

**C.S.T. Consultants Inc.**

# **Canadian Scholarship Trust Founders' Plan**

Audited Financial Statements and  
Management Report of Fund Performance

**October 31, 2018 and 2017**



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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 Founders' 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](http://www.cst.org), SEDAR at [www.sedar.com](http://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](mailto: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.

The Plan invests primarily in debt securities of Canadian federal or provincial governments, and corporations.

The investments held by the Plan are managed by TD Asset Management Inc. The investment assets are allocated among different market sectors and different maturity segments at the portfolio manager's discretion, subject to our investment policies and mandates. The portfolio manager actively manages the Plan, focusing on strategies where value can be added on a sustainable basis. These strategies include sector allocation, duration management, credit research and yield curve positioning.

## 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 associated with an investment in the Plan.

## Results of Operation

### 2018 Plan Performance

For 2018, the Plan's rate of return, net of fees, was  $-0.5\%$  compared to the investment policy benchmark ("Benchmark") return of  $0.0\%$  and the FTSE TMX Canada All Government Bond Index return of  $-0.8\%$  ("Broad-based Index"). The performance of the Plan, Benchmark and Broad-based Index over the year were negatively influenced by rising yields related to the Bank of Canada's 2018 interest rate increases. The Plan's return is after the deduction of fees and expenses of  $0.8\%$ , 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 rate of return, before fees and expenses, marginally outperformed the Benchmark, as the overweight position in provincial bonds positively impacted relative performance.

In comparison to the Broad-based Index, the Plan's allocation to shorter-term maturities, including treasuries and short-term government and corporate bonds, provided superior downside

protection as yields rose throughout the period. Given the Plan's liabilities and expected maturity payout profile, the composition of the Plan's assets are managed to meet the cash flow requirements of Plan holder's.

## Economic Review

According to the October 2018 World Economic Outlook ("WEO"), global economic growth decelerated in the first half of 2018 from the strong momentum registered in the second half of last year, with expansion becoming less synchronized across countries. Escalating global trade tensions and policy uncertainty contributed in part towards lowered growth rates from previous forecasts. With the exception of the United States, the majority of advanced economies modestly slowed, with notable impact to the Euro area and United Kingdom. Equity markets across the globe witnessed significant sell-offs in October, and in many cases erasing prior gains achieved throughout the year. Core inflation modestly picked up across most advanced economies.

The Canadian economy grew at a moderate pace over the year with significant a contribution from exports. Trade uncertainty eased as an agreement in principal was reached regarding the United States-Mexico-Canada Agreement ("USMCA"). Despite rising global oil prices, Canadian producers sold at discounted prices due to ongoing transport limitations. The Bank of Canada increased the overnight rate three times throughout the twelve-month period ending October 2018. Consumer price index ("CPI") inflation rose faster than anticipated reaching 2.7 percent in the third quarter of 2018.

Amidst a series of interest rate hikes, Canadian fixed income returns were mixed over the period with FTSE TMX Canada Universe Bond Index posting an annual return of  $-0.6\%$ . The impact to longer term maturity bonds was more pronounced as the FTSE TMX Canada Long Term Government Bond Index fell by 1.5% over the year. Corporate bonds, including Financials, and other shorter maturity fixed income issues generally fared better with returns either marginally negative or moderately positive.

## Recent Developments and Other Information

We are confident that our investment strategy and conservative management approach will continue to provide value. 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 International Accounting Standards Board issued IFRS 9, Financial Instruments, to replace International Accounting Standard 39, Financial Instruments – Recognition and Measurement (“IAS 39”). IFRS 9 introduces new requirements for the classification and measurement of financial assets and will be effective for the Plan’s financial statements for the year ending October 31, 2019.

Management is in the final stages of its evaluation of the impact of this standard on its financial statements. The Plan will adopt IFRS 9 for the annual period beginning November 1, 2018 and will apply the standard on a retrospective basis using the available transitional provisions. The adoption of the new standard is not expected to have a material impact on the financial statements.

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.

Management has completed the assessment of the impact of the adoption on the Plan and noted no measurement impact on the net assets attributable to subscribers and beneficiaries.

## **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)	2018	2017	2016	2015	2014
<b>Statements of Financial Position</b>					
Total Assets	<b>\$23,588</b>	\$35,915	\$ 52,827	\$ 79,605	\$112,953
Net Assets	<b>21,813</b>	30,908	48,836	74,594	108,279
% Change of Net Assets Attributable to Subscribers and Beneficiaries	<b>(29.4)%</b>	(36.7)%	(34.5)%	(31.1)%	5.1%
<b>Statements of Comprehensive Income</b>					
Net Investment Income	<b>\$ 215</b>	\$ 230	\$ 1,687	\$ 2,547	\$ 2,499
<b>Statements of Changes in Net Assets</b>					
Education Assistance Payments	<b>\$(5,760)</b>	\$(8,775)	\$(13,232)	\$(15,845)	\$(18,647)
Government Grants Received (net of repayments)	<b>(45)</b>	(877)	(800)	(562)	(308)
Government Grant payments to Beneficiaries	<b>(2,093)</b>	(1,589)	(2,196)	(2,641)	(2,960)
<b>Other</b>					
Total number of units	<b>17,297</b>	28,554	42,344	61,317	84,375
% Change in the total number of units	<b>(39.4)%</b>	(32.6)%	(30.9)%	(27.3)%	(23.1)%



## Management Fees

### Administration Fees

An administration fee of \$152 thousand (2017 – \$223 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 Principal, 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 0.17% including applicable taxes, (2017 – 0.18%) 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 2018 these fees charged to the Plan amounted to \$8 thousand (2017 – \$14 thousand) and were 0.03%, including applicable taxes, (2017 – 0.04%) of average market value of assets.

## Summary of Plan Investment Portfolio

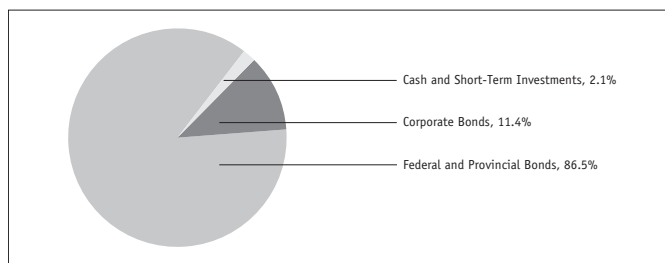
The Plan’s Total Portfolio Assets are comprised of Principal and Income for all education savings plan agreements that have not reached their maturity date, and the assets from which eligible beneficiaries collect EAP payments.

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 are not included in EAP values paid out.

