

C.S.T. Consultants Inc.



Canadian Scholarship Trust Individual Savings Plan

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 statement.

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	\$ 418	\$ 164
Receivables for securities sold	11	7
Investments, at fair value <i>(Note 4 and Schedule 1)</i>	10,789	11,345
Accrued interest and other receivables	433	414
Government grants receivable	13	10
	11,664	11,940
Liabilities		
Payables for securities purchased	12	18
Accounts payable, accrued liabilities and unclaimed subscribers' funds	84	78
	96	96
Net Assets Attributable to Subscribers and Beneficiaries	11,568	11,844
Represented by:		
Non-Discretionary Funds		
Accumulated income held for future education assistance payments	1,523	1,605
Subscribers' deposits <i>(Note 7)</i>	7,234	7,314
Government grants	2,280	2,291
Income on Government grants	685	686
Unrealized Losses	(154)	(52)
	\$11,568	\$11,844

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	\$ 124	\$115
Realized losses on sale of investments	(46)	(14)
Change in unrealized gains (losses)	(102)	33
Dividends	9	8
	(15)	142
Expenses		
Administration fees (Note 3(a))	64	66
Portfolio management fees	11	9
Custodian and trustee fees	3	3
	78	78
Increase (decrease) in Net Assets from Operations Attributable to Subscribers and Beneficiaries	(93)	64

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 Period	\$11,844	\$12,043
Increase (decrease) in Net Assets from Operations Attributable to Subscribers and Beneficiaries	(93)	64
Transfers from internal and external plans	365	411
	272	475
Receipts		
Net increase (decrease) in Subscribers' deposits (Note 7)	(80)	199
Net Government grants (repaid) received	(14)	27
Disbursements		
Payments to beneficiaries		
Education assistance payments	(251)	(306)
Government grants	(177)	(164)
Return of interest	(26)	(26)
Total payments to beneficiaries	(454)	(496)
Receipts less Disbursements	(548)	(270)
Change in Net Assets Attributable to Subscribers and Beneficiaries	(276)	205
Net Assets Attributable to Subscribers and Beneficiaries, End of Period	\$11,568	\$12,248

Statements of Cash Flows

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

	2018	2017
Operating Activities		
Increase (decrease) in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$ (93)	\$ 64
Net receipts (disbursements) from investment transactions	398	(3,759)
Items not affecting cash		
Realized losses on sale of investments	46	14
Change in unrealized (gains) losses	102	(33)
Change in non-cash operating working capital		
Increase (decrease) in Accrued interest and other receivables	(19)	3,593
Decrease in Government grants receivable	(3)	-
Increase in Accounts payable, accrued liabilities and unclaimed subscribers' funds	6	136
Cash flow used in Operating Activities	437	15
Financing Activities		
Transfers from internal and external plans	365	411
Net Government grants (repaid) received	(14)	27
Net increase (decrease) in Subscribers' deposits <i>(Note 7)</i>	(80)	199
Payments to beneficiaries	(454)	(496)
Cash flow from Financing Activities	(183)	141
Net increase in Cash and cash equivalents	254	156
Cash and cash equivalents, Beginning of Period		
Cash	97	104
Cash equivalents	67	61
	164	165
Cash and cash equivalents, End of Period		
Cash	370	267
Cash equivalents	48	54
Cash and cash equivalents, End of Period	\$ 418	\$ 321
Supplemental cash flow information:		
Withholding Taxes	\$ 1	\$ 1
Interest Income Received	129	77

