

C.S.T. Consultants Inc.

Canadian Scholarship Trust Group Savings Plan 2001

Semi-Annual Financial Statements
Unaudited

April 30, 2018



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Unaudited semi-annual financial statements

The accompanying semi-annual financial statements have not been reviewed by the external auditors of the Plan in accordance with assurance standards applicable to a review of interim financial statements.

Statements of Financial Position

As at April 30, 2018 and October 31, 2017 (in thousands of Canadian dollars)

	Apr 30, 2018	Oct 31, 2017
		(Audited)
Assets		
Cash and cash equivalents	\$ 4,921	\$ 17,555
Receivables for securities sold	569	7,434
Investments, at fair value <i>(Note 4 and Schedule 1)</i>	4,077,236	3,931,293
Accrued interest and other receivables	25,628	24,196
Government grants receivable	13,435	11,893
	4,121,789	3,992,371
Liabilities		
Payables for securities purchased	953	15,862
Accounts payable, accrued liabilities and unclaimed subscribers' funds	7,136	4,524
	8,089	20,386
Net Assets Attributable to Subscribers and Beneficiaries	4,113,700	3,971,985
Represented by:		
Non-Discretionary Funds		
Accumulated income held for future education assistance payments	517,742	492,826
Subscribers' deposits <i>(Note 7)</i>	2,342,661	2,232,424
Government grants	808,708	778,356
Income on Government grants	206,791	198,072
Sales charge refund entitlements <i>(Note 9)</i>	168,748	154,028
General fund <i>(Note 8)</i>	583	535
Unrealized Gains	66,489	113,766
Discretionary Funds		
Donations from the Foundation <i>(Note 8)</i>	1,978	1,978
	\$4,113,700	\$3,971,985

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



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



Sherry J. MacDonald, CPA, CA
 Director

Statements of Comprehensive Income

For the six months ended April 30, 2018 and 2017 (in thousands of Canadian dollars)

	2018	2017
Income		
Interest for allocation to subscriber accounts	\$ 41,556	\$44,800
Realized gains on sale of investments	1,520	5,568
Change in unrealized gains (losses)	(47,277)	27,276
Dividends	24,505	19,623
	20,304	97,267
Expenses		
Administration and account maintenance fees (Note 3(a))	10,689	9,687
Portfolio management fees	1,863	1,395
Custodian and trustee fees	367	372
Independent Review Committee fees	30	29
	12,949	11,483
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$ 7,355	\$85,784

Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries

For the six months ended April 30, 2018 and 2017 (in thousands of Canadian dollars)

	2018	2017
Net Assets Attributable to Subscribers and Beneficiaries, Beginning of Year	\$3,971,985	\$3,614,998
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	7,355	85,784
Transfers to internal and external plans	(6,569)	(3,767)
	786	82,017
Receipts		
Net increase in Subscribers' deposits (Note 7)	110,237	117,172
Government grants received (net of repayments)	40,140	39,537
Disbursements		
Payments to beneficiaries		
Education assistance payments	(3,789)	(3,045)
Government grants	(3,491)	(2,705)
Refund of sales charges	(884)	(652)
Return of interest	(1,284)	(818)
Total payments to beneficiaries	(9,448)	(7,220)
Receipts less Disbursements	140,929	149,489
Change in Net Assets Attributable to Subscribers and Beneficiaries	141,715	231,506
Net Assets Attributable to Subscribers and Beneficiaries, End of Period	\$4,113,700	\$3,846,504

Statements of Cash Flows

For the six months ended April 30, 2018 and 2017 (in thousands of Canadian dollars)

	2018	2017
Operating Activities		
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$ 7,355	\$ 85,784
Net disbursements for investment transactions	(199,744)	(151,850)
Items not affecting cash		
Realized gains on sale of investments	(1,520)	(5,568)
Change in unrealized (gains) losses	47,277	(27,276)
Change in non-cash operating working capital		
Increase in Accrued interest and other receivables	(1,432)	(4,049)
Increase in Government grants receivable	(1,542)	(206)
Increase (decrease) in Accounts payable, accrued liabilities and unclaimed subscribers' funds	2,612	(35,381)
Cash flow used in Operating Activities	(146,994)	(138,546)
Financing Activities		
Transfers to internal and external plans	(6,569)	(3,767)
Government grants received (net of repayments)	40,140	39,537
Net increase in Subscribers' deposits <i>(Note 7)</i>	110,237	117,172
Payments to beneficiaries	(9,448)	(7,220)
Cash flow from Financing Activities	134,360	145,722
Net (decrease) increase in Cash and cash equivalents	(12,634)	7,176
Cash and cash equivalents, Beginning of Period		
Cash	4,867	6,804
Cash equivalents	12,688	8,617
	17,555	15,421
Cash and cash equivalents, End of Period		
Cash	1,698	12,524
Cash equivalents	3,223	10,073
	\$ 4,921	\$ 22,597
Supplemental cash flow information:		
Withholding Taxes	\$ 1,381	\$ 700
Interest Income Received	46,994	44,733

Schedule I – Statement of Investment Portfolio

As at April 30, 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 – 6.4%						Federal – 6.4% (continued)					
Canada Housing Trust	1.95	15 Jun 2019	6,275	6,288	6,368	Labrador-Island Link Funding Trust	3.85	1 Dec 2053	300	347	378
Canada Housing Trust	3.75	15 Mar 2020	9,331	9,636	10,347	Muskkrat Falls Funding Trust	3.83	1 Jun 2037	6,250	6,915	7,189
Canada Housing Trust	1.25	15 Jun 2021	1,918	1,864	1,936	Muskkrat Falls Funding Trust	3.86	1 Dec 2048	400	458	496
Canada Housing Trust	3.80	15 Jun 2021	1,580	1,656	1,792						
Canada Housing Trust	1.15	15 Dec 2021	2,425	2,331	2,413					185,882	191,325
Canada Housing Trust	1.50	15 Dec 2021	2,437	2,372	2,433						
Canada Housing Trust	2.65	15 Mar 2022	5,000	5,064	5,307	Provincial – 34.8%					
Canada Housing Trust	1.75	15 Jun 2022	3,508	3,427	3,525	Province of Alberta	4.00	1 Dec 2019	1,025	1,057	1,087
Canada Housing Trust	2.40	15 Dec 2022	7,590	7,592	7,742	Province of Alberta	1.25	1 Jun 2020	6,167	6,060	6,110
Canada Housing Trust	2.35	15 Jun 2023	1,450	1,444	1,449	Province of Alberta	1.35	1 Sep 2021	1,553	1,504	1,552
Canada Housing Trust	2.90	15 Jun 2024	2,690	2,747	2,814	Province of Alberta	1.60	1 Sep 2022	970	934	968
Canada Housing Trust	2.55	15 Mar 2025	2,000	1,998	2,077	Province of Alberta	2.55	15 Dec 2022	700	701	719
Canada Housing Trust	1.95	15 Dec 2025	1,000	955	1,027	Province of Alberta	3.10	1 Jun 2024	1,350	1,379	1,417
Canada Housing Trust	1.90	15 Sep 2026	1,426	1,347	1,408	Province of Alberta	2.20	1 Jun 2026	3,255	3,093	3,244
Canada Housing Trust	2.35	15 Jun 2027	1,880	1,831	1,897	Province of Alberta	2.55	1 Jun 2027	2,995	2,898	2,940
Canada Housing Trust	2.35	15 Mar 2028	527	512	526	Province of Alberta	2.90	20 Sep 2029	2,700	2,654	2,821
Canada Housing Trust	2.65	15 Mar 2028	580	578	578	Province of Alberta	3.50	1 Jun 2031	1,195	1,245	1,260
Canada Post Corporation	4.36	16 Jul 2040	325	393	409	Province of Alberta	3.90	1 Dec 2033	8,332	9,079	8,890
Government of Canada	1.21	14 Jun 2018	525	523	523	Province of Alberta	4.50	1 Dec 2040	3,000	3,603	3,639
Government of Canada	1.12	12 Jul 2018	1,395	1,390	1,390	Province of Alberta	3.45	1 Dec 2043	16,920	17,546	17,154
Government of Canada	1.21	26 Jul 2018	2,366	2,356	2,356	Province of Alberta	3.30	1 Dec 2046	8,965	9,067	9,103
Government of Canada	1.22	9 Aug 2018	70	70	70	Province of Alberta	3.05	1 Dec 2048	12,013	11,599	11,708
Government of Canada	1.25	23 Aug 2018	2,570	2,554	2,554	Province of British Columbia	3.70	18 Dec 2020	500	520	522
Government of Canada	0.75	1 May 2019	925	917	915	Province of British Columbia	9.95	15 May 2021	1,000	1,222	1,343
Government of Canada	0.75	1 Aug 2019	3,925	3,877	3,897	Province of British Columbia	4.80	15 Jun 2021	700	752	821
Government of Canada	1.75	1 Sep 2019	6,112	6,110	6,223	Province of British Columbia	3.25	18 Dec 2021	1,000	1,032	1,059
Government of Canada	1.50	1 Mar 2020	5,625	5,587	5,726	Province of British Columbia	2.70	18 Dec 2022	875	884	907
Government of Canada	3.50	1 Jun 2020	13,025	13,446	14,044	Province of British Columbia	3.30	18 Dec 2023	500	519	545
Government of Canada	0.75	1 Sep 2020	6,450	6,277	6,450	Province of British Columbia	2.85	18 Jun 2025	1,850	1,868	1,920
Government of Canada	0.75	1 Mar 2021	7,707	7,445	7,623	Province of British Columbia	2.30	18 Jun 2026	1,666	1,608	1,667
Government of Canada	3.25	1 Jun 2021	4,943	5,124	5,501	Province of British Columbia	2.55	18 Jun 2027	3,111	3,039	3,096
Government of Canada	0.75	1 Sep 2021	2,916	2,796	2,863	Province of British Columbia	5.70	18 Jun 2029	3,710	4,678	4,926
Government of Canada	0.50	1 Mar 2022	2,662	2,508	2,534	Province of British Columbia	6.35	18 Jun 2031	9,300	12,700	12,737
Government of Canada	2.75	1 Jun 2022	683	701	750	Province of British Columbia	5.40	18 Jun 2035	890	1,168	1,146
Government of Canada	1.00	1 Sep 2022	2,785	2,659	2,690	Province of British Columbia	4.70	18 Jun 2037	3,100	3,827	3,965
Government of Canada	1.75	1 Mar 2023	1,970	1,937	1,944	Province of British Columbia	4.95	18 Jun 2040	14,000	18,157	18,337
Government of Canada	1.50	1 Jun 2023	830	804	814	Province of British Columbia	4.30	18 Jun 2042	5,636	6,790	6,345
Government of Canada	2.50	1 Jun 2024	3,600	3,662	3,716	Province of British Columbia	3.20	18 Jun 2044	7,800	7,953	7,905
Government of Canada	2.25	1 Jun 2025	2,550	2,552	2,645	Province of British Columbia	2.80	18 Jun 2048	15,504	14,659	14,855
Government of Canada	1.50	1 Jun 2026	817	771	800	Province of Manitoba	1.15	21 Nov 2019	528	522	527
Government of Canada	1.00	1 Jun 2027	2,909	2,603	2,604	Province of Manitoba	4.15	3 Jun 2020	850	885	932
Government of Canada	2.00	1 Jun 2028	4,049	3,940	3,949	Province of Manitoba	1.55	5 Sep 2021	383	373	384
Government of Canada	5.75	1 Jun 2029	2,350	3,133	3,346	Province of Manitoba	2.55	2 Jun 2023	225	224	232
Government of Canada	5.75	1 Jun 2033	4,675	6,684	6,853	Province of Manitoba	3.30	2 Jun 2024	500	516	530
Government of Canada	5.00	1 Jun 2037	1,595	2,231	2,353	Province of Manitoba	2.45	2 Jun 2025	600	585	604
Government of Canada	4.00	1 Jun 2041	3,000	3,842	3,892	Province of Manitoba	4.40	5 Sep 2025	3,649	4,015	4,067
Government of Canada	3.50	1 Dec 2045	5,866	7,156	7,334	Province of Manitoba	2.55	2 Jun 2026	1,169	1,137	1,183
Government of Canada	2.75	1 Dec 2048	8,203	8,827	9,162	Province of Manitoba	2.60	2 Jun 2027	2,018	1,954	1,979
Government of Canada	2.75	1 Dec 2064	4,818	5,340	5,587	Province of Manitoba	3.00	2 Jun 2028	615	612	613
Labrador-Island Link Funding Trust	3.76	1 Jun 2033	250	272	293	Province of Manitoba	3.25	5 Sep 2029	500	506	472
Labrador-Island Link Funding Trust	3.86	1 Dec 2045	7,091	8,033	7,813	Province of Manitoba	6.30	5 Mar 2031	625	832	825
						Province of Manitoba	5.70	5 Mar 2037	1,000	1,341	1,356
						Province of Manitoba	4.60	5 Mar 2038	1,800	2,146	2,091
						Province of Manitoba	4.65	5 Mar 2040	2,500	3,027	2,813

