

# Canadian Scholarship Trust Family Savings Plan

Audited Financial Statements and  
Management Report of Fund Performance  
October 31, 2019 and 2018



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### CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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

# Management Report of Fund Performance

## Introduction

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

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

This management discussion of fund performance presents the portfolio management team’s view on the significant factors and developments during the year ended October 31, 2019, that have affected the Plan’s performance and outlook

## Investment Objective and Strategy

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

The Plan is invested according to a strategic mix with Principal assets invested in a combination of government fixed income securities and Canadian corporate bonds with a minimum debt rating of BBB and above. Income assets (money gained on either contributions or government grants, such as interest and capital gains) are invested in U.S., International, real estate, and infrastructure ETFs, and Canadian equity securities.

During the year, the Plan implemented changes to its investment structure to further enhance diversification and improve yield. Primary changes included expanding beyond financial institution bonds to include broader Canadian corporate bonds and diversification was improved through the use of exchange traded funds (“ETFs”), to include allocations to international equity, global infrastructure and real estate equity ETFs.

The Plan’s Canadian government fixed income securities are passively managed by TD Asset Management Inc. (“TDAM”) according to pre-specified duration targets. Corporate bond debt securities are actively managed by TD Asset Management Inc. The active fixed income portfolios focus on strategies where value can be added on a sustainable basis and may rely upon sector allocation, credit research, and duration management, dependent upon the managers’ expertise and mandate.

The Plan’s U.S. and International equity assets are managed by BlackRock Asset Management Canada Limited. These assets are allocated to ETFs traded on Canadian or U.S. exchanges that replicate the performance of various non-domestic equity indices including the S&P US Total Market Index, MSCI EAFE IMI Index, and MSCI Emerging Markets Index. Global real estate and infrastructure ETFs are managed by BlackRock and designed to replicate the performance of their specific benchmark index. The Plan’s Canadian equity assets are actively managed by Fiera Capital

Corporation and managed to a focused portfolio composed of Canadian companies identified as having effective management with superior long-term prospects.

## Risk

The risks associated with investing in the Plan remain as described in the prospectus. There were no material changes to the Plan during the financial year that affected the overall level of risk associated with an investment in the Plan.

## Results of Operation

### Plan Performance

During the year, the Plan’s rate of return, net of fees, was 7.9% compared to the investment policy benchmark (the “Benchmark”) return of 8.9%. In comparison, the following Broad-based indices, the FTSE Canada Short-Term Government Bond Index generated a return of 4.3%, and the S&P/TSX Capped Composite gained 13.3% over the identical time period. The Plan’s return is after the deduction of fees and expenses of 1.2%, while the Benchmark and Broad-based Indices returns do not include any costs of investing, such as fees, expenses and commissions.

In comparison to the Benchmark, the Plan’s rate of return outperformed the Benchmark, before fees and expenses, over the one-year period. The Plan’s exposure to U.S., International and other non-domestic equity ETFs contributed to outperformance relative to the Benchmark.

### Economic Review

According to the October 2019 World Economic Outlook, global growth stabilized in the first half of 2019 after sharply declining throughout 2018. Rising trade and geopolitical tensions continued to build throughout the year, negatively impacting business confidence, capital investment decisions, and global trade. As global expansion weakened, core inflation slid further below targets across both advanced and developing economies.

The U.S. economy shifted to a somewhat slower pace of expansion as the boost from tax cuts obtained in early 2018 faded.

Although business investment remained sluggish, employment and consumption remained resilient. After several increases in 2018, the U.S. Federal Reserve Board lowered interest rates three times throughout the 2019 period in response to slowing economic indicators. Core inflation moved slightly higher than the Federal Open Market Committee's longer-run objective of two percent, boosted in part by a sizable increase in energy prices.

The Canadian economy grew at a moderate pace over the year, supported by a healthy labour market and improved activity in housing. However, global trade conflicts and related uncertainty dampened business investment and export activities, and investment in the energy sector continued to decline. The Bank of Canada maintained the overnight rate at 1.75% throughout the year, standing out as one of the only economies to hold interest rates at current levels. Consumer price index inflation was in line with the 2 percent target and is expected to maintain those levels going into 2020.

Canadian fixed income returns were amongst the top performing asset classes as yields fell, which pushed the benchmark FTSE Canada Universe Bond Index to an annual return of 10.2%. Longer dated maturities benefited as the FTSE Canada Long Term Bond Index gained 18.0% over the same period. Canadian corporate bonds and shorter maturity fixed income issues also experienced strong returns with gains of 9.6% for the FTSE Corporate Bond Index and 4.7% for the FTSE Canadian Short-Term Bond Index.

Despite slowing throughout the latter half of the fiscal year, equity markets largely experienced strong returns over the 2019 fiscal period, more than overcoming losses incurred in late 2018. North American equities posted double digit annual returns with the U.S. S&P 500 gaining 14.3% while the Canadian S&P/TSX Capped Composite increased by 13.3%. In both cases, almost all underlying sectors, with the exception of Energy, were positive contributors. Developed International equity markets also generated strong returns as reflected by the MSCI EAFE Index gaining 11.2%. Despite being in negative territory for the second half of the fiscal year, the MSCI Emerging Markets Index was up 11.9% over 2019.

### Portfolio Manager Changes

With the implementation of the current investment strategy, the Plan's portfolio managers' mandates were either re-aligned or updated (please refer to "Investment Objective and Strategy" section for more details). There were no Plan portfolio manager terminations or additions over the fiscal 2019 period.

### Recent Developments and Other Information

We believe that our investment strategy and conservative management approach will continue to provide value over the long-term horizon of the Plan. Our goal, as always, is to provide safety of principal and deliver a reasonable return within our investment policy guidelines and risk tolerances for our subscribers and beneficiaries.

### Adoption of New Accounting Standards

The Plan adopted the International Financial Reporting Standards 9 Financial Instruments ("IFRS 9") on November 1, 2018, which replaced International Accounting Standard 39, Financial Instruments – Recognition and Measurement. IFRS 9 introduces new requirements for the classification and measurement of financial assets.

Management has assessed the Plan's business model and the manner in which all financial assets and liabilities are managed and have determined there are no changes in the measurement attributes of any of the financial assets and financial liabilities upon transition to IFRS 9.

## Financial and Operating Highlights (with comparative figures)

The following table is intended to help you understand the key financial results for the past five fiscal years ending October 31 for the Plan, which includes assets and income allocated from Government Grants. This information is derived from the Plan's audited annual financial statements.

(\$ thousands)	2019	2018	2017	2016	2015
<b>Statements of Financial Position</b>					
Total Assets	\$398,595	\$343,231	\$320,836	\$294,876	\$263,803
Net Assets	396,549	339,553	317,663	293,651	262,553
% Change of Net Assets Attributable to Subscribers and Beneficiaries	16.8%	6.9%	8.2%	11.8%	9.8%
<b>Statements of Comprehensive Income</b>					
Net Investment Income	\$ 31,899	\$ 1,669	\$ 4,347	\$ 11,250	\$ 4,515
<b>Statements of Changes in Net Assets</b>					
Education Assistance Payments	\$ (12,908)	\$(11,445)	\$(12,992)	\$(13,298)	\$(13,299)
Government Grants Repaid (net of receipts)	(816)	(783)	(381)	(812)	(933)
Government Grant payments to Beneficiaries	(11,477)	(10,180)	(5,919)	(5,535)	(5,084)
<b>Other</b>					
Total number of Agreements	67,054	64,092	61,082	57,986	54,695
% Change in the total number of Agreements	4.6%	4.9%	5.3%	6.0%	6.6%

## Management Fees

### Administration Fees

An administration fee of \$4,016 thousand (2018- \$3,557 thousand) comprising Plan administration and processing fees and financial reporting expenses was paid to the Foundation, the sponsor and administrator of the Plan, in accordance with subscribers' Education Savings Plan Agreements. The administration of the Plan includes processing and call centre services related to new agreements, Government grants, plan modifications, terminations, maturities and Education Assistance Payments ("EAPs"). The annual administration fee is calculated as 1.0% of the total amount of net Contributions, Government Grants and income earned on these amounts, subject to applicable taxes, and is paid monthly.