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 – 23.3%						Corporate – 26.7% (continued)					
Canada Housing Trust	2.00	15 Jun 2019	270	270	275	Daimler Canada Finance Inc.	1.57	25 May 2020	50	49	50
Canada Housing Trust	3.75	15 Dec 2019	260	268	278	Daimler Canada Finance Inc.	2.30	23 Nov 2020	20	20	20
Canada Housing Trust	1.20	15 Mar 2020	183	180	183	Daimler Canada Finance Inc.	2.23	16 Dec 2021	18	18	18
Canada Housing Trust	1.25	15 Jun 2020	128	125	129	Daimler Canada Finance Inc.	2.57	22 Nov 2022	10	10	10
Canada Housing Trust	1.25	15 Dec 2020	303	294	303	Ford Credit Canada Company	3.14	14 Jun 2019	37	37	38
Canada Housing Trust	1.50	15 Jun 2021	294	286	294	Ford Credit Canada Company	2.92	16 Sep 2020	37	37	37
Canada Housing Trust	2.65	15 Dec 2021	217	220	226	Ford Credit Canada Company	2.71	23 Feb 2022	18	18	18
Canada Housing Trust	1.75	15 Mar 2022	255	249	253	Ford Credit Canada Company	2.77	22 Jun 2022	40	39	40
				1,892	1,941	Ford Credit Canada Company	3.35	19 Sep 2022	20	20	20
						HCN Canadian Holdings L.P.	3.35	25 Nov 2020	18	18	18
						Honda Canada Finance Inc.	2.16	18 Feb 2021	37	36	37
						HSBC Bank Canada	2.91	29 Sep 2021	64	64	66
						HSBC Bank Canada	2.17	29 Jun 2022	60	58	59
						Nissan Canada Financial Services Inc.	1.75	9 Apr 2020	18	18	18
						Nissan Canada Financial Services Inc.	2.61	5 Mar 2021	20	20	20
						Riocan Real Estate Investment Trust	2.19	26 Aug 2020	18	18	18
						Riocan Real Estate Investment Trust	2.19	9 Apr 2021	18	18	18
						Riocan Real Estate Investment Trust	3.21	29 Sep 2023	10	10	10
						Royal Bank of Canada	2.03	15 Mar 2021	55	54	55
						Royal Bank of Canada	1.58	13 Sep 2021	73	70	72
						Royal Bank of Canada	1.97	2 Mar 2022	30	29	29
						Royal Bank of Canada	2.36	5 Dec 2022	60	59	60
						Royal Bank of Canada	2.48	4 Jun 2025	55	55	55
						Royal Bank of Canada	3.31	20 Jan 2026	55	55	56
						Royal Bank of Canada	2.95	5 Dec 2022	10	10	10
						Toronto Dominion Bank	1.69	2 Apr 2020	55	54	55
						Toronto Dominion Bank	1.99	23 Mar 2022	37	36	37
						Toronto Dominion Bank	2.69	24 Jun 2025	55	55	56
						Toronto Dominion Bank	2.98	30 Sep 2025	37	37	38
						Toyota Credit Canada Inc.	1.80	19 Feb 2020	15	15	15
						VW Credit Canada Inc.	2.50	1 Oct 2019	37	37	37
						VW Credit Canada Inc.	2.15	24 Jun 2020	55	56	60
						Wells Fargo & Company	2.09	25 Apr 2022	38	37	37
									2,167	2,211	
						Total Fixed Income – 94.9%			7,697	7,917	
						Cash and cash equivalents – 5.1%			415	415	
						Total Portfolio Assets – 100.0%			8,112	8,332	
						Investments Allocation (Note 4)					
						Government Grants (Appendix I)			3,092	3,026	
						Cash and cash equivalents (Appendix I)			3	3	
						Total Investment Fund			11,207	11,361	
						Represented by:					
						Cash and cash equivalents			418		
						Investments, at fair value			10,789		
									11,207		

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 Individual Savings Plan (the “Individual Savings Plan” or the “Plan”) is a self-determined Education Savings Plan that was established on October 1, 1999. 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. Payments of sales charges are made from the subscriber’s initial contribution. The principal accumulated over the term of the subscriber’s education savings plan agreement (the “Agreement”) is returned in whole or in part at any time at the request of the subscriber. 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. Education assistance payments (“EAPs”) paid to a beneficiary from the Plan are determined by the subscriber and are paid from the income earned on the subscriber’s principal.

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 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.

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, and exchange-traded funds ("ETF").

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

Note 8 provides further guidance on fair value measurements.

(f) Investment transactions and income recognition

Investment transactions are accounted for on a trade-date basis. Interest for allocation to subscriber accounts represents the coupon interest received by the Plan accounted for on an accrual basis. The Plan does not amortize premiums paid or discounts received on the purchase of fixed income securities.

Dividends and distributions are accrued as of the ex-dividend date and ex-distribution date, respectively. Realized gains (losses) on the sale of investments and Change in unrealized gains (losses) are calculated with reference to the average cost of the related investments and are recognized in the period that such gains (losses) occur.

(g) Subscribers' deposits and sales charges

Subscribers' deposits reflect amounts received from subscribers and do not include future amounts receivable on outstanding Agreements. A sales charge is required as part of the initial contribution under each Agreement. Sales charges collected during the reporting period are paid to C.S.T.C.

