is returned to the subscriber when:

- i. the Agreement matures and the beneficiary is a qualified student eligible to receive the first education assistance payment (“EAP”),
- ii. the Agreement matures and the beneficiary is not yet a qualified student, in which case the beneficiary will forfeit all government grants (as described below), or
- iii. the Agreement is terminated.

The investment income earned on the subscribers’ principal balance is used to provide EAPs to qualified students. A beneficiary is deemed to be a qualified student upon receipt by the Foundation of evidence of enrolment in a qualifying educational program at an eligible institution.

There are a number of government grants that may be available to beneficiaries including the Canada Education Savings Grant Program (“CESG”), the Canada Learning Bond (“CLB”), the Quebec Education Savings Incentive (“QESI”) and the Saskatchewan Advantage Grant for Education Savings (“SAGES”) (collectively, “Government Grants”). The Government of Saskatchewan has announced a temporary suspension of the SAGES program effective January 1, 2018.

The Plan collects Government Grants, which are credited directly into subscribers’ Agreements (“Agreements”) and invests these funds in accordance with the Plan’s investment policies. The Government Grants, along with investment income earned thereon, are paid to qualified students with their EAPs.

Agreements are registered with appropriate government authorities if all required information is provided, and once registered, are subject to the rules for Registered Education Savings Plans (“RESP”) under the *Income Tax Act* (Canada). The current tax legislation provides that income credited on subscribers’ principal is not taxable income of the subscriber unless withdrawn as an Accumulated Income Payment subject to certain eligibility requirements. The deposits are not deductible for income tax purposes and are not taxable when returned to the subscriber. Payments made to a beneficiary, including EAPs, Government Grants and investment income earned on Government Grants will constitute taxable income of that beneficiary in the year that the payments are made.

Note 2. Significant Accounting Policies

(a) Statement of Compliance

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

These financial statements were approved by the Board of Directors of the Foundation on December 19, 2017.

(b) Basis of measurement

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

(c) Future accounting standards

The following new accounting standards have been issued by the International Accounting Standards Board (“IASB”). These new standards are not yet effective and the Plan has not completed its assessment of the impact on its financial statements.

IFRS 9 Financial Instruments (“IFRS 9”)

In July 2014, the IASB finalized the reform of financial instruments accounting and issued IFRS 9 (as revised in 2014), which contains the requirements for the classification and measurement of financial assets and financial liabilities, impairment methodology, and general hedge accounting. IFRS 9 (as revised in 2014) will supersede IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 will be effective for the Plan’s financial statements during its fiscal 2019 year.

IFRS 15 Revenue from Contracts with Customers (“IFRS 15”)

IFRS 15 was issued in May 2014, replacing existing guidance related to revenue recognition and will be effective for the Plan’s financial statements during its fiscal 2019 year. IFRS 15 includes a single revenue recognition model based on the principal that revenue is recognized when control of a good or service is transferred to the customer. When appropriate, contracts with customers are divided into separate performance obligations, each of which represent promises to deliver distinct goods or services. IFRS 15 provides guidance for recognizing revenue from performance obligations that are delivered at a point in time, or delivered over time and also includes additional disclosure requirements.

(d) Financial instruments

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

Notes to the Financial Statements (continued)

October 31, 2017 and 2016 (in thousands of Canadian dollars)

Note 2. Significant Accounting Policies (continued)

(d) Financial instruments (continued)

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

Financial asset or financial liability	Classification
Investments, at fair value	FVTPL ⁱ
Cash and cash equivalents	Loans and receivables ⁱⁱ
Accrued interest and other receivables	Loans and receivables ⁱⁱ
Receivables for securities sold	Loans and receivables ⁱⁱ
Accounts payable, accrued liabilities and unclaimed subscribers' funds	Other financial liabilities ⁱⁱⁱ
Payables for securities purchased	Other financial liabilities ⁱⁱⁱ

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

ⁱⁱ Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortized cost using the effective interest method. Loans and receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

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

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

(e) Investment valuation

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

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

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

Investments in pooled funds used to pay the Sales Charge Refund ("SCR") Entitlements referred to in Note 8(a) are valued at net asset values of the pooled funds at the valuation date, as these represent the value that would be received by the Plan from redeeming its units held in the pooled funds.

Note 9 provides further guidance on fair value measurements.

(f) Investment transactions and income recognition

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

(g) Subscribers' deposits, sales charges and account maintenance fees

Subscribers' deposits reflect amounts received from subscribers' net of sales charges and account maintenance fees and do not include future amounts receivable on outstanding Agreements. Sales charges were deducted from subscribers' deposits and collected over periods of up to 32 months from the date of initial deposit. Account maintenance fees are paid annually to the Foundation from subscribers' deposits and are accrued throughout the year.

(h) Income taxes

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

(i) Cash and cash equivalents

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

(j) Foreign currency

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

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

(k) Critical accounting estimates and judgments

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

The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are those involved with the valuation of the SCR Entitlements. Further information on the SCR Entitlement valuation can be found in Note 8(b).

Notes to the Financial Statements (continued)

October 31, 2017 and 2016 (in thousands of Canadian dollars)

Note 3. Related Party Transactions

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

(a) Administration of the Plan

The Foundation, as the Plan sponsor, has appointed C.S.T.C. as the Investment Fund Manager to administer the Plan. The agreement is renewable annually on November 1.

Administration and account maintenance fees are paid to the Foundation. Administration fees are annual fees of ½ of 1% of the total amount of principal, Government Grants and income earned thereon, as well as the investments used to pay the SCR Entitlements (“SCR Fund”).

For the year ended October 31, 2017, \$2,652 was recognized as an expense for Administration and account maintenance fees (2016 – \$3,390). Administration and account maintenance fees included in Accounts payable, accrued liabilities and unclaimed subscribers’ funds at October 31, 2017 was \$nil (2016 – \$40).

Sales charges were paid by subscribers’ and deducted from their contributions. In accordance with the distribution agreement, the Foundation agreed to set aside a portion of the sales charges collected from subscribers’ to the SCR Fund each year in order to pay SCR Entitlements when they become due. The amount funded was equivalent to 50% of the estimated present value of the SCR Entitlements of \$200 per unit as determined at the time of sale. The Foundation is responsible to pay to beneficiaries of the Plan the refunds of sales charges as promised. Any shortfall in the assets to meet the SCR Entitlements will be funded from the Foundation’s surplus (see Note 8).

(b) SCR Deficit Funding Payments from the Canadian Scholarship Trust Foundation

For the year ended October 31, 2017, the Foundation provided deficit funding payments of \$nil (2016 – \$2,600) to the SCR Fund (see Note 8(b)).