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 asset pool 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, 2018



The following table details the top 25 long positions in 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
Canada Housing Trust	1.25%	15 Jun 2021	1,287	12.0%
Province of Ontario	4.00%	02 Jun 2021	978	9.1%
Province of New Brunswick	4.50%	02 Jun 2020	743	6.9%
Canada Housing Trust	1.50%	15 Dec 2021	726	6.8%
Province of Ontario	3.15%	02 Jun 2022	704	6.5%
Province of Manitoba	4.15%	03 Jun 2020	652	6.1%
Province of Ontario	4.20%	02 Jun 2020	616	5.7%
Canada Housing Trust	2.35%	15 Sep 2023	614	5.7%
Canada Housing Trust	2.65%	15 Mar 2022	556	5.2%
Province of British Columbia	3.70%	18 Dec 2020	513	4.8%
Province of British Columbia	3.25%	18 Dec 2021	509	4.7%
Canada Housing Trust	2.35%	15 Jun 2023	487	4.5%
Province of Manitoba	1.55%	05 Sep 2021	485	4.5%
Toronto Dominion Bank	2.98%	30 Sep 2025	348	3.2%
Province of Québec	4.25%	01 Dec 2021	239	2.2%
Province of Alberta	1.25%	01 Jun 2020	177	1.7%
Wells Fargo & Company	2.09%	25 Apr 2022	105	1.0%
Bank of America Corporation	3.30%	24 Apr 2024	69	0.6%
Bank of Nova Scotia	2.98%	17 Apr 2023	69	0.6%
Royal Bank of Canada	3.30%	26 Sep 2023	69	0.6%
Daimler Canada Finance Inc.	2.23%	16 Dec 2021	68	0.6%
Honda Canada Finance Inc.	2.54%	01 Mar 2023	68	0.6%
Honda Canada Finance Inc.	3.18%	28 Aug 2023	59	0.6%
HSBC Bank Canada	3.25%	15 Sep 2023	59	0.6%
Toronto Dominion Bank	3.59%	14 Sep 2028	59	0.6%
<b>Top 25 long positions as a percentage of the Plan's Total Portfolio Assets</b>				<b>95.4%</b>

## Past Performance

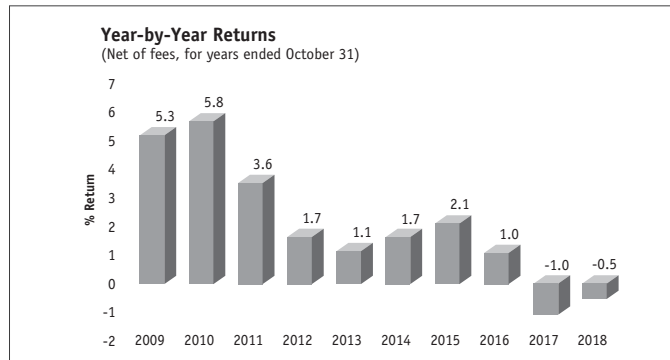
The returns presented in the following chart and the annual compound returns table are based on the investment performance of the Plan’s Total Portfolio Assets only and do not reflect the investment performance of assets from the Government Grants. Investment returns have been calculated using market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

### Year-by-Year Returns

The following bar chart illustrates the annual performance in each of the past ten years to October 31, 2018 of the Plan’s Total Portfolio Assets. The chart illustrates in percentage terms how much an

## Canadian Scholarship Trust Founders' Plan

investment made in the Total Portfolio Assets, 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 Benchmark for this Plan is:

- 92% FTSE TMX Canada Short Term Government Bond Index
- 7% FTSE TMX Canada Short Term Corporate Bond Index
- 1% FTSE TMX Canada 91-Day Treasury Bill Index

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 Short Term Corporate Bond Index is a broad measure of Canadian investment grade fixed income securities issued by corporations, with maturities between 1 and 5 years.

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 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 following table illustrates the annual compound returns of the Plan's Total Portfolio Assets for the periods shown ending on October 31, 2018.

	Period			
	1 Yr	3 Yr	5 Yr	10 Yr
<b>Net Plan Return*</b>	-0.5	-0.2	0.7	2.1
<b>Benchmark</b>	0.0	0.3	1.2	2.9
<b>Broad-based Index: FTSE TMX Canada All Government Bond Index</b>	-0.8	1.1	2.8	4.0

Note:

\* The Plan returns are after the deduction of fees and expenses, while the benchmark 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 0.8% for the one and three-year returns, and 0.7% for five and ten-year.

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

# Management's Responsibility for Financial Reporting

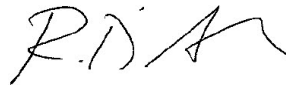
The accompanying financial statements of the Canadian Scholarship Trust Founders' Plan (the "Plan") are prepared by management and are approved by the Board of Directors of the Canadian Scholarship Trust Foundation (the "Foundation"). Management is responsible for the information and representations 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 18, 2018

## 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 Founders' Plan, which comprise the statements of financial position as at October 31, 2018 and 2017, 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, 2018 and 2017, 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 Founders' Plan as at October 31, 2018, and 2017 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 18, 2018

# Statements of Financial Position

As at October 31, 2018 and 2017 (in thousands of Canadian dollars)

	2018	2017
<b>Assets</b>		
Cash and cash equivalents	\$ 249	\$ 278
Receivables for securities sold	89	1,852
Investments, at fair value <i>(Note 4 and Schedule I)</i>	23,038	33,504
Accrued income and other receivables	212	281
	<b>23,588</b>	<b>35,915</b>
<b>Liabilities</b>		
Payables for securities purchased	124	1,897
Accounts payable and accrued liabilities	1,651	3,110
	<b>1,775</b>	<b>5,007</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries</b>	<b>21,813</b>	<b>30,908</b>
<b>Represented by:</b>		
<b>Non-Discretionary Funds</b>		
Accumulated income held for future education assistance payments	8,558	12,854
Subscribers' deposits <i>(Schedule II)</i>	2,491	4,704
Government grants	4,868	6,280
Income on Government grants	6,836	7,570
General Fund <i>(Note 7)</i>	(979)	(526)
<b>Unrealized Gains</b>	<b>39</b>	<b>26</b>
	<b>\$21,813</b>	<b>\$30,908</b>

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



Douglas P. McPhie, FCPA, FCA, CPA (Illinois)  
Director



Sherry J. MacDonald, CPA, CA  
Director



# Statements of Comprehensive Income

For the years ended October 31, 2018 and 2017 (in thousands of Canadian dollars)

	2018	2017
<b>Income</b>		
Interest for allocation to subscriber accounts	\$ 765	\$1,215
Realized losses on sale of investments	(428)	(258)
Change in unrealized gains (losses)	13	(493)
Dividends	74	76
	<b>424</b>	<b>540</b>
<b>Expenses</b>		
Administration and account maintenance fees <i>(Note 3(a))</i>	152	223
Portfolio management fees	48	72
Custodian and trustee fees	8	14
Independent Review Committee fees	1	1
	<b>209</b>	<b>310</b>
<b>Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries</b>	<b>\$ 215</b>	<b>\$ 230</b>

# Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries

For the years ended October 31, 2018 and 2017 (in thousands of Canadian dollars)