(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.

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 the Investment Fund Manager and Scholarship Plan Dealer to administer and distribute, respectively, the Plan. The agreements are renewable annually on November 1. Annual administration fees are paid to the Foundation at 1% of the total amount of principal, Government Grants and income earned thereon.

Notes to the Financial Statements (continued)

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

Note 3. Related Party Transactions (continued)

(a) Distribution and Administration of the Plan (continued)

During the six-months ended April 30, 2018, \$64 was recognized as an expense for Administration fees (2017 – \$66). Administration fee included in Accounts payable, accrued liabilities and unclaimed subscribers' funds at April 30, 2018 was \$4 (October 31, 2017 – \$4).

Sales charges paid by subscribers from their initial contributions are paid to C.S.T.C. as compensation for the sale and distribution of savings plans.

During the six-months ended April 30, 2018, \$3 was paid to C.S.T.C. from sales charges collected (2017 – \$3). Related amounts included in Accounts payable, at April 30, 2018 were \$12 (October 31, 2017 – \$12).

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

Included in Portfolio management fees on the Statements of Comprehensive Income is \$1 (2017 – \$1) charged by C.S.T.C. for expenses incurred to monitor and manage the portfolio managers. No amount is included in Accounts payable, accrued liabilities and unclaimed subscribers' funds owing to C.S.T.C. at April 30, 2018 and October 31, 2017 relating to these expenses.

(c) Reimbursement for administrative error

On April 30, 2018 the Foundation reimbursed the Plan \$65 in respect of an administrative error that resulted in an understatement of income in the Plan in prior periods. The receipt of this payment was included as a reduction to Accrued interest and other receivables on the Statements of Financial Position. Impacted subscribers with active accounts were credited with additional interest income, whereas those with terminated accounts were issued a payment.

Note 4. Investment Holdings

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

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

Note 5. Capital Risk Management

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

objectives while maintaining sufficient liquidity to meet subscribers' obligations.

Note 6. Risks Associated with Financial Instruments

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

The Plan's risk management process includes monitoring compliance with the Plan's investment policy. The Plan manages the effects of these financial risks to the Plan portfolio performance by retaining and overseeing professional external investment managers. The investment managers regularly monitor the Plan's positions, market events and manage the investment portfolio within the constraints of the investment policy and 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	4%	1%
1-3 years	37%	43%
3-5 years	33%	31%
Greater than 5 years	17%	16%
Total debt instruments	91%	91%

As at April 30, 2018, if prevailing interest rates had increased by 1%, the fair value of the Total Investment Fund of \$11,207 (October 31, 2017 – \$11,509) as per the Schedule I – Statement of Investment Portfolio would have decreased by \$360 (October 31, 2017 – \$390). If prevailing interest rates had decreased by 1%, the fair value of the Total Investment Fund would have increased by \$410 (October 31, 2017 – \$440). 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

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)

(a) Market risk (continued)

ii. Other price risk (continued)

other factors affecting all instruments traded in a market or market segment affect other price risk. The asset class that is most impacted by other price risk are the equities and ETFs of the Government Grant asset pool, which represents 9% (October 31, 2017 – 9%) of the Total Investment Fund amount as at April 30, 2018.

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 amount as per Schedule I – Statement of Investment Portfolio would have increased or decreased by approximately \$10 (October 31, 2017 – \$10). 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	19%	\$ 2,125	20%	\$ 2,261
AA/AAH/AAL	36%	4,007	38%	4,344
A/AH/AL	30%	3,278	28%	3,243
BBB	3%	352	4%	443
R-1	0%	55	0%	20
Short-term unrated	3%	371	1%	150
Total debt instruments	91%	\$10,188	91%	\$10,461

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. 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.