The Foundation has delegated certain administrative and distribution functions to its wholly-owned subsidiary, C.S.T Consultants, Inc., which is registered as the Plan's Investment Fund Manager in Ontario, Quebec, Newfoundland and Labrador, and Scholarship Plan Dealer under securities legislation of each of the provinces and territories of Canada in which it operates to sell scholarship plans. C.S.T Consultants, Inc. is the exclusive distributor of the Canadian Scholarship Trust Plans.

In exchange for its administrative services, C.S.T Consultants, Inc. receives an amount equal to the administration costs incurred plus a percentage of such costs from the Foundation. The administration services agreement is renewable on an annual basis.

### Portfolio Management Fees

The Plan's annual investment management fee was 0.06%, including taxes, (2018 – 0.10%) of the average market value of assets based on the Investment Management Agreements with portfolio managers. The portfolio managers provide investment advisory and discretionary managed account services with respect to purchasing, selling, and dealing in securities.

### Trustee and Custodian Fees

The Plan pays trustee and custodian fees to RBC Investor Services Trust to settle all investment trades and disburse fees, EAPs and other amounts in accordance with the terms of the Plan Agreement. For 2019 these fees charged to the Plan amounted to \$158 thousand (2018 – \$99 thousand) and were 0.04% including taxes (2018 – 0.03%) of the average market value of assets.

## Summary of Plan Investment Portfolio

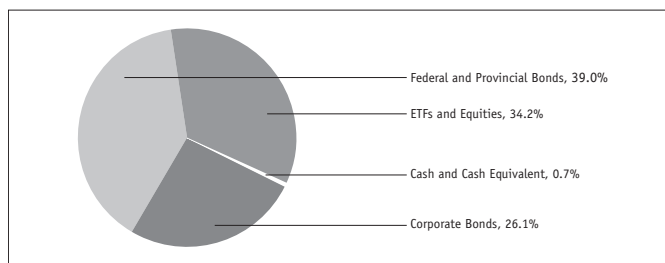
The Plan's Total Portfolio Assets are comprised of the Principal and Income for all education savings plan agreements that have not been paid out to beneficiaries and/or withdrawn by subscribers.

Government Grant assets and related investment income are specific to each beneficiary, and are invested together with funds from other Plans administered by the Foundation. Any payments to beneficiaries from Government Grant assets are treated as separate payments and not included in EAP values paid out.

The Plan's Total Portfolio Assets as presented and as defined in this report, reflects only the Principal and Income assets. The Plan's Total Portfolio Assets do not include the allocation of assets from the Government Grant asset pool that are attributable to this Plan.

The following chart illustrates the Plan's Total Portfolio Assets by investment categories.

### Asset Mix as at October 31, 2019



The following table details the top 25 long positions in the Total Portfolio Assets of the Plan. The Plan is prohibited from holding short positions in securities.

Issuer	Fair Value (\$ 000's)	% of Plan Portfolio Assets
iShares Core S&P U.S. ETF	33,514	12.6%
iShares Core MSCI EAFE IMI Index ETF	22,339	8.4%
Province of Ontario	8,102	3.0%
Province of Ontario	6,594	2.5%
Province of Ontario	6,453	2.4%
Province of Ontario	6,346	2.4%
Province of Québec	5,596	2.1%
iShares Core MSCI Emerging Markets IMI Index ETF	5,535	2.1%
Province of Ontario	5,339	2.0%
Province of Québec	4,524	1.7%
iShares Global Infrastructure Index ETF	4,400	1.7%
iShares Global Real Estate Index ETF	4,303	1.6%
Province of Québec	3,707	1.4%
Province of Québec	3,448	1.3%
Province of Québec	3,265	1.2%
Province of Ontario	2,884	1.1%
Bank of Montreal	2,095	0.8%
HSBC Bank Canada	2,092	0.8%
Royal Bank of Canada	2,089	0.8%
Bank of Nova Scotia	2,086	0.8%
Bank of Nova Scotia	2,082	0.8%
HSBC Bank Canada	2,075	0.8%
Canadian Imperial Bank of Commerce	2,061	0.8%
Canadian Imperial Bank of Commerce	2,027	0.8%
Province of Ontario	2,019	0.8%

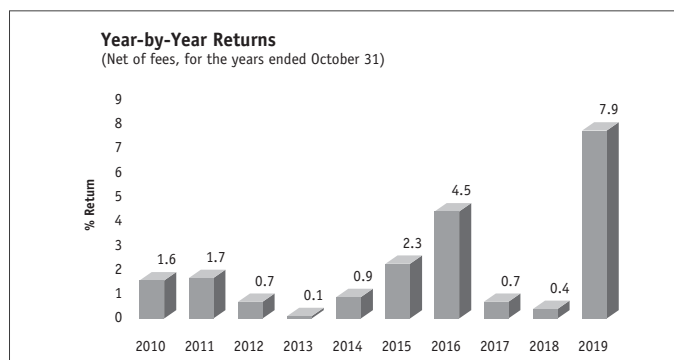
**Top 25 long positions as a percentage of Total Portfolio Asset of the Plan** **54.7%**

## Past Performance

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

### Year-by-Year Returns

The following bar chart illustrates the annual performance in each of the past ten years to October 31, 2019 of the Plan's Total Portfolio Assets. The chart illustrates in percentage terms how much an investment in the Plan's Total Portfolio Assets, made on the first day of each financial year, would have increased or decreased by the last day of each financial year:



### Annual Compound Returns

With the implementation of the updated investment strategy in fiscal 2019, the Plan's investment benchmark was changed effective October 1, 2019 to 70% FTSE Canada Short-Term Government Bond Index + 30% S&P/TSX Capped Composite. The FTSE Canada Short-Term Government Bond Index is a broad measure of Canadian investment grade fixed income securities, issued by the Government of Canada, including Crown Corporations and provincial governments, with maturities between 1 and 5 years. The S&P/TSX Capped Composite Index reflects price movements of selected securities listed on the Toronto Stock Exchange and weighted by market capitalization, with a capped weight of 10% on all of the constituents.

The following table illustrates the annual compound returns of the Plan's Total Portfolio for the periods shown ending on October 31, 2019.

	Period			
	1 Yr	3 Yr	5 Yr	10 Yr
<b>Net Plan Return*</b>	<b>7.9</b>	<b>3.0</b>	<b>3.1</b>	<b>2.1</b>
<b>Benchmark</b>	<b>8.9</b>	<b>3.9</b>	<b>4.2</b>	<b>3.1</b>
<b>FTSE Canada Short-Term</b>				
<b>Government Bond</b>	<b>4.3</b>	<b>1.2</b>	<b>1.5</b>	<b>2.0</b>
<b>S&amp;P/TSX Capped Composite</b>	<b>13.3</b>	<b>6.9</b>	<b>5.6</b>	<b>7.3</b>

\* Plan returns are after the deduction of fees and expenses, while the Benchmarks and Broad-based Index returns do not include any costs of investing such as fees, expenses and commissions. The Plan's fees and expenses were 1.2% for all periods.

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

Securities regulations require that we also show Benchmark returns that would have been applicable to the time periods if the Benchmark was not modified as previously described (the "Former Benchmark"). The Former Benchmark return for the above time periods were 9.4% (1 Year), 4.1% (3 Year), 4.2% (5 Year) and 3.2% (10 Year). In comparison to the Former Benchmark, the Plan matched the return of the Former Benchmark before fees and expenses over the fiscal year.

