

C.S.T. Consultants Inc.

Canadian Scholarship Trust Group Savings Plan

Audited Financial Statements and
Management Report of Fund Performance

October 31, 2018 and 2017



Contents

Management Report of Fund Performance	1
Management's Responsibility for Financial Reporting	5
Independent Auditor's Report	5
Statements of Financial Position	6
Statements of Comprehensive Income	7
Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries	7
Statements of Cash Flows	8
Schedule I – Statement of Investment Portfolio	9
Schedule II – Subscribers' Deposits and Accumulated Income	11
Schedule III – Education Assistance Payments	12
Notes to the Financial Statements	13
Government Grants (Appendix I to Schedule I)	19
Sales Charge Refund Entitlements (Appendix II to Schedule I)	23

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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

Management Report of Fund Performance

Introduction

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

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

Investment Objective and Strategy

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

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 Greystone Asset Management and TD Asset Management Inc. The active fixed income portfolios focus on strategies where value can be added on a sustainable basis and may rely upon sector allocation, credit research and duration management.

The Plan’s equity assets are managed by BlackRock Asset Management Canada Limited. These assets are allocated to ETFs traded on Canadian exchanges that replicate the performance of the S&P U.S. Total Market Return Index and the S&P/TSX Composite Index.

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 0.1% compared to the investment policy benchmark (“Benchmark”) return of 0.8% and the 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, matched the Benchmark over the one-year period. The returns for government bonds and U.S. equities slightly outperformed their respective benchmarks, which were partially offset by the underperformance of the actively managed financial institution bonds and Canadian equities.

In comparison to the Broad-based Index, the Plan’s allocation to U.S. equities and shorter-term fixed income profile was the primary

source of outperformance relative to the FTSE TMX Canada All Government Bond Index.

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

Amidst a series of interest rate hikes, Canadian fixed income returns were mixed over the period with FTSE TMX Canada Universe Bond Index posting an annual return of -0.6%. The impact to longer term maturity bonds was more pronounced as the FTSE TMX Canada Long Term Government Bond Index fell by

1.5% over the year. Corporate bonds, including Financials, and other shorter maturity fixed income issues generally fared better with returns either marginally negative or moderately positive.

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

As of September 26, 2018, the Plan transitioned Canadian equity assets from active mandates managed by Fiera Capital Corporation (formerly known as CGOV Asset Management) and Sionna Investment Managers, Inc., to a passive mandate managed by BlackRock Asset Management Canada Limited.

On November 1, 2018, the Toronto-Dominion Bank (TD) completed the acquisition of Greystone Capital Management Inc. ("GCM"). GCM 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	\$261,440	\$408,550	\$561,079	\$691,290	\$823,046
Net Assets	256,566	406,053	547,639	680,892	817,873
% Change of Net Assets Attributable to Subscribers and Beneficiaries	(36.8)%	(25.9)%	(19.6)%	(16.7)%	69.2%
Statements of Comprehensive Income					
Net Investment Income	\$ 2,674	\$ 19,981	\$ 22,249	\$ 18,678	\$ 26,256
Statements of Changes in Net Assets					
Education Assistance Payments	\$ (39,199)	\$ (37,651)	\$ (37,807)	\$ (38,270)	\$ (32,630)
Government Grants Received (net of repayments)	6	169	930	1,975	2,891
Government Grant Payments to Beneficiaries	(24,449)	(14,229)	(13,597)	(12,743)	(10,723)
Other					
Total number of units	295,005	347,503	390,793	430,138	463,792
% Change in the total number of units	(15.1)%	(11.1)%	(9.1)%	(7.3)%	(5.7)%

Management Fees

Administration Fees

An administration fee of \$1,872 thousand (2017 – \$2,652 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 0.11% including taxes (2017 – 0.12%), of the average market value of assets based on the Investment Management Agreements with portfolio managers. The portfolio managers provide investment advisory and discretionary managed account services with respect to purchasing, selling, and dealing in securities.

Trustee and Custodian Fees

The Plan pays trustee and custodian fees to RBC Investor Services Trust to settle all investment trades and disburse fees, EAPs and other amounts in accordance with the terms of the Plan Agreement. For 2018 these fees charged to the Plan amounted to \$122 thousand (2017 – \$191 thousand) and were 0.04% including taxes (2017 – 0.04%), 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.

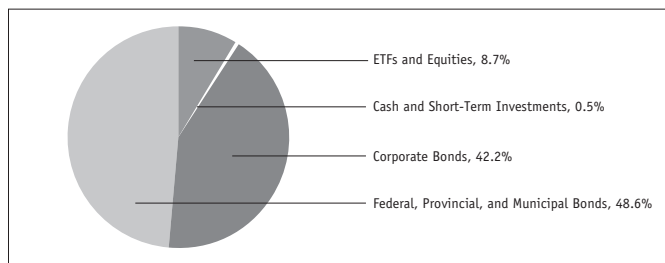
Government Grant assets and related investment income are specific to each beneficiary, but are invested together with funds from other Plans administered by the Foundation. Any payments to beneficiaries from Government Grant assets are treated as separate payments and not included in EAP values paid 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 of the Total Portfolio Assets of the Plan. The Plan is prohibited from holding short positions in securities.

