

C.S.T. Consultants Inc.

Canadian Scholarship Trust Group Savings Plan 2001

**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 Group Savings Plan 2001 (“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.

The Plan is invested according to a strategic mix with Principal assets invested in a combination of government fixed income securities and Canadian financial institution debt rated A (mid) and above. Income assets are invested in U.S. equity Exchange Traded Funds (“ETFs”) and Canadian equity securities.

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 TD Asset Management Inc. and TD Greystone Asset Management. 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.

The Plan’s US equity assets are managed by BMO Asset Management Inc. and BlackRock Asset Management Canada Limited. These assets are allocated to ETFs traded on Canadian exchanges that replicate the performance of the S&P US Total Market Index and S&P 500 Total Return Index. The Plan’s Canadian equity assets are actively managed by two managers. Sionna Investment Managers Inc. seeks to generate long term capital appreciation by investing in a diversified portfolio of quality Canadian companies. Fiera Capital Inc. manages a focused portfolio of Canadian companies identified with traits such as effective management and superior long-term prospects.

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

2018 Plan Performance

For 2018, the Plan’s rate of return, net of fees, was 0.9% compared to the investment policy benchmark (“Benchmark”) return of 1.7% and the broad-based FTSE TMX Canada All Government Bond Index return of -0.8% (“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 rate of return, before fees and expenses, marginally trailed the Benchmark over the one-year period. The returns for government bonds and U.S. equities matched their respective benchmarks while actively managed financial institution bonds and Canadian equities underperformed their benchmarks over the year.

In comparison to the Broad-based Index, the Plan’s allocation to U.S. equities was a key contributor of added value given the strong performance generated over the year by the asset class.

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.

Economic activity in the United States increased at a solid pace over the first half of 2018 as tax reforms introduced in late 2017 and other fiscal stimulus spurred an increase in gross domestic product and strengthened the labour market. The U.S. Federal Reserve Board raised interest rates four times beginning in December 2017 and continuing through September 2018, signaling a move from an accommodative monetary policy to one of normalization. Core inflation moved slightly higher than the Federal Open Market Committee’s longer-run objective of two percent, boosted in part by a sizable increase in energy prices.

The Canadian economy grew at a moderate pace over the year with a significant contribution from exports. Trade uncertainty eased as an agreement in principle 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.

U.S. equities outperformed the majority of other capital markets over the 2018 period. Despite a pullback in October, U.S. equities, as represented by the S&P 500 (a broad index of U.S. large capitalization stocks), generated a positive annual return of 7.4% (USD). Index gains were widespread with 9 of the 11 S&P 500 sectors in positive territory. The Consumer Staples, Information Technology, and Health Care sectors led the index, all with double digit annual returns.

The S&P/TSX Composite Capped Index (a broad index of Canadian stocks) declined by 3.4% over the year with the majority of losses occurring in October. Six of the eleven sectors were negative, including the heavily weighted Financials, Energy and Materials sectors.

Portfolio Manager Changes

On October 24, 2018, Fiera Capital Corporation completed the acquisition of Canadian equity manager, CGOV Asset Management.

On November 1, 2018, the Toronto-Dominion Bank (TD) completed the acquisition of Greystone Capital Management Inc. (“GCMI”). GCMI is the parent company of Greystone Managed Investments Inc. (“Greystone”), the portfolio manager for the financial institution bond portfolio. Greystone will operate and serve clients as TD Greystone Asset Management.

Recent Developments and Other Information

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 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
Statements of Financial Position					
Total Assets	\$4,163,679	\$3,992,371	\$3,666,544	\$3,299,857	\$2,986,788
Net Assets	4,124,698	3,971,985	3,614,998	3,228,464	2,946,876
% Change of Net Assets	3.8%	9.9%	11.9%	9.6%	197.6%
Statements of Comprehensive Income					
Net Investment Income	\$ 37,299	\$ 186,214	\$ 203,366	\$ 88,843	\$ 109,912
Statements of Changes in Net Assets					
Education Assistance Payments	\$ (25,291)	\$ (19,397)	\$ (17,359)	\$ (18,340)	\$ (13,966)
Government Grants Received (net of repayments)	87,355	86,320	86,466	84,959	83,494
Government Grant Payments to Beneficiaries	(29,972)	(17,328)	(15,106)	(12,981)	(9,591)
Other					
Total number of units	3,065,038	2,974,945	2,873,326	2,761,913	2,643,035
% Change in the total number of units	3.0%	3.5%	4.0%	4.5%	5.0%

Management Fees

Administration Fees

An administration fee of \$21,662 thousand (2017 – \$19,763 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 0.09%, including taxes, (2017 – 0.10%) 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 \$722 thousand (2017 – \$1,127 thousand) and were 0.02%, including taxes, (2017 – 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.

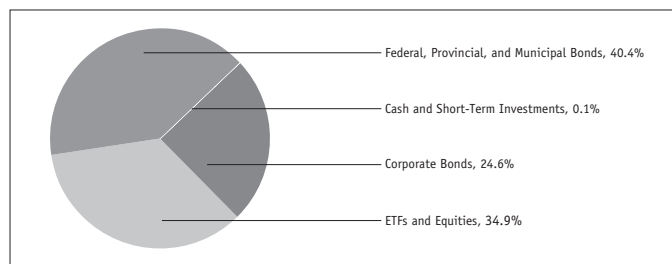
Sales Charge Refund assets and related investment income are used to pay Sales Charge Refund Entitlements to qualified

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, 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
iShares Core S&P U.S. Total Market Index ETF			581,078	20.1%
BMO S&P 500 Index ETF			231,946	8.0%
Province of Québec	5.00%	01 Dec 2041	54,433	1.9%
Province of Ontario	4.65%	02 Jun 2041	42,358	1.5%
Toronto Dominion Bank	3.59%	14 Sep 2028	36,604	1.3%
Province of Québec	5.75%	01 Dec 2036	35,882	1.2%
Province of Ontario	3.45%	02 Jun 2045	35,558	1.2%
Province of Ontario	2.80%	02 Jun 2048	35,116	1.2%
Province of Ontario	3.50%	02 Jun 2043	34,444	1.2%
Bank of Nova Scotia	2.09%	09 Sep 2020	32,855	1.1%
Bank of Montreal	3.40%	23 Apr 2021	31,919	1.1%
HSBC Bank Canada	2.54%	31 Jan 2023	29,026	1.0%
Royal Bank of Canada	1.65%	15 Jul 2021	27,143	0.9%
Royal Bank of Canada	3.30%	26 Sep 2023	25,401	0.9%
Province of Québec	3.50%	01 Dec 2048	24,520	0.9%
Bank of Montreal	2.10%	06 Oct 2020	23,691	0.8%
Caisse Centrale Desjardins	1.75%	02 Mar 2020	22,996	0.8%
Province of Ontario	6.50%	08 Mar 2029	22,251	0.8%
Province of Ontario	2.90%	02 Dec 2046	22,076	0.8%
Bank of Nova Scotia	2.98%	17 Apr 2023	20,844	0.7%
Province of Ontario	4.60%	02 Jun 2039	20,587	0.7%
National Bank of Canada	2.11%	18 Mar 2022	20,227	0.7%
Bank of Nova Scotia	2.87%	04 Jun 2021	20,069	0.7%
Canadian Imperial Bank of Commerce	2.97%	11 Jul 2023	20,059	0.7%
Royal Bank of Canada	2.00%	21 Mar 2022	20,025	0.7%

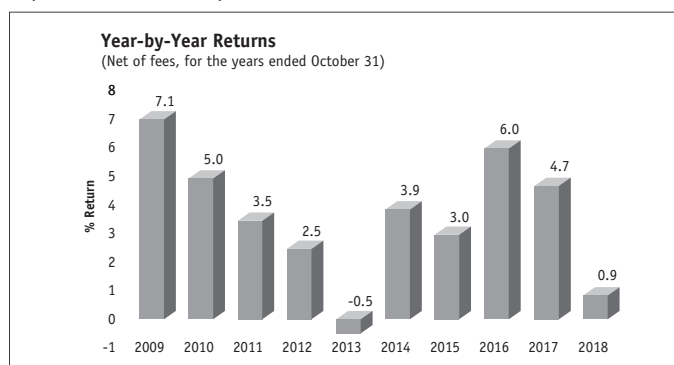
Top 25 long positions as a percentage of Plan’s Total Portfolio Assets **51.0%**

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.

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 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 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: Nov 30, 2016	From: Dec 1, 2016 To: Sep 30, 2017	From: Oct 1, 2017 To: Current
FTSE TMX Canada Long Term Gov't Bond Index				28.7%		
FTSE TMX Long Term Provincial Bond Index					25.2%	22.0%
FTSE TMX Canada All Gov't Bond Index	100.0%	49.0%	73.0%	21.7%		
FTSE TMX Provincial Bond Index					17.6%	15.0%
FTSE TMX Federal Bond Index					7.6%	6.5%
FTSE TMX Canada Financial Bond Index				22.6%	22.6%	23.5%
FTSE TMX Canada Short Term Gov't Bond Index		49.0%				
FTSE TMX Canada All Corporate Bond Index		2.0%	7.0%	7.0%	7.0%	
S&P 500 CAD Hedged Index			14.0%	14.0%	14.0%	
S&P US Total Market Index (C\$)						19.0%

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: Nov 30, 2016	From: Dec 1, 2016 To: Sep 30, 2017	From: Oct 1, 2017 To: Current
S&P 500 Index (C\$)						7.5%
S&P/TSX Capped Composite			6.0%	6.0%	6.0%	6.5%

The FTSE TMX Canada Long 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 greater than 10 years.