# Management's Responsibility for Financial Reporting

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

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

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



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



**Christopher Ferris, CPA, CGA, CFA**  
Chief Financial Officer

Toronto, Ontario  
December 17, 2019

## Independent Auditor's Report

To the Board of Directors and Members of the Canadian Scholarship Trust Foundation

### Opinion

We have audited the financial statements Canadian Scholarship Trust Family Savings Plan (the "Plan"), which comprise the statements of financial position as October 31, 2019 and 2018, and the statements of comprehensive income, changes in net assets attributable to subscribers and beneficiaries, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at October 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Plan's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
Toronto, Ontario  
December 17, 2019



# Statements of Financial Position

As at October 31, 2019 and October 31, 2018

(in thousands of Canadian dollars)

	2019	2018
<b>Assets</b>		
Cash and cash equivalents	\$ 2,168	\$ 1,219
Receivables for securities sold	122	1,521
Investments, at fair value <i>(Note 4 and Schedule I)</i>	393,719	337,861
Accrued income and other receivables	2,343	2,411
Government grants receivable	243	219
	<b>398,595</b>	<b>343,231</b>
<b>Liabilities</b>		
Payables for securities purchased	52	1,618
Accounts payable and accrued liabilities	1,994	2,060
	<b>2,046</b>	<b>3,678</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries</b>	<b>396,549</b>	<b>339,553</b>
<b>Represented by:</b>		
<b>Non-Discretionary Funds</b>		
Accumulated income held for future education assistance payments	81,556	62,315
Subscribers' deposits <i>(Schedule II)</i>	187,513	175,067
Government grants	82,120	73,684
Income on Government grants	45,360	26,594
<b>Unrealized Gains</b> <i>(Note 7)</i>	-	1,893
	<b>\$396,549</b>	<b>\$339,553</b>

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



Douglas P. McPhie, FCPA, FCA  
Director



Sherry J. MacDonald, CPA, CA  
Director

# Statements of Comprehensive Income

For the years ended October 31, 2019 and 2018

(in thousands of Canadian dollars)

	2019	2018
<b>Income</b>		
Interest	\$ 7,492	\$ 7,398
Realized gains (losses) on sale of investments	14,708	908
Change in unrealized gains (losses)	11,606	(4,642)
Dividends	2,489	1,978
	<b>36,295</b>	<b>5,642</b>
<b>Expenses</b>		
Administration fees <i>(Note 3 (a))</i>	4,016	3,557
Portfolio management fees	217	312
Custodian and Trustee fees	158	99
Independent Review Committee fees	5	5
	<b>4,396</b>	<b>3,973</b>
<b>Increase (decrease) in Net Assets from Operations Attributable to Subscribers and Beneficiaries</b>	<b>\$31,899</b>	<b>\$ 1,669</b>

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

For the years ended October 31, 2019 and 2018

(in thousands of Canadian dollars)

	2019	2018
<b>Net Assets Attributable to Subscribers and Beneficiaries, Beginning of Year</b>	<b>\$339,553</b>	<b>\$317,663</b>
Increase (decrease) in Net Assets from Operations Attributable to Subscribers and Beneficiaries	31,899	1,669
Transfers from (to) internal and external plans	38,346	32,316
	<b>70,245</b>	<b>33,985</b>
<b>Receipts</b>		
Net increase in Subscribers' deposits <i>(Schedule II)</i>	12,446	10,757
<b>Disbursements</b>		
Government grants repaid (net of receipts)	(816)	(783)
Payments to beneficiaries		
Education assistance payments	(12,908)	(11,445)
Government grants	(11,477)	(10,180)
Return of income	(494)	(444)
<b>Total payments to beneficiaries</b>	<b>(24,879)</b>	<b>(22,069)</b>
<b>Receipts less Disbursements</b>	<b>(13,249)</b>	<b>(12,095)</b>
<b>Change in Net Assets Attributable to Subscribers and Beneficiaries</b>	<b>56,996</b>	<b>21,890</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries, End of Year</b>	<b>\$396,549</b>	<b>\$339,553</b>

# Statements of Cash Flows

For the years ended October 31, 2019 and 2018

(in thousands of Canadian dollars)

	2019	2018
<b>Operating Activities</b>		
Increase (decrease) in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$ 31,899	\$ 1,669
Net disbursements for investment transactions	(29,711)	(27,191)
Items not affecting cash		
Realized (gains) losses on sale of investments	(14,708)	(908)
Change in unrealized (gains) losses	(11,606)	4,642
Change in non-cash operating capital		
(Increase) decrease in Accrued income and other receivables	68	952
(Increase) decrease in Government grants receivable	(24)	(47)
Increase (decrease) in Accounts payable and accrued liabilities	(66)	(528)
<b>Cash flow from Operating Activities</b>	<b>(24,148)</b>	<b>(21,411)</b>
<b>Financing Activities</b>		
Transfers from internal and external plans	38,346	32,316
Government grants repaid (net of receipts)	(816)	(783)
Net increase in Subscribers' deposits ( <i>Schedule II</i> )	12,446	10,757
Payments to beneficiaries	(24,879)	(22,069)
<b>Cash flow from Financing Activities</b>	<b>25,097</b>	<b>20,221</b>
<b>Net increase (decrease) in Cash and cash equivalents</b>	<b>949</b>	<b>(1,190)</b>
<b>Cash and cash equivalents, Beginning of Year</b>		
Cash	1,114	761
Cash equivalents	105	1,648
	<b>1,219</b>	<b>2,409</b>
<b>Cash and cash equivalents, End of Year</b>		
Cash	1,889	1,114
Cash equivalents	279	105
	<b>\$ 2,168</b>	<b>\$ 1,219</b>
<b>Supplemental cash flow information:</b>		
Withholding Taxes	\$ —	\$ 176
Interest Income Received	7,561	7,014