Issuer	Rate	Maturity Date	Fair Value (\$ 000's)	% of Plan Portfolio Assets
iShares Core S&P U.S. Total Market Index ETF			9,656	7.0%
Canada Housing Trust	1.20%	15 Jun 2020	4,368	3.2%
Government of Canada	0.75%	1 Sep 2020	3,208	2.3%
Toronto Dominion Bank	3.59%	14 Sep 2028	3,097	2.2%
HSBC Bank Canada	2.54%	31 Jan 2023	3,059	2.2%
Bank of Nova Scotia	2.09%	9 Sep 2020	2,976	2.2%
Government of Canada	–	27 Dec 2018	2,885	2.1%
Bank of Montreal	3.40%	23 Apr 2021	2,884	2.1%
Bank of Nova Scotia	2.98%	17 Apr 2023	2,848	2.1%
Canada Housing Trust	1.75%	15 Jun 2022	2,426	1.8%
Royal Bank of Canada	3.30%	26 Sep 2023	2,424	1.8%
iShares Core S&P/TSX Capped Composite Index ETF			2,403	1.7%
Canada Housing Trust	3.80%	15 Jun 2021	2,384	1.7%
Government of Canada	–	24 Jan 2019	2,323	1.7%
Royal Bank of Canada	1.65%	15 Jul 2021	2,312	1.7%
Canada Housing Trust	2.40%	15 Dec 2022	2,294	1.7%
Bank of Montreal	2.10%	6 Oct 2020	2,150	1.6%
Canada Housing Trust	1.25%	15 Dec 2020	2,146	1.6%
Government of Canada	0.75%	01 Mar 2021	1,978	1.4%
Canada Housing Trust	2.35%	15 Jun 2023	1,864	1.3%
Toronto Dominion Bank	1.91%	18 Jul 2023	1,671	1.2%
Government of Canada	1.50%	1 Mar 2020	1,659	1.2%
Province of Ontario	2.85%	2 Jun 2023	1,625	1.2%
Government of Canada	1.50%	1 Jun 2023	1,612	1.2%
Manufacturers Life Insurance Company	2.39%	5 Jan 2026	1,612	1.2%

Top 25 long positions as a percentage of the Total Portfolio Assets of the Plan **49.4%**

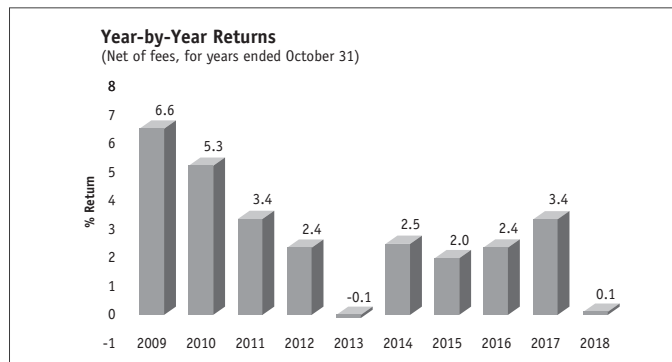
Past Performance

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 of indicated:

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

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

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

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

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

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

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

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

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

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

	Period			
	1 Yr	3 Yr	5 Yr	10 Yr
Net Plan Return*	0.1	2.0	2.1	2.8
Benchmark	0.8	2.7	3.0	3.9
Broad-based Index: FTSE TMX Canada All Government Bond Index	-0.8	1.1	2.8	4.0

Note:

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

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

Management's Responsibility for Financial Reporting

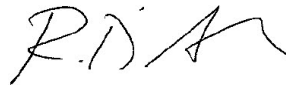
The accompanying financial statements of the Canadian Scholarship Trust Group Savings Plan (the "Plan") are prepared by management and are approved by the Board of Directors of the Canadian Scholarship Trust Foundation (the "Foundation"). Management is responsible for the information and representations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

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

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



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



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

Toronto, Ontario
December 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, 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 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	\$ 939	\$ 2,965
Receivables for securities sold	2,814	613
Investments, at fair value <i>(Note 4 and Schedule I)</i>	252,266	398,960
Accrued income and other receivables	5,421	6,002
Government grants receivable	-	10
	261,440	408,550
Liabilities		
Payables for securities purchased	2,826	1,176
Accounts payable and accrued liabilities	2,048	1,321
	4,874	2,497
Net Assets Attributable to Subscribers and Beneficiaries	256,566	406,053
Represented by:		
Non-Discretionary Funds		
Accumulated income held for future education assistance payments	79,723	119,387
Subscribers' deposits <i>(Schedule II)</i>	65,002	132,568
Government grants	54,584	71,952
Income on Government grants	37,728	46,859
Sales charge refund entitlements <i>(Note 8)</i>	17,111	24,669
General Fund <i>(Note 7)</i>	-	3,785
Unrealized Gains	1,970	6,224
Discretionary Funds		
Donations from the Foundation <i>(Note 7)</i>	448	609
	\$256,566	\$406,053

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	\$ 7,186	\$10,406
Realized (losses) gains on sale of investments	(749)	15,430
Change in unrealized gains	(4,254)	(7,558)
Dividends	2,849	5,117
	5,032	23,395
Expenses		
Administration and account maintenance fees <i>(Note 3(a))</i>	1,872	2,652
Portfolio management fees	358	562
Custodian and trustee fees	122	191
Independent Review Committee fees	6	9
	2,358	3,414
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$ 2,674	\$19,981

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	\$ 406,053	\$ 547,639
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	2,674	19,981
Transfers to internal and external plans	(10,166)	(9,405)
	(7,492)	10,576
Receipts		
Government grants received (net of repayments)	6	169
Disbursements		
Net decrease in Subscribers' deposits <i>(Schedule II)</i>	(67,566)	(79,117)
Payments to beneficiaries		
Education assistance payments	(39,199)	(37,651)
Government grants	(24,449)	(14,229)
Refund of Sales Charge	(9,504)	(11,543)
Return of interest	(1,283)	(9,791)
Total payments to beneficiaries	(74,435)	(73,214)
Receipts less Disbursements	(141,995)	(152,162)
Change in Net Assets Attributable to Subscribers and Beneficiaries	(149,487)	(141,586)
Net Assets Attributable to Subscribers and Beneficiaries, End of Year	\$ 256,566	\$ 406,053