	2018	2017
<b>Net Assets Attributable to Subscribers and Beneficiaries, Beginning of Year</b>	<b>\$ 30,908</b>	<b>\$ 48,836</b>
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	215	230
Transfers to internal and external plans	889	(1,251)
	<b>1,104</b>	<b>(1,021)</b>
<b>Disbursements</b>		
Net Government grants repaid (net of receipts)	(45)	(877)
Net decrease in Subscribers' deposits <i>(Schedule II)</i>	(2,213)	(4,414)
Payments to beneficiaries		
Education assistance payments	(5,760)	(8,775)
Government grants	(2,093)	(1,589)
Return of interest	(88)	(1,252)
<b>Total payments to beneficiaries</b>	<b>(7,941)</b>	<b>(11,616)</b>
<b>Total Disbursements</b>	<b>(10,199)</b>	<b>(16,907)</b>
<b>Change in Net Assets Attributable to Subscribers and Beneficiaries</b>	<b>(9,095)</b>	<b>(17,928)</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries, End of Year</b>	<b>\$ 21,813</b>	<b>\$ 30,908</b>

# Statements of Cash Flows

For the years ended October 31, 2018 and 2017 (in thousands of Canadian dollars)

	2018	2017
<b>Operating Activities</b>		
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$ 215	\$ 230
Net proceeds from investment transactions	10,041	17,307
Items not affecting cash		
Realized losses on sale of investments	428	258
Change in unrealized (gains) losses	(13)	493
Change in non-cash operating working capital		
Decrease in Accrued income and other receivables	69	219
Decrease in Government grants receivable	-	2
Decrease in Accounts payable and accrued liabilities	(1,459)	(838)
<b>Cash flow from Operating Activities</b>	<b>9,281</b>	<b>17,671</b>
<b>Financing Activities</b>		
Transfers to internal and external plans	889	(1,251)
Net Government grants paid	(45)	(877)
Net decrease in Subscribers' deposits <i>(Schedule II)</i>	(2,213)	(4,414)
Payments to beneficiaries	(7,941)	(11,616)
<b>Cash flow used in Financing Activities</b>	<b>(9,310)</b>	<b>(18,158)</b>
<b>Net decrease in Cash and cash equivalents</b>	<b>(29)</b>	<b>(487)</b>
<b>Cash and cash equivalents, Beginning of Year</b>		
Cash	223	664
Cash equivalents	55	101
	<b>278</b>	<b>765</b>
<b>Cash and cash equivalents, End of Year</b>		
Cash	219	223
Cash equivalents	30	55
	<b>\$ 249</b>	<b>\$ 278</b>
<b>Supplemental cash flow information:</b>		
Withholding Taxes	\$ 7	\$ 8
Interest Income Received	833	1,438

# Schedule I – Statement of Investment Portfolio

As at October 31, 2018 (in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Fair Value (\$)	Average Cost (\$)
<b>Bonds</b>						<b>Total Fixed Income Investments – 97.9%</b>	<b>10,535</b>	<b>11,123</b>
<b>Federal – 34.1%</b>						<b>Cash and cash equivalents – 2.1%</b>	<b>224</b>	<b>224</b>
Canada Housing Trust	1.25	15 Jun 2021	1,330	1,287	1,336	<b>Total Portfolio Assets – 100.0%</b>	<b>10,759</b>	<b>11,347</b>
Canada Housing Trust	1.50	15 Dec 2021	750	726	746	<b>Investments Allocation (Note 4)</b>		
Canada Housing Trust	2.65	15 Mar 2022	555	556	579	<b>Government Grants (Appendix I)</b>	12,503	11,876
Canada Housing Trust	2.35	15 Jun 2023	495	487	494	<b>Cash and cash equivalents (Appendix I)</b>	25	25
Canada Housing Trust	2.35	15 Sep 2023	625	614	621	<b>Total Investment Fund</b>	<b>23,287</b>	<b>23,248</b>
				3,670	3,776	<b>Represented by:</b>		
<b>Provincial – 52.4%</b>						<b>Cash and cash equivalents</b>	249	
Province of Alberta	1.25	1 Jun 2020	180	177	179	<b>Investments, at fair value</b>	23,038	
Province of British Columbia	3.70	18 Dec 2020	500	513	527			
Province of British Columbia	3.25	18 Dec 2021	500	509	531			
Province of Manitoba	4.15	3 Jun 2020	635	652	715			
Province of Manitoba	1.55	5 Sep 2021	500	485	504			
Province of New Brunswick	4.50	2 Jun 2020	720	743	820			
Province of Ontario	4.20	2 Jun 2020	600	616	660			
Province of Ontario	4.00	2 Jun 2021	945	978	1,038			
Province of Ontario	3.15	2 Jun 2022	695	704	740			
Province of Ontario	2.85	2 Jun 2023	25	25	25			
Province of Québec	4.25	1 Dec 2021	228	239	365			
				5,641	6,104			
<b>Corporate – 11.4%</b>								
Bank of America Corporation	3.30	24 Apr 2024	70	69	70			
Bank of Nova Scotia	2.98	17 Apr 2023	70	69	70			
Canadian Imperial Bank of Commerce	2.97	11 Jul 2023	15	15	15			
Daimler Canada Finance Inc.	2.23	16 Dec 2021	70	68	70			
Daimler Canada Finance Inc.	3.05	16 May 2022	50	49	50			
Daimler Canada Finance Inc.	3.30	16 Aug 2022	30	30	30			
Daimler Canada Finance Inc.	2.57	22 Nov 2022	40	39	40			
Honda Canada Finance Inc.	2.54	1 Mar 2023	70	68	70			
Honda Canada Finance Inc.	3.18	28 Aug 2023	60	59	60			
HSBC Bank Canada	3.25	15 Sep 2023	60	59	60			
Ivanhoé Cambridge	2.91	27 Jun 2023	20	20	20			
Manulife Bank of Canada	2.84	12 Jan 2023	10	10	10			
Manulife Financial Corporation	3.32	9 May 2028	50	49	50			
Royal Bank of Canada	3.30	26 Sep 2023	70	69	70			
Toronto Dominion Bank	2.98	30 Sep 2025	350	348	348			
Toronto Dominion Bank	3.59	14 Sep 2028	60	59	60			
Toyota Credit Canada Inc.	3.04	12 Jul 2023	40	39	40			
Wells Fargo & Company	2.09	25 Apr 2022	110	105	110			
				1,224	1,243			

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

## Schedule II – Subscribers' Deposits and Accumulated Income

As at October 31, 2018 and 2017 (in thousands of Canadian dollars)

The following table provides a summary of Founders' Plan units, Subscribers' Deposits and Accumulated Income by year of eligibility.

Year of Eligibility	Opening Units	Inflow Units <sup>1</sup>	Outflow Units <sup>2</sup>	Closing Units	Subscribers' Deposits	Accumulated Income <sup>3</sup>
2017 and prior to 2017	26,079	8	11,082	15,005	2,402	7,313
2018	2,264	–	164	2,100	81	1,131
2019	196	–	19	177	5	110
2020	9	–	–	9	1	2
2021	2	–	–	2	–	–
2022 and thereafter	4	–	–	4	2	2
<b>TOTAL</b>	<b>28,554</b>	<b>8</b>	<b>11,265</b>	<b>17,297</b>	<b>\$ 2,491</b>	<b>\$ 8,558</b>

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:

	2018	2017
Payments from subscribers	\$ 144	\$ 179
Inter-plan principal transfers	(810)	(1,250)
Account maintenance fees	(3)	(6)
Return of principal	(1,544)	(3,337)
Net decrease in Subscribers' deposits	(2,213)	(4,414)
<b>Balance, Beginning of Year</b>	<b>4,704</b>	<b>9,118</b>
<b>Balance, End of Year</b>	<b>\$ 2,491</b>	<b>\$ 4,704</b>

## Schedule III – Education Assistance Payments

For the years ended October 31, 2018 and 2017 (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.