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

Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 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 – 34.8% (continued)						Provincial – 34.8% (continued)					
Province of Manitoba	4.10	5 Mar 2041	12,075	13,642	13,576	Province of Ontario	6.20	2 Jun 2031	3,600	4,810	5,096
Province of Manitoba	4.40	5 Mar 2042	7,650	9,041	9,018	Province of Ontario	5.85	8 Mar 2033	15,430	20,437	20,766
Province of Manitoba	3.35	5 Mar 2043	875	883	777	Province of Ontario	5.60	2 Jun 2035	14,400	19,062	19,515
Province of Manitoba	4.05	5 Sep 2045	3,300	3,744	3,777	Province of Ontario	4.70	2 Jun 2037	17,530	21,371	21,964
Province of Manitoba	2.85	5 Sep 2046	2,901	2,664	2,642	Province of Ontario	4.60	2 Jun 2039	19,400	23,604	24,185
Province of Manitoba	3.40	5 Sep 2048	1,981	2,024	2,011	Province of Ontario	4.65	2 Jun 2041	39,006	48,304	46,644
Province of Manitoba	3.15	5 Sep 2052	2,000	1,935	1,864	Province of Ontario	3.50	2 Jun 2043	34,700	36,554	36,850
Province of New Brunswick	4.50	2 Jun 2020	1,500	1,572	1,679	Province of Ontario	3.45	2 Jun 2045	36,800	38,523	37,974
Province of New Brunswick	2.85	2 Jun 2023	1,500	1,514	1,580	Province of Ontario	2.90	2 Dec 2046	24,102	22,794	22,888
Province of New Brunswick	2.60	14 Aug 2026	1,204	1,171	1,206	Province of Ontario	2.80	2 Jun 2048	35,766	33,153	33,638
Province of New Brunswick	2.35	14 Aug 2027	1,472	1,389	1,429	Province of Ontario	2.90	2 Jun 2049	4,935	4,670	4,825
Province of New Brunswick	3.10	14 Aug 2028	277	277	276	Province of Québec	4.50	1 Dec 2019	4,300	4,470	4,684
Province of New Brunswick	5.50	27 Jan 2034	2,000	2,544	2,587	Province of Québec	4.50	1 Dec 2020	2,200	2,328	2,442
Province of New Brunswick	4.55	26 Mar 2037	9,000	10,528	10,506	Province of Québec	4.25	1 Dec 2021	7,125	7,583	8,025
Province of New Brunswick	4.80	26 Sep 2039	1,500	1,827	1,808	Province of Québec	3.50	1 Dec 2022	2,700	2,816	2,954
Province of New Brunswick	4.80	3 Jun 2041	1,500	1,847	1,819	Province of Québec	3.00	1 Sep 2023	16,245	16,573	17,085
Province of New Brunswick	3.55	3 Jun 2043	6,750	6,958	6,797	Province of Québec	3.75	1 Sep 2024	13,981	14,836	15,615
Province of New Brunswick	3.80	14 Aug 2045	7,500	8,080	7,944	Province of Québec	2.75	1 Sep 2025	3,300	3,294	3,393
Province of New Brunswick	3.10	14 Aug 2048	954	908	935	Province of Québec	8.50	1 Apr 2026	4,700	6,549	7,070
Province of Newfoundland and Labrador	1.95	2 Jun 2022	914	892	912	Province of Québec	2.50	1 Sep 2026	2,372	2,311	2,424
Province of Newfoundland and Labrador	3.00	2 Jun 2026	8,857	8,854	8,939	Province of Québec	2.75	1 Sep 2027	8,454	8,350	8,545
Province of Newfoundland and Labrador	2.85	2 Jun 2028	470	459	469	Province of Québec	2.75	1 Sep 2028	1,665	1,636	1,643
Province of Newfoundland and Labrador	5.60	17 Oct 2033	1,500	1,906	1,944	Province of Québec	6.00	1 Oct 2029	2,900	3,736	3,868
Province of Newfoundland and Labrador	4.65	17 Oct 2040	1,700	2,031	1,990	Province of Québec	6.25	1 Jun 2032	9,250	12,600	12,976
Province of Newfoundland and Labrador	3.30	17 Oct 2046	5,175	5,072	4,873	Province of Québec	5.25	1 Jun 2034	4,200	5,273	5,292
Province of Nova Scotia	4.10	1 Jun 2021	1,100	1,158	1,222	Province of Québec	5.75	1 Dec 2036	28,250	38,653	39,195
Province of Nova Scotia	2.10	1 Jun 2027	1,296	1,208	1,238	Province of Québec	5.00	1 Dec 2038	11,300	14,460	14,375
Province of Nova Scotia	5.80	1 Jun 2033	4,937	6,487	6,396	Province of Québec	5.00	1 Dec 2041	44,475	58,041	56,327
Province of Nova Scotia	4.50	1 Jun 2037	5,900	6,977	6,954	Province of Québec	4.25	1 Dec 2043	13,450	16,015	15,664
Province of Nova Scotia	4.70	1 Jun 2041	2,000	2,475	2,414	Province of Québec	3.50	1 Dec 2045	15,100	16,045	15,530
Province of Nova Scotia	4.40	1 Jun 2042	5,230	6,240	5,882	Province of Québec	3.50	1 Dec 2048	24,176	25,851	25,922
Province of Nova Scotia	3.45	1 Jun 2045	2,000	2,075	2,029	Province of Saskatchewan	2.55	2 Jun 2026	3,137	3,059	3,194
Province of Nova Scotia	3.50	2 Jun 2062	1,400	1,487	1,397	Province of Saskatchewan	2.65	2 Jun 2027	1,161	1,132	1,159
Province of Ontario	4.40	2 Jun 2019	9,175	9,431	10,114	Province of Saskatchewan	6.40	5 Sep 2031	9,096	12,342	12,675
Province of Ontario	2.10	8 Sep 2019	1,400	1,404	1,417	Province of Saskatchewan	5.60	5 Sep 2035	2,100	2,769	2,821
Province of Ontario	4.20	2 Jun 2020	9,925	10,348	10,885	Province of Saskatchewan	4.75	1 Jun 2040	7,325	9,065	9,292
Province of Ontario	4.00	2 Jun 2021	12,900	13,545	14,383	Province of Saskatchewan	3.90	2 Jun 2045	4,250	4,753	4,652
Province of Ontario	1.35	8 Mar 2022	3,588	3,445	3,500	Province of Saskatchewan	2.75	2 Dec 2046	7,586	6,896	6,808
Province of Ontario	3.15	2 Jun 2022	10,750	11,030	11,552	Province of Saskatchewan	3.30	2 Jun 2048	3,342	3,388	3,435
Province of Ontario	2.85	2 Jun 2023	15,150	15,334	16,030	Province of Saskatchewan	3.75	5 Mar 2054	815	906	907
Province of Ontario	2.60	8 Sep 2023	3,220	3,216	3,219					1,004,833	1,013,847
Province of Ontario	3.50	2 Jun 2024	10,850	11,330	11,731	Municipal – 1.3%					
Province of Ontario	2.60	2 Jun 2025	8,400	8,295	8,544	City of Montreal	5.45	1 Dec 2019	400	421	455
Province of Ontario	2.40	2 Jun 2026	5,396	5,212	5,338	City of Montreal	3.50	1 Sep 2023	450	466	483
Province of Ontario	2.60	2 Jun 2027	3,905	3,800	3,891	City of Montreal	3.00	1 Sep 2025	1,763	1,761	1,775
Province of Ontario	2.90	2 Jun 2028	4,324	4,293	4,308	City of Montreal	2.75	1 Sep 2026	456	445	457
Province of Ontario	6.50	8 Mar 2029	21,950	28,957	30,636	City of Montreal	4.25	1 Dec 2032	750	828	824
						City of Montreal	4.10	1 Dec 2034	902	986	967
						City of Montreal	3.15	1 Dec 2036	1,900	1,839	1,889
						City of Montreal	6.00	1 Jun 2043	875	1,252	1,252
						City of Ottawa	4.60	14 Jul 2042	1,000	1,198	1,180
						City of Ottawa	3.10	27 Jul 2048	172	163	171
						City of Toronto	4.50	2 Dec 2019	500	519	555