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	\$ 2,674	\$ 19,981
Net proceeds from investment transactions	141,140	154,206
Items not affecting cash		
Realized (losses) gains on sale of investments	749	(15,430)
Change in unrealized gains	4,254	7,558
Change in non-cash operating working capital		
Decrease in Accrued income and other receivables	581	6,059
Decrease in Government grants receivable	10	72
Increase (decrease) in Accounts payable and accrued liabilities	727	(11,583)
Cash flow from Operating Activities	150,135	160,863
Financing Activities		
Transfers to internal and external plans	(10,166)	(9,405)
Government grants received (net of repayments)	6	169
Net decrease in Subscribers' deposits (<i>Schedule II</i>)	(67,566)	(79,117)
Payments to beneficiaries	(74,435)	(73,214)
Cash flow used in Financing Activities	(152,161)	(161,567)
Net decrease in Cash and cash equivalents	(2,026)	(704)
Cash and cash equivalents, Beginning of Year		
Cash	1,603	2,766
Cash equivalents	1,362	903
	2,965	3,669
Cash and cash equivalents, End of Year		
Cash	(318)	1,603
Cash equivalents	1,257	1,362
	\$ 939	\$ 2,965
Supplemental cash flow information:		
Withholding Taxes	\$ 99	\$ 211
Interest Income Received	7,857	11,660

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 – 37.0%						Provincial – 10.0% (continued)					
Canada Housing Trust	2.00	15 Dec 2019	850	848	874	Province of Manitoba	1.55	5 Sep 2021	694	673	693
Canada Housing Trust	3.75	15 Mar 2020	569	580	631	Province of Manitoba	2.55	2 Jun 2023	86	85	86
Canada Housing Trust	1.20	15 Jun 2020	4,450	4,368	4,436	Province of New Brunswick	4.50	2 Jun 2020	275	284	311
Canada Housing Trust	1.45	15 Jun 2020	400	394	403	Province of New Brunswick	1.55	4 May 2022	225	216	218
Canada Housing Trust	1.25	15 Dec 2020	2,200	2,146	2,207	Province of New Brunswick	2.85	2 Jun 2023	200	200	201
Canada Housing Trust	3.80	15 Jun 2021	2,310	2,384	2,512	Province of Newfoundland and Labrador	1.95	2 Jun 2022	200	194	197
Canada Housing Trust	1.25	15 Jun 2021	773	748	780	Province of Nova Scotia	4.15	25 Nov 2019	200	204	222
Canada Housing Trust	1.50	15 Dec 2021	486	470	482	Province of Nova Scotia	4.10	1 Jun 2021	325	337	357
Canada Housing Trust	2.65	15 Mar 2022	900	901	945	Province of Ontario	4.20	2 Jun 2020	850	873	926
Canada Housing Trust	1.75	15 Jun 2022	2,502	2,426	2,492	Province of Ontario	4.00	2 Jun 2021	1,275	1,319	1,366
Canada Housing Trust	2.40	15 Dec 2022	2,319	2,294	2,361	Province of Ontario	1.35	8 Mar 2022	734	702	717
Canada Housing Trust	2.35	15 Jun 2023	1,894	1,864	1,889	Province of Ontario	3.15	2 Jun 2022	1,525	1,545	1,610
Canada Housing Trust	3.15	15 Sep 2023	450	458	462	Province of Ontario	1.95	27 Jan 2023	100	97	98
Government of Canada	-	1 Nov 2018	700	696	696	Province of Ontario	2.85	2 Jun 2023	1,625	1,625	1,641
Government of Canada	-	15 Nov 2018	800	796	796	Province of Ontario	2.60	8 Sep 2023	349	345	348
Government of Canada	-	29 Nov 2018	850	845	845	Province of Québec	4.50	1 Dec 2019	300	307	328
Government of Canada	-	13 Dec 2018	800	794	794	Province of Québec	4.50	1 Dec 2020	475	494	541
Government of Canada	-	27 Dec 2018	2,900	2,885	2,885	Province of Québec	4.25	1 Dec 2021	1,200	1,257	1,313
Government of Canada	-	10 Jan 2019	1,450	1,442	1,442	Province of Québec	3.50	1 Dec 2022	600	616	637
Government of Canada	-	24 Jan 2019	2,335	2,323	2,323	Province of Québec	3.00	1 Sep 2023	600	604	611
Government of Canada	-	7 Feb 2019	800	795	795						
Government of Canada	-	21 Feb 2019	750	745	745					13,848	14,370
Government of Canada	-	4 Apr 2019	775	768	768						
Government of Canada	-	18 Apr 2019	675	669	669						
Government of Canada	1.25	1 Nov 2019	585	579	574	Municipal – 1.6%					
Government of Canada	1.25	1 Feb 2020	1,225	1,211	1,219	City of Montreal	5.45	1 Dec 2019	75	77	86
Government of Canada	1.50	1 Mar 2020	1,675	1,659	1,674	City of Montreal	4.50	1 Dec 2021	400	421	449
Government of Canada	3.50	1 Jun 2020	1,450	1,477	1,568	City of Toronto	4.50	2 Dec 2019	50	51	56
Government of Canada	0.75	1 Sep 2020	3,300	3,208	3,251	City of Toronto	3.50	6 Dec 2021	475	485	514
Government of Canada	2.00	1 Nov 2020	425	422	424	Municipal Finance Authority of British Columbia	4.45	1 Jun 2020	100	103	112
Government of Canada	0.75	1 Mar 2021	2,052	1,978	2,003	Municipal Finance Authority of British Columbia	4.15	1 Jun 2021	200	207	225
Government of Canada	3.25	1 Jun 2021	985	1,007	1,092	Municipal Finance Authority of British Columbia	2.15	1 Dec 2022	831	809	813
Government of Canada	0.75	1 Sep 2021	1,145	1,094	1,107	Municipal Finance Authority of British Columbia	2.60	23 Apr 2023	29	29	29
Government of Canada	0.50	1 Mar 2022	992	932	958					2,182	2,284
Government of Canada	2.75	1 Jun 2022	550	556	591						
Government of Canada	1.00	1 Sep 2022	1,160	1,100	1,111	Corporate – 42.2%					
Government of Canada	1.75	1 Mar 2023	1,177	1,145	1,160	Bank of Montreal	2.10	6 Oct 2020	2,182	2,150	2,185
Government of Canada	1.50	1 Jun 2023	1,679	1,612	1,630	Bank of Montreal	1.88	31 Mar 2021	117	114	116
Government of Canada	2.00	1 Sep 2023	580	569	573	Bank of Montreal	3.40	23 Apr 2021	2,857	2,884	3,018
				51,188	52,167	Bank of Montreal	2.12	16 Mar 2022	150	145	149
Provincial – 10.0%						Bank of Montreal	2.27	11 Jul 2022	145	140	143
Province of Alberta	4.00	1 Dec 2019	150	153	165	Bank of Montreal	2.70	11 Sep 2024	585	566	575
Province of Alberta	1.25	1 Jun 2020	351	345	347	Bank of Montreal	3.19	1 Mar 2028	204	200	204
Province of Alberta	1.35	1 Sep 2021	200	193	197	Bank of Nova Scotia	2.27	13 Jan 2020	-	-	-
Province of Alberta	1.60	1 Sep 2022	50	48	49	Bank of Nova Scotia	2.09	9 Sep 2020	3,020	2,976	3,000
Province of Alberta	2.65	1 Sep 2023	100	99	100	Bank of Nova Scotia	3.27	11 Jan 2021	1,235	1,242	1,248
Province of British Columbia	4.10	18 Dec 2019	100	102	113	Bank of Nova Scotia	2.87	4 Jun 2021	1,615	1,608	1,651
Province of British Columbia	3.70	18 Dec 2020	25	26	27	Bank of Nova Scotia	1.90	2 Dec 2021	145	140	142
Province of British Columbia	3.25	18 Dec 2021	375	382	405	Bank of Nova Scotia	1.83	27 Apr 2022	528	505	511
Province of British Columbia	2.70	18 Dec 2022	350	349	360	Bank of Nova Scotia	2.36	8 Nov 2022	330	319	321
Province of Manitoba	1.15	21 Nov 2019	47	46	47	Bank of Nova Scotia	2.98	17 Apr 2023	2,880	2,848	2,861
Province of Manitoba	4.15	3 Jun 2020	125	128	139	Bank of Nova Scotia	3.10	2 Feb 2028	353	343	353