<b>Education Assistance Payments</b>	<b>2018</b>	<b>2017</b>	<b>Education Assistance Payments</b>	<b>2018</b>	<b>2017</b>
Current year payments	<b>\$2,011</b>	\$3,855	Non-Discretionary	<b>\$5,760</b>	\$8,775
Deferred payments	<b>3,740</b>	4,901	Discretionary	–	–
Advance payments	<b>9</b>	19		<b>\$5,760</b>	\$8,775
	<b>\$5,760</b>	\$8,775			

	<b>Number of Education Assistance Payment units Year of Eligibility</b>			<b>Amount of Education Assistance Payment per unit Year of Eligibility</b>		
	<b>2018</b>	2017	2016	<b>2018</b>	2017	2016
First	<b>1,088.4</b>	2,106.7	3,480.9	<b>\$324</b>	\$340	\$398
Second		<b>1,790.1</b>	2,748.2		<b>371</b>	427
Third			<b>2,608.6</b>			<b>381</b>



# Notes to the Financial Statements

October 31, 2018 and 2017 (in thousands of Canadian dollars)

## Note 1. Nature of Operations

The Canadian Scholarship Trust Founders' Plan (the "Plan") is a Pooled Education Savings Plan that was established on September 1, 1988. Since June 2000, 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 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") and the Quebec Education Savings Incentive ("QESI"). The Government of Saskatchewan 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). Current tax legislation provides that income credited on subscribers' principal is not taxable income of the subscriber unless withdrawn as an Accumulated Income Payment subject to certain eligibility requirements. The deposits are not deductible for income tax purposes and are not taxable when returned to the subscriber. Payments made to a beneficiary, including EAPs, Government Grants and investment income earned on Government Grants are taxable income of that beneficiary in the year that the payments are made.

## Note 2. Significant Accounting Policies

### (a) Statement of Compliance

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

These financial statements were approved by the Board of Directors of the Foundation on December 18, 2018.

### (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 standard

The following new accounting standards have been issued by the International Accounting Standards Board ("IASB"). These new standards are not yet effective for all CST Plans.

#### *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.

Management is in the final stages of its evaluation of the impact of this standard on its financial statements. The Plan will adopt IFRS 9 for the annual period beginning November 1, 2018 and will apply the standard on a retrospective basis using the available transitional provisions. The adoption of the new standard is not expected to have a material impact on the financial statements.

#### *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.

Management has completed the assessment of the impact of the adoption on the Plan and noted no measurement impact on the net assets attributable to subscribers and beneficiaries.

### (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

# Notes to the Financial Statements (continued)

October 31, 2018 and 2017 (in thousands of Canadian dollars)

## Note 2. Significant Accounting Policies (continued)

### (d) Financial instruments (continued)

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.

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 <sup>i</sup>
Cash and cash equivalents	Loans and receivables <sup>ii</sup>
Accrued income and other receivables	Loans and receivables <sup>ii</sup>
Receivables for securities sold	Loans and receivables <sup>ii</sup>
Accounts payable and accrued liabilities	Other financial liabilities <sup>iii</sup>
Payables for securities purchased	Other financial liabilities <sup>iii</sup>

<sup>i</sup> 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.

<sup>ii</sup> 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.

<sup>iii</sup> 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 and exchange-traded funds ("ETF").

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

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

Note 8 provides further guidance on fair value measurements.

### (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 are deducted from subscribers' deposits and are 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, management makes estimates and judgments that affect the reported amounts recognized and disclosed in the financial statements. These estimates and judgments have a direct effect on the measurement of transactions and balances recognized in the financial statements. By their nature, these estimates and judgments are subject to measurement uncertainty and actual results could differ.

## Note 3. Related Party Transactions

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

# Notes to the Financial Statements (continued)

October 31, 2018 and 2017 (in thousands of Canadian dollars)

## Note 3. Related Party Transactions (continued)

### (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.

During the year ended October 31, 2018, \$152 was recognized as an expense for Administration and account maintenance fees (2017 – \$223). Administration and account maintenance fees included in Accounts payable and accrued liabilities at October 31, 2018 was \$5 (2017 – \$63).

### (b) Fees paid for services of an Independent Review Committee

The Independent Review Committee (“IRC”) provides independent review and oversight of conflicts of interest relating to the management of the Plans. For the year ended

October 31, 2018, the Plan recognized an expense of \$1 (2017 – \$1) for the services of the IRC. No amounts were included in Accounts payable and accrued liabilities at October 31, 2018 or 2017.

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

Included in Portfolio management fees on the Statements of Comprehensive Income is \$5 (2017 – \$10) charged by C.S.T.C. for expenses incurred to monitor and manage the portfolio managers. Included in Accounts payable and accrued liabilities is \$nil owing from C.S.T.C. at October 31, 2018 (2017 – \$nil) relating to these expenses.

## Note 4. Investment Holdings

The investment holdings are disclosed in Schedule I – Statement of Investment Portfolio and related Appendix I to the schedule, which is 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).

## Note 5. Capital Risk Management

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

## Note 6. Risks Associated with Financial Instruments

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

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

### (a) Market risk

#### i. Interest rate risk

Interest rate risk is the risk of a change in the fair value or cash flows of the Plan's investments in interest-bearing financial instruments as a result of fluctuations in market interest rates. There is an inverse relationship between changes in interest rates and changes in the fair value of bonds. This risk is actively managed using duration, yield curve analysis, sector and credit selection. There is reduced risk to interest rate changes for cash and cash equivalents due to their short-term nature.

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

Debt Instruments by Maturity Date	% of Total Investment Fund	
	Oct 31, 2018	Oct 31, 2017
Less than 1 year	1%	1%
1-3 years	20%	33%
3-5 years	30%	32%
Greater than 5 years	31%	20%
<b>Total Debt instruments</b>	<b>82%</b>	<b>86%</b>

As at October 31, 2018, if prevailing interest rates had increased by 1%, the fair value of the Total Investment Fund of \$23,287 (2017 – \$33,782) as per Schedule I – Statement of Investment Portfolio, would have decreased by approximately \$900 (2017 – \$1,300). If prevailing interest rates had decreased by 1%, the fair value of the Total Investment Fund would have increased by approximately \$1,100 (2017 – \$1,500). 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

# Notes to the Financial Statements (continued)

October 31, 2018 and 2017 (in thousands of Canadian dollars)

## Note 6. Risks Associated with Financial Instruments (continued)

### (a) Market risk (continued)

#### ii. Other price risk (continued)

are most impacted by other price risk are the equities and ETFs of the Government Grants asset pool, which represent 18% (2017 – 14%) of the Total Investment Fund as at October 31, 2018. If 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 \$42 (2017 – \$48). In practice, actual results may differ materially.