# Schedule I – Statement of Investment Portfolio

As at October 31, 2019

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds</b>						<b>Bonds (continued)</b>					
<b>Federal – 3.4%</b>						<b>Provincial – 35.6% (continued)</b>					
Canada Housing Trust	1.25	15 Jun 2021	325	323	321	Province of British Columbia	2.85	18 Jun 2025	275	289	282
Canada Housing Trust	1.50	15 Dec 2021	200	199	199	Province of British Columbia	2.95	18 Dec 2028	107	115	111
Canada Housing Trust	1.75	15 Jun 2022	120	120	122	Province of British Columbia	5.70	18 Jun 2029	175	230	230
Canada Housing Trust	2.40	15 Dec 2022	578	591	583	Province of British Columbia	2.20	18 Jun 2030	36	36	36
Canada Housing Trust	2.35	15 Jun 2023	106	108	106	Province of British Columbia	4.70	18 Jun 2037	100	134	122
Canada Housing Trust	2.55	15 Dec 2023	287	296	287	Province of British Columbia	4.30	18 Jun 2042	125	167	145
Canada Housing Trust	2.90	15 Jun 2024	212	223	222	Province of British Columbia	3.20	18 Jun 2044	275	318	276
Canada Housing Trust	1.80	15 Dec 2024	144	144	144	Province of British Columbia	2.95	18 Jun 2050	252	287	255
Canada Housing Trust	2.55	15 Mar 2025	75	78	78	Province of Manitoba	1.55	5 Sep 2021	925	923	908
Canada Housing Trust	2.35	15 Mar 2028	202	210	197	Province of Manitoba	2.55	2 Jun 2023	1,733	1,778	1,733
Canada Housing Trust	2.65	15 Mar 2028	112	119	111	Province of Manitoba	2.55	2 Jun 2026	250	258	253
Canada Housing Trust	2.65	15 Dec 2028	174	186	174	Province of Manitoba	3.00	2 Jun 2028	46	49	46
Canada Housing Trust	2.10	15 Sep 2029	122	125	125	Province of Manitoba	2.75	2 Jun 2029	51	53	52
Government of Canada	–	12 Dec 2019	820	817	817	Province of Manitoba	5.70	5 Mar 2037	100	144	139
Government of Canada	0.75	1 Mar 2021	375	371	370	Province of Manitoba	4.05	5 Sep 2045	250	320	297
Government of Canada	3.25	1 Jun 2021	875	898	908	Province of Manitoba	3.40	5 Sep 2048	50	59	52
Government of Canada	0.50	1 Mar 2022	168	164	160	Province of Manitoba	3.20	5 Mar 2050	65	74	64
Government of Canada	1.00	1 Sep 2022	432	426	422	Province of New Brunswick	1.55	4 May 2022	675	672	658
Government of Canada	1.75	1 Mar 2023	309	312	311	Province of New Brunswick	2.85	2 Jun 2023	1,250	1,294	1,299
Government of Canada	2.00	1 Sep 2023	389	397	393	Province of New Brunswick	3.10	14 Aug 2028	20	21	21
Government of Canada	2.25	1 Mar 2024	201	208	208	Province of New Brunswick	4.80	3 Jun 2041	675	912	826
Government of Canada	2.50	1 Jun 2024	150	157	157	Province of New Brunswick	3.10	14 Aug 2048	18	20	17
Government of Canada	1.50	1 Sep 2024	56	56	56	Province of New Brunswick	3.05	14 Aug 2050	44	48	45
Government of Canada	2.25	1 Jun 2025	475	496	493	Province of Newfoundland and Labrador	1.95	2 Jun 2022	425	427	418
Government of Canada	1.50	1 Jun 2026	175	176	176	Province of Newfoundland and Labrador	3.00	2 Jun 2026	125	131	126
Government of Canada	1.00	1 Jun 2027	252	244	241	Province of Newfoundland and Labrador	2.85	2 Jun 2028	33	34	32
Government of Canada	2.00	1 Jun 2028	37	39	40	Province of Newfoundland and Labrador	2.85	2 Jun 2029	51	53	52
Government of Canada	2.25	1 Jun 2029	56	60	61	Province of Newfoundland and Labrador	3.70	17 Oct 2048	20	24	21
Government of Canada	1.25	1 Jun 2030	250	245	253	Province of Newfoundland and Labrador	2.65	17 Oct 2050	20	20	20
Government of Canada	5.75	1 Jun 2033	125	190	189	Province of Nova Scotia	4.10	1 Jun 2021	800	830	853
Government of Canada	5.00	1 Jun 2037	175	267	259	Province of Nova Scotia	2.10	1 Jun 2027	75	75	71
Government of Canada	4.00	1 Jun 2041	225	323	316	Province of Nova Scotia	3.15	1 Dec 2051	58	67	61
Government of Canada	3.50	1 Dec 2045	175	246	243	Province of Ontario	4.00	2 Jun 2021	6,125	6,346	6,499
Government of Canada	2.75	1 Dec 2048	85	108	106	Province of Ontario	1.35	8 Mar 2022	2,907	2,884	2,842
Government of Canada	2.00	1 Dec 2051	100	111	97	Province of Ontario	3.15	2 Jun 2022	7,820	8,102	8,162
Government of Canada	2.75	1 Dec 2064	50	69	57	Province of Ontario	2.85	2 Jun 2023	6,225	6,453	6,328
				9,102	9,002	Province of Ontario	2.60	8 Sep 2023	5,186	5,339	5,250
						Province of Ontario	3.50	2 Jun 2024	6,150	6,594	6,626
<b>Provincial – 35.6%</b>						Province of Ontario	2.30	8 Sep 2024	1,979	2,019	2,024
Province of Alberta	1.35	1 Sep 2021	1,285	1,277	1,267	Province of Ontario	2.60	2 Jun 2025	300	311	307
Province of Alberta	2.55	15 Dec 2022	1,790	1,833	1,809	Province of Ontario	2.40	2 Jun 2026	475	487	471
Province of Alberta	2.65	1 Sep 2023	688	709	709	Province of Ontario	2.60	2 Jun 2027	500	519	501
Province of Alberta	3.10	1 Jun 2024	500	527	530	Province of Ontario	2.90	2 Jun 2028	98	104	97
Province of Alberta	2.20	1 Jun 2026	350	353	347	Province of Ontario	6.50	8 Mar 2029	450	615	598
Province of Alberta	2.90	1 Dec 2028	185	196	186	Province of Ontario	2.70	2 Jun 2029	558	586	577
Province of Alberta	2.90	20 Sep 2029	100	106	99	Province of Ontario	5.85	8 Mar 2033	225	316	303
Province of Alberta	2.05	1 Jun 2030	136	134	135	Province of Ontario	4.70	2 Jun 2037	400	531	479
Province of Alberta	3.45	1 Dec 2043	330	383	341	Province of Ontario	4.60	2 Jun 2039	725	967	850
Province of Alberta	3.30	1 Dec 2046	225	258	238	Province of Ontario	4.65	2 Jun 2041	225	308	276
Province of Alberta	3.05	1 Dec 2048	106	117	103	Province of Ontario	3.45	2 Jun 2045	650	775	685
Province of Alberta	3.10	1 Jun 2050	175	197	180						
Province of British Columbia	3.70	18 Dec 2020	1,550	1,584	1,623						
Province of British Columbia	3.25	18 Dec 2021	625	645	652						
Province of British Columbia	2.70	18 Dec 2022	1,450	1,493	1,474						
Province of British Columbia	3.30	18 Dec 2023	1,025	1,087	1,066						