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)					
Corporate – 42.2% (continued)						Corporate – 42.2% (continued)					
Caisse Centrale Desjardins	1.75	2 Mar 2020	1,194	1,179	1,180	Wells Fargo Financial Corporation Canada	3.46	24 Jan 2023	1,595	1,603	1,651
Caisse Centrale Desjardins	2.39	25 Aug 2022	145	141	141					58,246	59,373
Caisse Centrale Desjardins	3.06	11 Sep 2023	140	139	139						
Canadian Imperial Bank of Commerce	1.64	12 Jul 2021	300	289	290	Total Fixed Income – 90.8%				125,464	128,194
Canadian Imperial Bank of Commerce	2.90	14 Sep 2021	107	106	107						
Canadian Imperial Bank of Commerce	2.30	11 Jul 2022	1,598	1,549	1,587	Security			Number of Securities	Fair Value (\$)	Average Cost (\$)
Canadian Imperial Bank of Commerce	2.97	11 Jul 2023	1,370	1,353	1,368	Exchange-Traded Funds – 8.7%					
Canadian Imperial Bank of Commerce	3.30	26 May 2025	1,126	1,122	1,126	iShares Core S&P/TSX Capped Composite Index ETF		100,705	2,403	2,547	
Capital Desjardins Inc.	5.19	5 May 2020	770	794	798	iShares Core S&P U.S. Total Market Index ETF		352,265	9,656	9,366	
Capital Desjardins Inc.	4.95	15 Dec 2026	760	797	804	Total Equities – 8.7%				12,059	11,913
Great-West Lifeco Inc.	4.65	13 Aug 2020	130	134	134	Total Investments – 99.5%				137,523	140,107
Great-West Lifeco Inc.	3.34	28 Feb 2028	614	603	612	Cash and cash equivalents – 0.5%				692	692
Great-West Lifeco Inc.	6.67	21 Mar 2033	900	1,159	1,204	Total Portfolio Assets – 100.0%				138,215	140,799
HSBC Bank Canada	1.82	7 Jul 2020	495	486	486	Investments Allocation (Note 4)					
HSBC Bank Canada	2.91	29 Sep 2021	1,020	1,012	1,035	Government Grants (Appendix I)				97,841	93,536
HSBC Bank Canada	2.17	29 Jun 2022	423	407	418	Sales Charge Refund Entitlements (Appendix II)				16,902	16,653
HSBC Bank Canada	2.54	31 Jan 2023	3,159	3,059	3,130	Cash and cash equivalents (Appendices I, II)				247	247
HSBC Bank Canada	3.25	15 Sep 2023	315	313	318	Total Investment Fund				253,205	251,235
Hydro-Québec	11.00	15 Aug 2020	800	918	1,115	Represented by:					
Intact Financial Corporation	3.77	2 Mar 2026	395	397	407	Cash and cash equivalents				939	
Manulife Bank of Canada	2.84	12 Jan 2023	279	274	279	Investments, at fair value				252,266	
Manufacturers Life Insurance Company	2.10	1 Jun 2025	1,164	1,147	1,151					253,205	
Manufacturers Life Insurance Company	2.39	5 Jan 2026	1,639	1,612	1,630						
Manufacturers Life Insurance Company	3.18	22 Nov 2027	301	299	309						
Manulife Financial Corporation	3.32	9 May 2028	375	369	374						
National Bank of Canada	2.11	18 Mar 2022	145	140	141						
National Bank of Canada	1.96	30 Jun 2022	145	139	140						
Royal Bank of Canada	2.03	15 Mar 2021	1,017	995	1,016						
Royal Bank of Canada	1.65	15 Jul 2021	2,397	2,312	2,355						
Royal Bank of Canada	1.97	2 Mar 2022	145	140	140						
Royal Bank of Canada	2.00	21 Mar 2022	1,665	1,605	1,627						
Royal Bank of Canada	2.95	1 May 2023	410	405	410						
Royal Bank of Canada	3.30	26 Sep 2023	2,443	2,424	2,445						
Royal Bank of Canada	2.48	4 Jun 2025	485	480	481						
Royal Bank of Canada	4.93	16 Jul 2025	1,340	1,467	1,523						
Royal Bank of Canada	3.31	20 Jan 2026	525	525	527						
Sun Life Capital Trust	3.05	19 Sep 2028	410	401	409						
Toronto Dominion Bank	1.68	8 Jun 2021	762	740	751						
Toronto Dominion Bank	1.91	18 Jul 2023	1,772	1,671	1,679						
Toronto Dominion Bank	2.69	24 Jun 2025	130	129	129						
Toronto Dominion Bank	2.98	30 Sep 2025	400	398	399						
Toronto Dominion Bank	3.59	14 Sep 2028	3,141	3,097	3,128						
Toronto Dominion Bank	3.22	25 Jul 2029	1,665	1,601	1,635						
Toronto Dominion Bank	4.86	4 Mar 2031	1,525	1,601	1,632						
Wells Fargo Financial Corporation Canada	3.04	29 Jan 2021	535	535	536						