The FTSE TMX Canada Long Term Provincial Bond Index is a broad measure of Canadian investment grade fixed income securities, issued by the Provinces of Canada, including Crown Corporations, with maturities greater than 10 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 Provincial Bond Index is a broad measure of Canadian investment grade fixed income securities, issued by the Provinces of Canada, including Crown Corporations, with maturities greater than 1 year.

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

The FTSE TMX Canada Financial 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 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 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 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 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 Index is a broad measure of the returns of the S&P 500, 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, 2018.

	Period			
	1 Yr	3 Yr	5 Yr	10 Yr
Net Plan Return*	0.9	3.8	3.7	3.6
Benchmark	1.7	4.3	4.4	4.6
Broad-based Index: FTSE TMX Canada All Government Bond Index	-0.8	1.1	2.8	4.0

Note:

* The Plan's 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.

Management's Responsibility for Financial Reporting

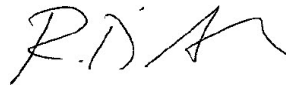
The accompanying financial statements of the Canadian Scholarship Trust Group Savings Plan 2001 (the "Plan") are prepared by management and are approved by the Board of Directors of the Canadian Scholarship Trust Foundation (the "Foundation"). Management is responsible for the information and representations 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 Group Savings Plan 2001, 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 Group Savings Plan 2001 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
Assets		
Cash and cash equivalents	\$ 6,007	\$ 17,555
Receivables for securities sold	31,782	7,434
Investments, at fair value <i>(Note 4 and Schedule I)</i>	4,087,687	3,931,293
Accrued income and other receivables	26,215	24,196
Government grants receivable	11,988	11,893
	4,163,679	3,992,371
Liabilities		
Payables for securities purchased	32,236	15,862
Accounts payable and accrued liabilities	6,745	4,524
	38,981	20,386
Net Assets Attributable to Subscribers and Beneficiaries	4,124,698	3,971,985
Represented by:		
Non-Discretionary Funds		
Accumulated income held for future education assistance payments	525,401	492,826
Subscribers' deposits <i>(Schedule II)</i>	2,340,345	2,232,424
Government grants	829,868	778,356
Income on Government grants	211,572	198,072
Sales charge refund entitlements <i>(Note 8)</i>	163,901	154,028
General fund <i>(Note 7)</i>	-	535
Unrealized Gains	52,894	113,766
Discretionary Funds		
Donations from the Foundation <i>(Note 7)</i>	717	1,978
	\$4,124,698	\$3,971,985

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
Income		
Interest for allocation to subscriber accounts	\$ 84,985	\$ 91,127
Realized gains on sale of investments	3,699	110,849
Change in unrealized gains	(60,872)	(24,645)
Dividends	35,719	33,709
	63,531	211,040
Expenses		
Administration and account maintenance fees <i>(Note 3(a))</i>	21,662	19,763
Portfolio management fees	3,785	3,876
Custodian and trustee fees	722	1,127
Independent Review Committee fees	63	60
	26,232	24,826
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$ 37,299	\$186,214

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
Net Assets Attributable to Subscribers and Beneficiaries, Beginning of Year	\$3,971,985	\$3,614,998
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	37,299	186,214
Transfers to internal and external plans	(16,125)	(10,408)
	21,174	175,806
Receipts		
Net increase in Subscribers' deposits <i>(Schedule II)</i>	107,921	142,262
Government grants received (net of repayments)	87,355	86,320
Contributions received from the Foundation <i>(Note 7)</i>	-	1,000
Disbursements		
Payments to beneficiaries		
Education assistance payments	(25,291)	(19,397)
Government grants	(29,972)	(17,328)
Refund of sales charges	(7,834)	(5,743)
Return of interest	(640)	(5,933)
Total payments to beneficiaries	(63,737)	(48,401)
Receipts less Disbursements	131,539	181,181
Change in Net Assets Attributable to Subscribers and Beneficiaries	152,713	356,987
Net Assets Attributable to Subscribers and Beneficiaries, End of Year	\$4,124,698	\$3,971,985

Statements of Cash Flows

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

	2018	2017
Operating Activities		
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$ 37,299	\$ 186,214
Net disbursements for investment transactions	(221,541)	(235,554)
Items not affecting cash		
Realized gains on sale of investments	(3,699)	(110,849)
Change in unrealized gains	60,872	24,645
Change in non-cash operating working capital		
(Increase) decrease in Accrued income and other receivables	(2,019)	3,379
(Increase) decrease in Government grants receivable	(95)	871
Increase (decrease) in Accounts payable and accrued liabilities	2,221	(37,345)
Cash flow used in Operating Activities	(126,962)	(168,639)
Financing Activities		
Transfers to internal and external plans	(16,125)	(10,408)
Contributions received from the Foundation <i>(Note 7)</i>	-	1,000
Government grants received (net of repayments)	87,355	86,320
Net increase in Subscribers' deposits <i>(Schedule II)</i>	107,921	142,262
Payments to beneficiaries	(63,737)	(48,401)
Cash flow used in Financing Activities	115,414	170,773
Net (decrease) increase in Cash and cash equivalents	(11,548)	2,134
Cash and cash equivalents, Beginning of Year		
Cash	4,867	6,804
Cash equivalents	12,688	8,617
	17,555	15,421
Cash and cash equivalents, End of Year		
Cash	4,315	4,867
Cash equivalents	1,692	12,688
	\$ 6,007	\$ 17,555
Supplemental cash flow information:		
Withholding Taxes	\$ 2,062	\$ 1,861
Interest Income Received	82,962	94,601