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

# Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2019

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>						<b>Bonds (continued)</b>					
<b>Provincial – 35.6% (continued)</b>						<b>Corporate – 26.1% (continued)</b>					
Province of Ontario	2.90	2 Dec 2046	600	655	565	CU Inc.	4.72	9 Sep 2043	1,230	1,569	1,573
Province of Ontario	2.80	2 Jun 2048	500	540	470	CU Inc.	4.54	24 Oct 2041	1,115	1,380	1,382
Province of Ontario	2.90	2 Jun 2049	570	629	547	Daimler Canada Finance Inc.	2.57	22 Nov 2022	345	345	345
Province of Ontario	2.65	2 Dec 2050	469	495	489	Daimler Canada Finance Inc.	2.54	21 Aug 2023	1,400	1,395	1,392
Province of PEI	2.65	1 Dec 2051	7	7	7	Daimler Canada Finance Inc.	2.97	13 Mar 2024	1,380	1,395	1,394
Province of Québec	4.50	1 Dec 2020	3,600	3,707	3,853	Enbridge Gas Distribution Inc.	3.01	9 Aug 2049	1,035	1,024	1,035
Province of Québec	4.25	1 Dec 2021	4,300	4,524	4,636	Enbridge Inc.	2.99	3 Oct 2029	240	238	240
Province of Québec	1.65	3 Mar 2022	1,500	1,498	1,483	Enbridge Pipelines Inc.	4.55	17 Aug 2043	615	696	707
Province of Québec	3.50	1 Dec 2022	5,315	5,596	5,617	Enbridge Pipelines Inc.	4.33	22 Feb 2049	625	696	704
Province of Québec	3.00	1 Sep 2023	3,125	3,265	3,207	FortisAlberta Inc.	5.37	30 Oct 2039	1,020	1,374	1,376
Province of Québec	3.75	1 Sep 2024	3,170	3,448	3,489	HSBC Bank Canada	2.17	29 Jun 2022	1,870	1,864	1,865
Province of Québec	2.75	1 Sep 2025	300	314	303	HSBC Bank Canada	3.25	15 Sep 2023	2,028	2,097	2,041
Province of Québec	2.50	1 Sep 2026	325	336	323	HSBC Bank Canada	3.20	5 Dec 2023	2,030	2,075	2,074
Province of Québec	2.75	1 Sep 2027	475	500	473	Hydro One Inc.	6.59	22 Apr 2043	110	172	172
Province of Québec	2.75	1 Sep 2028	123	130	122	Hydro One Inc.	3.64	5 Apr 2050	865	947	952
Province of Québec	2.30	1 Sep 2029	552	563	561	Hydro-Québec	4.00	15 Feb 2055	235	326	304
Province of Québec	6.25	1 Jun 2032	200	287	275	Intact Financial Corporation	2.85	7 Jun 2027	1,372	1,387	1,364
Province of Québec	5.75	1 Dec 2036	475	700	674	Inter Pipeline Ltd.	4.97	2 Feb 2021	840	867	869
Province of Québec	5.00	1 Dec 2041	150	216	195	Manulife Financial Corporation	3.32	9 May 2028	1,345	1,382	1,347
Province of Québec	4.25	1 Dec 2043	400	535	475	Nissan Canada Financial Services Inc.	2.61	5 Mar 2021	285	286	285
Province of Québec	3.50	1 Dec 2045	525	637	559	Omers Realty Corporation	3.63	5 Jun 2030	1,260	1,385	1,391
Province of Québec	3.50	1 Dec 2048	474	585	528	Pembina Pipeline Corp	3.31	1 Feb 2030	700	699	699
Province of Québec	3.10	1 Dec 2051	270	315	294	Riocan Real Estate Investment Trust	2.83	3 Oct 2022	340	344	343
Province of Saskatchewan	3.20	3 Jun 2024	525	556	562	Riocan Real Estate Investment Trust	3.21	29 Sep 2023	1,350	1,380	1,377
Province of Saskatchewan	3.05	2 Dec 2028	113	121	115	Riocan Real Estate Investment Trust	3.29	12 Feb 2024	1,210	1,240	1,238
Province of Saskatchewan	2.20	2 Jun 2030	20	20	20	Royal Bank of Canada	2.35	2 Jul 2024	15	15	15
Province of Saskatchewan	5.80	5 Sep 2033	125	175	166	Royal Bank of Canada	2.61	1 Nov 2024	570	575	570
Province of Saskatchewan	2.75	2 Dec 2046	250	261	231	Royal Bank of Canada	2.74	25 Jul 2029	2,095	2,089	2,104
Province of Saskatchewan	3.30	2 Jun 2048	25	29	25	TELUS Corporation	3.30	2 May 2029	1,345	1,373	1,373
Province of Saskatchewan	3.10	2 Jun 2050	102	115	108	TELUS Corporation	3.63	1 Mar 2028	1,180	1,237	1,242
Province of Saskatchewan	2.95	2 Jun 2058	23	26	22	Toronto Dominion Bank	2.50	2 Dec 2024	1,205	1,210	1,210
				94,802	93,549	Toronto Dominion Bank	3.59	14 Sep 2028	1,101	1,140	1,099
<b>Corporate – 26.1%</b>						Toronto Dominion Bank	3.22	25 Jul 2029	1,364	1,391	1,343
AIMCo Realty Investors LP	3.04	1 Jun 2028	345	360	362	Toronto Dominion Bank	4.86	4 Mar 2031	1,244	1,384	1,337
AIMCo Realty Investors LP	2.71	1 Jun 2029	1,365	1,387	1,388	Toronto Dominion Bank	3.06	26 Jan 2032	1,385	1,389	1,389
Allied Properties REIT	3.11	8 Apr 2027	160	160	160	TransCanada PipeLines Limited	3.00	18 Sep 2029	690	692	695
AltaLink, L.P.	5.38	26 Mar 2040	805	1,104	1,107	TransCanada PipeLines Limited	4.55	15 Nov 2041	1,755	1,931	1,942
Bank of America Corporation	3.30	24 Apr 2024	1,195	1,227	1,226	Union Gas Limited	5.20	23 Jul 2040	1,055	1,401	1,406
Bank of Montreal	2.88	17 Sep 2029	2,095	2,095	2,091	Union Gas Limited	4.20	2 Jun 2044	1,165	1,390	1,399
Bank of Nova Scotia	2.49	23 Sep 2024	420	421	421	VW Credit Canada Inc.	2.65	27 Jun 2022	190	190	190
Bank of Nova Scotia	2.58	30 Mar 2027	1,340	1,345	1,344	VW Credit Canada Inc.	3.70	14 Nov 2022	1,335	1,378	1,378
Bank of Nova Scotia	3.89	18 Jan 2029	1,995	2,082	2,079	VW Credit Canada Inc.	3.25	29 Mar 2023	1,350	1,377	1,376
Bank of Nova Scotia	2.84	3 Jul 2029	2,090	2,086	2,083	Wells Fargo & Company	3.18	8 Feb 2024	1,355	1,390	1,390
Caisse Centrale Desjardins	2.42	4 Oct 2024	170	170	170	Wells Fargo & Company	2.98	19 May 2026	1,370	1,387	1,389
Canadian Imperial Bank of Commerce	2.35	28 Aug 2024	290	289	288				69,511	69,312	
Canadian Imperial Bank of Commerce	3.42	26 Jan 2026	1,335	1,354	1,354	<b>Total Fixed Income – 65.1%</b>			<b>173,415</b>	<b>171,863</b>	
Canadian Imperial Bank of Commerce	3.45	4 Apr 2028	2,010	2,061	2,058						
Canadian Imperial Bank of Commerce	2.95	19 Jun 2029	2,020	2,027	2,024						
Canadian Natural Resources Limited	3.55	3 Jun 2024	1,110	1,147	1,148						
Choice Properties REIT	3.53	11 Jun 2029	680	694	693						

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

# Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2019

(in thousands of Canadian dollars)

Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
<b>Equity – 7.9%</b>			
Alimentation Couche-Tard Inc.	19,250	760	586
Bank of Nova Scotia	19,650	1,484	1,522
Birchcliff Energy Ltd.	93,005	187	463
Brookfield Asset Management Inc.	9,100	662	639
CAE Inc.	16,070	531	386
Canadian National Railway Company	5,964	702	618
Canadian Pacific Railway Company	2,270	680	525
CCL Industries Inc.	21,911	1,187	1,238
Enbridge Inc.	26,484	1,271	1,281
Enerflex Ltd.	50,725	523	878
Franco-Nevada Corporation	8,974	1,146	854
Freehold Royalties Ltd.	72,250	466	1,001
Intact Financial Corporation	6,702	910	678
Loblaw Companies Limited	10,047	705	565
Magna International Inc.	12,676	898	836
METRO Inc.	11,228	625	549
Nutrien Ltd.	13,633	858	858
Pason System Inc.	42,623	603	810
Ritchie Brothers Auctioneers	12,685	687	541
Saputo Inc.	24,598	939	997
Suncor Energy Inc.	21,821	853	927
TELUS Corporation	19,075	893	873
Toromont Industries Ltd.	15,025	1,022	876
Toronto Dominion Bank	20,451	1,537	1,458
Westshore Terminals Investment Corporation	35,950	821	867
		20,950	20,826
<b>Exchange-traded Funds – 26.3%</b>			
iShares Core MSCI Emerging Markets IMI Index ETF	212,394	5,535	5,389
iShares Core S&P U.S. ETF	1,106,797	33,514	27,459
iShares Global Infrastructure Index ETF	159,068	4,400	4,285
iShares Global Real Estate Index ETF	134,315	4,303	4,287
iShares Core MSCI EAFE IMI Index ETF	724,589	22,339	21,543
		70,091	62,963
<b>Total Equities – 34.2%</b>		<b>91,041</b>	<b>83,789</b>
<b>Total Investments – 99.3%</b>		<b>264,456</b>	<b>255,652</b>
<b>Cash and cash equivalents – 0.7%</b>		1,997	1,997
<b>Total Portfolio Assets – 100.0%</b>		<b>266,453</b>	<b>257,649</b>
<b>Investments Allocation (Note 4)</b>			
<b>Government Grants (Appendix I)</b>		129,263	124,056
<b>Cash and cash equivalents (Appendix I)</b>		171	171
<b>Total Investment Fund</b>		<b>395,887</b>	<b>381,876</b>
<b>Represented by:</b>			
<b>Cash and cash equivalents</b>		2,168	
<b>Investments, at fair value</b>		393,719	
		<b>395,887</b>	

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

## Schedule II – Subscribers’ Deposits and Accumulated Income

As at October 31, 2019 and 2018

(in thousands of Canadian dollars)

The following table provides a summary of Family Savings Plan agreements, Subscribers’ Deposits and Accumulated Income:

<b>Opening Agreements</b>	<b>Inflow Agreements</b>	<b>Outflow Agreements</b>	<b>Closing Agreements</b>	<b>Subscribers’ Deposits</b>	<b>Accumulated Income</b>
64,092	10,279	7,317	67,054	\$187,513	\$81,556

The changes in Subscribers’ deposits are as follows:

	<b>2019</b>	<b>2018</b>
Net payments from subscribers <sup>1</sup>	\$ 8,997	\$ 9,094
Inter-plan principal transfers	51,963	48,518
Return of principal	(48,514)	(46,855)
Net increase in Subscribers’ deposits	12,446	10,757
<b>Balance, Beginning of Year</b>	<b>175,067</b>	<b>164,310</b>
<b>Balance, End of Year</b>	<b>\$187,513</b>	<b>\$175,067</b>

1. Net of Sales charges collected of \$11 (2018 – \$19)

# Notes to the Financial Statements

October 31, 2019 and 2018

(in thousands of Canadian dollars)

## Note 1. Nature of Operations

The Canadian Scholarship Trust Family Savings Plan (the “Plan”) is a self-determined Education Savings Plan that was established on March 1, 1997. 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 one or more beneficiaries. 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 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”) and the British Columbia Training and Education Savings Grant (“BCTESG”) (collectively, “Government Grants”).