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

Schedule II – Subscribers’ Deposits and Accumulated Income

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

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

Year of Eligibility	Opening Units	Inflow Units ¹	Outflow Units ²	Closing Units	Subscribers’ Deposits	Accumulated Income ³
2017 and prior to 2017	322,514	1,697	52,866	271,345	44,678	67,901
2018	24,322	267	1,750	22,839	19,152	11,321
2019	293	59	4	348	645	268
2020	220	64	–	284	325	128
2021	35	29	–	64	57	32
2022	43	5	3	45	71	41
2023 and thereafter	76	4	–	80	74	32
TOTAL	347,503	2,125	54,623	295,005	\$ 65,002	\$ 79,723

1 Inflow units are comprised of transfers in.

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

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

The changes in Subscribers’ deposits are as follows:

	2018	2017
Payments from subscribers	\$ 299	\$ 1,063
Inter-Plan principal transfers	(12,234)	(11,594)
Account maintenance fees	(61)	(121)
Return of principal	(55,570)	(68,465)
Net decrease in Subscribers’ deposits	(67,566)	(79,117)
Balance, Beginning of Year	132,568	211,685
Balance, End of Year	\$ 65,002	\$132,568

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	\$16,989	\$20,103	Non-Discretionary	\$39,199	\$37,651
Deferred payments	22,111	17,419	Discretionary	–	–
Advance payments	99	129		\$39,199	\$37,651
	\$39,199	\$37,651			

	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	10,118.5	24,802.7	37,316.1	39,816.1	\$141	\$129	\$138	\$155
Second		21,577.6	30,126.4	33,491.0		178	192	176
Third			27,303.8	28,747.9			187	200
Fourth				25,743.2				257

Notes to the Financial Statements

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

Note 1. Nature of Operations

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

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

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

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

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

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

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

Note 2. Significant Accounting Policies

(a) Statement of Compliance

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

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

(b) Basis of measurement

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

(c) Future accounting 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)

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 were deducted from subscribers' deposits and collected over periods of up to 32 months from the date of initial deposit. Account maintenance fees are paid annually to the Foundation from subscribers' deposits and are accrued throughout the year.

(h) Income taxes

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

(i) Cash and cash equivalents

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

(j) Foreign currency

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

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

(k) Critical accounting estimates and judgments

When preparing the financial statements, 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)

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) Administration of the Plan

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

Administration and account maintenance fees are paid to the Foundation. Administration fees are annual fees of $\frac{1}{2}$ of 1% of the total amount of principal, Government Grants and income earned thereon, as well as the investments used to pay the SCR Entitlements ("SCR Fund").

For the year ended October 31, 2018, \$1,872 was recognized as an expense for Administration and account maintenance fees (2017 – \$2,652). Administration and account maintenance fees included in Accounts payable and accrued liabilities at October 31, 2018 was \$120 (2017 – \$nil).

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

(b) SCR Deficit Funding Payments from the Canadian Scholarship

Trust Foundation For the year ended October 31, 2018, the Foundation provided deficit funding payments of \$nil (2017 – \$nil) 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 \$6 (2017 – \$9) 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 \$70 (2017 – \$116) charged by C.S.T.C. for expenses incurred to monitor and manage the portfolio managers. Included in Accounts payable and accrued liabilities was \$4 owing from C.S.T.C. at October 31, 2018 (2017 – \$1 owing to C.S.T.C.) relating to these expenses.