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 (\$)
Bonds						Bonds (continued)					
Federal – 6.1%						Federal – 6.1% (continued)					
Canada Housing Trust	3.75	15 Mar 2020	12,256	12,492	13,211	Labrador-Island Link Funding Trust	3.85	1 Dec 2053	300	339	378
Canada Housing Trust	3.80	15 Jun 2021	1,580	1,631	1,792	Muskrat Falls Funding Trust	3.83	1 Jun 2037	6,250	6,769	7,189
Canada Housing Trust	1.15	15 Dec 2021	2,425	2,322	2,413	Muskrat Falls Funding Trust	3.86	1 Dec 2048	400	448	496
Canada Housing Trust	1.25	15 Jun 2021	1,918	1,856	1,936						
Canada Housing Trust	1.50	15 Dec 2021	2,437	2,359	2,433				176,945	183,712	
Canada Housing Trust	2.65	15 Mar 2022	5,000	5,007	5,307	Provincial – 33.0%					
Canada Housing Trust	1.75	15 Jun 2022	3,508	3,401	3,525	Province of Alberta	4.00	1 Dec 2019	325	331	345
Canada Housing Trust	2.40	15 Dec 2022	8,190	8,102	8,340	Province of Alberta	1.25	1 Jun 2020	3,667	3,601	3,637
Canada Housing Trust	2.35	15 Jun 2023	2,815	2,771	2,815	Province of Alberta	1.35	1 Sep 2021	1,553	1,499	1,552
Canada Housing Trust	2.55	15 Dec 2023	1,317	1,304	1,314	Province of Alberta	1.60	1 Sep 2022	970	929	968
Canada Housing Trust	2.90	15 Jun 2024	2,690	2,707	2,814	Province of Alberta	2.55	15 Dec 2022	700	693	719
Canada Housing Trust	2.55	15 Mar 2025	2,000	1,970	2,077	Province of Alberta	2.65	1 Sep 2023	1,076	1,066	1,076
Canada Housing Trust	1.95	15 Dec 2025	1,000	944	1,027	Province of Alberta	3.10	1 Jun 2024	1,350	1,361	1,417
Canada Housing Trust	1.90	15 Sep 2026	1,426	1,331	1,408	Province of Alberta	2.20	1 Jun 2026	2,505	2,359	2,502
Canada Housing Trust	2.35	15 Jun 2027	1,380	1,326	1,392	Province of Alberta	2.55	1 Jun 2027	2,995	2,866	2,940
Canada Housing Trust	2.35	15 Mar 2028	527	504	526	Province of Alberta	2.90	1 Dec 2028	1,354	1,321	1,342
Canada Housing Trust	2.65	15 Mar 2028	1,174	1,152	1,162	Province of Alberta	2.90	20 Sep 2029	2,700	2,621	2,821
Canada Housing Trust	2.65	15 Dec 2028	531	520	529	Province of Alberta	3.50	1 Jun 2031	2,095	2,149	2,219
Canada Post Corporation	4.36	16 Jul 2040	325	387	409	Province of Alberta	3.90	1 Dec 2033	8,332	8,911	8,890
Government of Canada	–	27 Dec 2018	1,695	1,689	1,689	Province of Alberta	4.50	1 Dec 2040	3,000	3,525	3,639
Government of Canada	–	10 Jan 2019	325	324	324	Province of Alberta	3.45	1 Dec 2043	15,920	16,119	16,124
Government of Canada	–	24 Jan 2019	585	582	582	Province of Alberta	3.30	1 Dec 2046	8,665	8,547	8,798
Government of Canada	–	21 Mar 2019	3,350	3,324	3,324	Province of Alberta	3.05	1 Dec 2048	13,982	13,173	13,620
Government of Canada	1.50	1 Mar 2020	4,600	4,555	4,669	Province of Alberta	3.10	1 Jun 2050	2,766	2,634	2,759
Government of Canada	3.50	1 Jun 2020	14,425	14,697	15,418	Province of British Columbia	3.70	18 Dec 2020	850	871	884
Government of Canada	0.75	1 Sep 2020	6,300	6,124	6,282	Province of British Columbia	9.95	15 May 2021	1,000	1,178	1,343
Government of Canada	0.75	1 Mar 2021	8,582	8,273	8,425	Province of British Columbia	4.80	15 Jun 2021	200	211	235
Government of Canada	3.25	1 Jun 2021	5,443	5,563	6,015	Province of British Columbia	3.25	18 Dec 2021	1,000	1,019	1,059
Government of Canada	0.75	1 Sep 2021	2,241	2,143	2,192	Province of British Columbia	2.70	18 Dec 2022	875	873	907
Government of Canada	0.50	1 Mar 2022	2,662	2,502	2,534	Province of British Columbia	3.30	18 Dec 2023	500	511	545
Government of Canada	2.75	1 Jun 2022	683	691	750	Province of British Columbia	2.85	18 Jun 2025	3,350	3,336	3,440
Government of Canada	1.00	1 Sep 2022	3,785	3,590	3,645	Province of British Columbia	2.30	18 Jun 2026	1,666	1,589	1,667
Government of Canada	1.75	1 Mar 2023	430	418	424	Province of British Columbia	2.55	18 Jun 2027	3,111	2,996	3,096
Government of Canada	1.50	1 Jun 2023	1,713	1,645	1,656	Province of British Columbia	2.95	18 Dec 2028	1,702	1,682	1,715
Government of Canada	2.00	1 Sep 2023	700	689	686	Province of British Columbia	5.70	18 Jun 2029	6,460	7,958	8,334
Government of Canada	2.50	1 Jun 2024	2,250	2,256	2,280	Province of British Columbia	6.35	18 Jun 2031	9,300	12,388	12,737
Government of Canada	2.25	1 Jun 2025	4,900	4,836	4,958	Province of British Columbia	5.40	18 Jun 2035	890	1,136	1,146
Government of Canada	1.50	1 Jun 2026	1,067	996	1,025	Province of British Columbia	4.70	18 Jun 2037	3,100	3,723	3,965
Government of Canada	1.00	1 Jun 2027	2,509	2,223	2,246	Province of British Columbia	4.95	18 Jun 2040	11,850	14,939	15,495
Government of Canada	1.25	1 Feb 2020	1,325	1,309	1,310	Province of British Columbia	4.30	18 Jun 2042	5,636	6,593	6,345
Government of Canada	2.00	1 Jun 2028	852	817	831	Province of British Columbia	3.20	18 Jun 2044	7,800	7,711	7,905
Government of Canada	2.25	1 Jun 2029	5,525	5,399	5,430	Province of British Columbia	2.80	18 Jun 2048	14,054	12,864	13,478
Government of Canada	5.75	1 Jun 2029	3,250	4,224	4,487	Province of British Columbia	2.95	18 Jun 2050	613	578	609
Government of Canada	5.75	1 Jun 2033	3,500	4,870	5,109	Province of Manitoba	1.15	21 Nov 2019	528	522	527
Government of Canada	5.00	1 Jun 2037	1,995	2,719	2,830	Province of Manitoba	4.15	3 Jun 2020	850	872	932
Government of Canada	4.00	1 Jun 2041	2,475	3,090	3,202	Province of Manitoba	1.55	5 Sep 2021	383	372	384
Government of Canada	3.50	1 Dec 2045	3,516	4,175	4,389	Province of Manitoba	2.55	2 Jun 2023	692	683	701
Government of Canada	2.75	1 Dec 2048	7,684	8,044	8,527	Province of Manitoba	3.30	2 Jun 2024	500	509	530
Government of Canada	2.00	1 Dec 2051	1,800	1,589	1,584	Province of Manitoba	2.45	2 Jun 2025	600	580	604
Government of Canada	2.75	1 Dec 2064	5,418	5,797	6,290	Province of Manitoba	4.40	5 Sep 2025	3,649	3,947	4,067
Labrador-Island Link Funding Trust	3.76	1 Jun 2033	250	266	293	Province of Manitoba	2.55	2 Jun 2026	419	404	424
Labrador-Island Link Funding Trust	3.86	1 Dec 2045	7,091	7,884	7,813	Province of Manitoba	2.60	2 Jun 2027	2,018	1,934	1,979
						Province of Manitoba	3.00	2 Jun 2028	1,905	1,875	1,890

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

Schedule I – Statement of Investment Portfolio (continued)

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 (\$)
Bonds (continued)						Bonds (continued)					
Provincial – 33.0% (continued)						Provincial – 33.0% (continued)					
Province of Manitoba	3.25	5 Sep 2029	500	498	472	Province of Ontario	2.40	2 Jun 2026	5,396	5,156	5,338
Province of Manitoba	6.30	5 Mar 2031	625	812	825	Province of Ontario	2.60	2 Jun 2027	4,755	4,569	4,719
Province of Manitoba	5.70	5 Mar 2037	1,000	1,306	1,356	Province of Ontario	2.90	2 Jun 2028	5,738	5,617	5,672
Province of Manitoba	4.60	5 Mar 2038	1,800	2,092	2,091	Province of Ontario	6.50	8 Mar 2029	17,275	22,251	24,108
Province of Manitoba	4.65	5 Mar 2040	2,500	2,951	2,813	Province of Ontario	6.20	2 Jun 2031	4,850	6,325	6,732
Province of Manitoba	4.10	5 Mar 2041	11,525	12,686	12,969	Province of Ontario	5.85	8 Mar 2033	14,980	19,356	20,112
Province of Manitoba	4.40	5 Mar 2042	7,650	8,806	9,018	Province of Ontario	5.60	2 Jun 2035	13,900	17,873	18,833
Province of Manitoba	3.35	5 Mar 2043	875	860	777	Province of Ontario	4.70	2 Jun 2037	15,280	18,107	19,115
Province of Manitoba	4.05	5 Sep 2045	3,300	3,642	3,777	Province of Ontario	4.60	2 Jun 2039	17,400	20,587	21,650
Province of Manitoba	2.85	5 Sep 2046	2,901	2,590	2,642	Province of Ontario	4.65	2 Jun 2041	35,206	42,358	42,036
Province of Manitoba	3.40	5 Sep 2048	2,446	2,428	2,478	Province of Ontario	3.50	2 Jun 2043	33,700	34,444	35,793
Province of Manitoba	3.20	5 Mar 2050	785	751	781	Province of Ontario	3.45	2 Jun 2045	35,050	35,558	36,166
Province of Manitoba	3.15	5 Sep 2052	2,000	1,881	1,864	Province of Ontario	2.90	2 Dec 2046	24,102	22,076	22,888
Province of New Brunswick	4.50	2 Jun 2020	1,500	1,547	1,679	Province of Ontario	2.80	2 Jun 2048	39,116	35,116	36,816
Province of New Brunswick	2.85	2 Jun 2023	1,500	1,497	1,580	Province of Ontario	2.90	2 Jun 2049	15,211	13,941	14,454
Province of New Brunswick	2.60	14 Aug 2026	1,204	1,158	1,206	Province of Québec	4.50	1 Dec 2019	3,550	3,634	3,867
Province of New Brunswick	2.35	14 Aug 2027	1,472	1,374	1,429	Province of Québec	4.50	1 Dec 2020	2,200	2,289	2,442
Province of New Brunswick	3.10	14 Aug 2028	277	273	276	Province of Québec	4.25	1 Dec 2021	6,175	6,467	6,873
Province of New Brunswick	5.50	27 Jan 2034	2,000	2,479	2,587	Province of Québec	3.50	1 Dec 2022	3,950	4,058	4,256
Province of New Brunswick	4.55	26 Mar 2037	9,000	10,230	10,506	Province of Québec	3.00	1 Sep 2023	13,030	13,121	13,710
Province of New Brunswick	4.80	26 Sep 2039	1,500	1,777	1,808	Province of Québec	3.75	1 Sep 2024	3,300	3,445	3,614
Province of New Brunswick	4.80	3 Jun 2041	1,500	1,791	1,819	Province of Québec	2.75	1 Sep 2025	3,300	3,253	3,393
Province of New Brunswick	3.55	3 Jun 2043	6,750	6,749	6,797	Province of Québec	8.50	1 Apr 2026	4,700	6,379	7,070
Province of New Brunswick	3.80	14 Aug 2045	7,500	7,819	7,944	Province of Québec	2.50	1 Sep 2026	2,372	2,284	2,424
Province of New Brunswick	3.10	14 Aug 2048	1,273	1,172	1,243	Province of Québec	2.75	1 Sep 2027	4,654	4,534	4,704
Province of Newfoundland and Labrador	1.95	2 Jun 2022	914	887	912	Province of Québec	2.75	1 Sep 2028	2,110	2,044	2,084
Province of Newfoundland and Labrador	3.00	2 Jun 2026	8,857	8,751	8,939	Province of Québec	6.00	1 Oct 2029	3,400	4,276	4,508
Province of Newfoundland and Labrador	2.85	2 Jun 2028	1,031	995	1,020	Province of Québec	6.25	1 Jun 2032	8,350	11,087	11,713
Province of Newfoundland and Labrador	5.60	17 Oct 2033	1,500	1,866	1,944	Province of Québec	5.25	1 Jun 2034	4,200	5,133	5,292
Province of Newfoundland and Labrador	4.65	17 Oct 2040	1,700	1,978	1,990	Province of Québec	5.75	1 Dec 2036	27,000	35,882	37,463
Province of Newfoundland and Labrador	3.30	17 Oct 2046	5,175	4,930	4,873	Province of Québec	5.00	1 Dec 2038	11,300	14,052	14,375
Province of Newfoundland and Labrador	3.70	17 Oct 2048	3,635	3,733	3,776	Province of Québec	5.00	1 Dec 2041	42,925	54,433	54,363
Province of Nova Scotia	4.10	1 Jun 2021	1,100	1,141	1,222	Province of Québec	4.25	1 Dec 2043	13,250	15,311	15,431
Province of Nova Scotia	2.10	1 Jun 2027	1,296	1,197	1,238	Province of Québec	3.50	1 Dec 2045	15,100	15,557	15,530
Province of Nova Scotia	5.80	1 Jun 2033	4,937	6,364	6,396	Province of Québec	3.50	1 Dec 2048	23,676	24,520	25,429
Province of Nova Scotia	4.50	1 Jun 2037	5,900	6,827	6,954	Province of Saskatchewan	2.55	2 Jun 2026	2,637	2,547	2,679
Province of Nova Scotia	4.70	1 Jun 2041	2,000	2,423	2,414	Province of Saskatchewan	2.65	2 Jun 2027	1,161	1,120	1,159
Province of Nova Scotia	4.40	1 Jun 2042	5,230	6,114	5,882	Province of Saskatchewan	3.05	2 Dec 2028	862	853	858
Province of Nova Scotia	3.45	1 Jun 2045	2,000	2,031	2,029	Province of Saskatchewan	6.40	5 Sep 2031	9,096	12,094	12,675
Province of Nova Scotia	3.50	2 Jun 2062	1,400	1,446	1,397	Province of Saskatchewan	5.60	5 Sep 2035	2,100	2,707	2,821
Province of Ontario	4.20	2 Jun 2020	9,925	10,196	10,885	Province of Saskatchewan	4.75	1 Jun 2040	7,325	8,878	9,292
Province of Ontario	4.00	2 Jun 2021	12,100	12,518	13,495	Province of Saskatchewan	3.90	2 Jun 2045	4,250	4,646	4,652
Province of Ontario	1.35	8 Mar 2022	3,588	3,432	3,500	Province of Saskatchewan	2.75	2 Dec 2046	7,586	6,740	6,808
Province of Ontario	3.15	2 Jun 2022	10,425	10,561	11,204	Province of Saskatchewan	3.30	2 Jun 2048	4,057	4,018	4,163
Province of Ontario	2.85	2 Jun 2023	13,400	13,397	14,172	Province of Saskatchewan	3.10	2 Jun 2050	263	251	261
Province of Ontario	2.60	8 Sep 2023	4,626	4,571	4,609	Province of Saskatchewan	3.75	5 Mar 2054	815	884	907
Province of Ontario	3.50	2 Jun 2024	8,250	8,489	8,915	Province of Saskatchewan	2.95	2 Jun 2058	742	679	707
Province of Ontario	2.60	2 Jun 2025	8,400	8,201	8,544					949,286	979,313
						Municipal – 1.3%					
						City of Montreal	5.45	1 Dec 2019	400	413	455
						City of Montreal	3.50	1 Sep 2023	450	460	483
						City of Montreal	3.00	1 Sep 2025	1,763	1,740	1,775
						City of Montreal	2.75	1 Sep 2026	456	439	457