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 under the *Income Tax Act* (Canada). Current tax legislation provides that income credited on subscribers’ principal is not taxable income of the subscriber unless withdrawn as an Accumulated Income Payment subject to certain eligibility requirements. The deposits are not deductible for income tax purposes and are not taxable when returned to the subscriber. Payments made to a beneficiary, including EAPs, Government Grants and investment income earned on Government Grants are taxable income of that beneficiary in the year that the payments are made.

## Note 2. Significant Accounting Policies

### (a) Statement of Compliance

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

These financial statements were approved by the Board of Directors of the Foundation on December 17, 2019.

### (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) Adoption of new IFRS standards

#### *IFRS 9 Financial Instruments (“IFRS 9”)*

The Plan adopted IFRS 9 on November 1, 2018. The adoption of IFRS 9 has been applied retrospectively, with the Plan utilizing the provisions allowed in the standard to not restate prior period comparative information. IFRS 9 requires assets to be carried at amortized cost or fair value, with changes in fair value recognized in profit or loss or other comprehensive income, based on the entity’s business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

Upon adoption the Plan’s financial assets and financial liabilities previously classified as fair value through profit and loss (FVTPL) under IAS39 continued to be categorized as FVTPL. Management has assessed the Plan’s business model, the manner in which all financial assets and financial liabilities are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Plan’s investments in financial assets and financial liabilities. All other non-derivative financial assets and liabilities continue to be carried at amortized cost. There were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9.

Impairments for financial assets classified at amortized cost under IFRS 9 are now assessed based on their expected credit losses instead of objective evidence of actual credit losses under IAS 39. Given the short-term nature and high credit quality of the Plan’s financial assets classified at amortized cost, the Plan has determined that the expected credit losses on those financial assets are not significant.

### (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 classified as FVTPL.

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



# Notes to the Financial Statements (continued)

October 31, 2019 and 2018

(in thousands of Canadian dollars)

## Note 2. Significant Accounting Policies (continued)

### (d) Financial instruments (continued)

Financial asset or financial liability	Classification
Investments, at fair value	FVTPL <sup>i</sup>
Cash and cash equivalents	Amortized Cost <sup>ii</sup>
Accrued income and other receivables	Amortized Cost <sup>ii</sup>
Receivables for securities sold	Amortized Cost <sup>ii</sup>
Accounts payable and accrued liabilities	Amortized Cost <sup>iii</sup>
Payables for securities purchased	Amortized Cost <sup>iii</sup>

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

<sup>ii</sup> Financial assets classified as Amortized Cost are non-derivative financial assets that are held to collect contractual cash flows and are not quoted in an active market. Subsequent to initial recognition, these financial assets are carried at amortized cost using the effective interest method. They are considered for impairment when there is expected credit loss increases.

<sup>iii</sup> Financial liabilities classified as Amortized Cost are liabilities that are not derivative liabilities or classified as FVTPL. Subsequent to initial recognition, financial liabilities are carried at amortized cost using the effective interest method.

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

### (e) Investment valuation

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

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

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

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 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, 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 Scholarship Plan Dealer and Investment Fund Manager to distribute and administer the Plan. The distribution and administration 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)

October 31, 2019 and 2018

(in thousands of Canadian dollars)

## Note 3. Related Party Transactions (continued)

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

During the year ended October 31, 2019, \$4,016 was recognized as an expense for Administration and account maintenance fees (2018 – \$3,557). Administration and account maintenance fees included in Accounts payable and accrued liabilities at October 31, 2019 was \$200 (2018 – \$141).

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 year ended October 31, 2019, \$11 was paid to C.S.T.C. from sales charges collected (2018 – \$20). Related amounts included in Accounts payable and accrued liabilities at October 31, 2019 was \$634 (2018 – \$634).

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

The Independent Review Committee (“IRC”) provides independent review and oversight of conflicts of interest relating to the management of the Plans. For the year ended October 31, 2019, the Plan recognized an expense of \$5 (2018 – \$5) for the services of the IRC. IRC fees included in Accounts payable and accrued liabilities at October 31, 2019 was \$nil (2018 – \$nil).

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

Included in Portfolio management fees on the Statements of Comprehensive Income is \$44 (2018 – \$56) charged by C.S.T.C. for expenses incurred to monitor and manage the portfolio managers. Included in Accounts payable and accrued liabilities is \$nil owing from C.S.T.C. at October 31, 2019 (2018 – \$3) relating to these expenses.

## 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.

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

## Note 5. Capital Risk Management

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

objectives while maintaining sufficient liquidity to meet subscribers’ obligations.

## Note 6. Risks Associated with Financial Instruments

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

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

### (a) Market risk

#### i. Interest rate risk

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

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

Debt Instruments by Maturity Date	% of Total Investment Fund	
	Oct 31, 2019	Oct 31, 2018
Less than 1 year	1%	2%
1-3 years	12%	11%
3-5 years	18%	21%
Greater than 5 years	34%	33%
<b>Total debt instruments</b>	<b>65%</b>	<b>67%</b>

As at October 31, 2019, if prevailing interest rates had increased by 1%, the fair value of the Total Investment Fund of \$395,887 (2018 – \$339,080) as per the Schedule I – Statement of Investment Portfolio would have decreased by approximately \$14,750 (2018 – \$12,000). If prevailing interest rates had decreased by 1%, the fair value of the Total Investment Fund would have increased by approximately \$17,120 (2018 – \$13,800). 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

# Notes to the Financial Statements (continued)

October 31, 2019 and 2018

(in thousands of Canadian dollars)

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

### (a) Market risk (continued)

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

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 and Government Grants asset pool, which represent 35% (2018 – 33%) of the Total Investment Fund amount as at October 31, 2019.

As at October 31, 2019, 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 \$1,370 (2018 – \$1,100). In practice, actual results may differ materially.

### (b) Credit risk

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

The Plan's credit risk exposure is summarized below:

Credit rating	October 31, 2019		October 31, 2018	
	% of Total Investment Fund	Amount	% of Total Investment Fund	Amount
AAA	4%	\$ 16,808	4%	\$ 14,927
AA/AAH/AAL	26%	103,174	37%	123,587
A/AH/AL	31%	120,772	26%	88,000
BBB	4%	14,731	0%	–
R-1	0%	1,284	0%	479
Short-term unrated	1%	2,062	0%	1,249
<b>Total debt instruments</b>	<b>66%</b>	<b>\$258,831</b>	<b>67%</b>	<b>\$228,242</b>

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

### (c) Liquidity risk

Liquidity risk is the risk that the Plan may not be able to meet its financial obligations as they come due. The Plan's exposure to liquidity risk is concentrated in principal repayments to

subscribers and EAPs 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 equivalent positions to meet liquidity requirements by utilizing cash forecasting models that reflect the 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 28% (2018 – 25%) of the Total Investment Fund. The fair value of the Total Investment Fund would increase or decrease by approximately \$1,090 (2018 – \$830) 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. Change in Policy

During the year, the Plan has included accumulated unrealized gains (losses) on investments within Accumulated income held for future education assistance payments on the Statements of Financial Position as management believes this more accurately reflects the value of future EAPs.