(d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Plan holds foreign ETFs which represent 7% (October 31, 2017 – 7%) of the Total Investment Fund. The fair value of the Total Investment Fund would increase or decrease by approximately \$8 (October 31, 2017 – \$8) 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-month period ended April 30, 2018 and 2017 are as follows:

	April 30, 2018	April 30, 2017
Payments from subscribers	\$ 475	\$ 728
Inter-plan principal transfers	467	527
Return of principal	(1,022)	(1,056)
Net increase (decrease) in Subscribers' deposits	(80)	199
Balance, Beginning of Period	7,314	7,514
Balance, End of Period	\$ 7,234	\$ 7,713

Note 8. 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:

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

Notes to the Financial Statements (continued)

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

Note 8. Fair Value Measurements and Disclosures (continued)

Assets Measured at Fair Value as of April 30, 2018

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 9,770	\$ -	\$ 9,770
ETFs and Equity Securities	1,019	-	-	1,019
Total Investment Fund	\$1,019	\$9,770	\$ -	\$10,789

Assets Measured at Fair Value as of October 31, 2017

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 10,297	\$ -	\$10,297
ETFs and Equity Securities	1,048	-	-	1,048
Total Investment Fund	\$1,048	\$10,297	\$ -	\$11,345

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

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 New Brunswick	3.80	14 Aug 2045	2,550	2,747	2,727	Province of Québec	2.75	1 Sep 2028	729	716	719
Province of New Brunswick	3.10	14 Aug 2048	446	424	437	Province of Québec	6.00	1 Oct 2029	1,850	2,383	2,465
Province of Newfoundland and Labrador	1.95	2 Jun 2022	248	242	247	Province of Québec	6.25	1 Jun 2032	4,650	6,334	6,490
Province of Newfoundland and Labrador	2.30	2 Jun 2025	200	192	199	Province of Québec	5.25	1 Jun 2034	3,000	3,766	3,800
Province of Newfoundland and Labrador	3.00	2 Jun 2026	1,324	1,324	1,329	Province of Québec	5.75	1 Dec 2036	8,815	12,061	12,029
Province of Newfoundland and Labrador	6.15	17 Apr 2028	350	438	466	Province of Québec	5.00	1 Dec 2038	4,465	5,714	5,045
Province of Newfoundland and Labrador	2.85	2 Jun 2028	211	206	210	Province of Québec	5.00	1 Dec 2041	15,925	20,782	20,602
Province of Newfoundland and Labrador	6.55	17 Oct 2030	1,750	2,331	2,377	Province of Québec	4.25	1 Dec 2043	7,750	9,228	9,186
Province of Newfoundland and Labrador	4.65	17 Oct 2040	1,350	1,613	1,593	Province of Québec	3.50	1 Dec 2045	9,650	10,254	9,900
Province of Newfoundland and Labrador	3.30	17 Oct 2046	1,780	1,745	1,662	Province of Québec	3.50	1 Dec 2048	9,645	10,313	10,373
Province of Newfoundland and Labrador	3.70	17 Oct 2048	1,615	1,707	1,685	Province of Saskatchewan	3.20	3 Jun 2024	80	82	83
Province of Nova Scotia	4.10	1 Jun 2021	550	579	611	Province of Saskatchewan	2.55	2 Jun 2026	1,343	1,310	1,366
Province of Nova Scotia	2.10	1 Jun 2027	462	431	442	Province of Saskatchewan	2.65	2 Jun 2027	577	563	576
Province of Nova Scotia	5.80	1 Jun 2033	2,275	2,989	2,873	Province of Saskatchewan	6.40	5 Sep 2031	4,500	6,102	6,341
Province of Nova Scotia	4.40	1 Jun 2042	3,600	4,295	4,187	Province of Saskatchewan	4.75	1 Jun 2040	2,725	3,372	3,435
Province of Nova Scotia	3.45	1 Jun 2045	2,950	3,061	2,975	Province of Saskatchewan	3.90	2 Jun 2045	3,100	3,467	3,429
Province of Nova Scotia	3.50	2 Jun 2062	600	637	599	Province of Saskatchewan	2.75	2 Dec 2046	3,681	3,346	3,284
Province of Ontario	4.40	2 Jun 2019	2,300	2,364	2,533	Province of Saskatchewan	3.30	2 Jun 2048	1,403	1,422	1,446