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

Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 2018 (in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)						Bonds (continued)					
Municipal – 1.3% (continued)						Corporate – 24.4% (continued)					
City of Toronto	3.50	6 Dec 2021	400	413	438	Great-West Lifeco Inc.	3.34	28 Feb 2028	5,057	5,074	5,057
City of Toronto	3.90	29 Sep 2023	2,500	2,639	2,769	Great-West Lifeco Inc.	6.67	21 Mar 2033	3,706	4,906	4,952
City of Toronto	2.40	24 Jun 2026	464	443	464	HSBC Bank Canada	2.08	26 Nov 2018	2,591	2,593	2,606
City of Toronto	2.95	28 Apr 2035	600	569	555	HSBC Bank Canada	2.49	13 May 2019	2,183	2,189	2,189
City of Toronto	3.50	2 Jun 2036	2,621	2,668	2,610	HSBC Bank Canada	2.91	29 Sep 2021	22,940	23,004	23,388
City of Toronto	5.20	1 Jun 2040	2,650	3,386	3,465	HSBC Bank Canada	2.17	29 Jun 2022	5,471	5,313	5,432
City of Toronto	4.70	10 Jun 2041	1,150	1,387	1,359	HSBC Bank Canada	2.54	31 Jan 2023	29,858	29,274	29,631
City of Toronto	3.80	13 Dec 2042	450	479	465	Hydro One Inc.	8.90	18 Aug 2022	2,000	2,510	2,844
City of Toronto	4.15	10 Mar 2044	450	507	493	Hydro One Inc.	8.25	22 Jun 2026	4,750	6,524	7,081
City of Toronto	3.25	24 Jun 2046	227	221	226	Hydro-Québec	1.00	25 May 2019	1,582	1,569	1,576
City of Vancouver	3.70	18 Oct 2052	299	315	342	Hydro-Québec	11.00	15 Aug 2020	3,400	4,067	4,909
City of Winnipeg	4.10	1 Jun 2045	86	95	99	Hydro-Québec	6.50	15 Feb 2035	5,000	7,188	7,341
City of Winnipeg	4.30	15 Nov 2051	900	1,030	1,024	Hydro-Québec	6.00	15 Feb 2040	7,650	11,034	10,982
Municipal Finance Authority of British Columbia	4.88	3 Jun 2019	650	671	729	Hydro-Québec	5.00	15 Feb 2050	4,500	6,160	6,061
Municipal Finance Authority of British Columbia	4.15	1 Jun 2021	557	586	624	Hydro-Québec	4.00	15 Feb 2055	1,771	2,100	2,084
Municipal Finance Authority of British Columbia	3.75	26 Sep 2023	475	500	529	Intact Financial Corporation	3.77	2 Mar 2026	4,930	5,057	5,092
Municipal Finance Authority of British Columbia	2.50	19 Apr 2026	1,450	1,404	1,453	Manufacturers Life Insurance Company	2.84	12 Jan 2023	2,488	2,476	2,488
Regional Municipality of Halton	4.05	11 Oct 2041	1,400	1,540	1,569	Manufacturers Life Insurance Company	2.93	29 Nov 2023	5,348	5,378	5,473
Region of Peel	2.30	2 Nov 2026	160	151	159	Manufacturers Life Insurance Company	2.64	15 Jan 2025	14,649	14,681	14,836
Region of Peel	5.10	29 Jun 2040	1,200	1,515	1,515	Manufacturers Life Insurance Company	2.10	1 Jun 2025	8,270	8,181	8,207
Region of Peel	3.85	30 Oct 2042	900	967	951	Manufacturers Life Insurance Company	2.39	5 Jan 2026	12,243	12,126	12,173
Regional Municipality of York	2.60	15 Dec 2025	3,362	3,274	3,273	Manufacturers Life Insurance Company	3.18	22 Nov 2027	14,325	14,459	14,697
Regional Municipality of York	2.50	2 Jun 2026	159	153	163	Royal Bank of Canada	2.86	4 Mar 2021	1,535	1,545	1,563
Regional Municipality of York	4.00	31 May 2032	600	647	658	Royal Bank of Canada	2.03	15 Mar 2021	11,083	10,900	11,147
Regional Municipality of York	4.05	1 May 2034	1,525	1,657	1,679	Royal Bank of Canada	1.65	15 Jul 2021	30,606	29,636	30,302
				37,095	37,619	Royal Bank of Canada	1.58	13 Sep 2021	3,495	3,368	3,431
						Royal Bank of Canada	2.00	21 Mar 2022	57,364	55,753	56,460
Corporate – 24.4%						Royal Bank of Canada	2.36	5 Dec 2022	2,130	2,086	2,096
Bank of Montreal	2.10	6 Oct 2020	23,633	23,385	23,811	Royal Bank of Canada	4.93	16 Jul 2025	24,615	27,558	28,274
Bank of Montreal	1.88	31 Mar 2021	1,417	1,387	1,417	Sun Life Capital Trust	3.05	19 Sep 2028	5,025	4,989	5,019
Bank of Montreal	3.40	23 Apr 2021	30,961	31,620	33,141	Sun Life Capital Trust	7.09	30 Jun 2052	8,424	10,982	10,968
Bank of Montreal	1.61	28 Oct 2021	1,745	1,682	1,686	Toronto Dominion Bank	2.45	2 Apr 2019	20,946	21,025	21,418
Bank of Montreal	2.27	11 Jul 2022	1,720	1,683	1,718	Toronto Dominion Bank	2.05	8 Mar 2021	4,235	4,171	4,198
Bank of Montreal	2.70	11 Sep 2024	7,103	6,976	6,978	Toronto Dominion Bank	1.68	8 Jun 2021	15,374	14,984	15,212
Bank of Montreal	3.19	1 Mar 2028	1,776	1,779	1,775	Toronto Dominion Bank	2.62	22 Dec 2021	32,295	32,221	32,853
Bank of Nova Scotia	2.27	13 Jan 2020	17,103	17,070	17,143	Toronto Dominion Bank	1.99	23 Mar 2022	28,650	27,881	28,004
Bank of Nova Scotia	2.09	9 Sep 2020	31,641	31,306	31,494	Toronto Dominion Bank	1.91	18 Jul 2023	2,085	1,989	1,999
Bank of Nova Scotia	2.87	4 Jun 2021	30,785	30,949	31,546	Toronto Dominion Bank	3.23	24 Jul 2024	1,970	2,000	2,052
Bank of Nova Scotia	1.90	2 Dec 2021	1,730	1,680	1,729	Wells Fargo Financial Corporation Canada	3.04	29 Jan 2021	8,768	8,853	8,925
Bank of Nova Scotia	1.83	27 Apr 2022	28,578	27,536	27,749	Wells Fargo Financial Corporation Canada	3.46	24 Jan 2023	19,191	19,626	19,926
Bank of Nova Scotia	2.98	17 Apr 2023	4,618	4,631	4,617				705,553	716,535	
Bank of Nova Scotia	3.10	2 Feb 2028	4,177	4,144	4,176						
Caisse Centrale Desjardins	2.44	17 Jul 2019	8,835	8,856	8,858						
Caisse Centrale Desjardins	1.75	2 Mar 2020	33,365	32,958	32,979						
Canadian Imperial Bank of Commerce	1.66	20 Jan 2020	3,533	3,489	3,492						
Canadian Imperial Bank of Commerce	2.30	11 Jul 2022	17,671	17,314	17,595						
Canadian Imperial Bank of Commerce	2.47	5 Dec 2022	1,705	1,678	1,685						
						Total Fixed Income – 66.9%			1,933,363	1,959,326	

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

Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 2018 (in thousands of Canadian dollars)