## Note 8. Fair Value Measurements and Disclosure

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

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

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

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

# Notes to the Financial Statements (continued)

October 31, 2019 and 2018

(in thousands of Canadian dollars)

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

### Assets Measured at Fair Value as of October 31, 2019

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 256,663	\$ -	<b>\$256,663</b>
ETFs and Equity securities	\$ 137,056	\$ -	\$ -	<b>\$137,056</b>
<b>Total Investments, at fair value</b>	<b>\$137,056</b>	<b>\$256,663</b>	<b>\$ -</b>	<b>\$393,719</b>

### Assets Measured at Fair Value as of October 31, 2018

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 227,023	\$ -	<b>\$227,023</b>
ETFs and Equity securities	\$ 110,838	\$ -	\$ -	<b>\$110,838</b>
<b>Total Investments, at fair value</b>	<b>\$110,838</b>	<b>\$227,023</b>	<b>\$ -</b>	<b>\$337,861</b>

For the years ended October 31, 2019 and 2018, there were no transfers between Levels 1 or 2.

# Government Grants

## Appendix I to Schedule I Statement of Investment Portfolio As at October 31, 2019

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds</b>						<b>Bonds (continued)</b>					
<b>Federal – 6.4%</b>						<b>Provincial – 33.0%</b>					
Canada Housing Trust	1.25	15 Dec 2020	2,000	1,991	2,014	Province of Alberta	2.35	1 Jun 2025	7,650	7,806	7,836
Canada Housing Trust	1.25	15 Jun 2021	2,227	2,213	2,236	Province of Alberta	4.45	15 Dec 2025	1,785	2,024	2,052
Canada Housing Trust	3.80	15 Jun 2021	130	134	144	Province of Alberta	2.20	1 Jun 2026	9,697	9,792	9,882
Canada Housing Trust	1.50	15 Dec 2021	688	686	688	Province of Alberta	2.55	1 Jun 2027	9,010	9,284	9,389
Canada Housing Trust	1.15	15 Dec 2021	589	583	584	Province of Alberta	2.90	1 Dec 2028	7,664	8,110	8,083
Canada Housing Trust	2.65	15 Mar 2022	3,500	3,581	3,560	Province of Alberta	2.90	20 Sep 2029	2,400	2,541	2,495
Canada Housing Trust	1.75	15 Jun 2022	1,243	1,246	1,249	Province of Alberta	2.05	1 Jun 2030	1,844	1,813	1,825
Canada Housing Trust	2.40	15 Dec 2022	7,035	7,189	7,314	Province of Alberta	3.50	1 Jun 2031	175	196	185
Canada Housing Trust	2.35	15 Jun 2023	487	498	487	Province of Alberta	3.90	1 Dec 2033	1,000	1,175	1,097
Canada Housing Trust	2.55	15 Dec 2023	1,216	1,256	1,217	Province of Alberta	3.45	1 Dec 2043	1,500	1,739	1,559
Canada Housing Trust	2.90	15 Jun 2024	2,300	2,419	2,442	Province of Alberta	3.30	1 Dec 2046	776	888	794
Canada Housing Trust	1.80	15 Dec 2024	9,067	9,097	9,059	Province of Alberta	3.05	1 Dec 2048	854	944	834
Canada Housing Trust	2.55	15 Mar 2025	6,000	6,246	6,288	Province of Alberta	3.10	1 Jun 2050	1,422	1,598	1,467
Canada Housing Trust	1.90	15 Sep 2026	823	829	813	Province of British Columbia	2.85	18 Jun 2025	3,850	4,052	4,083
Canada Housing Trust	2.35	15 Jun 2027	1,660	1,724	1,696	Province of British Columbia	2.30	18 Jun 2026	3,448	3,528	3,532
Canada Housing Trust	2.35	15 Mar 2028	238	248	237	Province of British Columbia	2.55	18 Jun 2027	3,561	3,702	3,668
Canada Housing Trust	2.65	15 Mar 2028	514	547	509	Province of British Columbia	2.95	18 Dec 2028	3,622	3,892	3,890
Canada Housing Trust	2.65	15 Dec 2028	734	784	733	Province of British Columbia	5.70	18 Jun 2029	4,575	6,003	6,107
Canada Housing Trust	2.10	15 Sep 2029	493	505	506	Province of British Columbia	2.20	18 Jun 2030	498	502	498
Canada Post Corporation	4.36	16 Jul 2040	375	506	472	Province of British Columbia	6.35	18 Jun 2031	2,975	4,245	4,234
Government of Canada	–	28 Nov 2019	100	99	99	Province of British Columbia	4.70	18 Jun 2037	720	964	884
Government of Canada	–	12 Dec 2019	1,725	1,718	1,718	Province of British Columbia	4.95	18 Jun 2040	1,300	1,846	1,685
Government of Canada	–	9 Jan 2020	1,800	1,792	1,792	Province of British Columbia	4.30	18 Jun 2042	430	575	503
Government of Canada	–	23 Jan 2020	115	114	114	Province of British Columbia	3.20	18 Jun 2044	650	752	647
Government of Canada	–	6 Feb 2020	305	304	304	Province of British Columbia	2.80	18 Jun 2048	807	885	776
Government of Canada	–	30 Apr 2020	1,520	1,504	1,504	Province of British Columbia	2.95	18 Jun 2050	235	268	243
Government of Canada	0.75	1 Mar 2021	3,998	3,954	3,918	Province of Manitoba	3.85	1 Dec 2021	1,000	1,044	1,088
Government of Canada	3.25	1 Jun 2021	3,252	3,337	3,380	Province of Manitoba	2.45	2 Jun 2025	5,650	5,800	5,851
Government of Canada	0.75	1 Sep 2021	810	799	787	Province of Manitoba	4.40	5 Sep 2025	1,300	1,473	1,462
Government of Canada	0.50	1 Mar 2022	2,132	2,082	2,033	Province of Manitoba	2.55	2 Jun 2026	5,180	5,348	5,371
Government of Canada	2.75	1 Jun 2022	2,999	3,093	3,106	Province of Manitoba	2.60	2 Jun 2027	3,013	3,117	3,140
Government of Canada	1.00	1 Sep 2022	2,715	2,678	2,640	Province of Manitoba	3.00	2 Jun 2028	3,449	3,674	3,638
Government of Canada	1.75	1 Mar 2023	1,021	1,030	1,018	Province of Manitoba	2.75	2 Jun 2029	583	611	601
Government of Canada	1.50	1 Jun 2023	2,027	2,031	2,001	Province of Manitoba	3.25	5 Sep 2029	650	708	674
Government of Canada	2.00	1 Sep 2023	1,765	1,801	1,763	Province of Manitoba	4.10	5 Mar 2041	2,100	2,628	2,355
Government of Canada	2.25	1 Mar 2024	368	380	380	Province of Manitoba	4.40	5 Mar 2042	500	655	590
Government of Canada	2.50	1 Jun 2024	1,225	1,283	1,276	Province of Manitoba	3.35	5 Mar 2043	100	114	100
Government of Canada	1.50	1 Sep 2024	783	786	789	Province of Manitoba	4.05	5 Sep 2045	350	448	414
Government of Canada	2.25	1 Jun 2025	1,069	1,116	1,098	Province of Manitoba	2.85	5 Sep 2046	196	207	181
Government of Canada	1.50	1 Jun 2026	1,638	1,647	1,614	Province of Manitoba	3.40	5 Sep 2048	407	478	412
Government of Canada	1.00	1 Jun 2027	1,781	1,728	1,682	Province of New Brunswick	2.60	14 Aug 2026	2,667	2,756	2,781
Government of Canada	2.00	1 Jun 2028	956	1,001	1,009	Province of New Brunswick	2.35	14 Aug 2027	1,659	1,683	1,697
Government of Canada	2.25	1 Jun 2029	856	920	920	Province of New Brunswick	3.10	14 Aug 2028	970	1,039	1,041
Government of Canada	5.75	1 Jun 2029	400	553	558	Province of New Brunswick	5.65	27 Dec 2028	1,645	2,099	2,102
Government of Canada	1.25	1 Jun 2030	400	393	397	Province of New Brunswick	5.50	27 Jan 2034	125	169	147
Government of Canada	5.75	1 Jun 2033	1,225	1,863	1,845	Province of New Brunswick	4.65	26 Sep 2035	110	139	114
Government of Canada	5.00	1 Jun 2037	1,272	1,939	1,907	Province of New Brunswick	4.55	26 Mar 2037	1,000	1,268	1,183
Government of Canada	4.00	1 Jun 2041	600	862	842	Province of New Brunswick	4.80	26 Sep 2039	250	333	311
Government of Canada	3.50	1 Dec 2045	1,031	1,448	1,339	Province of New Brunswick	3.55	3 Jun 2043	1,350	1,562	1,361
Government of Canada	2.75	1 Dec 2048	950	1,207	1,205	Province of New Brunswick	3.80	14 Aug 2045	200	243	215
Government of Canada	2.00	1 Dec 2051	1,100	1,217	1,177	Province of New Brunswick	3.10	14 Aug 2048	287	314	280
Government of Canada	2.75	1 Dec 2064	700	967	805	Province of Newfoundland and Labrador	2.30	2 Jun 2025	200	203	199
Labrador-Island Link Funding Trust	3.76	1 Jun 2033	150	178	176	Province of Newfoundland and Labrador	3.00	2 Jun 2026	3,324	3,494	3,443
Labrador-Island Link Funding Trust	3.86	1 Dec 2045	1,500	1,960	1,801	Province of Newfoundland and Labrador	6.15	17 Apr 2028	350	453	466
Labrador-Island Link Funding Trust	3.85	1 Dec 2053	100	137	126	Province of Newfoundland and Labrador	2.85	2 Jun 2028	1,969	2,052	2,040
Muskkrat Falls Funding Trust	3.83	1 Jun 2037	1,350	1,665	1,501	Province of Newfoundland and Labrador	2.85	2 Jun 2029	2,326	2,427	2,428
Muskkrat Falls Funding Trust	3.86	1 Dec 2048	150	201	186	Province of Newfoundland and Labrador	6.55	17 Oct 2030	1,750	2,435	2,377
				92,069	91,058						