Province of Ontario	4.20	2 Jun 2020	5,875	6,126	6,427	Province of Saskatchewan	3.75	5 Mar 2054	384	427	427
Province of Ontario	4.00	2 Jun 2021	6,390	6,710	6,947					428,364	430,761
Province of Ontario	1.35	8 Mar 2022	1,189	1,142	1,163	Municipal – 1.4%					
Province of Ontario	3.15	2 Jun 2022	4,800	4,925	5,105	City of Montreal	5.45	1 Dec 2019	200	211	227
Province of Ontario	1.95	27 Jan 2023	1,050	1,024	1,056	City of Montreal	3.50	1 Sep 2023	225	233	241
Province of Ontario	2.85	2 Jun 2023	2,850	2,885	2,862	City of Montreal	3.00	1 Sep 2025	831	830	837
Province of Ontario	2.60	8 Sep 2023	1,192	1,191	1,191	City of Montreal	2.75	1 Sep 2026	223	217	223
Province of Ontario	3.50	2 Jun 2024	4,165	4,349	4,343	City of Montreal	4.25	1 Dec 2032	350	387	384
Province of Ontario	2.60	2 Jun 2025	2,925	2,889	2,966	City of Montreal	4.10	1 Dec 2034	375	410	399
Province of Ontario	2.40	2 Jun 2026	2,078	2,007	2,065	City of Montreal	3.15	1 Dec 2036	900	871	898
Province of Ontario	2.60	2 Jun 2027	2,681	2,609	2,649	City of Montreal	6.00	1 Jun 2043	550	787	782
Province of Ontario	7.60	2 Jun 2027	1,620	2,221	2,322	City of Ottawa	4.60	14 Jul 2042	500	599	590
Province of Ontario	2.90	2 Jun 2028	1,346	1,336	1,342	City of Ottawa	3.10	27 Jul 2048	83	78	82
Province of Ontario	6.50	8 Mar 2029	9,175	12,104	12,761	City of Toronto	4.50	2 Dec 2019	225	234	250
Province of Ontario	6.20	2 Jun 2031	1,925	2,572	2,655	City of Toronto	3.50	6 Dec 2021	200	207	219
Province of Ontario	5.85	8 Mar 2033	6,425	8,510	8,752	City of Toronto	3.90	29 Sep 2023	1,200	1,267	1,329
Province of Ontario	5.60	2 Jun 2035	7,225	9,564	9,439	City of Toronto	2.40	24 Jun 2026	225	215	225
Province of Ontario	4.70	2 Jun 2037	7,845	9,564	9,174	City of Toronto	2.95	28 Apr 2035	300	285	277
Province of Ontario	4.60	2 Jun 2039	8,040	9,782	9,651	City of Toronto	3.50	2 Jun 2036	1,309	1,332	1,304
Province of Ontario	4.65	2 Jun 2041	18,125	22,446	22,282	City of Toronto	5.20	1 Jun 2040	1,350	1,725	1,764
Province of Ontario	3.50	2 Jun 2043	6,775	7,137	7,205	City of Toronto	4.70	10 Jun 2041	325	392	383
Province of Ontario	3.45	2 Jun 2045	21,075	22,062	21,708	City of Toronto	3.80	13 Dec 2042	550	586	578
Province of Ontario	2.90	2 Dec 2046	12,663	11,976	11,947	City of Toronto	4.15	10 Mar 2044	225	254	246
Province of Ontario	2.80	2 Jun 2048	17,397	16,126	16,404	City of Toronto	3.25	24 Jun 2046	109	106	109
Province of Ontario	2.90	2 Jun 2049	1,123	1,063	1,099	City of Vancouver	3.70	18 Oct 2052	145	153	166
Province of Québec	4.50	1 Dec 2019	1,600	1,663	1,754	City of Winnipeg	4.10	1 Jun 2045	42	46	48
Province of Québec	4.50	1 Dec 2020	900	952	966	City of Winnipeg	4.30	15 Nov 2051	450	515	512
Province of Québec	4.25	1 Dec 2021	2,700	2,873	3,032	Municipal Finance Authority of British Columbia	4.88	3 Jun 2019	350	361	392
Province of Québec	3.50	1 Dec 2022	2,100	2,190	2,297	Municipal Finance Authority of British Columbia	4.15	1 Jun 2021	273	287	306
Province of Québec	3.00	1 Sep 2023	3,250	3,316	3,467	Municipal Finance Authority of British Columbia	3.75	26 Sep 2023	225	237	251
Province of Québec	3.75	1 Sep 2024	7,557	8,019	8,323	Municipal Finance Authority of British Columbia	2.50	19 Apr 2026	822	796	823
Province of Québec	2.50	1 Sep 2026	1,279	1,246	1,304	Regional Municipality of Halton	4.05	11 Oct 2041	300	330	336
Province of Québec	2.75	1 Sep 2027	3,139	3,100	3,190	Region of Peel	2.30	2 Nov 2026	77	73	77
						Region of Peel	5.10	29 Jun 2040	550	694	694
						Region of Peel	3.85	30 Oct 2042	300	322	317
						Regional Municipality of York	2.60	15 Dec 2025	1,350	1,315	1,317