### (b) Credit risk

Credit risk refers to the ability of the issuer of debt securities to make interest payments and repay principal. The Plan's portfolio is mainly comprised of bonds issued or guaranteed by federal or provincial governments along with corporate debt instruments with a minimum approved credit rating as set by Canadian Securities Administrators. The Plan has a concentration of investments in government and government guaranteed bonds, which are considered to be high credit quality investments thereby moderating credit risk.

The Plan's credit risk exposure is summarized below.

Credit rating	October 31, 2018		October 31, 2017	
	% of Total Investment Fund	Amount	% of Total Investment Fund	Amount
AAA	18%	\$ 4,045	22%	\$ 7,360
AA/AAH/AAL	34%	7,848	39%	13,265
A/AH/AL	29%	6,833	24%	8,023
BBB	0%	–	0%	–
R-1	0%	28	0%	96
Short-term unrated	1%	286	1%	211
<b>Total debt instruments</b>	<b>82%</b>	<b>\$19,040</b>	<b>86%</b>	<b>\$28,955</b>

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. The Plan primarily invests in securities that are traded in active markets and can be readily sold. The Plan retains sufficient cash and cash equivalent positions to meet liquidity requirements by utilizing cash forecasting models that reflects the maturity distribution of subscribers' deposits and accumulated income. All other financial liabilities are short term and due within one year.

### (d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Plan holds foreign ETFs which represent 15% (2017 – 12%) of the Total Investment Fund. The fair value of the Total Investment Fund would increase or decrease by approximately \$35 (2017 – \$39) in response to a 1% depreciation or appreciation of the Canadian dollar currency exchange rate. In practice the actual change may differ materially.

## Note 7. General Fund

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

- interest earned on subscribers' accumulated income from the date of maturity of the subscribers' agreements to the date the funds are paid to qualified students as EAPs;
- interest earned on the income forfeited when a subscriber's plan is terminated prior to maturity;
- income not collected by beneficiaries before the expiry of benefit period; and
- unclaimed principal and income payments.

Receipts and disbursements of the General Fund for the years ended October 31, 2018 and 2017 are as follows:

	2018	2017
<b>Receipts</b>		
Net investment income	\$ (103)	\$ 51
Transfer from Plan II	1,581	–
<b>Disbursements</b>		
Education assistance payments	(1,931)	(1,564)
Shortfall of Receipts over Disbursements	(453)	(1,513)
<b>Balance, Beginning of Year</b>	<b>(526)</b>	<b>987</b>
<b>Balance, End of Year</b>	<b>\$ (979)</b>	<b>\$ (526)</b>

In May 2018, \$1,581 was transferred from the General Fund of Plan II to the General Fund of the Plan, in accordance with the policy for transferring General Fund amounts between Plans within the same legal trust. Management has forecasted that the General Fund amount remaining in Plan II is sufficient to meet any entitlements to be paid there from.

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

## Note 8. Fair Value Measurements and Disclosure

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

# Notes to the Financial Statements (continued)

October 31, 2018 and 2017 (in thousands of Canadian dollars)

## Note 8. Fair Value Measurements and Disclosure (continued)

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 and accrued liabilities and Payables for securities purchased approximate their fair values as these financial instruments are short term in nature.

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

- 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, 2018

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 18,791	\$ -	<b>\$18,791</b>
Equity securities and ETFs	4,247	-	-	<b>4,247</b>
<b>Total Investments, at fair value</b>	<b>\$4,247</b>	<b>\$18,791</b>	<b>\$ -</b>	<b>\$23,038</b>

### Assets Measured at Fair Value as of October 31, 2017

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 28,677	\$ -	<b>\$28,677</b>
Equity securities and ETFs	4,827	-	-	<b>4,827</b>
<b>Total Investments, at fair value</b>	<b>\$4,827</b>	<b>\$28,677</b>	<b>\$ -</b>	<b>\$33,504</b>

For the years ended October 31, 2018 and 2017, there were no transfers between Levels 1 or 2.