Security	Number of Securities	Fair Value (\$)	Average Cost (\$)	Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
Equities – 6.2%				Equities – 6.2% (continued)			
Alimentation Couche-Tard Inc.	138	7,661	7,950	Torontom Industries Ltd.	100	4,588	4,169
ATCO Ltd.	38	1,474	1,609	Toronto Dominion Bank	54	3,018	2,156
AutoCanada Inc.	36	778	810	Total Energy Services Inc.	149	10,734	8,040
Bank of Nova Scotia	132	10,442	8,147	Tucows Inc.	83	1,120	1,176
Birchcliff Energy Ltd.	303	1,410	1,892	Wajax Corporation	14	1,106	993
Boardwalk Real Estate Investment Trust	68	3,142	3,298	Westshore Terminals Investment Corporation	45	1,056	932
Brookfield Asset Management Inc.	46	2,326	1,911	Winpak Ltd.	168	3,728	3,860
Brookfield Infrastructure Partners L.P.	33	1,743	1,409		32	1,505	1,500
Brookfield Renewable Partners L.P.	33	1,295	1,367			180,683	162,561
CAE Inc.	76	1,845	1,166	Exchange-traded Funds – 26.8%			
Canadian National Railway Company	48	4,764	3,872	BMO S&P 500 Index ETF	5,771	215,675	197,413
Canadian Natural Resources Limited	74	3,419	1,937	iShares Core S&P U.S. Total Market Index ETF	21,282	558,644	511,007
Canadian Pacific Railway Company	14	3,304	2,554			955,002	870,981
Canadian Western Bank	22	749	505	Total Equities and ETFs – 33.0%			
Cara Operations Limited	37	976	948	Total Investments – 99.9%			
CCL Industries Inc.	53	3,286	2,765			2,888,365	2,830,307
CGI Group Inc.	31	2,323	1,843	Cash and cash equivalents – 0.1%			
CI Financial Corp.	113	3,043	3,073			3,497	3,497
Computer Modeling Group Ltd.	101	952	1,015	Total Portfolio Assets – 100.0%			
DREAM Unlimited Corporation	129	1,229	945			2,891,862	2,833,804
Empire Company Limited	111	2,762	2,273	Investments Allocation (Note 4)			
Enbridge Inc.	127	4,922	6,333	Government Grants (Appendix I)			
Enerflex Ltd.	240	3,767	3,544		1,030,429		1,012,135
Fairfax Financial Holdings Limited	5	3,580	3,148	Sales Charge Refund Entitlements (Appendices II & III)			
Finning International Inc.	81	2,623	1,576		158,442		168,305
FirstService Corporation	14	1,276	683	Cash and cash equivalents (Appendices I, II & III)			
Franco-Nevada Corporation	62	5,614	4,995		1,424		1,424
Freehold Royalties Ltd.	294	3,816	3,426	Total Investment Fund			
Granite REIT Holdings Limited Partnership	26	1,289	964		4,082,157		4,015,668
Great Canadian Gaming Corporation	49	1,776	910	Represented by:			
Great-West Lifeco Inc.	69	2,374	2,336	Cash and cash equivalents			
IGM Financial Inc.	36	1,403	1,251		4,921		
Imperial Oil Limited	88	3,505	3,510	Investments, at fair value			
Industrial Alliance Insurance and Financial Services Inc.	24	1,311	1,418		4,077,236		
Intact Financial Corporation	75	7,361	6,959			4,082,157	
Loblaw Companies Limited	86	5,598	5,820				
Magna International Inc.	41	3,094	2,300				
Maxar Technologies Ltd.	70	4,090	4,783				
Methanex Corporation	19	1,438	875				
METRO Inc.	57	2,337	2,340				
Morguard Corporation	6	1,013	842				
Mullen Group Ltd.	220	3,188	3,641				
Nutrien Ltd.	99	5,790	5,395				
Onex Corporation	10	911	767				
Pason System Inc.	137	2,462	2,490				
PrairieSky Royalty Ltd.	124	3,539	2,914				
Restaurant Brands International Inc.	15	1,069	959				
Ritchie Brothers Auctioneers	52	2,161	1,944				
Saputo Inc.	22	2,134	2,163				
ShawCor Ltd.	67	2,787	2,798				
Stella-Jones Inc.	79	1,967	2,283				
Suncor Energy Inc.	33	1,536	1,400				
TELUS Corporation	105	5,174	3,679				

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

Notes to the Financial Statements

Six months ended April 30, 2018 and 2017 (Unaudited, in thousands of Canadian dollars)

Note 1. Nature of Operations

The Canadian Scholarship Trust Group Savings Plan 2001 (the “Plan”) is a Pooled Education Savings Plan that was established on May 1, 2001. The objective of the Plan is to assist parents and others to save for the post-secondary education of children. The Plan is managed and distributed by C.S.T. Consultants Inc. (“C.S.T.C.”), a wholly-owned subsidiary of the Canadian Scholarship Trust Foundation (the “Foundation”). The Plan’s registered place of business is 1600-2235 Sheppard Avenue East, Toronto, Ontario, Canada.

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

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

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

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

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

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

Note 2. Significant Accounting Policies

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). These interim financial statements were prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting.

These financial statements were approved by the Board of the Foundation on June 7, 2018.

(b) Basis of measurement

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

(c) Future accounting standard

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

IFRS 9 Financial Instruments (“IFRS 9”)

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

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

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

(d) Financial instruments

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

Notes to the Financial Statements (continued)

Six months ended April 30, 2018 and 2017 (Unaudited, in thousands of Canadian dollars)

Note 2. Significant Accounting Policies (continued)

(d) Financial instruments (continued)

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

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

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

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

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

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

(e) Investment valuation

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

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

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

Investments in pooled funds used to pay the Sales Charge Refund (“SCR”) Entitlements referred to in Note 9(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 10 provides further guidance on fair value measurements.

(f) Investment transactions and income recognition

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

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

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

(h) Income taxes

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

(i) Cash and cash equivalents

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

(j) Foreign currency

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

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

(k) Critical accounting estimates and judgments

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

The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are those involved with the

Notes to the Financial Statements (continued)

Six months ended April 30, 2018 and 2017 (Unaudited, in thousands of Canadian dollars)

Note 2. Significant Accounting Policies (continued)

(k) Critical accounting estimates and judgments (continued)

valuation of the SCR Entitlements. Further information on the SCR Entitlement valuation can be found in Note 9(b).

Note 3. Related Party Transactions

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

(a) Distribution and Administration of the Plan

The Foundation, as the Plan sponsor, has appointed C.S.T.C., as both the Scholarship Plan Dealer and Investment Fund Manager to distribute and administer, respectively, the Plan. The agreements are renewable annually on November 1.

Administration and account maintenance fees are paid to the Foundation. Administration fees are annual fees of $\frac{1}{2}$ 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").

During the six months ended April 30, 2018, \$10,689 was recognized as an expense for Administration and account maintenance fees (2017 – \$9,687). Administration and account maintenance fees included in Accounts payable, accrued liabilities and unclaimed subscribers' funds at April 30, 2018 was \$95 (October 31, 2017 – \$362).

Sales charges are paid by subscribers and deducted from their contributions. In accordance with the distribution agreement, the Foundation agreed to set aside a portion of the sales charges collected from subscribers to the SCR Fund each year in order to pay SCR Entitlements when they become due. The balance of sales charges collected is paid to C.S.T.C. as compensation for the sale and distribution of savings plans.

During the six months ended April 30, 2018, \$17,222 was paid to C.S.T.C. from sales charges collected as compensation for the sale and distribution of savings plans (2017 – \$18,416). Related amounts included in Accounts payable, accrued liabilities and unclaimed subscribers' funds at April 30, 2018 was \$1,047 (October 31, 2017 – \$500).

The Foundation is responsible to pay to beneficiaries of the Plan the refunds of sales charges as promised. Any shortfall in the assets to meet the SCR Entitlements will be funded from the Foundation's surplus (see Note 9).

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

For the six-month period ended April 30, 2018, the Foundation provided deficit funding payments of \$1,150 (2017 – \$800) to the SCR Fund (see Note 9 (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 six-month period ended April 30, 2018, the Plan recognized an expense of \$30 (2017 – \$29) for the services of the IRC. IRC fees included in

Accounts payable, accrued liabilities and unclaimed subscribers' funds at April 30, 2018 was \$6 (October 31, 2017 – \$nil).

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

Included in Portfolio management fees on the Statements of Comprehensive Income is \$449 (2017 – \$311) charged by C.S.T.C. for expenses incurred to monitor and manage the portfolio managers. Included in Accounts payable, accrued liabilities and unclaimed subscribers' funds is \$232 owing to C.S.T.C. at April 30, 2018 (October 31, 2017 – (\$19)) relating to these expenses.

Note 4. Investment Holdings

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

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

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

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

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

Note 5. Capital Risk Management

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

Note 6. Risks Associated with Financial Instruments

In the normal course of business the Plan may be exposed to a variety of risks arising from financial instruments. The Plan's exposures to such risks are concentrated in its investment holdings

Notes to the Financial Statements (continued)

Six months ended April 30, 2018 and 2017 (Unaudited, in thousands of Canadian dollars)

Note 6. Risks Associated with Financial Instruments (continued)

and are related to market risk (which includes interest rate risk and other price risk), credit risk, liquidity risk and currency risk.

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

(a) Market risk

i. Interest rate risk

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

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

Debt Instruments by Maturity Date	% of Total Investment Fund	
	Apr 30, 2018	Oct 31, 2017
Less than 1 year	1%	1%
1-3 years	9%	9%
3-5 years	15%	14%
Greater than 5 years	40%	41%
Total debt instruments	65%	65%

As at April 30, 2018, if prevailing interest rates had increased by 1%, the fair value of the Total Investment Fund of \$4,082,157 (October 31, 2017 – \$3,948,848) as per Schedule I – Statement of Investment Portfolio would have decreased by \$213,000 (October 31, 2017 – \$207,000). If prevailing interest rates had decreased by 1% the fair value of the Total Investment Fund would have increased by \$257,000 (October 31, 2017 – \$249,000). This 1% change assumes a parallel shift in the yield curve with all other variables held constant. In practice, actual results may differ materially.

ii. Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, other than those arising from interest rate risk. Factors specific to an individual investment, its issuer or other factors affecting all instruments traded in a market or market segment affect other price risk. The asset classes that are most impacted by other price risk are the equities and ETFs of the Plan, Government Grants asset pool, and the

SCR Funds, which represent 35% (October 31, 2017 – 35%) of the Total Investment Fund as at April 30, 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 April 30, 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 \$14,100 (October 31, 2017 – \$13,800). In practice, actual results may differ materially.