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

Schedule I – Statement of Investment Portfolio (continued)

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 (\$)
Bonds (continued)						Bonds (continued)					
Municipal – 1.3% (continued)						Corporate – 24.6% (continued)					
City of Montreal	4.25	1 Dec 2032	750	810	824	Canada Pension Plan Investment Board	3.00	15 Jun 2028	319	315	319
City of Montreal	4.10	1 Dec 2034	902	960	967	Canadian Imperial Bank of Commerce	1.90	26 Apr 2021	1,725	1,680	1,685
City of Montreal	3.15	1 Dec 2036	1,900	1,788	1,889	Canadian Imperial Bank of Commerce	1.64	12 Jul 2021	2,683	2,586	2,589
City of Montreal	6.00	1 Jun 2043	875	1,212	1,252	Canadian Imperial Bank of Commerce	2.90	14 Sep 2021	1,317	1,311	1,317
City of Ottawa	4.60	14 Jul 2042	1,000	1,161	1,180	Canadian Imperial Bank of Commerce	2.30	11 Jul 2022	17,021	16,503	16,948
City of Ottawa	3.10	27 Jul 2048	172	157	171	Canadian Imperial Bank of Commerce	2.97	11 Jul 2023	20,315	20,059	20,296
City of Toronto	4.50	2 Dec 2019	500	511	555	Canadian Imperial Bank of Commerce	3.30	26 May 2025	11,929	11,891	11,929
City of Toronto	3.50	6 Dec 2021	400	408	438	Capital Desjardins Inc.	4.95	15 Dec 2026	1,585	1,661	1,674
City of Toronto	2.40	24 Jun 2026	464	438	464	Great-West Lifeco Inc.	3.34	28 Feb 2028	6,280	6,172	6,265
City of Toronto	2.95	28 Apr 2035	600	553	555	Great-West Lifeco Inc.	6.67	21 Mar 2033	9,898	12,750	13,086
City of Toronto	3.50	2 Jun 2036	4,021	3,976	4,009	HSBC Bank Canada	2.54	7 Jul 2020	6,711	6,587	6,593
City of Toronto	5.20	1 Jun 2040	2,650	3,283	3,465	HSBC Bank Canada	1.82	29 Jan 2021	1,710	1,687	1,691
City of Toronto	4.70	10 Jun 2041	1,150	1,344	1,359	HSBC Bank Canada	2.91	29 Sep 2021	19,355	19,207	19,733
City of Toronto	3.80	13 Dec 2042	450	464	465	HSBC Bank Canada	2.17	29 Jun 2022	5,306	5,101	5,268
City of Toronto	4.15	10 Mar 2044	450	490	493	HSBC Bank Canada	2.54	31 Jan 2023	29,988	29,026	29,755
City of Toronto	3.25	24 Jun 2046	227	213	226	Hydro One Inc.	8.90	18 Aug 2022	2,000	2,430	2,844
City of Vancouver	3.10	21 Sep 2028	1,400	1,379	1,400	Hydro One Inc.	8.25	22 Jun 2026	4,750	6,368	7,081
City of Vancouver	3.70	18 Oct 2052	2,299	2,340	2,465	Hydro-Québec	11.00	15 Aug 2020	3,400	3,902	4,909
City of Winnipeg	4.10	1 Jun 2045	86	92	99	Hydro-Québec	6.50	15 Feb 2035	5,000	6,988	7,341
City of Winnipeg	4.30	15 Nov 2051	900	1,007	1,024	Hydro-Québec	6.00	15 Feb 2040	7,650	10,712	10,982
Municipal Finance Authority of British Columbia	4.15	1 Jun 2021	557	578	624	Hydro-Québec	5.00	15 Feb 2050	4,500	5,959	6,061
Municipal Finance Authority of British Columbia	3.75	26 Sep 2023	475	493	529	Hydro-Québec	4.00	15 Feb 2055	4,327	4,954	5,185
Municipal Finance Authority of British Columbia	2.50	19 Apr 2026	1,450	1,390	1,453	Intact Financial Corporation	3.77	2 Mar 2026	4,725	4,749	4,881
Region of Peel	2.30	2 Nov 2026	160	149	159	Manulife Bank of Canada	2.84	12 Jan 2023	2,488	2,439	2,488
Region of Peel	5.10	29 Jun 2040	1,200	1,473	1,515	Manufacturers Life Insurance Company	2.10	1 Jun 2025	14,365	14,159	14,212
Region of Peel	3.85	30 Oct 2042	900	937	951	Manufacturers Life Insurance Company	2.39	5 Jan 2026	12,073	11,874	12,004
Regional Municipality of York	2.60	15 Dec 2025	3,362	3,238	3,279	Manufacturers Life Insurance Company	3.18	22 Nov 2027	14,160	14,051	14,528
Regional Municipality of York	2.50	2 Jun 2026	159	151	163	Manulife Financial Corporation	3.32	9 May 2028	7,225	7,108	7,221
Regional Municipality of York	4.00	31 May 2032	600	635	658	National Bank of Canada	2.11	18 Mar 2022	20,915	20,227	20,329
Regional Municipality of York	4.05	1 May 2034	1,525	1,617	1,679	Royal Bank of Canada	2.86	4 Mar 2021	1,690	1,685	1,692
Regional Municipality of Halton	4.05	11 Oct 2041	1,400	1,497	1,569	Royal Bank of Canada	2.03	15 Mar 2021	12,818	12,536	12,850
				37,796	39,049	Royal Bank of Canada	1.65	15 Jul 2021	28,151	27,143	27,836
						Royal Bank of Canada	2.00	21 Mar 2022	20,770	20,025	20,308
Corporate – 24.6%						Royal Bank of Canada	2.36	5 Dec 2022	1,860	1,801	1,830
Bank of Montreal	2.10	6 Oct 2020	24,053	23,691	24,226	Royal Bank of Canada	2.95	1 May 2023	9,100	8,991	9,103
Bank of Montreal	1.88	31 Mar 2021	1,417	1,381	1,417	Royal Bank of Canada	3.30	26 Sep 2023	25,612	25,401	25,611
Bank of Montreal	3.40	23 Apr 2021	31,626	31,919	33,811	Royal Bank of Canada	2.48	4 Jun 2025	6,090	6,025	6,039
Bank of Montreal	2.27	11 Jul 2022	1,770	1,715	1,765	Royal Bank of Canada	4.93	16 Jul 2025	14,480	15,848	16,437
Bank of Montreal	2.70	11 Sep 2024	6,328	6,124	6,217	Royal Bank of Canada	3.31	20 Jan 2026	6,030	6,028	6,051
Bank of Montreal	3.19	1 Mar 2028	1,776	1,740	1,775	Sun Life Capital Trust	3.05	19 Sep 2028	5,030	4,916	5,023
Bank of Nova Scotia	–	21 Nov 2018	590	587	587	Toronto Dominion Bank	1.68	8 Jun 2021	8,625	8,373	8,525
Bank of Nova Scotia	2.09	9 Sep 2020	33,356	32,855	33,188	Toronto Dominion Bank	3.01	30 May 2023	1,585	1,571	1,592
Bank of Nova Scotia	3.27	11 Jan 2021	3,140	3,159	3,173	Toronto Dominion Bank	1.91	18 Jul 2023	18,533	17,474	17,567
Bank of Nova Scotia	2.87	4 Jun 2021	20,150	20,069	20,648	Toronto Dominion Bank	2.98	30 Sep 2025	4,940	4,917	4,932
Bank of Nova Scotia	1.90	2 Dec 2021	2,940	2,838	2,892	Toronto Dominion Bank	3.59	14 Sep 2028	37,152	36,604	36,999
Bank of Nova Scotia	1.83	27 Apr 2022	11,523	11,025	11,195						
Bank of Nova Scotia	2.98	17 Apr 2023	21,078	20,844	20,902						
Bank of Nova Scotia	3.10	2 Feb 2028	4,177	4,061	4,176						
Caisse Centrale Desjardins	1.75	2 Mar 2020	23,306	22,996	23,019						
Caisse Centrale Desjardins	2.39	25 Aug 2022	4,915	4,775	4,795						