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

The Independent Review Committee (“IRC”) provides independent review and oversight of conflicts of interest relating to the management of the Plans. For the year ended October 31, 2017, the Plan recognized an expense of \$9 (2016 – \$12) for the services of the IRC. IRC fees included in Accounts payable, accrued liabilities and unclaimed subscribers’ funds at October 31, 2017 was \$nil (2016 – \$nil).

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

Included in Portfolio management fees on the Statements of Comprehensive Income is \$116 (2016 – \$123) charged by C.S.T.C. for expenses incurred to monitor and manage the portfolio managers. Included in Accounts payable, accrued liabilities and unclaimed subscribers’ funds was \$1 owing to C.S.T.C. at October 31, 2017 (2016 – \$8 owing from C.S.T.C.) relating to these expenses.

Note 4. Investment Holdings

The investment holdings are disclosed in Schedule I – Statement of Investment Portfolio and the related Appendices I – II to the schedule, which are explained below.

The Government Grants are invested collectively in a separate fund with Government Grants of other RESP plans administered by C.S.T.C. The Government Grant principal received and income earned thereon are separately tracked for each subscriber’s Agreement. The portfolio holdings are allocated across all plans based on the proportion of principal and income attributable to Agreements within each plan (see Appendix I to Schedule I).

Investments used to fund the SCR Entitlements of the Group Savings Plan and the Group Savings Plan 2001 of 100% of sales charges paid, are managed in a separate SCR Fund (see Appendix II to Schedule 1). The SCR Fund’s holdings and income are allocated to the Plan based on the Plan’s proportionate share of the SCR Entitlements.

The investment restrictions set out in National Policy 15 of the Canadian Securities Administrators do not apply to assets in the SCR Fund.

Note 5. Capital Risk Management

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

Note 6. Risks Associated with Financial Instruments

In the normal course of business the Plan may be exposed to a variety of risks arising from financial instruments. The Plan’s exposures to such risks are concentrated in its investment holdings and are related to market risk (which includes interest rate risk and other price risk), credit risk, liquidity risk and currency risk.

The Plan’s risk management process includes monitoring compliance with the Plan’s investment policy. The Plan manages the effects of these financial risks to the Plan portfolio performance by retaining and overseeing professional external investment managers. The investment managers regularly monitor the Plan’s positions, market events and manage the investment portfolio within the constraints of the investment policy and mandates.

(a) Market risk

i. Interest rate risk

Interest rate risk is the risk of a decrease in the Plan’s yield on interest-bearing investments as a result of fluctuations in market interest rates. There is an inverse relationship between changes in interest rates and changes in the fair value of bonds. This risk is actively managed using duration, yield

Notes to the Financial Statements (continued)

October 31, 2017 and 2016 (in thousands of Canadian dollars)

Note 6. Risks Associated with Financial Instruments (continued)

(a) Market risk (continued)

i. Interest rate risk (continued)

curve analysis, sector and credit selection. There is reduced risk to interest rate changes for cash and cash equivalents due to their short-term nature.

The Plan's holdings of debt instruments by maturity are as follows:

Debt Instruments by Maturity Date	% of Total Investment Fund	
	Oct 31, 2017	Oct 31, 2016
Less than 1 year	7%	12%
1-3 years	24%	19%
3-5 years	28%	21%
Greater than 5 years	20%	27%
Total Debt instruments	79%	79%

As at October 31, 2017, if prevailing interest rates had increased by 1%, the fair value of the Total Investment Fund of \$401,925 (2016 – \$548,697) as per Schedule I – Statement of Investment Portfolio, would have decreased by approximately \$13,000 (2016 – \$19,700). If prevailing interest rates had decreased by 1%, the fair value of the Total Investment Fund would have increased by approximately \$15,000 (2016 – \$24,200). This 1% change assumes a parallel shift in the yield curve with all other variables held constant. In practice, actual results may differ materially.

ii. Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, other than those arising from interest rate risk. Factors specific to an individual investment, its issuer or other factors affecting all instruments traded in a market or market segment affect other price risk. The asset classes that are most impacted by other price risk are the equities and ETFs of the Plan, Government Grants asset pool, and the SCR Funds, which represent 21% (2016 – 21%) of the Total Investment Fund as at October 31, 2017. The risk associated with the equity component of the SCR Fund is managed by security selection and active management by external managers within approved investment policy and mandates.

As at October 31, 2017, if equity and underlying indices prices had increased or decreased by 1%, with all other variables held constant, the fair value of the Total Investment Fund as per Schedule I – Statement of Investment Portfolio would have increased or decreased by approximately \$900 (2016 – \$1,200). In practice, actual results may differ materially.

(b) Credit risk

Credit risk refers to the ability of the issuer of debt securities to make interest payments and repay principal. The Plan's portfolio

is comprised of bonds issued or guaranteed by federal or provincial governments along with corporate debt instruments with a minimum approved credit rating as set by Canadian Securities Administrators. The Plan has a concentration of investments in government and government guaranteed bonds, which are considered to be high credit quality investments thereby moderating credit risk.

The Plan's credit risk exposure is summarized below:

Credit rating	October 31, 2017		October 31, 2016	
	% of Total Investment Fund	Amount	% of Total Investment Fund	Amount
AAA	21%	\$ 85,532	23%	\$127,220
AA/AAH/AAL	36%	142,824	25%	139,685
A/AH/AL	15%	60,153	16%	88,040
BBB	0%	1,646	5%	23,187
R-1	7%	26,412	9%	49,762
Short-term unrated	0%	1,839	1%	3,172
Total Debt Instruments	79%	\$318,406	79%	\$431,066

The Dominion Bond Rating Service ("DBRS") was the primary source for obtaining credit ratings. Secondary sources used include Standard & Poor's Financial Services LLC and Moody's Investors Service, Inc.

(c) Liquidity risk

Liquidity risk is the risk that the Plan may not be able to meet its financial obligations as they come due. The Plan's exposure to liquidity risk is concentrated in principal repayments to subscribers' and EAPs to beneficiaries including SCR Entitlements. The Plan primarily invests in securities that are traded in active markets and can be readily sold. The Plan retains sufficient cash and cash equivalents positions to meet liquidity requirements by utilizing cash forecasting models that reflect the maturity distribution of subscribers' deposits and accumulated income. All other financial liabilities are short term and due within one year. The Foundation directed a portion of the sales charges collected from subscribers' to the SCR Fund each year in order to pay SCR Entitlements when they become due. Any shortfall in the assets to meet the SCR Entitlements will be funded by the Foundation (see Note 8(b)).