# Government Grants

## Appendix I to Schedule I

### Statement of Investment Portfolio

As at October 31, 2018 (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 (\$)
<b>Bonds</b>						<b>Bonds (continued)</b>					
<b>Federal – 6.2%</b>						<b>Federal – 6.2% (continued)</b>					
Canada Housing Trust	3.75	15 Mar 2020	3,670	3,741	4,073	Muskrat Falls Funding Trust	3.83	1 Jun 2037	4,150	4,495	4,591
Canada Housing Trust	1.20	15 Jun 2020	2,575	2,528	2,539	Muskrat Falls Funding Trust	3.86	1 Dec 2048	150	168	186
Canada Housing Trust	1.25	15 Jun 2020	2,977	2,893	3,007					78,889	81,763
Canada Housing Trust	3.80	15 Jun 2021	130	134	144						
Canada Housing Trust	1.15	15 Dec 2021	589	564	584	<b>Provincial – 32.1%</b>					
Canada Housing Trust	1.50	15 Dec 2021	688	666	688	Province of Alberta	4.00	1 Dec 2019	480	489	521
Canada Housing Trust	1.75	15 Jun 2022	1,243	1,205	1,249	Province of Alberta	1.25	1 Jun 2020	1,202	1,180	1,190
Canada Housing Trust	2.40	15 Dec 2022	7,210	7,133	7,493	Province of Alberta	1.35	1 Sep 2021	765	739	761
Canada Housing Trust	2.35	15 Jun 2023	487	479	487	Province of Alberta	1.60	1 Sep 2022	439	420	438
Canada Housing Trust	2.55	15 Dec 2023	606	600	605	Province of Alberta	2.55	15 Dec 2022	225	223	232
Canada Housing Trust	2.90	15 Jun 2024	1,685	1,695	1,809	Province of Alberta	2.65	1 Sep 2023	492	487	492
Canada Housing Trust	2.55	15 Mar 2025	1,500	1,478	1,598	Province of Alberta	2.35	1 Jun 2025	1,725	1,658	1,695
Canada Housing Trust	1.90	15 Sep 2026	823	768	813	Province of Alberta	4.45	15 Dec 2025	1,785	1,928	2,052
Canada Housing Trust	2.35	15 Jun 2027	860	826	868	Province of Alberta	2.20	1 Jun 2026	1,597	1,504	1,594
Canada Housing Trust	2.35	15 Mar 2028	238	228	237	Province of Alberta	2.55	1 Jun 2027	760	727	749
Canada Housing Trust	2.65	15 Mar 2028	514	504	509	Province of Alberta	2.90	1 Dec 2028	1,102	1,075	1,093
Canada Housing Trust	2.65	15 Dec 2028	243	238	242	Province of Alberta	2.90	20 Sep 2029	900	874	898
Canada Post Corporation	4.36	16 Jul 2040	375	447	472	Province of Alberta	3.50	1 Jun 2031	1,025	1,051	1,081
Government of Canada	–	1 Nov 2018	70	70	70	Province of Alberta	3.90	1 Dec 2033	2,772	2,965	2,997
Government of Canada	–	27 Dec 2018	765	762	762	Province of Alberta	4.50	1 Dec 2040	3,000	3,525	3,639
Government of Canada	–	10 Jan 2019	125	124	124	Province of Alberta	3.45	1 Dec 2043	4,545	4,602	4,712
Government of Canada	–	24 Jan 2019	365	363	363	Province of Alberta	3.30	1 Dec 2046	5,026	4,957	5,145
Government of Canada	–	21 Mar 2019	1,460	1,448	1,448	Province of Alberta	3.05	1 Dec 2048	6,404	6,033	6,271
Government of Canada	1.50	1 Mar 2020	3,200	3,170	3,207	Province of Alberta	3.10	1 Jun 2050	1,060	1,009	1,057
Government of Canada	3.50	1 Jun 2020	4,625	4,712	4,901	Province of British Columbia	3.70	18 Dec 2020	1,300	1,333	1,409
Government of Canada	0.75	1 Sep 2020	1,075	1,045	1,067	Province of British Columbia	3.25	18 Dec 2021	350	357	360
Government of Canada	0.75	1 Mar 2021	3,948	3,806	3,870	Province of British Columbia	3.30	18 Dec 2023	300	307	312
Government of Canada	3.25	1 Jun 2021	552	564	604	Province of British Columbia	2.85	18 Jun 2025	500	498	510
Government of Canada	0.75	1 Sep 2021	585	559	566	Province of British Columbia	2.30	18 Jun 2026	348	332	349
Government of Canada	0.50	1 Mar 2022	1,582	1,487	1,505	Province of British Columbia	2.55	18 Jun 2027	1,161	1,118	1,157
Government of Canada	2.75	1 Jun 2022	1,799	1,820	1,862	Province of British Columbia	2.95	18 Dec 2028	768	759	774
Government of Canada	1.00	1 Sep 2022	2,540	2,409	2,426	Province of British Columbia	5.70	18 Jun 2029	3,900	4,804	5,095
Government of Canada	1.75	1 Mar 2023	1,121	1,090	1,098	Province of British Columbia	6.35	18 Jun 2031	2,975	3,963	4,234
Government of Canada	1.50	1 Jun 2023	2,340	2,248	2,301	Province of British Columbia	4.70	18 Jun 2037	2,795	3,357	3,422
Government of Canada	2.50	1 Jun 2024	1,175	1,178	1,273	Province of British Columbia	4.95	18 Jun 2040	4,400	5,547	5,702
Government of Canada	2.25	1 Jun 2025	3,244	3,202	3,220	Province of British Columbia	4.30	18 Jun 2042	4,080	4,773	4,776
Government of Canada	1.50	1 Jun 2026	238	222	227	Province of British Columbia	3.20	18 Jun 2044	1,750	1,730	1,741
Government of Canada	1.00	1 Jun 2027	331	293	297	Province of British Columbia	2.80	18 Jun 2048	5,707	5,224	5,495
Government of Canada	2.00	1 Jun 2028	200	192	192	Province of British Columbia	2.95	18 Jun 2050	280	264	278
Government of Canada	2.25	1 Jun 2029	1,875	1,832	1,840	Province of Manitoba	1.15	21 Nov 2019	253	250	253
Government of Canada	5.75	1 Jun 2029	675	877	929	Province of Manitoba	1.55	5 Sep 2021	623	604	620
Government of Canada	5.57	1 Jun 2033	1,325	1,844	1,962	Province of Manitoba	3.85	1 Dec 2021	1,000	1,034	1,088
Government of Canada	5.00	1 Jun 2037	897	1,222	1,269	Province of Manitoba	2.55	2 Jun 2023	606	598	620
Government of Canada	4.00	1 Jun 2041	1,125	1,405	1,430	Province of Manitoba	2.45	2 Jun 2025	250	242	252
Government of Canada	3.50	1 Dec 2045	2,231	2,649	2,737	Province of Manitoba	4.40	5 Sep 2025	1,300	1,406	1,462
Government of Canada	2.75	1 Dec 2048	1,402	1,468	1,512	Province of Manitoba	2.55	2 Jun 2026	730	704	743
Government of Canada	2.00	1 Dec 2051	425	376	384	Province of Manitoba	2.60	2 Jun 2027	1,013	971	995
Government of Canada	2.75	1 Dec 2064	2,750	2,943	3,180	Province of Manitoba	3.00	2 Jun 2028	849	836	842
Labrador-Island Link Funding Trust	3.76	1 Jun 2033	150	160	176	Province of Manitoba	3.25	5 Sep 2029	650	648	674
Labrador-Island Link Funding Trust	3.86	1 Dec 2045	2,200	2,446	2,641	Province of Manitoba	4.10	5 Mar 2041	6,100	6,714	6,902
Labrador-Island Link Funding Trust	3.85	1 Dec 2053	100	113	126	Province of Manitoba	4.40	5 Mar 2042	3,300	3,799	3,894
						Province of Manitoba	3.35	5 Mar 2043	1,300	1,277	1,298
						Province of Manitoba	4.05	5 Sep 2045	2,300	2,538	2,718