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

Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2018 (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)						Equity – 6.7% (continued)			
Corporate – 24.6% (continued)						Nutrien Ltd.	93,293	6,496	5,253
Toronto Dominion Bank	3.22	25 Jul 2029	20,785	19,988	20,433	Pason System Inc.	118,650	2,348	2,165
Toronto Dominion Bank	4.86	4 Mar 2031	19,050	19,996	20,440	PrairieSky Royalty Ltd.	156,359	3,126	3,672
Wells Fargo Financial Corporation Canada	3.04	29 Jan 2021	7,958	7,955	8,100	Recipe Unlimited Corporation	43,519	1,182	1,145
Wells Fargo Financial Corporation Canada	3.46	24 Jan 2023	18,926	19,020	19,651	Restaurant Brands International Inc.	17,863	1,288	1,157
						Ritchie Brothers Auctioneers	37,900	1,677	1,442
				708,532	724,019	Royal Bank of Canada	28,453	2,728	2,834
						Saputo Inc.	134,028	5,373	5,512
						Shawcor Ltd.	92,449	2,205	2,618
Total Fixed Income – 65.0%				1,872,559	1,926,093	Stella-Jones Inc.	60,429	2,546	2,591
						Suncor Energy Inc.	93,920	4,119	3,408
						TELUS Corporation	122,555	5,520	5,231
						Toromont Industries Ltd.	46,800	2,900	1,989
						Toronto Dominion Bank	166,192	12,127	9,401
						Total Energy Services Inc.	96,560	917	1,330
						Tucows Inc.	16,015	1,056	1,165
						Wajax Corporation	52,490	1,223	1,131
						Westshore Terminals Investment Corporation	168,950	4,055	3,929
						Winpak Ltd.	36,874	1,680	1,752
							196,292	189,260	
						Exchanged-traded Funds – 28.2%			
						BMO S&P 500 Index ETF	5,909,450	231,946	203,054
						iShares Core S&P U.S. Total Market Index ETF	21,199,507	581,078	512,037
						Total Equities – 34.9%		1,009,316	904,351
						Total Investments – 99.9%		2,881,875	2,830,444
						Cash and cash equivalents – 0.1%		3,386	3,386
						Total Portfolio Assets – 100.0%		2,885,261	2,833,830
						Investments Allocation (Note 4)			
						Government Grants (Appendix I)	1,051,367	1,039,553	
						Sales Charge Refund Entitlements (Appendices II & III)	154,445	164,796	
						Cash and cash equivalents (Appendices I, II & III)	2,621	2,621	
						Total Investment Fund	4,093,694	4,040,800	
						Represented by:			
						Cash and cash equivalents	6,007		
						Investments, at fair value	4,087,687		
							4,093,694		

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 is a summary of Group Savings Plan 2001 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
2017 and prior to 2017	173,050	990	28,387	145,653	26,850	34,654
2018	92,638	3,300	4,458	91,480	35,275	29,096
2019	163,330	812	4,147	159,995	197,723	61,127
2020	182,036	734	1,750	181,020	264,342	74,249
2021	188,169	728	1,965	186,932	258,079	66,201
2022	194,771	967	2,263	193,475	244,988	57,844
2023	191,207	1,781	2,994	189,994	226,118	48,982
2024	195,953	2,498	3,403	195,048	209,695	41,966
2025	186,953	3,647	4,936	185,664	184,158	33,355
2026	181,004	5,206	6,540	179,670	156,832	24,759
2027	170,751	7,094	7,080	170,765	135,017	18,697
2028	164,330	5,828	6,157	164,001	110,973	12,689
2029	160,165	3,772	7,167	156,770	90,991	8,765
2030	162,089	5,320	7,517	159,892	74,628	6,166
2031	148,564	6,406	8,613	146,357	54,167	3,710
2032 and thereafter	419,935	166,539	28,152	558,322	70,509	3,141
TOTAL	2,974,945	215,622	125,529	3,065,038	\$ 2,340,345	\$ 525,401

1 Inflow units are comprised of new units, additional units and 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:

	Oct 31, 2018	Oct 31, 2017
Payments from subscribers ¹	\$ 286,745	\$ 286,328
Inter-plan principal transfers	(36,032)	(31,205)
Account maintenance fees	(3,120)	(3,154)
Return of principal	(139,672)	(109,707)
Net increase in Subscribers’ deposits	107,921	142,262
Balance, Beginning of Year	2,232,424	2,090,162
Balance, End of Year	\$ 2,340,345	\$ 2,232,424

1 Net of Sales charges collected of \$35,106 (2017 – \$36,192).

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.

Education Assistance Payments	2018	2017	Education Assistance Payments	2018	2017
Current year payments	\$17,814	\$13,843	Non-Discretionary	\$25,291	\$19,397
Deferred payments	7,156	5,292	Discretionary	–	–
Advance payments	321	262		\$25,291	\$19,397
	\$25,291	\$19,397			

	Number of education assistance payment units				Amount of education assistance payment per unit			
	Year of Eligibility				Year of Eligibility			
	2018	2017	2016	2015	2018	2017	2016	2015
First	50,126.0	34,324.9	31,645.9	25,928.6	\$ 133	\$ 121	\$ 123	\$ 183
Second	30,635.6	25,910.2	21,431.2		144	151	156	
Third		23,762.7	18,761.1			155	173	
Fourth			17,247.8				177	

Notes to the Financial Statements

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

Note 1. Nature of Operations

The Canadian Scholarship Trust Group Savings Plan 2001 (the "Plan") is a Pooled Education Savings Plan that was established on May 1, 2001. The objective of the Plan is to assist parents and others to save for the post-secondary education of children. The Plan is managed and distributed by C.S.T. 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"), the Quebec Education Savings Incentive ("QESI") and the British Columbia Training and Education Savings Grant ("BCTESG") (collectively, "Government Grants"). 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 standards

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

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)

As at 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 ⁱ
Cash and cash equivalents	Loans and receivables ⁱⁱ
Accrued income and other receivables	Loans and receivables ⁱⁱ
Receivables for securities sold	Loans and receivables ⁱⁱ
Accounts payable and accrued liabilities	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 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.

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 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.

Notes to the Financial Statements (continued)

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

Note 2. Significant Accounting Policies (continued)

(k) Critical accounting estimates and judgments (continued)

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 used in the valuation of the SCR Entitlements. Further information on the SCR Entitlement valuation can be found in Note 8(b).

Note 3. Related Party Transactions

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

(a) Distribution and Administration of the Plan

The Foundation, as the Plan sponsor, has appointed C.S.T.C., as both the Scholarship Plan Dealer and Investment Fund Manager to distribute and administer the Plan. The agreements are 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").

During the year ended October 31, 2018, \$21,662 was recognized as an expense for Administration and account maintenance fees (2017 – \$19,763). Administration and account maintenance fees included in Accounts payable and accrued liabilities at October 31, 2018 was \$110 (2017 – \$362).

Sales charges are 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 balance of sales charges collected is paid to C.S.T.C. as compensation for the sale and distribution of savings plans.

During the year ended October 31, 2018, \$35,106 was paid to C.S.T.C. from sales charges collected as compensation for the sale and distribution of savings plans (2017 – \$36,198). Related amounts included in Accounts payable and accrued liabilities at October 31, 2018 was \$552 (2017 – \$500).