Note 4. Investment Holdings

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

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

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

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

Note 5. Capital Risk Management

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

Note 6. Risks Associated with Financial Instruments

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

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

Notes to the Financial Statements (continued)

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

Note 6. Risks Associated with Financial Instruments (continued)

(a) Market risk

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	6%	7%
1-3 years	19%	24%
3-5 years	22%	28%
Greater than 5 years	30%	20%
Total Debt instruments	77%	79%

As at October 31, 2018, if prevailing interest rates had increased by 1%, the fair value of the Total Investment Fund of \$253,205 (2017 – \$401,925) as per Schedule I – Statement of Investment Portfolio, would have decreased by approximately \$8,600 (2017 – \$13,000). If prevailing interest rates had decreased by 1%, the fair value of the Total Investment Fund would have increased by approximately \$9,900 (2017 – \$15,000). 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 ETFs of the Plan, Government Grants asset pool, and the SCR Funds, which represent 23% (2017 – 21%) 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 \$600

(2017 – \$900). 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 zCanadian 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	19%	\$ 47,825	21%	\$ 85,532
AA/AAH/AAL	32%	81,943	36%	142,824
A/AH/AL	20%	50,021	15%	60,153
BBB	0%	731	0%	1,646
R-1	6%	14,115	7%	26,412
Short-term unrated	0%	375	0%	1,839
Total Debt instruments	77%	\$ 195,010	79%	\$ 318,406

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

(c) Liquidity risk

Liquidity risk is the risk that the Plan may not be able to meet its financial obligations as they come due. The Plan's exposure to liquidity risk is concentrated in principal repayments to subscribers and EAPs to beneficiaries including SCR Entitlements. The Plan primarily invests in securities that are traded in active markets and can be readily sold. The Plan retains sufficient cash and cash 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 directed a portion of the sales charges collected from subscribers to the SCR Fund each year in order to pay SCR Entitlements when they become due.

(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 20% (2017 – 18%) of the Total Investment Fund. The fair value of the Total Investment Fund would increase or decrease by approximately \$500 (2017 – \$720) in response to a 1% depreciation or appreciation of the Canadian dollar currency exchange rate. In practice the actual change may differ materially.

Notes to the Financial Statements (continued)

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

Note 7. General Fund and Donations from the Foundation

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

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

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

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

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

	2018	2017
Receipts		
Net investment income	\$ 1,288	\$ 5,243
Disbursements		
Education assistance payments	(5,073)	(1,458)
(Shortfalls) Excess of Receipts over Disbursements	(3,785)	3,785
Balance, Beginning of Year	3,785	-
Balance, End of Year	\$ -	\$ 3,785

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

	2018	2017
Disbursements		
Education assistance payments	\$ (161)	\$ -
Balance, Beginning of Year	609	609
Balance, End of Year	\$ 448	\$ 609

Note 8. Sales Charge Refund

(a) Sales Charge Refund Entitlements

The Plan refunds sales charges to the beneficiaries from the SCR Fund, which amount to 100% of sales charges paid. This SCR Entitlement is paid with the first instalment of the EAP payouts to qualified beneficiaries. The total amount refunded for the year ended October 31, 2018 was \$9,504 (2017 – \$11,543).

As at October 31, 2018, the SCR Entitlements amount of \$17,111 (2017 – \$24,669) presented in the Statements of Financial Position represents the average cost of the Plan’s investments in the SCR Fund of \$16,702 (2017 – \$24,212), plus funds to be transferred from the direct investment holdings of the plan of \$398 (2017 – \$489) for SCR payments made to beneficiaries during the year, plus accrued interest and payables of \$11 (2017 – \$32). The fair value of the investments in the SCR Fund as at October 31, 2018, after adjusting for the above, amounted to \$17,360 (2017 – \$26,095), of which \$16,902 and \$49 are included in Investments, at fair value and Cash and cash equivalents, respectively, in the Statement of Financial Position. The difference between the present value of SCR Entitlements and the fair value of the SCR Fund is not recorded in the financial statements of the plan.

(b) Sales Charge Refund Entitlements Valuations

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

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

(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 set at the expected long-term investment rates of return of the SCR Fund at October 31, 2018 of 5.3% (2017 – 5.4%) 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.

Notes to the Financial Statements (continued)

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

Note 8. Sales Charge Refund (continued)

(b) Sales Charge Refund Entitlements Valuations (continued)

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

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

	2018	2017
Present value of SCR Entitlements	\$ 9,368	\$ 19,765
Fair value of SCR Fund (Note 8(a))	16,951	25,638
Overfunded portion of SCR Entitlements	\$ (7,583)	\$ (5,873)

A 1% decrease or increase in the discount rate used will increase or decrease the present value of SCR Entitlements by \$127 or \$120, respectively (2017 – \$280 or \$260, 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 liability being fully funded. The Foundation is responsible to pay 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 the Foundation to project the asset growth of the SCR Fund. Any shortfall in the assets to meet the SCR Entitlements will be funded by the Foundation.

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

Note 9. Fair Value Measurements and Disclosure

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

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

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	\$ -	\$ 194,071	\$ -	\$194,071
Equity securities, ETFs and Pooled equity funds	58,195	-	-	58,195
Total Investments, at fair value	\$58,195	\$194,071	\$ -	\$252,266

Assets Measured at Fair Value as of October 31, 2017

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 315,441	\$ -	\$ 15,441
Equity securities, ETFs and Pooled equity funds	83,519	-	-	83,519
Total Investments, at fair value	\$83,519	\$315,441	\$ -	\$398,960

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

Government Grants

Appendix I to Schedule I

Statement of Investment Portfolio

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

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
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 Mar 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
						Province of Manitoba	2.85	5 Sep 2046	196	175	181

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

Government Grants (continued)