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, 2018 (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 (\$)
<b>Bonds (continued)</b>						<b>Bonds (continued)</b>					
<b>Provincial – 32.1% (continued)</b>						<b>Provincial – 32.1% (continued)</b>					
Province of Manitoba	2.85	5 Sep 2046	196	175	181	Province of Ontario	3.50	2 Jun 2043	6,425	6,567	6,833
Province of Manitoba	3.40	5 Sep 2048	1,307	1,298	1,322	Province of Ontario	3.45	2 Jun 2045	20,675	20,975	21,322
Province of Manitoba	3.20	5 Mar 2050	360	344	358	Province of Ontario	2.90	2 Dec 2046	11,663	10,683	11,003
Province of New Brunswick	2.85	2 Jun 2023	700	699	720	Province of Ontario	2.80	2 Jun 2048	18,347	16,471	17,304
Province of New Brunswick	3.65	3 Jun 2024	550	569	577	Province of Ontario	2.90	2 Jun 2049	5,377	4,928	5,088
Province of New Brunswick	2.60	14 Aug 2026	167	161	167	Province of Québec	4.50	1 Dec 2019	1,600	1,638	1,754
Province of New Brunswick	2.35	14 Aug 2027	659	615	640	Province of Québec	4.50	1 Dec 2020	900	936	966
Province of New Brunswick	3.10	14 Aug 2028	122	120	122	Province of Québec	4.25	1 Dec 2021	2,700	2,828	3,032
Province of New Brunswick	5.65	27 Dec 2028	245	294	300	Province of Québec	3.50	1 Dec 2022	2,100	2,158	2,268
Province of New Brunswick	5.50	27 Jan 2034	1,075	1,333	1,265	Province of Québec	3.00	1 Sep 2023	3,250	3,273	3,467
Province of New Brunswick	4.65	26 Sep 2035	710	811	739	Province of Québec	3.75	1 Sep 2024	2,925	3,054	3,102
Province of New Brunswick	4.55	26 Mar 2037	1,700	1,932	1,986	Province of Québec	5.35	1 Jun 2025	1,000	1,137	1,164
Province of New Brunswick	4.80	26 Sep 2039	950	1,125	1,183	Province of Québec	2.50	1 Sep 2026	1,279	1,231	1,304
Province of New Brunswick	3.55	3 Jun 2043	3,950	3,949	3,982	Province of Québec	2.75	1 Sep 2027	2,889	2,814	2,925
Province of New Brunswick	3.80	14 Aug 2045	2,550	2,658	2,727	Province of Québec	2.75	1 Sep 2028	1,283	1,243	1,273
Province of New Brunswick	3.10	14 Aug 2048	1,587	1,461	1,546	Province of Québec	6.00	1 Oct 2029	1,900	2,390	2,518
Province of Newfoundland and Labrador	1.95	2 Jun 2022	248	241	247	Province of Québec	6.25	1 Jun 2032	2,550	3,386	3,559
Province of Newfoundland and Labrador	2.30	2 Jun 2025	200	191	199	Province of Québec	5.25	1 Jun 2034	3,000	3,666	3,800
Province of Newfoundland and Labrador	3.00	2 Jun 2026	1,324	1,308	1,329	Province of Québec	5.75	1 Dec 2036	8,815	11,715	12,029
Province of Newfoundland and Labrador	6.15	17 Apr 2028	350	429	466	Province of Québec	5.00	1 Dec 2038	4,965	6,174	5,731
Province of Newfoundland and Labrador	2.85	2 Jun 2028	469	452	464	Province of Québec	5.00	1 Dec 2041	14,075	17,848	18,210
Province of Newfoundland and Labrador	6.55	17 Oct 2030	1,750	2,283	2,377	Province of Québec	4.25	1 Dec 2043	8,475	9,794	10,079
Province of Newfoundland and Labrador	4.65	17 Oct 2040	1,350	1,571	1,593	Province of Québec	3.50	1 Dec 2045	9,150	9,427	9,389
Province of Newfoundland and Labrador	3.30	17 Oct 2046	1,780	1,696	1,662	Province of Québec	3.50	1 Dec 2048	8,738	9,049	9,411
Province of Newfoundland and Labrador	3.70	17 Oct 2048	1,615	1,658	1,685	Province of Saskatchewan	3.20	3 Jun 2024	80	81	83
Province of Ontario	4.20	2 Jun 2020	5,125	5,265	5,616	Province of Saskatchewan	2.55	2 Jun 2026	1,343	1,297	1,366
Province of Ontario	4.00	2 Jun 2021	6,390	6,611	6,947	Province of Saskatchewan	2.65	2 Jun 2027	577	557	576
Province of Ontario	1.35	8 Mar 2022	1,189	1,137	1,163	Province of Saskatchewan	3.05	2 Dec 2028	384	380	382
Province of Ontario	3.15	2 Jun 2022	3,300	3,343	3,515	Province of Saskatchewan	6.40	5 Sep 2031	4,500	5,983	6,341
Province of Ontario	1.95	27 Jan 2023	1,050	1,016	1,056	Province of Saskatchewan	4.75	1 Jun 2040	2,725	3,303	3,435
Province of Ontario	2.85	2 Jun 2023	3,100	3,099	3,115	Province of Saskatchewan	3.90	2 Jun 2045	3,100	3,389	3,429
Province of Ontario	2.60	8 Sep 2023	2,045	2,021	2,037	Province of Saskatchewan	2.75	2 Dec 2046	3,681	3,270	3,284
Province of Ontario	3.50	2 Jun 2024	2,215	2,279	2,316	Province of Saskatchewan	3.30	2 Jun 2048	2,359	2,336	2,416
Province of Ontario	2.65	5 Feb 2025	800	787	802	Province of Saskatchewan	3.10	2 Jun 2050	120	114	119
Province of Ontario	2.60	2 Jun 2025	3,925	3,832	3,957	Province of Saskatchewan	3.75	5 Mar 2054	384	417	427
Province of Ontario	2.40	2 Jun 2026	1,828	1,747	1,812	Province of Saskatchewan	2.95	2 Jun 2058	330	302	314
Province of Ontario	2.60	2 Jun 2027	2,681	2,576	2,649	Province of Nova Scotia	4.10	1 Jun 2021	550	570	611
Province of Ontario	7.60	2 Jun 2027	1,120	1,496	1,605	Province of Nova Scotia	2.10	1 Jun 2027	462	427	442
Province of Ontario	2.90	2 Jun 2028	2,105	2,061	2,076	Province of Nova Scotia	5.80	1 Jun 2033	2,275	2,933	2,873
Province of Ontario	6.50	8 Mar 2029	7,425	9,563	10,331	Province of Nova Scotia	4.40	1 Jun 2042	3,600	4,209	4,187
Province of Ontario	6.20	2 Jun 2031	1,925	2,510	2,655	Province of Nova Scotia	3.45	1 Jun 2045	2,950	2,995	2,975
Province of Ontario	5.85	8 Mar 2033	5,875	7,591	8,005	Province of Nova Scotia	3.50	2 Jun 2062	600	620	599
Province of Ontario	5.60	2 Jun 2035	6,275	8,069	8,223					408,883	420,669
Province of Ontario	4.70	2 Jun 2037	8,845	10,481	10,385	<b>Municipal – 1.4%</b>					
Province of Ontario	4.60	2 Jun 2039	8,865	10,489	10,668	City of Montreal	5.45	1 Dec 2019	200	207	227
Province of Ontario	4.65	2 Jun 2041	14,575	17,536	17,917	City of Montreal	3.50	1 Sep 2023	225	230	241
						City of Montreal	3.00	1 Sep 2025	831	820	837
						City of Montreal	2.75	1 Sep 2026	223	215	223
						City of Montreal	4.25	1 Dec 2032	350	378	384
						City of Montreal	4.10	1 Dec 2034	375	399	399
						City of Montreal	3.15	1 Dec 2036	900	847	898
						City of Montreal	6.00	1 Jun 2043	550	762	782