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 by the Foundation (see Note 8).

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

For the year ended October 31, 2018, the Foundation provided deficit funding payments of \$2,300 (2017 – \$1,600) 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, 2018, the Plan recognized an expense of \$63

(2017 – \$60) for the services of the IRC. IRC fees included in Accounts payable and accrued liabilities at October 31, 2018 was \$nil (2017 – \$nil).

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

Included in Portfolio management fees on the Statements of Comprehensive Income is \$700 (2017 – \$763) charged by C.S.T.C. for expenses incurred to monitor and manage the portfolio managers. Included in Accounts payable and accrued liabilities was \$nil as 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 the related Appendices I – III 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).

For Agreements purchased under prospectuses dated prior to October 2, 2007, investments used to fund the SCR Entitlements of the Group Savings Plan 2001 and the Group Savings Plan are managed in a separate SCR Fund (see Appendix II to Schedule I). The SCR Fund's holdings and income are allocated to the Plan based on its proportionate share of the SCR Entitlements.

For Agreements purchased under prospectuses dated on or after October 2, 2007, investments used to fund the SCR Entitlements of the Plan are managed in a separate SCR Fund (see Appendix III to Schedule I).

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

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

Notes to the Financial Statements (continued)

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

Note 6. Risks Associated with Financial Instruments (continued)

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 and market events and manage the investment portfolio according to the investment policy and mandates.

(a) Market risk

i. Interest rate risk

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

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

Debt Instruments by Maturity Date	% of Total Investment Fund	
	Oct 31, 2018	Oct 31, 2017
Less than 1 year	1%	1%
1-3 years	8%	9%
3-5 years	11%	14%
Greater than 5 years	43%	41%
Total Debt instruments	63%	65%

As at October 31, 2018, if prevailing interest rates had increased by 1%, the fair value of the Total Investment Fund of \$4,093,694 (2017 – \$3,948,848) as per Schedule I – Statement of Investment Portfolio would have decreased by approximately \$206,000 (2017 – \$207,000). If prevailing interest rates had decreased by 1% the fair value of the Total Investment Fund would have increased by approximately \$248,000 (2017 – \$249,000). 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, the Government Grants asset pool, and the SCR Funds, which represent 37% (2017 – 35%) of the Total

Investment Fund as at October 31, 2018. 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, 2018, 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 \$15,000 (2017 – \$13,800). 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	7%	\$ 276,017	7%	\$ 279,939
AA/AAH/AAL	34%	1,403,946	38%	1,480,169
A/AH/AL	22%	888,364	19%	769,844
BBB	0%	8,030	0%	9,534
R-1	0%	6,517	1%	19,940
Short-term unrated	0%	14,050	0%	8,201
Total Debt instruments	63%	\$2,596,924	65%	\$2,567,627

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 Investor 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 equivalent 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 directs 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.

Notes to the Financial Statements (continued)

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

Note 6. Risks Associated with Financial Instruments (continued)

(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 pooled equity funds and ETFs, which represent 30% (2017 – 29%) of the Total Investment Fund. The fair value of the Total Investment Fund would increase or decrease by approximately \$12,300 (2017 – \$11,400) 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 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 subscribers’ accumulated income from the date of maturity of the 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, 2018 and 2017 are as follows:

	2018	2017
Receipts		
Net investment income	\$ 1,151	\$ 2,338
Disbursements		
Education assistance payments	(1,686)	(1,807)
(Shortfall) Excess of Receipts over Disbursements	(535)	535
Balance, Beginning of Year	535	-
Balance, End of Year	\$ -	\$ 535

Receipts and disbursements in the Donations from the Foundation included in the financial statements of the Plan for the years ended October 31, 2018 and 2017, are as follows:

	2018	2017
Receipts		
Contributions received from the Foundation	\$ -	\$1,000
Disbursements		
Education assistance payments	(1,261)	-
(Shortfall) Excess of Receipts over Disbursements	(1,261)	1,000
Balance, Beginning of Year	1,978	978
Balance, End of Year	\$ 717	\$1,978

Note 8. Sales Charge Refund

(a) Sales Charge Refund Entitlements

The Plan refunds sales charges to qualified beneficiaries (“SCR Entitlements”) in four instalments during the EAP payout period. The total amount refunded for the year ended October 31, 2018, was \$7,834 (2017 – \$5,743).

As at October 31, 2018, the SCR Entitlements amount of \$163,901 (2017 – \$154,028) presented in the Statements of Financial Position represents the average cost of the Plan’s investments in the SCR Fund of \$165,227 (2017 – \$155,186), less funds to be transferred to the direct investment holdings of the plan of \$1,404 (2017 – \$1,572) for SCR payments made to beneficiaries during the year, plus accrued interest of \$78 (2017 – \$414). The fair value of the investments in the SCR Fund as at October 31, 2018, after adjusting for the above, amounted to \$153,550 (2017 – \$155,573), of which \$154,445 and \$431 are included in Investments, at fair value and Cash and cash equivalents, respectively, in the Statements 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.

(i) Agreements purchased under prospectuses dated prior to October 2, 2007

The Plan pays SCR Entitlements to the beneficiaries from the SCR Fund, which amount to 100% of sales charges paid for these Agreements.

As at October 31, 2018, the average cost and fair value of the Plan’s investments in the SCR Fund available for the purpose of paying SCR Entitlements amounted to \$93,488 and \$87,479, respectively (2017 – \$90,802 and \$91,381, respectively).

(ii) Agreements purchased under prospectuses dated on or after October 2, 2007

The SCR Entitlements amount is comprised of a refund of 50% of the sales charges paid plus a potential additional amount not to exceed the amount of surplus (if any) in the SCR Fund. Any surplus in the SCR Fund will be calculated by the Foundation as the excess, if any, of the value of assets in the SCR Fund over the valuation of sales charge refund obligations based on 50% of sales charges.

Notes to the Financial Statements (continued)

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

Note 8. Sales Charge Refund (continued)

(a) Sales Charge Refund Entitlements (continued)

(ii) Agreements purchased under prospectuses dated on or after October 2, 2007 (continued)

For the year ended October 31, 2018, \$2,021 (2017 – \$3,236) was deposited in the SCR Fund, which is equivalent to the estimated present value of the future expected SCR Entitlements of \$100 per unit for all units sold during the period. The discount rate at December 31, 2016 of 6.5% (October 31, 2016 – 7.1%) used in determining the estimated present value was based on conservative assumptions regarding long-term investment returns for the SCR Fund.

As at October 31, 2018, the average cost and fair value of the Plan's investments in the SCR Fund available for the purpose of paying SCR Entitlements amounted to \$71,739 and \$67,397, respectively (2017 – \$64,384 and, \$65,350, respectively).

(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 prepared 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.

(i) Management's Best Estimates 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 based on the investment policy approved by the 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.

(A) Agreements purchased under prospectuses dated prior to October 2, 2007

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

	2018	2017
Present value of SCR Entitlements	\$151,069	\$149,202
Fair value of SCR Fund (Note 8(a)(i))	87,479	91,381
Underfunded portion of SCR Entitlements	\$ 63,590	\$ 57,821

The discount rate, which is set at the expected long-term investment return of the SCR Fund as at October 31, 2018, was 5.3% (2017 – 5.4%). A 1% decrease or increase in the discount rate used will increase or decrease the present value of SCR Entitlements by \$7,160 or \$6,600 respectively (2017 – \$8,140 or \$7,500 respectively).

(B) Agreements purchased under prospectuses dated on or after October 2, 2007

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

	2018	2017
Present value of SCR Entitlements	\$73,398	\$66,859
Fair value of SCR Fund (Note 8(a)(ii))	67,397	65,350
Underfunded portion of SCR Entitlements	\$ 6,001	\$ 1,509

The discount rate, which is set at the expected long-term investment return of the SCR Fund as at October 31, 2018, was 5.7% (2017 – 5.7%). A 1% decrease or increase in the discount rate used will increase or decrease the present value of SCR Entitlements by \$8,400 or \$7,400, respectively (2017 – \$8,100 or \$7,000, 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 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 an unfunded liability of \$50,299 for Agreements purchased under prospectuses dated prior to October 2, 2007. The discount rate used for Agreements purchased under prospectuses after October 2, 2007 was 6.1%, which resulted in an over-funded amount of \$2,973. The Foundation is responsible to pay to beneficiaries of the Plan to refund 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 Directors 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 funding valuation will be performed in 2019 based on assets and obligations as at October 31, 2018.

Notes to the Financial Statements (continued)

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

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 income and other receivables, Receivables for securities sold, Government grants receivable, Accounts payable and accrued liabilities and Payables for securities purchased approximate their fair values as these financial instruments are short term in nature.