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)					
Municipal – 1.4% (continued)						Corporate – 25.3% (continued)					
Regional Municipality of York	2.50	2 Jun 2026	77	74	79	Royal Bank of Canada	1.58	13 Sep 2021	1,800	1,735	1,764
Regional Municipality of York	4.00	31 May 2032	300	323	329	Royal Bank of Canada	2.00	21 Mar 2022	25,283	24,573	24,823
Regional Municipality of York	4.05	1 May 2034	625	679	688	Royal Bank of Canada	2.36	5 Dec 2022	755	739	743
				17,431	17,682	Royal Bank of Canada	4.93	16 Jul 2025	10,415	11,660	12,092
Corporate – 25.3%						Sun Life Capital Trust	3.05	19 Sep 2028	2,215	2,199	2,212
Bank of Montreal	2.10	6 Oct 2020	10,376	10,267	10,465	Sun Life Capital Trust	7.09	30 Jun 2052	3,955	5,156	5,142
Bank of Montreal	1.88	31 Mar 2021	661	647	661	Toronto Dominion Bank	2.45	2 Apr 2019	9,273	9,308	9,492
Bank of Montreal	3.40	23 Apr 2021	13,927	14,224	14,922	Toronto Dominion Bank	2.05	8 Mar 2021	1,585	1,561	1,572
Bank of Montreal	1.61	28 Oct 2021	770	742	744	Toronto Dominion Bank	1.68	8 Jun 2021	7,083	6,904	7,011
Bank of Montreal	2.27	11 Jul 2022	1,080	1,057	1,076	Toronto Dominion Bank	2.62	22 Dec 2021	14,095	14,063	14,341
Bank of Montreal	2.70	11 Sep 2024	3,155	3,099	3,100	Toronto Dominion Bank	1.99	23 Mar 2022	12,765	12,422	12,478
Bank of Montreal	3.19	1 Mar 2028	823	824	822	Toronto Dominion Bank	1.91	18 Jul 2023	780	744	748
Bank of Nova Scotia	2.27	13 Jan 2020	7,466	7,452	7,483	Toronto Dominion Bank	3.23	24 Jul 2024	870	883	907
Bank of Nova Scotia	2.09	9 Sep 2020	14,295	14,143	14,228	Wells Fargo Financial Corporation Canada	3.04	29 Jan 2021	3,675	3,710	3,739
Bank of Nova Scotia	2.87	4 Jun 2021	13,425	13,497	13,757	Wells Fargo Financial Corporation Canada	3.46	24 Jan 2023	7,789	7,963	8,090
Bank of Nova Scotia	1.90	2 Dec 2021	760	738	760					321,482	326,881
Bank of Nova Scotia	1.83	27 Apr 2022	13,683	13,184	13,283	Total Fixed Income – 66.9%					
Bank of Nova Scotia	2.98	17 Apr 2023	2,046	2,052	2,045					850,501	860,967
Bank of Nova Scotia	3.10	2 Feb 2028	1,865	1,850	1,864						
Caisse Centrale Desjardins	2.44	17 Jul 2019	3,983	3,993	3,994						
Caisse Centrale Desjardins	1.75	2 Mar 2020	14,470	14,293	14,303	Security			Number of Securities	Fair Value (\$)	Average Cost (\$)
Canadian Imperial Bank of Commerce	1.66	20 Jan 2020	1,726	1,705	1,705	Equities – 6.4%					
Canadian Imperial Bank of Commerce	2.30	11 Jul 2022	7,801	7,643	7,772	Alimentation Couche-Tard Inc.			62	3,446	3,583
Canadian Imperial Bank of Commerce	2.47	5 Dec 2022	750	738	741	ATCO Ltd.			17	663	741
Great-West Lifeco Inc.	3.34	28 Feb 2028	2,242	2,249	2,242	AutoCanada Inc.			16	358	374
Great-West Lifeco Inc.	6.67	21 Mar 2033	1,506	1,994	2,011	Bank of Nova Scotia			59	4,689	3,874
HSBC Bank Canada	2.08	26 Nov 2018	1,128	1,129	1,135	Birchcliff Energy Ltd.			136	632	844
HSBC Bank Canada	2.49	13 May 2019	950	952	952	Boardwalk Real Estate Investment Trust			31	1,414	1,479
HSBC Bank Canada	2.91	29 Sep 2021	10,485	10,514	10,696	Brookfield Asset Management Inc.			21	1,048	887
HSBC Bank Canada	2.17	29 Jun 2022	2,463	2,392	2,449	Brookfield Infrastructure Partners L.P.			15	784	646
HSBC Bank Canada	2.54	31 Jan 2023	12,424	12,181	12,336	Brookfield Renewable Partners L.P.			15	583	615