(d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Plan holds foreign equity funds, which represent 18% (2016 – 2%) of the Total Investment Fund. The fair value of the Total Investment Fund would increase or decrease by approximately \$720 (2016 – \$140) in response to a 1% depreciation or appreciation of the Canadian dollar currency exchange rate. In practice the actual change may differ materially.

Notes to the Financial Statements (continued)

October 31, 2017 and 2016 (in thousands of Canadian dollars)

Note 7. General Fund and Donations from the Foundation

The Canadian Scholarship Group Savings Plan Trust (the “Group Trust”) is a legal trust, which includes the Group Savings Plan and the Group Savings Plan 2001 (the “Plans”). The Plans are registered with the Canada Revenue Agency as Education Savings Plans. The General Fund is a separate account within the Group Trust and derives its income from the following sources:

- i. interest earned on the subscribers’ accumulated income from the date of maturity of the subscribers’ agreements to the date the funds are paid to qualified students as EAPs;
- ii. interest earned on the income forfeited when a subscriber’s agreement is terminated prior to maturity;
- iii. income not collected by beneficiaries before the expiry of the Agreements; and
- iv. unclaimed principal and income payments.

According to the trust indenture of the Group Trust, the General Fund may be used to subsidize EAPs for qualified students of either of the Plans within the Group Trust.

Donations from the Foundation represent a discretionary pool of funds shared between the Plans. These funds are used to supplement EAPs when the General Fund is depleted. The amount is allocated annually between the Plans according to the payout forecast in each of the Plans.

Receipts and disbursements of the General Fund included in the financial statements of the Plan for the years ended October 31, 2017 and 2016 are as follows:

	2017	2016
Receipts		
Net investment income	\$ 5,243	\$ 793
Disbursements		
Education assistance payments	(1,458)	(1,158)
Excess of (Disbursements) over Receipts	3,785	(365)
Balance, Beginning of Year	-	365
Balance, End of Year	\$ 3,785	\$ -

Receipts and disbursements in the Donations from the Foundation included in the financial statement of the Plan for the years ended October 31, 2017 and 2016 are as follows:

	2017	2016
Receipts		
Contributions received from the Foundation	\$ -	\$ -
Disbursements		
Education assistance payments	-	623
(Deficit) excess of Receipts over Disbursements	-	(623)
Balance, Beginning of Year	609	1,232
Balance, End of Year	\$609	\$ 609

Note 8. Sales Charge Refund

(a) Sales Charge Refund Entitlements

The Plan refunds sales charges to the beneficiaries from the SCR Fund, which amount to 100% of sales charges paid. This SCR Entitlement is paid with the first instalment of the EAP payouts to qualified beneficiaries. The total amount refunded for the year ended October 31, 2017 was \$11,543 (2016 – \$11,811).

As at October 31, 2017, the SCR Entitlements amount of \$24,669 (2016 – \$32,160) presented in the Statements of Financial Position represents the average cost of the Plan’s investments in the SCR Fund of \$24,212 (2016 – \$31,725), plus funds to be transferred from the direct investment holdings of the plan of \$489 (2016 – \$335) for SCR payments made to beneficiaries during the year, less accrued interest and payables of \$32 (2016 – \$(100)). The fair value of the investments in the SCR Fund as at October 31, 2017, after adjusting for the above, amounted to \$26,095 (2016 – \$33,819), of which \$25,578 and \$60 are included in Investments, at fair value and Cash and cash equivalents, respectively, in the Statement of Financial Position. The difference between the present value of SCR Entitlements and the fair value of the SCR Fund is not recorded in the financial statements of the plan.

(b) Sales Charge Refund Entitlements Valuations

Two separate valuations are performed for SCR Entitlements. First, on an annual basis, a valuation of SCR Entitlements is conducted based on management’s best estimates. This valuation is used to estimate the current funded status for SCR Entitlements. The present value of the SCR Entitlements is determined using the expected long-term investment rates of return based on the investment policy for the SCR Fund as explained in (i) below.

Second, a funding valuation is performed at least every two years to assess the adequacy of the assets in the SCR Fund and the Foundation’s funding requirements to meet SCR Entitlements in future years. This valuation uses expected long-term investment rates of return as determined by management to calculate the present value of the SCR Entitlements and to project the asset growth of the SCR Fund to ensure that future SCR Entitlements will be fully funded, as set out in (ii) below.

The 2017 valuations were prepared by management and reviewed by an external actuary. The 2016 valuations were prepared by an external actuary.

(i) Management’s Best Estimate Valuation

The assumptions used in determining the valuation of SCR Entitlements reflect management’s best estimate of future payments to beneficiaries and involve both economic and non-economic assumptions. The non-economic assumptions include considerations such as termination of Agreements prior to maturity and participation of eligible students in the collection of EAPs. The primary economic assumption is the discount rate, which is set at the expected long-term investment rates of return of the SCR Fund at October 31, 2017 of 5.4% (2016 – 4.5%) based on the investment policy approved by the

Notes to the Financial Statements (continued)

October 31, 2017 and 2016 (in thousands of Canadian dollars)

Note 8. Sales Charge Refund (continued)

(b) Sales Charge Refund Entitlements Valuations (continued)

(i) Management's Best Estimate Valuation (continued)

Board of the Foundation. As underlying conditions change over time, assumptions may also change, which could cause a material change in the present value of the SCR Entitlements.

The funded status of the SCR Entitlements at October 31 was:

	2017	2016
Present value of SCR Entitlements	\$19,765	\$30,478
Fair value of SCR Fund (Note 8(a))	25,638	33,819
Overfunded portion of SCR Entitlements	\$ (5,873)	\$(3,341)

A 1% decrease or increase in the discount rate used will increase or decrease the present value of SCR Entitlements by \$280 or \$260, respectively (2016 – \$620 or \$600, respectively).

(ii) Funding Valuation

A valuation was completed based on assets and obligations as at December 31, 2016. This valuation included assumptions regarding management's best estimate of termination of Agreements prior to maturity and participation of eligible students in the collection of EAPs. The discount rate used to determine the present value of SCR Entitlements was based on the expected long-term investment rates of return. The discount rate used for the Plan was 5.7%, which resulted in liability being fully funded. The Foundation is responsible to pay beneficiaries of the Plan the refund of sales charges as promised. Funding requirements were established by the Foundation to ensure assets are sufficient to meet future SCR Entitlements using expected long-term investment rates of return based on the investment policy approved by the Board of the Foundation to project the asset growth of the SCR Fund. Any shortfall in the assets to meet the SCR Entitlements will be funded by the Foundation.

The next actuarial funding valuation will be performed in 2019 based on assets and obligations as at October 31, 2018.