(b) Credit risk

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

The Plan's credit risk exposure is summarized below:

Credit rating	April 30, 2018		October 31, 2017	
	% of Total Investment Fund	Amount (in thousands)	% of Total Investment Fund	Amount (in thousands)
AAA	7%	\$ 295,196	7%	\$ 279,939
AA/AAH/AAL	38%	1,526,898	38%	1,480,169
A/AH/AL	20%	818,721	19%	769,844
BBB	0%	10,856	0%	9,534
R-1	0%	12,610	1%	19,940
Short-term unrated	0%	4,844	0%	8,201
Total Debt instruments	65%	\$2,669,125	65%	\$2,567,627

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

(c) Liquidity risk

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

Notes to the Financial Statements (continued)

Six months ended April 30, 2018 and 2017 (Unaudited, in thousands of Canadian dollars)

Note 6. Risks Associated with Financial Instruments (continued)

(c) Liquidity risk (continued)

shortfall in the assets to meet the SCR Entitlements will be funded by the Foundation (see Note 9(b)).

(d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Plan holds foreign equity funds and ETF's, which represent 29% (October 31, 2017 – 29%) of the Total Investment Fund. The fair value of the Total Investment Fund would increase or decrease by approximately \$11,700 (October 31, 2017 – \$11,400) in response to a 1% depreciation or appreciation of the Canadian dollar currency exchange rate. In practice the actual change may differ materially.

Note 7. Subscribers' Deposits

The changes in Subscribers' deposits for the six months ended April 30, 2018 and 2017 are as follows:

	Apr 30, 2018	Apr 30, 2017
Payments from subscribers	\$ 147,536	\$ 146,847
Inter-plan principal transfers	(15,581)	(13,264)
Account maintenance fees	(1,498)	(1,624)
Return of principal	(20,220)	(14,787)
Net increase in Subscribers' deposits	110,237	117,172
Balance, Beginning of Period	2,232,424	2,090,162
Balance, End of Period	\$2,342,661	\$2,207,334

Note 8. General Fund and Donations from the Foundation

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

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

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

Donations from the Foundation represent a discretionary pool of funds shared between the Plans. These funds are used to supplement

EAPs when the General Fund is depleted. The amount is allocated annually between the Plans according to the payout forecast in each of the Plans.

As at April 30, 2018 the balance of the General Fund and the discretionary donation remaining to be paid to beneficiaries, included in the Statement of Financial Position, were \$583 (October 31, 2017 – \$535) and \$1,978 (October 31, 2017 – \$1,978), respectively.

Note 9. Sales Charge Refund

(a) Sales Charge Refund Entitlements

The Plan refunds sales charges to qualified beneficiaries ("SCR Entitlements") in four instalments during the EAP payout period (see (i) and (ii) below). The total amount refunded for the six-month period ended April 30, 2018, was \$884 (2017 – \$652).

As at April 30, 2018, the SCR Entitlements amount of \$168,748 (October 31, 2017 – \$154,028) presented in the Statements of Financial Position represents the average cost of the Plan's investments in the SCR Fund of \$168,650 (October 31, 2017 – \$155,186), less funds to be transferred to the direct investment holdings of the plan of \$205 (October 31, 2017 – \$1,572) for SCR payments made to beneficiaries during the year, plus accrued interest of \$303 (October 31, 2017 – \$414). The fair value of the investments in the SCR Fund as at April 30, 2018, after adjusting for the above, amounted to \$158,885 (October 31, 2017 – \$155,573), of which \$158,442 and \$345 are included in Investments, at fair value and Cash and cash equivalents, respectively, in the Statements of Financial Position. The difference between the present value of SCR Entitlements and the fair value of the SCR Fund is not recorded in the financial statements of the Plan.

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

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

As at April 30, 2018, the average cost and fair value of the Plan's investments in the SCR Fund available for the purpose of paying SCR Entitlements amounted to \$97,277 and \$91,575 respectively (October 31, 2017 – \$90,802 and \$91,381, respectively).

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

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

For the six-month period ended April 30, 2018, \$963 (2017 – \$1,614) was deposited in the SCR Fund from subscriber contributions, which is equivalent to the estimated present value of the future expected SCR Entitlements of \$100

Notes to the Financial Statements (continued)

Six months ended April 30, 2018 and 2017 (Unaudited, in thousands of Canadian dollars)

Note 9. Sales Charge Refund (continued)

(a) Sales Charge Refund Entitlements (continued)

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

per unit for all units sold during the period. The discount rate at December 31, 2016 of 6.5% (October 31, 2016 – 7.1%) used in determining the estimated present value was based on conservative assumptions regarding long-term investment returns for the SCR Fund.

As at April 30, 2018 the average cost and fair value of the Plan's investments in the SCR Fund available for the purpose of paying SCR Entitlements amounted to \$71,373 and \$67,212, respectively (October 31, 2017 – \$64,384 and, \$65,350, respectively).

(b) Sales Charge Refund Entitlements Valuations

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

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

(i) Management's Best Estimate Valuation

The assumptions used in determining the valuation of SCR Entitlements reflect management's best estimate of future payments to beneficiaries and involve both economic and non-economic assumptions. The non-economic assumptions include considerations such as termination of Agreements prior to maturity and participation of eligible students in the collection of EAPs. The primary economic assumption is the discount rate, which is based on the investment policy approved by the Board of the Foundation. As underlying conditions change over time, assumptions may also change, which could cause a material change in the present value of the SCR Entitlements.

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

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

	2017	2016
Present value of SCR Entitlements	\$149,202	\$123,974
Fair value of SCR Fund (Note 9(a)(i))	91,381	84,963
Underfunded portion of SCR Entitlements	\$ 57,821	\$ 39,011

The discount rate, which is set at the expected long-term investment return of the SCR Fund as at October 31, 2017, was 5.4% (2016 – 6.1%). A 1% decrease or increase in the discount rate used will increase or decrease the present value of SCR Entitlements by \$8,140 or \$7,500 respectively (2016 – \$8,100 or \$7,400 respectively).

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

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

	2017	2016
Present value of SCR Entitlements	\$66,859	\$50,550
Fair value of SCR Fund (Note 9(a)(ii))	65,350	54,961
Overfunded (underfunded) portion of SCR Entitlements	\$ 1,509	\$(4,411)

The discount rate, which is set at the expected long-term investment return of the SCR Fund as at October 31, 2017, was 5.7% (2016 – 6.3%). A 1% decrease or increase in the discount rate used will increase or decrease the present value of SCR Entitlements by \$8,100 or \$7,000, respectively (2016 – \$6,600 or \$5,700, respectively).

(ii) Funding Valuation

A valuation was completed based on assets and obligations as at December 31, 2016. This valuation included assumptions regarding management's best estimate of termination of Agreements prior to maturity and participation of eligible students in the collection of EAPs. The discount rate used to determine the present value of SCR Entitlements was based on the expected long-term investment rates of return. The discount rate used for the Plan was 5.7%, which resulted in an unfunded liability of \$50,299 for Agreements purchased under prospectuses dated prior to October 2, 2007. The discount rate used for Agreements purchased under prospectuses after October 2, 2007 was 6.1%, which resulted in an over-funded amount of \$2,973. The Foundation is responsible to pay to beneficiaries of the Plan the refund of sales charges as promised. Funding requirements were established by the Foundation to ensure assets are sufficient to meet future SCR Entitlements using expected long-term investment rates of return based on the investment policy approved by the Board of Directors of the Foundation to project the asset growth of the SCR Fund. Any shortfall in the assets to meet the SCR Entitlements will be funded by the Foundation.

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

Notes to the Financial Statements (continued)

Six months ended April 30, 2018 and 2017 (Unaudited, in thousands of Canadian dollars)

Note 10. Fair Value Measurements and Disclosures

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

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

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

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

Assets Measured at Fair Value as of April 30, 2018

	Level 1	Level 2	Level 3	Total
Fixed income securities \$	-	\$ 2,664,204	\$ -	\$ 2,664,204
Equity Securities, ETFs and Pooled equity funds	1,413,032	-	-	1,413,032
Total Investments, at fair value	\$1,413,032	\$ 2,664,204	\$ -	\$ 4,077,236

Assets Measured at Fair Value as of October 31, 2017

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

For the six-month period ended April 30, 2018 and year ended October 31, 2017, there were no transfers between Levels 1 or 2.