Hydro One Inc.	8.90	18 Aug 2022	1,000	1,255	1,422	CAE Inc.			34	818	526
Hydro One Inc.	8.25	22 Jun 2026	2,950	4,052	4,397	Canadian National Railway Company			22	2,138	1,789
Hydro-Québec	1.00	25 May 2019	775	769	772	Canadian Natural Resources Limited			33	1,538	933
Hydro-Québec	11.00	15 Aug 2020	3,000	3,589	4,332	Canadian Pacific Railway Company			6	1,498	1,186
Hydro-Québec	6.50	15 Feb 2035	1,000	1,438	1,463	Canadian Western Bank			10	339	236
Hydro-Québec	6.00	15 Feb 2040	8,000	11,539	11,489	Cara Operations Limited			17	446	433
Hydro-Québec	5.00	15 Feb 2045	1,450	1,929	1,901	CCL Industries Inc.			24	1,485	1,284
Hydro-Québec	5.00	15 Feb 2050	2,600	3,559	3,538	CGI Group Inc.			14	1,053	851
Hydro-Québec	4.00	15 Feb 2055	793	940	933	CI Financial Corp.			51	1,369	1,384
Intact Financial Corporation	3.77	2 Mar 2026	2,175	2,231	2,247	Computer Modeling Group Ltd.			45	428	458
Manufacturers Life Insurance Company	2.84	12 Jan 2023	1,111	1,106	1,111	DREAM Unlimited Corporation			58	553	422
Manufacturers Life Insurance Company	2.93	29 Nov 2023	2,448	2,462	2,505	Empire Company Limited			50	1,252	1,032
Manufacturers Life Insurance Company	2.64	15 Jan 2025	5,309	5,321	5,388	Enbridge Inc.			57	2,207	2,839
Manufacturers Life Insurance Company	2.10	1 Jun 2025	3,749	3,709	3,720	Enerflex Ltd.			107	1,679	1,582
Manufacturers Life Insurance Company	2.39	5 Jan 2026	5,508	5,455	5,485	Fairfax Financial Holdings Limited			2	1,611	1,401
Manufacturers Life Insurance Company	3.18	22 Nov 2027	6,164	6,222	6,326	Finning International Inc.			36	1,180	742
Royal Bank of Canada	2.86	4 Mar 2021	690	694	703	FirstService Corporation			6	574	331
Royal Bank of Canada	2.03	15 Mar 2021	4,872	4,792	4,898	Franco-Nevada Corporation			28	2,522	2,279
Royal Bank of Canada	1.65	15 Jul 2021	13,674	13,241	13,551	Freehold Royalties Ltd.			131	1,702	1,547
						Granite REIT Holdings Limited Partnership			11	580	451
						Great Canadian Gaming Corporation			22	805	433
						Great-West Lifeco Inc.			31	1,068	1,056
						IGM Financial Inc.			16	631	575

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 (\$)	Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
Equities – 6.4% (continued)				Cash and Short-term Investments Allocation (continued)			
Imperial Oil Limited	39	1,577	1,584	Group Savings Plan 2001		1,079	1,079
Industrial Alliance Insurance and Financial Services Inc.	11	589	637	Family Savings Plan		106	106
Intact Financial Corporation	34	3,308	3,151	Individual Savings Plan		3	3
Loblaw Companies Limited	39	2,512	2,679			1,326	1,326
Magna International Inc.	18	1,386	1,043				
Maxar Technologies Ltd.	31	1,813	2,127				
Methanex Corporation	8	652	405				
METRO Inc.	26	1,051	1,052				
Morguard Corporation	3	456	396				
Mullen Group Ltd.	98	1,427	1,630				
Nutrien Ltd.	44	2,579	2,424				
Onex Corporation	4	403	349				
Pason System Inc.	61	1,102	1,121				
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				
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				

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

Canadian Scholarship Trust Plan

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