Note 9. Fair Value Measurements and Disclosures

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

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

The following table presents the level in the fair value hierarchy into which the Plan's financial instruments that are carried at fair value in the Statements of Financial Position are categorized:

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

Assets Measured at Fair Value as of October 31, 2017

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 315,441	-	\$ 315,441
Equity Securities and Pooled equity funds	83,519	-	-	83,519
Total Investments, at fair value	\$ 83,519	\$ 315,441	\$ -	\$ 398,960

Assets Measured at Fair Value as of October 31, 2016

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 427,398	\$ -	\$ 427,398
Equity Securities and Pooled equity funds	117,630	-	-	117,630
Total Investments, at fair value	\$ 117,630	\$ 427,398	\$ -	\$ 545,028

For the years ended October 31, 2017 and 2016, there were no transfers between Levels 1 or 2.

Government Grants

Appendix I to Schedule I

Statement of Investment Portfolio

As at October 31, 2017 (in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds						Bonds (continued)					
Federal – 6.4%						Provincial – 33.7%					
Canada Housing Trust	1.95	15 Jun 2019	3,000	3,023	3,080	Province of Alberta	4.00	1 Dec 2019	780	818	847
Canada Housing Trust	3.75	15 Mar 2020	3,685	3,870	4,090	Province of Alberta	1.25	1 Jun 2020	1,902	1,880	1,883
Canada Housing Trust	1.20	15 Jun 2020	825	816	816	Province of Alberta	1.35	1 Sep 2021	765	749	761
Canada Housing Trust	1.25	15 Dec 2020	1,500	1,479	1,516	Province of Alberta	1.60	1 Sep 2022	439	429	438
Canada Housing Trust	1.25	15 Jun 2021	1,477	1,449	1,491	Province of Alberta	2.55	15 Dec 2022	225	230	232
Canada Housing Trust	3.80	15 Jun 2021	130	139	144	Province of Alberta	2.35	1 Jun 2025	725	719	720
Canada Housing Trust	1.15	15 Dec 2021	589	572	584	Province of Alberta	4.45	15 Dec 2025	1,785	2,022	2,052
Canada Housing Trust	1.50	15 Dec 2021	688	678	688	Province of Alberta	2.20	1 Jun 2026	1,597	1,551	1,594
Canada Housing Trust	1.75	15 Jun 2022	1,243	1,233	1,249	Province of Alberta	2.55	1 Jun 2027	855	847	847
Canada Housing Trust	2.40	15 Dec 2022	7,518	7,666	7,830	Province of Alberta	2.90	20 Sep 2029	1,150	1,157	1,152
Canada Housing Trust	2.90	15 Jun 2024	1,685	1,764	1,809	Province of Alberta	3.50	1 Jun 2031	1,025	1,093	1,081
Canada Housing Trust	2.55	15 Mar 2025	1,500	1,536	1,598	Province of Alberta	3.90	1 Dec 2033	3,522	3,926	3,819
Canada Housing Trust	1.90	15 Sep 2026	823	795	813	Province of Alberta	4.50	1 Dec 2040	3,000	3,676	3,639
Canada Housing Trust	2.35	15 Jun 2027	860	857	868	Province of Alberta	3.45	1 Dec 2043	4,045	4,268	4,183
Canada Post Corporation	4.36	16 Jul 2040	375	458	472	Province of Alberta	3.30	1 Dec 2046	4,726	4,868	4,835
Government of Canada	0.73	2 Nov 2017	65	65	65	Province of Alberta	3.05	1 Dec 2048	3,054	3,012	2,978
Government of Canada	0.95	14 Dec 2017	275	274	274	Province of British Columbia	2.25	1 Mar 2019	250	253	254
Government of Canada	1.00	28 Dec 2017	100	100	100	Province of British Columbia	4.10	18 Dec 2019	1,200	1,263	1,315
Government of Canada	0.91	25 Jan 2018	100	100	100	Province of British Columbia	3.70	18 Dec 2020	1,025	1,086	1,129
Government of Canada	1.00	22 Feb 2018	1,635	1,627	1,627	Province of British Columbia	3.30	18 Dec 2023	900	957	937
Government of Canada	0.96	8 Mar 2018	100	100	100	Province of British Columbia	2.30	18 Jun 2026	898	887	900
Government of Canada	0.50	1 Nov 2018	1,600	1,587	1,598	Province of British Columbia	2.55	18 Jun 2027	1,511	1,512	1,504
Government of Canada	0.50	1 Feb 2019	1,175	1,163	1,167	Province of British Columbia	5.70	18 Jun 2029	2,825	3,663	3,753