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

- 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 \$	-	\$ 2,590,917	\$ -	\$2,590,917
Equity securities, ETFs and Pooled equity funds	1,496,770	-	-	1,496,770
Total Investments, at fair value	\$1,496,770	\$2,590,917	\$ -	\$4,087,687

Assets Measured at Fair Value as of October 31, 2017

	Level 1	Level 2	Level 3	Total
Fixed income securities \$	-	\$ 2,550,072	\$ -	\$2,550,072
Equity securities, ETFs and Pooled equity funds	1,381,221	-	-	1,381,221
Total Investments, at fair value	\$1,381,221	\$2,550,072	\$ -	\$3,931,293

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 (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average (\$)
Bonds						Bonds (continued)					
Federal – 6.2%						Federal – 6.2% (continued)					
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	Provincial – 32.1%					
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 (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average (\$)
Bonds (continued)						Bonds (continued)					
Provincial – 32.1% (continued)						Provincial – 32.1% (continued)					
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	Municipal – 1.4%					
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 (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average (\$)
Bonds (continued)						Bonds (continued)					
Municipal – 1.4% (continued)						Corporate – 25.0% (continued)					
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
Corporate – 25.0%						Manufacturers Life Insurance Company	3.18	22 Nov 2027	5,894	5,849	6,049
Bank of Montreal	2.10	6 Oct 2020	10,198	10,045	10,268	Manulife Financial Corporation	3.32	9 May 2028	2,185	2,150	2,184
Bank of Montreal	1.88	31 Mar 2021	661	644	661	Royal Bank of Canada	2.86	4 Mar 2021	740	738	741
Bank of Montreal	3.40	23 Apr 2021	15,953	16,101	16,955	Royal Bank of Canada	2.03	15 Mar 2021	4,694	4,591	4,713
Bank of Montreal	2.70	11 Sep 2024	2,765	2,676	2,716	Royal Bank of Canada	1.65	15 Jul 2021	11,203	10,802	11,088
Bank of Montreal	3.19	1 Mar 2028	823	806	822	Royal Bank of Canada	1.97	2 Mar 2022	1,040	1,002	1,011
Bank of Nova Scotia	2.27	13 Jan 2020	–	–	–	Royal Bank of Canada	2.00	21 Mar 2022	9,045	8,720	8,846
Bank of Nova Scotia	2.09	9 Sep 2020	14,182	13,970	14,107	Royal Bank of Canada	2.36	5 Dec 2022	755	731	743
Bank of Nova Scotia	3.27	11 Jan 2021	1,390	1,398	1,404	Royal Bank of Canada	2.95	1 May 2023	3,630	3,587	3,631
Bank of Nova Scotia	2.87	4 Jun 2021	8,775	8,740	8,992	Royal Bank of Canada	3.30	26 Sep 2023	10,902	10,812	10,902
Bank of Nova Scotia	1.90	2 Dec 2021	1,325	1,279	1,304	Royal Bank of Canada	2.48	4 Jun 2025	2,660	2,632	2,638
Bank of Nova Scotia	1.83	27 Apr 2022	5,988	5,729	5,815	Royal Bank of Canada	4.93	16 Jul 2025	7,605	8,325	8,741
Bank of Nova Scotia	2.36	8 Nov 2022	755	731	735	Royal Bank of Canada	3.31	20 Jan 2026	2,630	2,629	2,639
Bank of Nova Scotia	2.98	17 Apr 2023	11,059	10,937	10,977	Sun Life Capital Trust	3.05	19 Sep 2028	2,240	2,189	2,236
Bank of Nova Scotia	3.10	2 Feb 2028	1,865	1,813	1,864	Toronto Dominion Bank	1.68	8 Jun 2021	3,619	3,513	3,582
Caisse Centrale Desjardins	1.75	2 Mar 2020	6,224	6,142	6,148	Toronto Dominion Bank	1.91	18 Jul 2023	8,073	7,612	7,652
Caisse Centrale Desjardins	2.39	25 Aug 2022	760	738	741	Toronto Dominion Bank	2.69	24 Jun 2025	695	690	691
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.

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 (\$)
Bonds (continued)					
Corporate – 25.0% (continued)					
Toronto Dominion Bank	2.98	30 Sep 2025	2,155	2,145	2,152
Toronto Dominion Bank	3.59	14 Sep 2028	16,206	15,969	16,139
Toronto Dominion Bank	3.22	25 Jul 2029	9,050	8,703	8,897
Toronto Dominion Bank	4.86	4 Mar 2031	8,295	8,707	8,910
Wells Fargo Financial Corporation Canada	3.04	29 Jan 2021	4,460	4,458	4,518
Wells Fargo Financial Corporation Canada	3.46	24 Jan 2023	7,639	7,677	7,929
				317,741	325,116
Total Fixed Income – 64.7%			823,143	845,769	
Security		Number of Securities	Fair Value (\$)	Average Cost (\$)	
Equities – 6.6%					
Alimentation Couche-Tard Inc.		78,098	4,909	4,504	
ATCO Ltd.		21,605	829	906	
Bank of Nova Scotia		79,698	5,631	5,471	
Birchcliff Energy Ltd.		150,101	621	880	
Boardwalk Real Estate Investment Trust		25,205	1,232	1,217	
Brookfield Asset Management Inc.		22,322	1,197	1,013	
Brookfield Infrastructure Partners L.P.		16,203	795	712	
Brookfield Renewable Partners L.P.		19,195	688	783	
CAE Inc.		41,581	966	727	
Canadian National Railway Company		22,427	2,522	1,993	
Canadian Natural Resources Limited		30,084	1,080	902	
Canadian Pacific Railway Company		5,500	1,484	1,054	
CCL Industries Inc.		33,948	1,879	1,880	
CGI Group Inc.		7,836	636	504	
CI Financial Corp.		91,453	1,779	2,246	
Cogeco Inc.		8,198	529	560	
Computer Modeling Group Ltd.		81,173	640	763	
DREAM Unlimited Corporation		62,879	455	471	
Empire Company Limited		19,584	469	411	
Enbridge Inc.		56,800	2,327	2,802	
Enerflex Ltd.		112,500	1,787	1,677	
Fairfax Financial Holdings Limited		2,455	1,566	1,556	
Finning International Inc.		39,475	1,079	884	
FirstService Corporation		6,923	667	425	
Franco-Nevada Corporation		32,674	2,686	2,689	
Freehold Royalties Ltd.		151,600	1,464	1,779	
Granite REIT Holdings Limited Partnership		8,818	479	370	
Great Canadian Gaming Corporation		14,720	624	356	
Great-West Lifeco Inc.		36,965	1,114	1,230	
IGM Financial Inc.		17,351	561	626	
Imperial Oil Limited		42,789	1,757	1,726	
Industrial Alliance Insurance and Financial Services Inc.		13,864	645	774	
Intact Financial Corporation		33,536	3,481	3,158	
Loblaw Companies Limited		40,900	2,692	2,831	
Magna International Inc.		27,150	1,759	1,686	
Maxar Technologies Ltd.		39,500	774	2,315	
Methanex Corporation		9,123	777	515	
METRO Inc.		27,963	1,155	1,140	

Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
Equities – 6.6% (continued)			
Morguard Corporation	3,003	533	447
Mullen Group Ltd.	88,070	1,198	1,436
Nutrien Ltd.	40,393	2,813	2,296
Pason System Inc.	52,200	1,033	959
PrairieSky Royalty Ltd.	65,282	1,305	1,584
Recipe Unlimited Corporation	18,170	493	479
Restaurant Brands International Inc.	7,458	538	490
Ritchie Brothers Auctioneers	16,700	739	644
Royal Bank of Canada	11,880	1,137	1,180
Saputo Inc.	57,973	2,324	2,383
ShawCor Ltd.	38,599	921	1,111
Stella-Jones Inc.	25,782	1,086	1,109
Suncor Energy Inc.	40,739	1,787	1,529
TELUS Corporation	52,554	2,367	2,269
Toromont Industries Ltd.	20,600	1,277	905
Toronto Dominion Bank	71,110	5,189	4,117
Total Energy Services Inc.	40,315	383	553
Tucows Inc.	6,687	441	490
Wajax Corporation	21,915	511	485
Westshore Terminals Investment Corporation	74,300	1,783	1,722
Winpak Ltd.	15,395	701	745
		84,294	82,469
Exchanged-traded Funds – 28.5%			
BMO S&P 500 Index ETF	2,612,490	102,540	91,480
iShares Core S&P U.S. Total Market Index ETF	9,540,981	261,519	234,071
Total Equities – 35.1%		448,353	408,020
Total Investments – 99.8%		1,271,496	1,253,789
Cash and cash equivalents – 0.2%		2,642	2,642
Total Portfolio Assets – 100.0%		1,274,138	1,256,431
Government Grant Investments Allocation			
Plan II		901	873
Founders' Plan		12,503	11,876
Group Savings Plan		97,841	93,536
Group Savings Plan 2001		1,051,367	1,039,553
Family Savings Plan		105,838	104,945
Individual Savings Plan		3,046	3,006
		1,271,496	1,253,789
Cash and cash equivalents Allocation			
Plan II		2	2
Founders' Plan		25	25
Group Savings Plan		198	198
Group Savings Plan 2001		2,190	2,190
Family Savings Plan		221	221
Individual Savings Plan		6	6
		2,642	2,642