Government Grants

Appendix I to Schedule I

Statement of Investment Portfolio

As at April 30, 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 – 6.6%						Provincial – 33.6%					
Canada Housing Trust	1.95	15 Jun 2019	2,050	2,054	2,105	Province of Alberta	4.00	1 Dec 2019	780	805	847
Canada Housing Trust	3.75	15 Mar 2020	3,685	3,805	4,090	Province of Alberta	1.25	1 Jun 2020	1,902	1,869	1,883
Canada Housing Trust	1.20	15 Jun 2020	825	811	816	Province of Alberta	1.35	1 Sep 2021	765	741	761
Canada Housing Trust	1.25	15 Dec 2020	1,500	1,467	1,516	Province of Alberta	1.60	1 Sep 2022	439	423	438
Canada Housing Trust	1.25	15 Jun 2021	1,477	1,435	1,491	Province of Alberta	2.55	15 Dec 2022	225	225	232
Canada Housing Trust	3.80	15 Jun 2021	130	136	144	Province of Alberta	2.35	1 Jun 2025	725	704	720
Canada Housing Trust	1.15	15 Dec 2021	589	566	584	Province of Alberta	4.45	15 Dec 2025	1,785	1,964	2,052
Canada Housing Trust	1.50	15 Dec 2021	688	670	688	Province of Alberta	2.20	1 Jun 2026	1,597	1,518	1,594
Canada Housing Trust	1.75	15 Jun 2022	1,243	1,214	1,249	Province of Alberta	2.55	1 Jun 2027	1,110	1,074	1,094
Canada Housing Trust	2.40	15 Dec 2022	8,110	8,112	8,433	Province of Alberta	2.90	20 Sep 2029	650	639	651
Canada Housing Trust	2.35	15 Jun 2023	635	632	635	Province of Alberta	3.50	1 Jun 2031	1,025	1,068	1,081
Canada Housing Trust	2.90	15 Jun 2024	1,685	1,721	1,809	Province of Alberta	3.90	1 Dec 2033	3,522	3,838	3,819
Canada Housing Trust	2.55	15 Mar 2025	1,500	1,499	1,598	Province of Alberta	4.50	1 Dec 2040	3,000	3,603	3,639
Canada Housing Trust	1.90	15 Sep 2026	823	778	813	Province of Alberta	3.45	1 Dec 2043	4,545	4,713	4,712
Canada Housing Trust	2.35	15 Jun 2027	860	838	868	Province of Alberta	3.30	1 Dec 2046	5,026	5,083	5,145
Canada Housing Trust	2.35	15 Mar 2028	238	231	237	Province of Alberta	3.05	1 Dec 2048	3,476	3,356	3,399
Canada Housing Trust	2.65	15 Mar 2028	254	253	253	Province of British Columbia	4.10	18 Dec 2019	1,200	1,242	1,315
Canada Post Corporation	4.36	16 Jun 2040	375	453	472	Province of British Columbia	3.70	18 Dec 2020	1,300	1,351	1,409
Government of Canada	1.14	31 May 2018	50	50	50	Province of British Columbia	3.30	18 Dec 2023	750	778	781
Government of Canada	1.21	14 Jun 2018	360	359	359	Province of British Columbia	2.30	18 Jun 2026	898	867	900
Government of Canada	1.11	28 Jun 2018	100	100	100	Province of British Columbia	2.55	18 Jun 2027	1,511	1,476	1,504
Government of Canada	1.12	12 Jul 2018	110	110	110	Province of British Columbia	5.70	18 Jun 2029	3,650	4,602	4,785
Government of Canada	1.21	26 Jul 2018	909	905	905	Province of British Columbia	6.35	18 Jun 2031	2,975	4,063	4,234
Government of Canada	1.22	9 Aug 2018	130	129	129	Province of British Columbia	4.70	18 Jun 2037	2,995	3,698	3,667
Government of Canada	1.25	23 Aug 2018	1,430	1,421	1,421	Province of British Columbia	4.95	18 Jun 2040	5,000	6,485	6,480
Government of Canada	3.75	1 Jun 2019	1,000	1,022	1,043	Province of British Columbia	4.30	18 Jun 2042	4,080	4,915	4,776
Government of Canada	0.75	1 Aug 2019	350	346	347	Province of British Columbia	3.20	18 Jun 2044	1,750	1,784	1,741
Government of Canada	1.75	1 Sep 2019	3,054	3,053	3,093	Province of British Columbia	2.80	18 Jun 2048	5,757	5,443	5,545
Government of Canada	1.50	1 Mar 2020	5,825	5,786	5,850	Province of Manitoba	1.15	21 Nov 2019	253	250	253
Government of Canada	3.50	1 Jun 2020	3,175	3,278	3,415	Province of Manitoba	1.55	5 Sep 2021	623	607	620
Government of Canada	0.75	1 Sep 2020	1,075	1,046	1,067	Province of Manitoba	3.85	1 Dec 2021	1,000	1,050	1,088
Government of Canada	0.75	1 Mar 2021	2,798	2,703	2,760	Province of Manitoba	2.55	2 Jun 2023	400	399	413
Government of Canada	3.25	1 Jun 2021	552	572	604	Province of Manitoba	2.45	2 Jun 2025	250	244	252
Government of Canada	0.75	1 Sep 2021	585	561	579	Province of Manitoba	4.40	5 Sep 2025	1,300	1,430	1,462
Government of Canada	0.50	1 Mar 2022	1,182	1,114	1,126	Province of Manitoba	2.55	2 Jun 2026	730	710	743
Government of Canada	2.75	1 Jun 2022	1,599	1,641	1,686	Province of Manitoba	2.60	2 Jun 2027	1,013	981	995
Government of Canada	1.00	1 Sep 2022	1,415	1,351	1,377	Province of Manitoba	3.00	2 Jun 2028	269	268	268
Government of Canada	1.75	1 Mar 2023	823	809	812	Province of Manitoba	3.25	5 Sep 2029	650	658	674
Government of Canada	1.50	1 Jun 2023	2,308	2,237	2,299	Province of Manitoba	4.10	5 Mar 2041	6,300	7,117	7,136
Government of Canada	2.50	1 Jun 2024	1,925	1,958	2,060	Province of Manitoba	4.40	5 Mar 2042	3,300	3,900	3,894
Government of Canada	2.25	1 Jun 2025	1,494	1,495	1,520	Province of Manitoba	3.35	5 Mar 2043	1,300	1,312	1,298
Government of Canada	1.50	1 Jun 2026	588	555	587	Province of Manitoba	4.05	5 Sep 2045	2,050	2,326	2,438
Government of Canada	1.00	1 Jun 2027	356	319	318	Province of Manitoba	2.85	5 Sep 2046	196	180	181
Government of Canada	2.00	1 Jun 2028	1,148	1,117	1,115	Province of Manitoba	3.40	5 Sep 2048	1,101	1,125	1,115
Government of Canada	5.75	1 Jun 2029	1,025	1,367	1,410	Province of New Brunswick	4.40	3 Jun 2019	1,400	1,439	1,556
Government of Canada	5.75	1 Jun 2033	850	1,215	1,299	Province of New Brunswick	2.85	2 Jun 2023	700	707	720
Government of Canada	5.00	1 Jun 2037	1,297	1,814	1,823	Province of New Brunswick	3.65	3 Jun 2024	550	577	577
Government of Canada	4.00	1 Jun 2041	1,425	1,825	1,846	Province of New Brunswick	2.60	14 Aug 2026	167	162	167
Government of Canada	3.50	1 Dec 2045	1,656	2,020	2,042	Province of New Brunswick	2.35	14 Aug 2027	659	622	640
Government of Canada	2.75	1 Dec 2048	3,635	3,911	4,015	Province of New Brunswick	3.10	14 Aug 2028	122	122	122
Government of Canada	2.75	1 Dec 2064	2,550	2,826	2,955	Province of New Brunswick	5.65	27 Dec 2028	245	300	300
Labrador-Island Link Funding Trust	3.76	1 Jun 2033	150	163	176	Province of New Brunswick	5.50	27 Jan 2034	1,075	1,367	1,265
Labrador-Island Link Funding Trust	3.86	1 Dec 2045	2,200	2,492	2,641	Province of New Brunswick	4.65	26 Sep 2035	710	835	739
Labrador-Island Link Funding Trust	3.85	1 Dec 2053	100	116	126	Province of New Brunswick	4.55	26 Mar 2037	1,700	1,989	1,986
Muskat Falls Funding Trust	3.83	1 Jun 2037	4,150	4,591	4,591	Province of New Brunswick	4.80	26 Sep 2039	950	1,157	1,183
Muskat Falls Funding Trust	3.86	1 Dec 2048	150	172	186	Province of New Brunswick	3.55	3 Jun 2043	3,450	3,557	3,476
				83,224	85,643	Province of New Brunswick	3.80	14 Aug 2045	2,550	2,747	2,727
						Province of New Brunswick	3.10	14 Aug 2048	446	424	437
						Province of Newfoundland and Labrador	1.95	2 Jun 2022	248	242	247
						Province of Newfoundland and Labrador	2.30	2 Jun 2025	200	192	199