Government of Canada	1.75	1 Mar 2019	1,525	1,534	1,548	Province of British Columbia	6.35	18 Jun 2031	2,950	4,137	4,199
Government of Canada	3.75	1 Jun 2019	1,950	2,023	2,034	Province of British Columbia	4.70	18 Jun 2037	3,345	4,212	4,092
Government of Canada	0.75	1 Aug 2019	350	346	347	Province of British Columbia	4.95	18 Jun 2040	5,000	6,610	6,480
Government of Canada	1.75	1 Sep 2019	1,304	1,313	1,345	Province of British Columbia	4.30	18 Jun 2042	3,955	4,849	4,623
Government of Canada	1.50	1 Mar 2020	1,500	1,503	1,538	Province of British Columbia	3.20	18 Jun 2044	1,750	1,813	1,741
Government of Canada	3.50	1 Jun 2020	2,825	2,973	3,080	Province of British Columbia	2.80	18 Jun 2048	3,197	3,081	3,041
Government of Canada	0.75	1 Sep 2020	1,475	1,446	1,466	Province of Manitoba	5.50	15 Nov 2018	514	535	591
Government of Canada	0.75	1 Mar 2021	2,798	2,730	2,760	Province of Manitoba	1.15	21 Nov 2019	253	251	253
Government of Canada	3.25	1 Jun 2021	1,602	1,699	1,753	Province of Manitoba	1.55	5 Sep 2021	373	368	373
Government of Canada	0.75	1 Sep 2021	835	811	827	Province of Manitoba	3.85	1 Dec 2021	1,000	1,073	1,088
Government of Canada	0.50	1 Mar 2022	682	651	650	Province of Manitoba	2.55	2 Jun 2023	400	407	413
Government of Canada	2.75	1 Jun 2022	699	735	752	Province of Manitoba	3.30	2 Jun 2024	2,408	2,547	2,618
Government of Canada	1.00	1 Sep 2022	1,407	1,366	1,387	Province of Manitoba	2.45	2 Jun 2025	250	250	252
Government of Canada	1.50	1 Jun 2023	2,800	2,772	2,843	Province of Manitoba	4.40	5 Sep 2025	1,300	1,472	1,462
Government of Canada	2.50	1 Jun 2024	1,575	1,647	1,701	Province of Manitoba	2.55	2 Jun 2026	655	653	669
Government of Canada	2.25	1 Jun 2025	769	792	791	Province of Manitoba	2.60	2 Jun 2027	388	386	386
Government of Canada	1.50	1 Jun 2026	1,388	1,345	1,386	Province of Manitoba	3.25	5 Sep 2029	950	986	982
Government of Canada	1.00	1 Jun 2027	556	510	508	Province of Manitoba	4.10	5 Mar 2041	5,400	6,218	6,101
Government of Canada	8.00	1 Jun 2027	150	229	242	Province of Manitoba	4.40	5 Mar 2042	3,300	3,977	3,894
Government of Canada	2.00	1 Jun 2028	250	250	246	Province of Manitoba	3.35	5 Mar 2043	1,300	1,334	1,298
Government of Canada	5.75	1 Jun 2029	1,100	1,518	1,551	Province of Manitoba	4.05	5 Sep 2045	3,300	3,812	3,925
Government of Canada	5.75	1 Jun 2033	1,100	1,619	1,676	Province of Manitoba	2.85	5 Sep 2046	196	183	181
Government of Canada	5.00	1 Jun 2037	1,297	1,857	1,823	Province of Manitoba	3.40	5 Sep 2048	802	837	802
Government of Canada	4.00	1 Jun 2041	875	1,142	1,148	Province of New Brunswick	4.40	3 Jun 2019	1,400	1,462	1,556
Government of Canada	3.50	1 Dec 2045	3,231	4,008	4,007	Province of New Brunswick	2.85	2 Jun 2023	700	723	720
Government of Canada	2.75	1 Dec 2048	1,908	2,095	2,101	Province of New Brunswick	3.65	3 Jun 2024	550	593	577
Government of Canada	2.75	1 Dec 2064	1,400	1,590	1,631	Province of New Brunswick	2.60	14 Aug 2026	167	167	167
Labrador-Island Link Funding Trust	3.76	1 Jun 2033	150	166	176	Province of New Brunswick	2.35	14 Aug 2027	445	431	436
Labrador-Island Link Funding Trust	3.86	1 Dec 2045	2,200	2,542	2,641	Province of New Brunswick	5.65	27 Dec 2028	245	309	300
Labrador-Island Link Funding Trust	3.85	1 Dec 2053	100	117	126	Province of New Brunswick	5.50	27 Jan 2034	1,075	1,404	1,265
Muskkrat Falls Funding Trust	3.83	1 Jun 2037	4,150	4,666	4,590	Province of New Brunswick	4.65	26 Sep 2035	710	859	739
Muskkrat Falls Funding Trust	3.86	1 Dec 2048	150	175	186	Province of New Brunswick	4.55	26 Mar 2037	1,700	2,041	1,986
				79,521	80,939	Province of New Brunswick	4.80	26 Sep 2039	950	1,190	1,183
						Province of New Brunswick	3.55	3 Jun 2043	3,950	4,172	3,980
						Province of New Brunswick	3.80	14 Aug 2045	2,550	2,817	2,727
						Province of New Brunswick	3.10	14 Aug 2048	299	293	293