Appendix I to Schedule I

Statement of Investment Portfolio

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

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)						Bonds (continued)					
Provincial – 32.1% (continued)						Provincial – 32.1% (continued)					
Province of Manitoba	3.40	5 Sep 2048	1,307	1,298	1,322	Province of Ontario	2.90	2 Dec 2046	11,663	10,683	11,003
Province of Manitoba	3.20	5 Mar 2050	360	344	358	Province of Ontario	2.80	2 Jun 2048	18,347	16,471	17,304
Province of New Brunswick	2.85	2 Jun 2023	700	699	720	Province of Ontario	2.90	2 Jun 2049	5,377	4,928	5,088
Province of New Brunswick	3.65	3 Jun 2024	550	569	577	Province of Québec	4.50	1 Dec 2019	1,600	1,638	1,754
Province of New Brunswick	2.60	14 Aug 2026	167	161	167	Province of Québec	4.50	1 Dec 2020	900	936	966
Province of New Brunswick	2.35	14 Aug 2027	659	615	640	Province of Québec	4.25	1 Dec 2021	2,700	2,828	3,032
Province of New Brunswick	3.10	14 Aug 2028	122	120	122	Province of Québec	3.50	1 Dec 2022	2,100	2,158	2,268
Province of New Brunswick	5.65	27 Dec 2028	245	294	300	Province of Québec	3.00	1 Sep 2023	3,250	3,273	3,467
Province of New Brunswick	5.50	27 Jan 2034	1,075	1,333	1,265	Province of Québec	3.75	1 Sep 2024	2,925	3,054	3,102
Province of New Brunswick	4.65	26 Sep 2035	710	811	739	Province of Québec	5.35	1 Jun 2025	1,000	1,137	1,164
Province of New Brunswick	4.55	26 Mar 2037	1,700	1,932	1,986	Province of Québec	2.50	1 Sep 2026	1,279	1,231	1,304
Province of New Brunswick	4.80	26 Sep 2039	950	1,125	1,183	Province of Québec	2.75	1 Sep 2027	2,889	2,814	2,925
Province of New Brunswick	3.55	3 Jun 2043	3,950	3,949	3,982	Province of Québec	2.75	1 Sep 2028	1,283	1,243	1,273
Province of New Brunswick	3.80	14 Aug 2045	2,550	2,658	2,727	Province of Québec	6.00	1 Oct 2029	1,900	2,390	2,518
Province of New Brunswick	3.10	14 Aug 2048	1,587	1,461	1,546	Province of Québec	6.25	1 Jun 2032	2,550	3,386	3,559
Province of Newfoundland and Labrador	1.95	2 Jun 2022	248	241	247	Province of Québec	5.25	1 Jun 2034	3,000	3,666	3,800
Province of Newfoundland and Labrador	2.30	2 Jun 2025	200	191	199	Province of Québec	5.75	1 Dec 2036	8,815	11,715	12,029
Province of Newfoundland and Labrador	3.00	2 Jun 2026	1,324	1,308	1,329	Province of Québec	5.00	1 Dec 2038	4,965	6,174	5,731
Province of Newfoundland and Labrador	6.15	17 Apr 2028	350	429	466	Province of Québec	5.00	1 Dec 2041	14,075	17,848	18,210
Province of Newfoundland and Labrador	2.85	2 Jun 2028	469	452	464	Province of Québec	4.25	1 Dec 2043	8,475	9,794	10,079
Province of Newfoundland and Labrador	6.55	17 Oct 2030	1,750	2,283	2,377	Province of Québec	3.50	1 Dec 2045	9,150	9,427	9,389
Province of Newfoundland and Labrador	4.65	17 Oct 2040	1,350	1,571	1,593	Province of Québec	3.50	1 Dec 2048	8,738	9,049	9,411
Province of Newfoundland and Labrador	3.30	17 Oct 2046	1,780	1,696	1,662	Province of Saskatchewan	3.20	3 Jun 2024	80	81	83
Province of Newfoundland and Labrador	3.70	17 Oct 2048	1,615	1,658	1,685	Province of Saskatchewan	2.55	2 Jun 2026	1,343	1,297	1,366
Province of Ontario	4.20	2 Jun 2020	5,125	5,265	5,616	Province of Saskatchewan	2.65	2 Jun 2027	577	557	576
Province of Ontario	4.00	2 Jun 2021	6,390	6,611	6,947	Province of Saskatchewan	3.05	2 Dec 2028	384	380	382
Province of Ontario	1.35	8 Mar 2022	1,189	1,137	1,163	Province of Saskatchewan	6.40	5 Sep 2031	4,500	5,983	6,341
Province of Ontario	3.15	2 Jun 2022	3,300	3,343	3,515	Province of Saskatchewan	4.75	1 Jun 2040	2,725	3,303	3,435
Province of Ontario	1.95	27 Jan 2023	1,050	1,016	1,056	Province of Saskatchewan	3.90	2 Jun 2045	3,100	3,389	3,429
Province of Ontario	2.85	2 Jun 2023	3,100	3,099	3,115	Province of Saskatchewan	2.75	2 Dec 2046	3,681	3,270	3,284
Province of Ontario	2.60	8 Sep 2023	2,045	2,021	2,037	Province of Saskatchewan	3.30	2 Jun 2048	2,359	2,336	2,416
Province of Ontario	3.50	2 Jun 2024	2,215	2,279	2,316	Province of Saskatchewan	3.10	2 Jun 2050	120	114	119
Province of Ontario	2.65	5 Feb 2025	800	787	802	Province of Saskatchewan	3.75	5 Mar 2054	384	417	427
Province of Ontario	2.60	2 Jun 2025	3,925	3,832	3,957	Province of Saskatchewan	2.95	2 Jun 2058	330	302	314
Province of Ontario	2.40	2 Jun 2026	1,828	1,747	1,812	Province of Nova Scotia	4.10	1 Jun 2021	550	570	611
Province of Ontario	2.60	2 Jun 2027	2,681	2,576	2,649	Province of Nova Scotia	2.10	1 Jun 2027	462	427	442
Province of Ontario	7.60	2 Jun 2027	1,120	1,496	1,605	Province of Nova Scotia	5.80	1 Jun 2033	2,275	2,933	2,873
Province of Ontario	2.90	2 Jun 2028	2,105	2,061	2,076	Province of Nova Scotia	4.40	1 Jun 2042	3,600	4,209	4,187
Province of Ontario	6.50	8 Mar 2029	7,425	9,563	10,331	Province of Nova Scotia	3.45	1 Jun 2045	2,950	2,995	2,975
Province of Ontario	6.20	2 Jun 2031	1,925	2,510	2,655	Province of Nova Scotia	3.50	2 Jun 2062	600	620	599
Province of Ontario	5.85	8 Mar 2033	5,875	7,591	8,005					408,883	420,669
Province of Ontario	5.60	2 Jun 2035	6,275	8,069	8,223	Municipal – 1.4%					
Province of Ontario	4.70	2 Jun 2037	8,845	10,481	10,385	City of Montreal	5.45	1 Dec 2019	200	207	227
Province of Ontario	4.60	2 Jun 2039	8,865	10,489	10,668	City of Montreal	3.50	1 Sep 2023	225	230	241
Province of Ontario	4.65	2 Jun 2041	14,575	17,536	17,917	City of Montreal	3.00	1 Sep 2025	831	820	837
Province of Ontario	3.50	2 Jun 2043	6,425	6,567	6,833	City of Montreal	2.75	1 Sep 2026	223	215	223
Province of Ontario	3.45	2 Jun 2045	20,675	20,975	21,322	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
						City of Ottawa	4.60	14 Jul 2042	500	580	590
						City of Ottawa	3.10	27 Jul 2048	83	76	82
						City of Toronto	4.50	2 Dec 2019	225	230	250