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 April 30, 2018 (in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)						Bonds (continued)					
Provincial – 33.6% (continued)						Provincial – 33.6% (continued)					
Province of Newfoundland and Labrador	3.00	2 Jun 2026	1,324	1,324	1,329	Province of Québec	3.50	1 Dec 2045	9,650	10,254	9,900
Province of Newfoundland and Labrador	6.15	17 Apr 2028	350	438	466	Province of Québec	3.50	1 Dec 2048	9,645	10,313	10,373
Province of Newfoundland and Labrador	2.85	2 Jun 2028	211	206	210	Province of Saskatchewan	3.20	3 Jun 2024	80	82	83
Province of Newfoundland and Labrador	6.55	17 Oct 2030	1,750	2,331	2,377	Province of Saskatchewan	2.55	2 Jun 2026	1,343	1,310	1,366
Province of Newfoundland and Labrador	4.65	17 Oct 2040	1,350	1,613	1,593	Province of Saskatchewan	2.65	2 Jun 2027	577	563	576
Province of Newfoundland and Labrador	3.30	17 Oct 2046	1,780	1,745	1,662	Province of Saskatchewan	6.40	5 Sep 2031	4,500	6,102	6,341
Province of Newfoundland and Labrador	3.70	17 Oct 2048	1,615	1,707	1,685	Province of Saskatchewan	4.75	1 Jun 2040	2,725	3,372	3,435
Province of Nova Scotia	4.10	1 Jun 2021	550	579	611	Province of Saskatchewan	3.90	2 Jun 2045	3,100	3,467	3,429
Province of Nova Scotia	2.10	1 Jun 2027	462	431	442	Province of Saskatchewan	2.75	2 Dec 2046	3,681	3,346	3,284
Province of Nova Scotia	5.80	1 Jun 2033	2,275	2,989	2,873	Province of Saskatchewan	3.30	2 Jun 2048	1,403	1,422	1,446
Province of Nova Scotia	4.40	1 Jun 2042	3,600	4,295	4,187	Province of Saskatchewan	3.75	5 Mar 2054	384	427	427
Province of Nova Scotia	3.45	1 Jun 2045	2,950	3,061	2,975					428,364	430,761
Province of Nova Scotia	3.50	2 Jun 2062	600	637	599	Municipal – 1.4%					
Province of Ontario	4.40	2 Jun 2019	2,300	2,364	2,533	City of Montreal	5.45	1 Dec 2019	200	211	227
Province of Ontario	4.20	2 Jun 2020	5,875	6,126	6,427	City of Montreal	3.50	1 Sep 2023	225	233	241
Province of Ontario	4.00	2 Jun 2021	6,390	6,710	6,947	City of Montreal	3.00	1 Sep 2025	831	830	837
Province of Ontario	1.35	8 Mar 2022	1,189	1,142	1,163	City of Montreal	2.75	1 Sep 2026	223	217	223
Province of Ontario	3.15	2 Jun 2022	4,800	4,925	5,105	City of Montreal	4.25	1 Dec 2032	350	387	384
Province of Ontario	1.95	27 Jan 2023	1,050	1,024	1,056	City of Montreal	4.10	1 Dec 2034	375	410	399
Province of Ontario	2.85	2 Jun 2023	2,850	2,885	2,862	City of Montreal	3.15	1 Dec 2036	900	871	898
Province of Ontario	2.60	8 Sep 2023	1,192	1,191	1,191	City of Montreal	6.00	1 Jun 2043	550	787	782
Province of Ontario	3.50	2 Jun 2024	4,165	4,349	4,343	City of Ottawa	4.60	14 Jul 2042	500	599	590
Province of Ontario	2.60	2 Jun 2025	2,925	2,889	2,966	City of Ottawa	3.10	27 Jul 2048	83	78	82
Province of Ontario	2.40	2 Jun 2026	2,078	2,007	2,065	City of Toronto	4.50	2 Dec 2019	225	234	250
Province of Ontario	2.60	2 Jun 2027	2,681	2,609	2,649	City of Toronto	3.50	6 Dec 2021	200	207	219
Province of Ontario	7.60	2 Jun 2027	1,620	2,221	2,322	City of Toronto	3.90	29 Sep 2023	1,200	1,267	1,329
Province of Ontario	2.90	2 Jun 2028	1,346	1,336	1,342	City of Toronto	2.40	24 Jun 2026	225	215	225
Province of Ontario	6.50	8 Mar 2029	9,175	12,104	12,761	City of Toronto	2.95	28 Apr 2035	300	285	277
Province of Ontario	6.20	2 Jun 2031	1,925	2,572	2,655	City of Toronto	3.50	2 Jun 2036	1,309	1,332	1,304
Province of Ontario	5.85	8 Mar 2033	6,425	8,510	8,752	City of Toronto	5.20	1 Jun 2040	1,350	1,725	1,764
Province of Ontario	5.60	2 Jun 2035	7,225	9,564	9,439	City of Toronto	4.70	10 Jun 2041	325	392	383
Province of Ontario	4.70	2 Jun 2037	7,845	9,564	9,174	City of Toronto	3.80	13 Dec 2042	550	586	578
Province of Ontario	4.60	2 Jun 2039	8,040	9,782	9,651	City of Toronto	4.15	10 Mar 2044	225	254	246
Province of Ontario	4.65	2 Jun 2041	18,125	22,446	22,282	City of Toronto	3.25	24 Jun 2046	109	106	109
Province of Ontario	3.50	2 Jun 2043	6,775	7,137	7,205	City of Vancouver	3.70	18 Oct 2052	145	153	166
Province of Ontario	3.45	2 Jun 2045	21,075	22,062	21,708	City of Winnipeg	4.10	1 Jun 2045	42	46	48
Province of Ontario	2.90	2 Dec 2046	12,663	11,976	11,947	City of Winnipeg	4.30	15 Nov 2051	450	515	512
Province of Ontario	2.80	2 Jun 2048	17,397	16,126	16,404	Municipal Finance Authority of British Columbia	4.88	3 Jun 2019	350	361	392
Province of Ontario	2.90	2 Jun 2049	1,123	1,063	1,099	Municipal Finance Authority of British Columbia	4.15	1 Jun 2021	273	287	306
Province of Québec	4.50	1 Dec 2019	1,600	1,663	1,754	Municipal Finance Authority of British Columbia	3.75	26 Sep 2023	225	237	251
Province of Québec	4.50	1 Dec 2020	900	952	966	Municipal Finance Authority of British Columbia	2.50	19 Apr 2026	822	796	823
Province of Québec	4.25	1 Dec 2021	2,700	2,873	3,032	Regional Municipality of Halton	4.05	11 Oct 2041	300	330	336
Province of Québec	3.50	1 Dec 2022	2,100	2,190	2,297	Region of Peel	2.30	2 Nov 2026	77	73	77
Province of Québec	3.00	1 Sep 2023	3,250	3,316	3,467	Region of Peel	5.10	29 Jun 2040	550	694	694
Province of Québec	3.75	1 Sep 2024	7,557	8,019	8,323	Region of Peel	3.85	30 Oct 2042	300	322	317
Province of Québec	2.50	1 Sep 2026	1,279	1,246	1,304	Regional Municipality of York	2.60	15 Dec 2025	1,350	1,315	1,317
Province of Québec	2.75	1 Sep 2027	3,139	3,100	3,190	Regional Municipality of York	2.50	2 Jun 2026	77	74	79
Province of Québec	2.75	1 Sep 2028	729	716	719	Regional Municipality of York	4.00	31 May 2032	300	323	329
Province of Québec	6.00	1 Oct 2029	1,850	2,383	2,465	Regional Municipality of York	4.05	1 May 2034	625	679	688
Province of Québec	6.25	1 Jun 2032	4,650	6,334	6,490					17,431	17,682
Province of Québec	5.25	1 Jun 2034	3,000	3,766	3,800	Corporate – 25.3%					
Province of Québec	5.75	1 Dec 2036	8,815	12,061	12,029	Bank of Montreal	2.10	6 Oct 2020	10,376	10,267	10,465
Province of Québec	5.00	1 Dec 2038	4,465	5,714	5,045	Bank of Montreal	1.88	31 Mar 2021	661	647	661
Province of Québec	5.00	1 Dec 2041	15,925	20,782	20,602	Bank of Montreal	3.40	23 Apr 2021	13,927	14,224	14,922
Province of Québec	4.25	1 Dec 2043	7,750	9,228	9,186	Bank of Montreal	1.61	28 Oct 2021	770	742	744

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 April 30, 2018 (in thousands of Canadian dollars)

Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
Equities – 6.4% (continued)			
PrairieSky Royalty Ltd.	56	1,592	1,354
Restaurant Brands International Inc.	7	481	439
Ritchie Brothers Auctioneers	25	1,045	943
Royal Bank of Canada	10	968	981
Saputo Inc.	30	1,248	1,253
ShawCor Ltd.	36	885	1,045
Stella-Jones Inc.	15	691	632
Suncor Energy Inc.	47	2,324	1,682
TELUS Corporation	45	2,062	1,893
Toromont Industries Ltd.	24	1,354	1,000
Toronto Dominion Bank	68	4,867	3,727
Total Energy Services Inc.	37	504	525
Tucows Inc.	6	501	451
Wajax Corporation	20	475	430
Westshore Terminals Investment Corporation	75	1,672	1,727
Winpak Ltd.	14	677	689
		81,294	74,182
Exchange-traded Funds – 26.6%			
BMO S&P 500 Index ETF	2,581	96,452	88,640
iShares Core S&P U.S. Total Market Index ETF	9,179	240,950	220,101
		418,696	382,923
Total Equities and ETFs – 33.0%		418,696	382,923
Total Investments – 99.9%		1,269,197	1,243,890
Cash and cash equivalents – 0.1%		1,326	1,326
Total Portfolio Assets – 100.0%		1,270,523	1,245,216
Government Grant Investments Allocation			
Plan II		905	872
Founders' Plan		14,078	13,395
Group Savings Plan		119,871	115,213
Group Savings Plan 2001		1,030,429	1,012,135
Family Savings Plan		100,822	99,249
Individual Savings Plan		3,092	3,026
		1,269,197	1,243,890
Cash and Short-term Investments Allocation			
Plan II		1	1
Founders' Plan		14	14
Group Savings Plan		123	123
Group Savings Plan 2001		1,079	1,079
Family Savings Plan		106	106
Individual Savings Plan		3	3
		1,326	1,326