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

Government Grants (continued)

Appendix I to Schedule I

Statement of Investment Portfolio

As at October 31, 2017 (in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)						Bonds (continued)					
Provincial – 33.7% (continued)						Provincial – 33.7% (continued)					
Province of Newfoundland and Labrador	1.95	2 Jun 2022	248	246	247	Province of Québec	4.25	1 Dec 2043	7,625	9,225	9,007
Province of Newfoundland and Labrador	2.30	2 Jun 2025	200	196	199	Province of Québec	3.50	1 Dec 2045	9,550	10,311	9,773
Province of Newfoundland and Labrador	3.00	2 Jun 2026	1,324	1,352	1,329	Province of Québec	3.50	1 Dec 2048	7,857	8,563	8,380
Province of Newfoundland and Labrador	6.15	17 Apr 2028	350	450	466	Province of Saskatchewan	3.20	3 Jun 2024	80	84	83
Province of Newfoundland and Labrador	6.55	17 Oct 2030	1,750	2,393	2,377	Province of Saskatchewan	2.55	2 Jun 2026	1,343	1,343	1,366
Province of Newfoundland and Labrador	4.65	17 Oct 2040	1,350	1,635	1,593	Province of Saskatchewan	2.65	2 Jun 2027	367	367	363
Province of Newfoundland and Labrador	3.30	17 Oct 2046	1,780	1,766	1,662	Province of Saskatchewan	6.40	5 Sep 2031	4,500	6,282	6,341
Province of Newfoundland and Labrador	3.70	17 Oct 2048	1,305	1,400	1,349	Province of Saskatchewan	4.75	1 Jun 2040	2,725	3,445	3,435
Province of Nova Scotia	4.10	1 Jun 2021	550	592	611	Province of Saskatchewan	3.90	2 Jun 2045	3,100	3,531	3,429
Province of Nova Scotia	2.10	1 Jun 2027	462	441	442	Province of Saskatchewan	2.75	2 Dec 2046	3,881	3,593	3,466
Province of Nova Scotia	5.80	1 Jun 2033	2,275	3,065	2,870	Province of Saskatchewan	3.30	2 Jun 2048	1,201	1,244	1,241
Province of Nova Scotia	4.40	1 Jun 2042	3,600	4,375	4,187	Province of Saskatchewan	3.75	5 Mar 2054	384	437	427
Province of Nova Scotia	3.45	1 Jun 2045	2,950	3,109	2,975					419,904	412,879
Province of Nova Scotia	3.50	2 Jun 2062	600	651	599	Municipal – 1.3%					
Province of Ontario	4.40	2 Jun 2019	3,675	3,840	4,032	City of Montreal	5.45	1 Dec 2019	200	215	227
Province of Ontario	4.20	2 Jun 2020	5,125	5,448	5,645	City of Montreal	3.50	1 Sep 2023	225	238	241
Province of Ontario	4.00	2 Jun 2021	5,890	6,319	6,419	City of Montreal	3.00	1 Sep 2025	831	850	837
Province of Ontario	1.35	8 Mar 2022	1,189	1,157	1,163	City of Montreal	2.75	1 Sep 2026	223	223	223
Province of Ontario	3.15	2 Jun 2022	4,800	5,034	5,105	City of Montreal	4.25	1 Dec 2032	350	395	384
Province of Ontario	1.95	27 Jan 2023	1,700	1,686	1,710	City of Montreal	4.10	1 Dec 2034	375	418	399
Province of Ontario	2.85	2 Jun 2023	3,350	3,469	3,349	City of Montreal	3.15	1 Dec 2036	900	885	898
Province of Ontario	3.50	2 Jun 2024	2,765	2,966	2,857	City of Montreal	6.00	1 Jun 2043	550	798	782
Province of Ontario	2.60	2 Jun 2025	2,150	2,176	2,193	City of Ottawa	4.60	14 Jul 2042	500	608	590
Province of Ontario	2.40	2 Jun 2026	1,328	1,315	1,346	City of Ottawa	3.10	27 Jul 2048	83	80	82
Province of Ontario	2.60	2 Jun 2027	1,046	1,045	1,044	City of Toronto	4.50	2 Dec 2019	225	238	250
Province of Ontario	7.60	2 Jun 2027	2,270	3,232	3,255	City of Toronto	3.50	6 Dec 2021	200	211	219
Province of Ontario	6.50	8 Mar 2029	8,825	12,029	12,295	City of Toronto	3.90	29 Sep 2023	1,200	1,299	1,329
Province of Ontario	6.20	2 Jun 2031	1,675	2,307	2,333	City of Toronto	2.40	24 Jun 2026	225	220	225
Province of Ontario	5.85	8 Mar 2033	5,975	8,140	8,182	City of Toronto	2.95	28 Apr 2035	300	290	277
Province of Ontario	5.60	2 Jun 2035	7,275	9,886	9,437	City of Toronto	3.50	2 Jun 2036	1,309	1,357	1,304
Province of Ontario	4.70	2 Jun 2037	8,145	10,165	9,520	City of Toronto	5.20	1 Jun 2040	1,350	1,754	1,764
Province of Ontario	4.60	2 Jun 2039	6,540	8,141	7,739	City of Toronto	4.70	10 Jun 2041	325	399	383
Province of Ontario	4.65	2 Jun 2041	18,475	23,395	22,654	City of Toronto	3.80	13 Dec 2042	550	594	578
Province of Ontario	3.50	2 Jun 2043	6,975	7,499	7,418	City of Toronto	4.15	10 Mar 2044	225	257	246
Province of Ontario	3.45	2 Jun 2045	21,075	22,530	21,708	City of Toronto	3.25	24 Jun 2046	109	108	109
Province of Ontario	2.90	2 Dec 2046	12,063	11,656	11,366	City of Vancouver	3.70	18 Oct 2052	145	156	166
Province of Ontario	2.80	2 Jun 2048	13,197	12,533	12,368	City of Winnipeg	4.10	1 Jun 2045	42	47	48
Province of Québec	4.50	1 Dec 2018	775	800	842	City of Winnipeg	4.30	15 Nov 2051	450	529	512
Province of Québec	4.50	1 Dec 2019	1,600	1,694	1,754	Municipal Finance Authority of British Columbia	5.10	20 Nov 2018	350	363	389
Province of Québec	4.50	1 Dec 2020	1,450	1,567	1,557	Municipal Finance Authority of British Columbia	4.88	3 Jun 2019	350	368	392
Province of Québec	4.25	1 Dec 2021	3,100	3,377	3,481	Municipal Finance Authority of British Columbia	4.15	1 Jun 2021	273	294	306
Province of Québec	3.50	1 Dec 2022	2,100	2,242	2,297	Municipal Finance Authority of British Columbia	3.75	26 Sep 2023	225	243	251
Province of Québec	3.00	1 Sep 2023	3,250	3,393	3,467	Municipal Finance Authority of British Columbia	2.50	19 Apr 2026	822	815	823
Province of Québec	3.75	1 Sep 2024	6,584	7,174	7,277	Region of Peel	2.30	2 Nov 2026	77	74	77
Province of Québec	2.50	1 Sep 2026	1,279	1,277	1,304	Region of Peel	5.10	29 Jun 2040	550	709	694
Province of Québec	2.75	1 Sep 2027	2,570	2,602	2,620	Region of Peel	3.85	30 Oct 2042	300	327	317
Province of Québec	6.00	1 Oct 2029	1,650	2,189	2,204	Regional Municipality of York	2.60	15 Dec 2025	1,350	1,348	1,317
Province of Québec	6.25	1 Jun 2032	4,400	6,153	6,156	Regional Municipality of York	2.50	2 Jun 2026	77	76	79
Province of Québec	5.25	1 Jun 2034	3,000	3,859	3,800	Regional Municipality of York	4.00	31 May 2032	300	330	329
Province of Québec	5.75	1 Dec 2036	8,915	12,465	12,161	Regional Municipality of York	4.05	1 May 2034	625	695	688
Province of Québec	5.00	1 Dec 2038	4,015	5,236	4,460					17,811	17,735
Province of Québec	5.00	1 Dec 2041	16,925	22,494	21,898	Corporate – 24.7%					
						Bank of Montreal	2.10	6 Oct 2020	9,796	9,814	9,885

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

Government Grants (continued)