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

Government Grants (continued)

Appendix I to Schedule I

Statement of Investment Portfolio

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

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

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

Government Grants (continued)

Appendix I to Schedule I

Statement of Investment Portfolio

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

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)					
Corporate – 25.0% (continued)					
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
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

Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
Equities – 6.6% (continued)			
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 (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds						Bonds (continued)					
Federal – 1.8%						Corporate – 26.3% (continued)					
Canada Housing Trust	2.65	1 Oct 2027	160	143	147	TransCanada PipeLines Limited	6.89	7 Aug 2028	117	142	146
Government of Canada	2.15	1 Aug 2020	2,400	1,473	1,446	University Health Network	5.64	8 Dec 2022	1,285	1,348	1,465
Kreditanstalt für Wiederaufbau Global	5.05	4 Feb 2025	279	311	338	University of Ontario Institute of Technology	6.35	15 Oct 2034	1,133	1,297	1,203
				1,927	1,931	Walt Disney Company	2.76	7 Oct 2024	1,446	1,398	1,444
Corporate – 26.3%										27,460	27,725
407 International Inc.	6.75	27 Jul 2039	179	228	246	Total Fixed Income – 28.1%					
407 International Inc.	7.13	26 Jul 2040	438	637	672					29,387	29,656
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	Security			Number of Securities	Fair Value (\$)	Average Cost (\$)
Blue Water Bridge Authority	6.41	9 Jul 2027	1,246	750	794	Pool Equity Fund – 71.6%					
Caisse Francaise de Financement Local	5.00	9 Mar 2020	200	206	219	CCL Global Equity Fund			3,390,762	74,717	80,208
Enbridge Inc.	4.57	11 Mar 2044	907	870	852	Total Equities – 71.6%					
EUROFIMA Maple Bond	4.55	30 Mar 2027	212	230	237					74,717	80,208
GE Capital Canada Funding Company	2.30	15 Feb 2022	792	788	726	Total Investments – 99.7%					
Greater Toronto Airports Authority	6.45	30 Jul 2029	1,160	1,357	1,411					104,104	109,864
InPower BC General Partnership	4.47	31 Mar 2033	535	545	532	Cash and cash equivalents – 0.3%					
KS SP Limited Partnership	3.21	15 Jun 2019	1,373	1,192	1,192					326	326
Lloyds Bank plc	2.64	11 Jul 2023	1,445	1,445	1,445	Total Portfolio Assets – 100.0%					
Loblaw Companies Limited	6.54	17 Feb 2033	173	209	214					104,430	110,190
Maritimes and Northeast Pipelines Limited Partnership	4.34	30 Nov 2019	115	115	118	Total Investment Allocation					
Maritimes and Northeast Pipelines Limited Partnership	6.90	30 Nov 2019	28	29	32	Group Savings Plan				16,902	16,653
McCain Finance Limited	3.87	7 Feb 2023	737	747	737	Group Savings Plan 2001				87,202	93,211
Mutual Life Assurance Co	6.30	15 May 2028	41	49	50					104,104	109,864
NAV Canada	7.56	1 Mar 2027	705	823	886	Cash and cash equivalents Allocation					
North Battleford Power L.P.	4.96	31 Dec 2032	170	180	192	Group Savings Plan				49	49
Nova Gas Transmission Ltd.	9.90	16 Dec 2024	109	144	167	Group Savings Plan 2001				277	277
Ornge Issuer Trust	5.73	11 Jun 2034	997	1,116	1,149					326	326
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						

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

Canadian Scholarship Trust Plan

Sponsor

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

Investment Fund Manager and Distributor

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

Trustee

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

Auditor

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

Bank

Royal Bank of Canada
Royal Bank Plaza
South Tower
200 Bay Street, 10th Floor
Toronto, Ontario M5J 2J5

For updates on your Plan account, login to Online Services at www.cst.org
In Quebec, Canadian Scholarship Trust Plan is distributed by
C.S.T. Consultants Inc. Scholarship Plan Brokerage Firm.