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, 2018 (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 (\$)
<b>Bonds (continued)</b>						<b>Bonds (continued)</b>					
<b>Municipal – 1.4% (continued)</b>						<b>Corporate – 25.0% (continued)</b>					
City of Ottawa	4.60	14 Jul 2042	500	580	590	Canadian Imperial Bank of Commerce	1.64	12 Jul 2021	1,132	1,091	1,092
City of Ottawa	3.10	27 Jul 2048	83	76	82	Canadian Imperial Bank of Commerce	2.90	14 Sep 2021	613	610	613
City of Toronto	4.50	2 Dec 2019	225	230	250	Canadian Imperial Bank of Commerce	2.04	21 Mar 2022	755	729	732
City of Toronto	3.50	6 Dec 2021	200	204	219	Canadian Imperial Bank of Commerce	2.30	11 Jul 2022	7,288	7,067	7,261
City of Toronto	2.40	24 Jun 2026	225	212	225	Canadian Imperial Bank of Commerce	2.97	11 Jul 2023	8,345	8,240	8,337
City of Toronto	2.95	28 Apr 2035	300	276	277	Canadian Imperial Bank of Commerce	3.30	26 May 2025	5,178	5,161	5,178
City of Toronto	3.50	2 Jun 2036	1,909	1,887	1,903	Capital Desjardins Inc.	5.19	5 May 2020	4,190	4,321	4,341
City of Toronto	5.20	1 Jun 2040	1,350	1,672	1,764	Capital Desjardins Inc.	4.95	15 Dec 2026	4,140	4,340	4,373
City of Toronto	4.70	10 Jun 2041	325	380	383	Great-West Lifeco Inc.	3.34	28 Feb 2028	2,743	2,696	2,735
City of Toronto	3.80	13 Dec 2042	550	567	578	Great-West Lifeco Inc.	6.67	21 Mar 2033	4,160	5,359	5,497
City of Toronto	4.15	10 Mar 2044	225	245	246	HSBC Bank Canada	1.82	7 Jul 2020	2,010	1,973	1,974
City of Toronto	3.25	24 Jun 2046	109	102	109	HSBC Bank Canada	2.91	29 Sep 2021	8,750	8,684	8,926
City of Vancouver	3.10	21 Sep 2028	600	591	600	HSBC Bank Canada	2.17	29 Jun 2022	3,231	3,106	3,188
City of Vancouver	3.70	18 Oct 2052	1,145	1,165	1,227	HSBC Bank Canada	2.54	31 Jan 2023	12,088	11,701	11,995
City of Winnipeg	4.10	1 Jun 2045	42	45	48	HSBC Bank Canada	3.25	15 Sep 2023	1,255	1,246	1,252
City of Winnipeg	4.30	15 Nov 2051	450	503	512	Hydro One Inc.	8.90	18 Aug 2022	1,000	1,215	1,422
Municipal Finance Authority of British Columbia	4.15	1 Jun 2021	273	283	306	Hydro One Inc.	8.25	22 Jun 2026	2,950	3,955	4,397
Municipal Finance Authority of British Columbia	3.75	26 Sep 2023	225	233	251	Hydro-Québec	11.00	15 Aug 2020	2,100	2,410	3,032
Municipal Finance Authority of British Columbia	2.50	19 Apr 2026	822	788	823	Hydro-Québec	6.00	15 Aug 2031	1,500	1,923	1,957
Region of Peel	2.30	2 Nov 2026	77	72	77	Hydro-Québec	6.50	15 Feb 2035	1,000	1,398	1,463
Region of Peel	5.10	29 Jun 2040	550	675	694	Hydro-Québec	6.00	15 Feb 2040	8,000	11,202	11,489
Region of Peel	3.85	30 Oct 2042	300	312	317	Hydro-Québec	5.00	15 Feb 2045	1,450	1,869	1,901
Regional Municipality of York	2.60	15 Dec 2025	1,350	1,300	1,317	Hydro-Québec	5.00	15 Feb 2050	2,600	3,443	3,538
Regional Municipality of York	2.50	2 Jun 2026	77	73	79	Hydro-Québec	4.00	15 Feb 2055	1,673	1,915	2,000
Regional Municipality of York	4.00	31 May 2032	300	317	329	Intact Financial Corporation	3.77	2 Mar 2026	2,165	2,176	2,235
Regional Municipality of York	4.05	1 May 2034	625	663	688	Manulife Bank of Canada	2.84	12 Jan 2023	1,111	1,089	1,111
Regional Municipality of Halton	4.05	11 Oct 2041	300	321	336	Manufacturers Life Insurance Company	2.10	1 Jun 2025	6,958	6,858	6,883
				17,630	18,221	Manufacturers Life Insurance Company	2.39	5 Jan 2026	5,193	5,108	5,171
						Manufacturers Life Insurance Company	3.18	22 Nov 2027	5,894	5,849	6,049
<b>Corporate – 25.0%</b>						Manulife Financial Corporation	3.32	9 May 2028	2,185	2,150	2,184
Bank of Montreal	2.10	6 Oct 2020	10,198	10,045	10,268	Royal Bank of Canada	2.86	4 Mar 2021	740	738	741
Bank of Montreal	1.88	31 Mar 2021	661	644	661	Royal Bank of Canada	2.03	15 Mar 2021	4,694	4,591	4,713
Bank of Montreal	3.40	23 Apr 2021	15,953	16,101	16,955	Royal Bank of Canada	1.65	15 Jul 2021	11,203	10,802	11,088
Bank of Montreal	2.70	11 Sep 2024	2,765	2,676	2,716	Royal Bank of Canada	1.97	2 Mar 2022	1,040	1,002	1,011
Bank of Montreal	3.19	1 Mar 2028	823	806	822	Royal Bank of Canada	2.00	21 Mar 2022	9,045	8,720	8,846
Bank of Nova Scotia	2.27	13 Jan 2020	–	–	–	Royal Bank of Canada	2.36	5 Dec 2022	755	731	743
Bank of Nova Scotia	2.09	9 Sep 2020	14,182	13,970	14,107	Royal Bank of Canada	2.95	1 May 2023	3,630	3,587	3,631
Bank of Nova Scotia	3.27	11 Jan 2021	1,390	1,398	1,404	Royal Bank of Canada	3.30	26 Sep 2023	10,902	10,812	10,902
Bank of Nova Scotia	2.87	4 Jun 2021	8,775	8,740	8,992	Royal Bank of Canada	2.48	4 Jun 2025	2,660	2,632	2,638
Bank of Nova Scotia	1.90	2 Dec 2021	1,325	1,279	1,304	Royal Bank of Canada	4.93	16 Jul 2025	7,605	8,325	8,741
Bank of Nova Scotia	1.83	27 Apr 2022	5,988	5,729	5,815	Royal Bank of Canada	3.31	20 Jan 2026	2,630	2,629	2,639
Bank of Nova Scotia	2.36	8 Nov 2022	755	731	735	Sun Life Capital Trust	3.05	19 Sep 2028	2,240	2,189	2,236
Bank of Nova Scotia	2.98	17 Apr 2023	11,059	10,937	10,977	Toronto Dominion Bank	1.68	8 Jun 2021	3,619	3,513	3,582
Bank of Nova Scotia	3.10	2 Feb 2028	1,865	1,813	1,864	Toronto Dominion Bank	1.91	18 Jul 2023	8,073	7,612	7,652
Caisse Centrale Desjardins	1.75	2 Mar 2020	6,224	6,142	6,148	Toronto Dominion Bank	2.69	24 Jun 2025	695	690	691
Caisse Centrale Desjardins	2.39	25 Aug 2022	760	738	741						
Caisse Centrale Desjardins	3.06	11 Sep 2023	745	738	742						
Canada Pension Plan Investment Board	3.00	15 Jun 2028	140	138	140						

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

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2235 Sheppard Avenue East, Suite 1600  
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## Trustee

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## Bank

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