Appendix I to Schedule I

Statement of Investment Portfolio

As at October 31, 2017 (in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)						Bonds (continued)					
Corporate – 24.7% (continued)						Corporate – 24.7% (continued)					
Bank of Montreal	1.88	31 Mar 2021	661	656	661	Wells Fargo Financial Corporation Canada	3.04	29 Jan 2021	735	755	763
Bank of Montreal	3.40	23 Apr 2021	18,515	19,294	19,687	Wells Fargo Financial Corporation Canada	3.46	24 Jan 2023	4,844	5,078	5,059
Bank of Montreal	2.70	11 Sep 2024	2,729	2,752	2,729					307,880	309,362
Bank of Montreal	4.61	10 Sep 2025	1,825	2,075	2,116					825,116	820,915
Bank of Nova Scotia	2.46	14 Mar 2019	7,494	7,568	7,683						
Bank of Nova Scotia	2.40	28 Oct 2019	10,382	10,493	10,616						
Bank of Nova Scotia	2.09	9 Sep 2020	3,849	3,855	3,893						
Bank of Nova Scotia	3.27	11 Jan 2021	725	751	747						
Bank of Nova Scotia	2.87	4 Jun 2021	690	707	703						
Bank of Nova Scotia	1.90	2 Dec 2021	8,725	8,617	8,737						
Bank of Nova Scotia	1.84	27 Apr 2022	8,846	8,677	8,670						
Bank of Nova Scotia	2.29	28 Jun 2024	910	896	899						
Caisse Centrale Desjardins	2.80	19 Nov 2018	3,676	3,717	3,803						
Caisse Centrale Desjardins	2.44	17 Jul 2019	14,140	14,288	14,241						
Canadian Imperial Bank of Commerce	2.30	11 Jul 2022	7,501	7,503	7,474						
Great-West Lifeco Inc.	6.67	21 Mar 2033	1,506	2,029	2,011						
HSBC Bank Canada	2.08	26 Nov 2018	9,595	9,627	9,655						
HSBC Bank Canada	2.91	29 Sep 2021	12,680	12,972	12,932						
HSBC Bank Canada	2.17	29 Jun 2022	2,469	2,445	2,466						
Hydro One Inc.	8.90	18 Aug 2022	1,000	1,306	1,422						
Hydro One Inc.	8.25	22 Jun 2026	2,950	4,209	4,397						
Hydro-Québec	1.00	25 May 2019	775	769	772						
Hydro-Québec	11.00	15 Aug 2020	3,000	3,747	4,332						
Hydro-Québec	6.50	15 Feb 2035	1,000	1,470	1,463						
Hydro-Québec	6.00	15 Feb 2040	8,000	11,760	11,489						
Hydro-Québec	5.00	15 Feb 2045	1,450	1,960	1,901						
Hydro-Québec	5.00	15 Feb 2050	1,500	2,097	2,014						
Hydro-Québec	4.00	15 Feb 2055	546	662	639						
Manufacturers Life Insurance Company	2.93	29 Nov 2023	2,448	2,473	2,505						
Manufacturers Life Insurance Company	2.81	21 Feb 2024	1,030	1,040	1,053						
Manufacturers Life Insurance Company	2.64	15 Jan 2025	5,649	5,710	5,733						
Manufacturers Life Insurance Company	2.10	1 Jun 2025	3,629	3,617	3,599						
Manufacturers Life Insurance Company	2.39	5 Jan 2026	5,188	5,198	5,163						
Manufacturers Life Insurance Company	3.18	22 Nov 2027	5,844	6,007	5,997						
National Bank of Canada	1.49	26 Mar 2018	115	114	114						
National Bank of Canada	2.11	18 Mar 2022	13,740	13,643	13,562						
National Bank of Canada	1.96	30 Jun 2022	795	783	776						
Royal Bank of Canada	2.86	4 Mar 2021	15,320	15,686	15,603						
Royal Bank of Canada	2.03	15 Mar 2021	6,829	6,810	6,874						
Royal Bank of Canada	1.65	15 Jul 2021	13,971	13,722	13,857						
Royal Bank of Canada	1.58	13 Sep 2021	6,175	6,038	6,158						
Royal Bank of Canada	1.97	2 Mar 2022	875	865	871						
Royal Bank of Canada	2.00	21 Mar 2022	11,538	11,415	11,472						
Royal Bank of Canada	4.93	16 Jul 2025	2,180	2,526	2,497						
Sun Life Capital Trust	7.09	30 Jun 2052	3,955	5,245	5,142						
Toronto Dominion Bank	2.45	2 Apr 2019	9,202	9,293	9,421						
Toronto Dominion Bank	2.05	8 Mar 2021	14,615	14,600	14,502						
Toronto Dominion Bank	1.68	8 Jun 2021	6,444	6,359	6,382						
Toronto Dominion Bank	2.62	22 Dec 2021	770	783	776						
Toronto Dominion Bank	1.99	23 Apr 2022	800	792	785						
Toronto Dominion Bank	1.91	18 Jul 2023	855	832	851						
Toronto Dominion Bank	3.23	24 Jul 2024	11,290	11,780	11,810						
						Total Fixed Income – 66.1%				825,116	820,915
									Number of Securities	Fair Value (\$)	Average Cost (\$)
						Equities – 6.3%					
						Agrium Inc.			18	2,571	2,210
						Alimentation Couche-Tard Inc.			37	2,243	2,200
						ATCO Ltd.			15	713	657
						AutoCanada Inc.			22	508	496
						Bank of Nova Scotia			52	4,343	3,302
						Birchcliff Energy Ltd.			152	797	993
						Boardwalk Real Estate Investment Trust			30	1,197	1,451
						Brookfield Asset Management Inc.			25	1,339	1,062
						Brookfield Infrastructure Partners L.P.			15	800	643
						Brookfield Renewable Partners L.P.			15	637	608
						CAE Inc.			37	848	565
						Canadian National Railway Company			17	1,786	1,361
						Canadian Natural Resources Limited			33	1,466	906
						Canadian Pacific Railway Company			7	1,616	1,318
						Canadian Western Bank			12	441	279
						CCL Industries Inc.			24	1,461	1,224
						CGI Group Inc.			16	1,126	983
						CI Financial Corp.			50	1,429	1,358
						Computer Modeling Group Ltd.			45	456	450
						DREAM Unlimited Corporation			57	418	414
						Empire Company Limited			73	1,620	1,484
						Enbridge Inc.			47	2,325	2,404
						Enerflex Ltd.			86	1,504	1,252
						Fairfax Financial Holdings Limited			2	1,509	1,372
						Finning International Inc.			36	1,121	714
						FirstService Corporation			6	562	320
						Franco-Nevada Corporation			25	2,511	1,947
						Freehold Royalties Ltd.			115	1,815	1,327
						Granite REIT Holdings Limited Partnership			11	561	440
						Great Canadian Gaming Corporation			28	850	538
						Great-West Lifeco Inc.			31	1,098	1,035
						IGM Financial Inc.			16	714	562
						Imperial Oil Limited			39	1,618	1,558
						Industrial Alliance Insurance and Financial Services Inc.			3	196	195
						Intact Financial Corporation			32	3,351	2,934
						Laurentian Bank of Canada			7	439	364
						Loblaw Companies Limited			33	2,179	2,291
						Magna International Inc.			27	1,872	1,495
						Maxar Technologies Ltd.			23	1,860	1,561
						Methanex Corporation			13	818	620
						METRO Inc.			18	743	754
						Morguard Corporation			3	511	387
						Mullen Group Ltd.			90	1,515	1,499

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

Government Grants (continued)

Appendix I to Schedule I

Statement of Investment Portfolio

As at October 31, 2017 (in thousands of Canadian dollars)

Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
Bonds (continued)			
Equities – 6.3% (continued)			
Onex Corporation	5	523	438
Pason System Inc.	60	1,121	1,098
PrairieSky Royalty Ltd.	55	1,881	1,322
Restaurant Brands International Inc.	7	562	428
Ritchie Brothers Auctioneers Inc.	47	1,714	1,801
ShawCor Ltd.	35	985	1,034
Stella-Jones Inc.	15	735	618
Suncor Energy Inc.	65	2,861	2,305
TELUS Corporation	45	2,112	1,896
Toromont Industries Ltd.	16	881	524
Toronto Dominion Bank	64	4,722	3,499
Total Energy Services Inc.	36	553	515
Tucows Inc.	2	141	135
Wajax Corporation	20	462	421
Westshore Terminals Investment Corporation	53	1,313	1,206
Winpak Ltd.	11	569	551
		78,622	67,324
Exchange-traded Funds – 27.0%			
BMO S&P 500 Index ETF	2,625	95,904	89,783
iShares Core S&P U.S. Total Market Index ETF	9,423	240,853	225,342
		415,379	382,449
		1,240,495	1,203,364
Cash and cash equivalents – 0.6%			
		8,413	8,413
Total Portfolio Assets – 100.0%			
		1,248,908	1,211,777
Government Grant Investment Allocation			
Plan II		902	860
Founders' Plan		14,796	13,985
Group Savings Plan		125,695	119,941
Group Savings Plan 2001		999,796	971,884
Family Savings Plan		96,176	93,658
Individual Savings Plan		3,130	3,036
		1,240,495	1,203,364
Cash and Short-term Investments Allocation			
Plan II		6	6
Founders' Plan		98	98
Group Savings Plan		839	839
Group Savings Plan 2001		6,794	6,794
Family Savings Plan		655	655
Individual Savings Plan		21	21
		8,413	8,413

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

Sales Charge Refund Entitlements

Appendix II to Schedule I

Statement of Investment Portfolio

As at October 31, 2017 (in thousands of Canadian dollars)

Agreements Purchased prior to October 2, 2007

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds					
Federal – 1.9%					
Canada Housing Trust	2.65	1 Oct 2027	160	161	161
Government of Canada Kreditanstalt fur Wiederaufbau Global	1.50	1 Aug 2020	2,400	1,774	1,747
	5.05	4 Feb 2025	279	324	338
				2,259	2,246
Provincial – 0.3%					
Province of New Brunswick	6.47	30 Nov 2027	288	342	351
				342	351
Corporate – 30.1%					
407 International Inc.	6.75	27 Jul 2039	183	244	252
407 International Inc.	7.13	26 Jul 2040	438	660	672
Apple Inc.	2.51	19 Aug 2024	3,258	3,257	3,258
AT&T Inc.	4.85	25 May 2047	910	905	904
Blue Water Bridge Authority	6.41	9 Jul 2027	1,246	850	849
Caisse Francaise de Financement Local	5.00	9 Mar 2020	200	213	219
Canadian Pacific Railway Company	6.91	1 Oct 2024	180	107	111
Cogeco Inc.	4.18	26 May 2023	908	959	904
Enbridge Inc.	4.57	11 Mar 2044	907	900	852
EUROFIMA Maple Bond	4.55	30 Mar 2027	212	240	237
GE Capital Canada Funding Company	1.62	15 Feb 2022	1,947	1,941	1,786
GE Capital Canada Funding Company	2.18	6 Feb 2023	807	837	807
Greater Toronto Airports Authority	6.45	30 Jul 2029	1,231	1,520	1,498
InPower BC General Partnership	4.47	31 Mar 2033	535	565	532
Kraft Canada Inc.	1.90	6 Jul 2020	1,783	1,807	1,783
KS SP Limited Partnership	3.21	15 Jun 2019	1,373	1,233	1,225
Loblaw Companies Limited	6.54	17 Feb 2033	173	217	214
Maritimes and Northeast Pipelines Limited Partnership	4.34	30 Nov 2019	327	332	337
Maritimes and Northeast Pipelines Limited Partnership	6.90	30 Nov 2019	47	49	53
McCain Finance Limited	3.87	7 Feb 2023	737	779	737
Morgan Stanley	1.22	11 Jan 2018	269	269	270
National Grid Electricity Transmission plc	2.90	26 Nov 2019	294	299	304
NAV Canada	7.56	1 Mar 2027	1,654	2,032	2,079
North Battleford Power L.P.	4.96	31 Dec 2032	176	195	199
Nova Gas Transmission Ltd.	9.90	16 Dec 2024	109	156	167
Ontrea Inc.	4.62	9 Apr 2018	754	764	765
Ornge Issuer Trust	5.73	11 Jun 2034	1,768	2,063	2,039
PepsiCo Inc.	2.15	6 May 2024	703	687	703
Public Sector Pension Investment Board	3.27	12 Jun 2020	1,672	1,685	1,681
Shaw Communications Inc.	6.75	9 Nov 2039	1,184	1,502	1,149
SNC-Lavalin Group Inc.	6.19	3 Jul 2019	451	478	512
St. Clair Holding ULC	4.88	31 Aug 2031	375	383	375

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)					
Corporate – 30.1% (continued)					
Strait Crossing Development Inc.	6.17	15 Sep 2031	451	393	348
TransCanada PipeLines Limited	11.80	20 Nov 2020	172	218	260
TransCanada PipeLines Limited	8.29	5 Feb 2026	214	291	283
TransCanada PipeLines Limited	6.28	26 May 2028	35	43	42
TransCanada PipeLines Limited	6.89	7 Aug 2028	117	152	146
University Health Network	5.64	8 Dec 2022	1,529	1,658	1,744
University of Ontario Institute of Technology	6.35	15 Oct 2034	1,173	1,385	1,245
Walt Disney Company	2.76	7 Oct 2024	1,762	1,785	1,762
WTH Car Rental ULC	2.54	20 Aug 2019	1,215	1,221	1,213
				35,274	34,516
Total Fixed Income – 32.3%				37,875	37,113

Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
Pooled Equity Funds			
CC&L Global Equity Fund	3,236	78,858	77,615
Total Equities – 67.4%		78,858	77,615
Total Investments – 99.7%		78,858	77,615
Cash and cash equivalents – 0.3%		286	286
Total Portfolio Assets – 100.0%		79,144	77,901
Total Investments Allocation			
Group Savings Plan 2001		91,155	90,576
Group Savings Plan		25,578	24,152
		116,733	114,728
Cash and cash equivalents Allocation			
Group Savings Plan 2001		226	226
Group Savings Plan		60	60
		286	286

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

Canadian Scholarship Trust Plan

Sponsor

Canadian Scholarship Trust Foundation
2235 Sheppard Avenue East, Suite 1600
Toronto, Ontario M2J 5B8
1.877.333.RESP (7377)

Investment Fund Manager and Distributor

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

Trustee

RBC Investor Services Trust
155 Wellington Street West, 2nd Floor
Toronto, Ontario M5V 3L3

Auditor

Deloitte LLP
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