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, 2018 (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 – 1.8%					
Canada Housing Trust	2.65	1 Oct 2027	160	143	147
Government of Canada Kreditanstalt fur Wiederaufbau Global	2.15	1 Aug 2020	2,400	1,473	1,446
	5.05	4 Feb 2025	279	311	338
				1,927	1,931
Corporate – 26.3%					
407 International Inc.	6.75	27 Jul 2039	179	228	246
407 International Inc.	7.13	26 Jul 2040	438	637	672
Apple Inc.	2.51	19 Aug 2024	2,357	2,262	2,357
AT&T Inc.	4.85	25 May 2047	1,075	996	1,071
Bank of Montreal	2.13	1 Feb 2023	2,042	2,036	2,042
Blue Water Bridge Authority	6.41	9 Jul 2027	1,246	750	794
Caisse Francaise de Financement Local	5.00	9 Mar 2020	200	206	219
Enbridge Inc.	4.57	11 Mar 2044	907	870	852
EUROFIMA Maple Bond	4.55	30 Mar 2027	212	230	237
GE Capital Canada Funding Company	2.30	15 Feb 2022	792	788	726
Greater Toronto Airports Authority	6.45	30 Jul 2029	1,160	1,357	1,411
InPower BC General Partnership	4.47	31 Mar 2033	535	545	532
KS SP Limited Partnership	3.21	15 Jun 2019	1,373	1,192	1,192
Lloyds Bank plc	2.64	11 Jul 2023	1,445	1,445	1,445
Loblaw Companies Limited	6.54	17 Feb 2033	173	209	214
Maritimes and Northeast Pipelines Limited Partnership	4.34	30 Nov 2019	115	115	118
Maritimes and Northeast Pipelines Limited Partnership	6.90	30 Nov 2019	28	29	32
McCain Finance Limited	3.87	7 Feb 2023	737	747	737
Mutual Life Assurance Co	6.30	15 May 2028	41	49	50
NAV Canada	7.56	1 Mar 2027	705	823	886
North Battleford Power L.P.	4.96	31 Dec 2032	170	180	192
Nova Gas Transmission Ltd.	9.90	16 Dec 2024	109	144	167
Ornge Issuer Trust	5.73	11 Jun 2034	997	1,116	1,149
Pembina Pipeline Corp	4.75	26 Mar 2048	420	407	420
Public Sector Pension Investment Board	3.27	12 Jun 2020	1,631	1,616	1,639
Royal Bank of Canada	2.36	23 Mar 2020	1,500	1,505	1,507
Shaw Communications Inc.	6.75	9 Nov 2039	1,130	1,347	1,142
St. Clair Holding ULC	4.88	31 Aug 2031	349	359	349
Strait Crossing Development Inc.	6.17	15 Sep 2031	451	361	334
Toronto Dominion Bank	2.33	28 Jun 2023	410	412	410
TransCanada PipeLines Limited	8.29	5 Feb 2026	214	273	283
TransCanada PipeLines Limited	6.28	26 May 2028	35	41	42
TransCanada PipeLines Limited	6.89	7 Aug 2028	117	142	146

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)					
Corporate – 26.3% (continued)					
University Health Network	5.64	8 Dec 2022	1,285	1,348	1,465
University of Ontario Institute of Technology	6.35	15 Oct 2034	1,133	1,297	1,203
Walt Disney Company	2.76	7 Oct 2024	1,446	1,398	1,444
				27,460	27,725
Total Fixed Income – 28.1%				29,387	29,656
Security			Number of Securities	Fair Value (\$)	Average Cost (\$)
Pool Equity Fund – 71.6%					
CCL Global Equity Fund			3,390,762	74,717	80,208
Total Equities – 71.6%				74,717	80,208
Total Investments – 99.7%				104,104	109,864
Cash and cash equivalents – 0.3%				326	326
Total Portfolio Assets – 100.0%				104,430	110,190
Total Investment Allocation					
Group Savings Plan				16,902	16,653
Group Savings Plan 2001				87,202	93,211
				104,104	109,864
Cash and cash equivalents Allocation					
Group Savings Plan				49	49
Group Savings Plan 2001				277	277
				326	326

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

Sales Charge Refund Entitlements

Appendix III to Schedule I

Statement of Investment Portfolio

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

Agreements Purchased on or after October 2, 2007

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds						Corporate – 18.9% (continued)					
Federal – 1.0%						Loblaw Companies Limited	5.90	18 Jan 2036	142	164	171
Canada Housing Trust	1.90	1 Dec 2019	48	26	25	Loblaw Companies Limited	6.45	1 Mar 2039	33	41	43
Canada Housing Trust	1.38	28 Jan 2020	200	197	198	Magna International Inc.	3.10	15 Dec 2022	332	326	338
Canada Housing Trust	2.20	1 Apr 2021	20	11	11	Manufacturers Life Insurance Company	3.18	22 Nov 2027	150	149	156
Canada Housing Trust	2.20	1 Sep 2021	117	76	75	Maritimes and Northeast Pipelines Limited Partnership	4.34	30 Nov 2019	20	20	21
Canada Housing Trust	2.05	1 Jun 2022	163	133	132	Maritimes and Northeast Pipelines Limited Partnership	6.90	30 Nov 2019	27	28	31
Canada Housing Trust	5.05	4 Feb 2025	172	192	213	McCain Finance Limited	3.87	7 Feb 2023	94	95	94
Canada Housing Trust	2.65	1 Oct 2027	30	27	28	METRO Inc.	4.27	4 Dec 2047	177	165	177
				662	682	Metropolitan Life Insurance Company	3.11	16 Apr 2021	142	142	148
Provincial – 0.3%						MILIT-AIR Inc.	5.75	30 Jun 2019	44	45	49
Province of British Columbia	10.65	19 Jun 2021	20	24	28	National Grid Electricity Transmission plc	2.90	26 Nov 2019	155	155	160
Province of New Brunswick	6.47	30 Nov 2027	134	153	165	NAV Canada	7.56	1 Mar 2027	270	315	339
				177	193	North Battleford Power L.P.	4.96	31 Dec 2032	50	54	57
Corporate – 18.9%						Ornge Issuer Trust	5.73	11 Jun 2034	219	246	253
407 International Inc.	7.13	26 Jul 2040	224	326	304	Pembina Pipeline Corp	4.75	26 Mar 2048	147	142	147
Apple Inc.	2.51	19 Aug 2024	1,244	1,194	1,244	PepsiCo Inc.	2.15	6 May 2024	197	186	197
Arrow Lakes Power Corporation	5.52	5 Apr 2041	30	35	30	Public Sector Pension Investment Board	3.27	12 Jun 2020	188	186	188
At and T Inc	5.10	25 Nov 2048	150	143	149	Royal Bank of Canada	2.36	23 Mar 2020	672	674	672
AT&T Inc.	4.85	25 May 2047	307	284	305	Shaw Communications Inc.	6.75	9 Nov 2039	548	653	616
Bank Nederlandse Gemeenten	5.15	7 Mar 2025	32	35	38	SNC-Lavalin Group Inc.	6.19	3 Jul 2019	38	39	41
Bank of Montreal	2.13	1 Feb 2023	706	704	706	SNC-Lavalin Group Inc.	2.52	2 Mar 2021	120	120	120
Bankers Hall L.P.	4.38	20 Nov 2023	73	72	73	St. Clair Holding ULC	4.88	31 Aug 2031	40	42	40
Bell Canada	6.17	26 Feb 2037	89	105	111	Strait Crossing Development Inc.	6.17	15 Sep 2031	194	155	156
Blue Water Bridge Authority	6.41	9 Jul 2027	84	51	54	Toronto Dominion Bank	1.68	8 Jun 2021	493	479	484
Caisse Française de Financement Local S.A.	4.68	9 Mar 2029	81	88	93	Toronto Dominion Bank	2.33	28 Jun 2023	170	171	170
Canadian Pacific Railway Company	6.91	1 Oct 2024	327	164	195	TransCanada PipeLines Limited	8.29	5 Feb 2026	118	151	158
Cogeco Inc.	5.15	16 Nov 2020	124	128	131	TransCanada PipeLines Limited	6.28	26 May 2028	8	9	10
Cogeco Inc.	4.18	26 May 2023	239	242	238	TransCanada PipeLines Limited	6.89	7 Aug 2028	29	35	36
Enbridge Inc.	4.24	27 Aug 2042	57	52	56	University Health Network	5.64	8 Dec 2022	146	153	167
Enbridge Inc.	4.57	11 Mar 2044	384	368	390	University of Ontario Institute of Technology	6.35	15 Oct 2034	78	90	83
EUROFIMA Maple Bond	4.55	30 Mar 2027	169	183	197	Walt Disney Company	2.76	7 Oct 2024	671	649	671
GE Capital Canada Funding Company	2.30	15 Feb 2022	179	178	164	WTH Car Rental ULC	2.54	20 Aug 2019	302	302	302
GE Capital Canada Funding Company	3.15	6 Feb 2023	113	115	113				12,733	12,967	
Greater Toronto Airports Authority	6.45	30 Jul 2029	172	201	208	Total Fixed Income – 20.2%			13,572	13,842	
Heathrow Funding Limited	3.25	21 May 2027	409	401	405						
InPower BC General Partnership	4.47	31 Mar 2033	169	172	170						
Kraft Canada Inc.	3.13	6 Jul 2020	302	305	302						
KS SP Limited Partnership	3.21	15 Jun 2019	240	208	209						
Lloyds Bank plc	2.64	11 Jul 2023	593	593	593						
Loblaw Companies Limited	6.05	9 Jun 2034	176	205	194						

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

Sales Charge Refund Entitlements (continued)

Appendix III to Schedule I

Statement of Investment Portfolio

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

Agreements Purchased on or after October 2, 2007 (continued)

Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
Pooled Equity Funds – 79.6%			
CCL Global Equity Fund	2,435,646	53,671	57,743
Total Equities – 79.6%		53,671	57,743
Total Investments – 99.8%			
		67,243	71,585
Cash and cash equivalents – 0.2%			
		154	154
Total Portfolio Assets – 100.0%		67,397	71,739
Total Investment Allocation			
Group Savings Plan 2001		67,243	71,585
		67,243	71,585
Cash and cash equivalents Allocation			
Group Savings Plan 2001		154	154
		154	154

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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