Sales Charge Refund Entitlements

Appendix II to Schedule I

Statement of Investment Portfolio

As at April 30, 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 – 27.5% (continued)						
Canada Housing Trust	2.65	1 Oct 2027	160	151	154	TransCanada PipeLines Limited	8.29	5 Feb 2026	214	282	283	
Government of Canada	1.70	1 Aug 2020	2,400	1,613	1,582	TransCanada PipeLines Limited	6.28	26 May 2028	35	42	42	
Kreditanstalt für Wiederaufbau Global	5.05	4 Feb 2025	279	316	338	TransCanada PipeLines Limited	6.89	7 Aug 2028	117	147	146	
				2,080	2,074	University Health Network	5.64	8 Dec 2022	1,409	1,501	1,606	
Provincial – 0.3%						University of Ontario Institute of Technology	6.35	15 Oct 2034	1,153	1,334	1,225	
Province of New Brunswick	6.47	30 Nov 2027	278	321	339	Walt Disney Company	2.76	7 Oct 2024	1,456	1,430	1,457	
				321	339	WTH Car Rental ULC	2.54	20 Aug 2019	1,215	1,217	1,214	
Corporate – 27.5%										32,052	31,874	
407 International Inc.	6.75	27 Jul 2039	181	237	249	Total Fixed Income – 29.6%				34,453	34,287	
407 International Inc.	7.13	26 Jul 2040	438	656	672					Number of Securities	Fair Value (\$)	Average Cost (\$)
Apple Inc.	2.51	19 Aug 2024	2,692	2,616	2,692	Security						
AT&T Inc.	4.85	25 May 2047	1,075	1,071	1,071	Pooled Equity Funds						
Bank of Montreal	2.00	1 Feb 2023	1,917	1,912	1,917	CC&L Global Equity Fund			3,715	81,810	87,877	
Blue Water Bridge Authority	6.41	9 Jul 2027	1,246	797	822	Total Equities – 70.2%				81,810	87,877	
Caisse Francaise de Financement Local	5.00	9 Mar 2020	200	209	219	Total Investments – 99.8%				116,263	122,164	
Canadian Pacific Railway Company	6.91	1 Oct 2024	180	98	106	Cash and cash equivalents – 0.2%				268	268	
Cogeco Inc.	4.18	26 May 2023	908	940	904	Total Portfolio Assets – 100.0%				116,531	122,432	
Enbridge Inc.	4.57	11 Mar 2044	907	878	852	Total Investments Allocation						
EUROFIMA Maple Bond	4.55	30 Mar 2027	212	234	237	Group Savings Plan 2001				91,362	97,064	
GE Capital Canada Funding Company	1.62	15 Feb 2022	1,052	1,046	965	Group Savings Plan				24,901	25,100	
Greater Toronto Airports Authority	6.45	30 Jul 2029	1,231	1,466	1,498					116,263	122,164	
InPower BC General Partnership	4.47	31 Mar 2033	535	555	532	Cash and cash equivalents Allocation						
Kraft Canada Inc.	2.20	6 Jul 2020	1,783	1,805	1,783	Group Savings Plan 2001				213	213	
KS SP Limited Partnership	3.21	15 Jun 2019	1,373	1,211	1,209	Group Savings Plan				55	55	
Loblaw Companies Limited	6.54	17 Feb 2033	173	215	214					268	268	
Maritimes and Northeast Pipelines Limited Partnership	4.34	30 Nov 2019	172	174	177							
Maritimes and Northeast Pipelines Limited Partnership	6.90	30 Nov 2019	37	39	42							
McCain Finance Limited	3.87	7 Feb 2023	737	759	737							
NAV Canada	7.56	1 Mar 2027	1,488	1,794	1,871							
North Battleford Power L.P.	4.96	31 Dec 2032	173	187	196							
Nova Gas Transmission Ltd.	9.90	16 Dec 2024	109	149	167							
Ornge Issuer Trust	5.73	11 Jun 2034	1,737	1,984	2,002							
Pembina Pipeline Corp	4.75	26 Mar 2048	420	420	420							
Public Sector Pension Investment Board	3.27	12 Jun 2020	1,652	1,647	1,660							
Shaw Communications Inc.	6.75	9 Nov 2039	1,284	1,606	1,274							
SNC-Lavalin Group Inc.	2.69	24 Nov 2020	449	447	449							
St. Clair Holding ULC	4.88	31 Aug 2031	363	361	363							
Strait Crossing Development Inc.	6.17	15 Sep 2031	451	377	341							
TransCanada PipeLines Limited	11.80	20 Nov 2020	172	209	260							

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

Sales Charge Refund Entitlements

Appendix III to Schedule I

Statement of Investment Portfolio

As at April 30, 2018 (in thousands of Canadian dollars)

Agreements Purchased on or after October 2, 2007

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds						Bonds (continued)					
Federal – 0.7%						Corporate – 19.0% (continued)					
Canada Housing Trust	2.65	1 Oct 2027	30	28	29	Loblaw Companies Limited	6.45	1 Mar 2039	33	42	43
Government of Canada	1.60	1 Dec 2019	48	28	27	Magna International Inc.	3.10	15 Dec 2022	332	332	338
Government of Canada	1.90	1 Apr 2021	20	12	12	Manufacturers Life Insurance Company	3.18	22 Nov 2027	150	151	156
Government of Canada	1.80	1 Sep 2021	117	85	84	Maritimes and Northeast Pipelines Limited Partnership	4.34	30 Nov 2019	30	30	31
Government of Canada	1.80	1 Jun 2022	163	146	145	Maritimes and Northeast Pipelines Limited Partnership	6.90	30 Nov 2019	36	38	41
Kreditanstalt für Wiederaufbau Global	5.05	4 Feb 2025	172	195	213	McCain Finance Limited	3.87	7 Feb 2023	94	97	94
				494	510	METRO Inc.	3.39	6 Dec 2027	43	42	43
						METRO Inc.	4.27	4 Dec 2047	177	173	177
Provincial – 0.3%						Metropolitan Life Insurance Company					
Province of British Columbia	10.65	19 Jun 2021	20	24	28	MILIT-AIR Inc.	5.75	30 Jun 2019	65	67	72
Province of New Brunswick	6.47	30 Nov 2027	140	161	171	National Grid Electricity Transmission plc	2.90	26 Nov 2019	155	156	160
				185	199	NAV Canada	7.56	1 Mar 2027	270	325	339
Corporate – 19.0%						North Battleford Power L.P.					
407 International Inc.	7.13	26 Jul 2040	224	335	304	Ornge Issuer Trust	5.73	11 Jun 2034	224	256	257
Apple Inc.	2.51	19 Aug 2024	1,244	1,209	1,244	Pembina Pipeline Corp	4.75	26 Mar 2048	147	147	147
Arrow Lakes Power Corporation	5.52	5 Apr 2041	31	36	31	PepsiCo Inc.	2.15	6 May 2024	197	188	197
AT&T Inc.	4.85	25 May 2047	307	306	305	Public Sector Pension Investment Board	3.27	12 Jun 2020	190	189	190
Bank Nederlandse Gemeenten	5.15	7 Mar 2025	32	36	38	Royal Bank of Canada	1.80	11 Feb 2020	235	237	235
Bank of Montreal	2.00	1 Feb 2023	662	660	662	Royal Bank of Canada	1.80	23 Mar 2020	672	675	672
Bank of Nova Scotia	1.90	2 Apr 2020	179	179	179	Shaw Communications Inc.	6.75	9 Nov 2039	472	590	521
Bankers Hall L.P.	4.38	20 Nov 2023	73	74	73	SNC-Lavalin Group Inc.	6.19	3 Jul 2019	78	81	85
Bell Canada	6.17	26 Feb 2037	89	110	111	SNC-Lavalin Group Inc.	2.69	24 Nov 2020	307	306	307
Blue Water Bridge Authority	6.41	9 Jul 2027	84	54	56	SNC-Lavalin Group Inc.	2.22	2 Mar 2021	120	120	120
Caisse Française de Financement Local S.A.	4.68	9 Mar 2029	81	90	93	St. Clair Holding ULC	4.88	31 Aug 2031	42	42	42
Canadian Pacific Railway Company	6.91	1 Oct 2024	327	178	204	Strait Crossing Development Inc.	6.17	15 Sep 2031	194	162	159
Cogeco Inc.	5.15	16 Nov 2020	124	131	131	Toronto Dominion Bank	1.79	31 Jul 2019	116	116	116
Cogeco Inc.	4.18	26 May 2023	239	248	238	Toronto Dominion Bank	1.68	8 Jun 2021	293	286	291
Enbridge Inc.	2.00	24 May 2019	35	35	35	TransCanada PipeLines Limited	8.29	5 Feb 2026	118	156	158
Enbridge Inc.	4.24	27 Aug 2042	57	53	56	TransCanada PipeLines Limited	6.28	26 May 2028	8	10	10
Enbridge Inc.	4.57	11 Mar 2044	384	372	390	TransCanada PipeLines Limited	6.89	7 Aug 2028	29	36	36
EUROFIMA Maple Bond	4.55	30 Mar 2027	169	187	197	University Health Network	5.64	8 Dec 2022	160	171	183
GE Capital Canada Funding Company	1.62	15 Feb 2022	179	178	164	University of Ontario Institute of Technology	6.35	15 Oct 2034	80	92	84
GE Capital Canada Funding Company	2.18	6 Feb 2023	113	116	113	Walt Disney Company	2.76	7 Oct 2024	627	616	628
Greater Toronto Airports Authority	6.45	30 Jul 2029	183	217	221	WTH Car Rental ULC	2.54	20 Aug 2019	302	301	302
Heathrow Funding Limited	3.25	21 May 2027	409	409	405					12,764	12,789
InPower BC General Partnership	4.47	31 Mar 2033	169	175	170						
Kraft Canada Inc.	2.20	6 Jul 2020	352	356	352						
KS SP Limited Partnership	3.21	15 Jun 2019	240	212	212						
Loblaw Companies Limited	6.05	9 Jun 2034	176	211	194						
Loblaw Companies Limited	5.90	18 Jan 2036	142	168	171						
						Total Fixed Income – 20.0%				13,443	13,498

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

Sales Charge Refund Entitlements (continued)

Appendix III to Schedule I

Statement of Investment Portfolio

As at April 30, 2018 (in thousands of Canadian dollars)

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

Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
Pooled Equity Funds			
CC&L Global Equity Fund	2,436	53,637	57,743
Total Equities – 79.8%		53,637	57,743
Total Investments – 99.8%		67,080	71,241
Cash and cash equivalents – 0.2%		132	132
Total Portfolio Assets – 100.0%		67,212	71,373
Total Investments Allocation			
Group Savings Plan 2001		67,080	71,241
		67,080	71,241
Cash and cash equivalents Allocation			
Group Savings Plan 2001		132	132
		132	132

Canadian Scholarship Trust Plan

Sponsor

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

Investment Fund Manager and Distributor

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2235 Sheppard Avenue East, Suite 1600
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Trustee

RBC Investor Services Trust
155 Wellington Street West, 2nd Floor
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