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

# Government Grants (continued)

## Appendix I to Schedule I Statement of Investment Portfolio

As at October 31, 2019

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>						<b>Bonds (continued)</b>					
<b>Provincial – 33.0% (continued)</b>						<b>Provincial – 33.0% (continued)</b>					
Province of Newfoundland and Labrador	4.65	17 Oct 2040	150	194	177	Province of Saskatchewan	3.90	2 Jun 2045	300	377	332
Province of Newfoundland and Labrador	3.70	17 Oct 2048	1,409	1,673	1,471	Province of Saskatchewan	2.75	2 Dec 2046	2,056	2,146	1,814
Province of Newfoundland and Labrador	2.65	17 Oct 2050	268	263	265	Province of Saskatchewan	3.30	2 Jun 2048	334	388	342
Province of Nova Scotia	2.10	1 Jun 2027	2,462	2,467	2,458	Province of Saskatchewan	3.10	2 Jun 2050	235	266	249
Province of Nova Scotia	5.80	1 Jun 2033	1,275	1,783	1,656	Province of Saskatchewan	3.75	5 Mar 2054	84	109	94
Province of Nova Scotia	4.40	1 Jun 2042	2,100	2,788	2,442	Province of Saskatchewan	2.95	2 Jun 2058	80	89	76
Province of Nova Scotia	3.45	1 Jun 2045	350	414	353				471,520	466,645	
Province of Nova Scotia	3.50	2 Jun 2062	600	765	599	<b>Municipal – 1.3%</b>					
Province of Ontario	4.00	2 Jun 2021	3,100	3,212	3,423	City of Montreal	3.00	1 Sep 2025	831	873	837
Province of Ontario	3.15	2 Jun 2022	1,900	1,968	2,031	City of Montreal	2.75	1 Sep 2026	223	231	223
Province of Ontario	2.85	2 Jun 2023	1,100	1,140	1,157	City of Montreal	4.25	1 Dec 2032	350	418	384
Province of Ontario	3.50	2 Jun 2024	400	429	430	City of Montreal	4.10	1 Dec 2034	375	444	399
Province of Ontario	2.30	8 Sep 2024	9,365	9,554	9,645	City of Montreal	3.15	1 Dec 2036	900	962	898
Province of Ontario	2.65	5 Feb 2025	800	831	802	City of Montreal	3.50	1 Dec 2038	800	896	863
Province of Ontario	2.60	2 Jun 2025	22,075	22,874	22,998	City of Montreal	6.00	1 Jun 2043	550	867	782
Province of Ontario	8.50	2 Dec 2025	3,300	4,516	4,537	City of Ottawa	4.60	14 Jul 2042	500	663	590
Province of Ontario	2.40	2 Jun 2026	26,078	26,750	26,815	City of Ottawa	3.10	27 Jul 2048	683	745	644
Province of Ontario	2.60	2 Jun 2027	31,181	32,389	32,442	City of Toronto	2.40	24 Jun 2026	225	229	225
Province of Ontario	7.60	2 Jun 2027	1,120	1,555	1,605	City of Toronto	2.95	28 Apr 2035	300	313	277
Province of Ontario	2.90	2 Jun 2028	21,977	23,367	23,684	City of Toronto	3.50	2 Jun 2036	1,500	1,683	1,504
Province of Ontario	6.50	8 Mar 2029	18,425	25,175	25,451	City of Toronto	5.20	1 Jun 2040	350	487	446
Province of Ontario	2.70	2 Jun 2029	20,559	21,592	21,975	City of Toronto	4.70	10 Jun 2041	325	431	383
Province of Ontario	6.20	2 Jun 2031	2,175	3,058	3,016	City of Toronto	3.80	13 Dec 2042	550	653	578
Province of Ontario	5.85	8 Mar 2033	2,825	3,973	3,849	City of Toronto	4.15	10 Mar 2044	225	283	246
Province of Ontario	5.60	2 Jun 2035	275	390	352	City of Toronto	3.25	24 Jun 2046	109	121	109
Province of Ontario	4.70	2 Jun 2037	1,410	1,870	1,665	City of Vancouver	3.10	21 Sep 2028	600	642	600
Province of Ontario	4.60	2 Jun 2039	1,815	2,422	2,198	City of Vancouver	3.70	18 Oct 2052	1,145	1,427	1,227
Province of Ontario	4.65	2 Jun 2041	625	856	771	City of Winnipeg	4.10	1 Jun 2045	42	52	48
Province of Ontario	3.50	2 Jun 2043	1,300	1,547	1,396	City of Winnipeg	4.30	15 Nov 2051	450	601	512
Province of Ontario	3.45	2 Jun 2045	2,125	2,534	2,205	Municipal Finance Authority of British Columbia	2.50	19 Apr 2026	822	845	823
Province of Ontario	2.90	2 Dec 2046	2,913	3,182	2,854	Region of Peel	2.30	2 Nov 2026	77	78	77
Province of Ontario	2.80	2 Jun 2048	1,147	1,238	1,085	Region of Peel	5.10	29 Jun 2040	550	759	694
Province of Ontario	2.90	2 Jun 2049	1,413	1,560	1,349	Region of Peel	3.85	30 Oct 2042	900	1,080	989
Province of Ontario	2.65	2 Dec 2050	3,322	3,508	3,498	Regional Municipality of Halton	4.05	11 Oct 2041	300	368	336
Province of PEI	2.65	1 Dec 2051	101	101	101	Regional Municipality of York	2.60	15 Dec 2025	950	978	927
Province of Québec	3.00	1 Sep 2023	2,000	2,089	2,134	Regional Municipality of York	2.50	2 Jun 2026	77	79	79
Province of Québec	5.35	1 Jun 2025	1,000	1,178	1,164	Regional Municipality of York	4.00	31 May 2032	300	349	329
Province of Québec	2.60	6 Jul 2025	3,250	3,375	3,423	Regional Municipality of York	4.05	1 May 2034	625	736	688
Province of Québec	2.75	1 Sep 2025	21,325	22,312	22,448				18,293	16,717	
Province of Québec	2.50	1 Sep 2026	9,529	9,848	9,914	<b>Corporate – 23.6%</b>					
Province of Québec	2.75	1 Sep 2027	11,289	11,879	11,895	407 International Inc.	5.96	3 Dec 2035	935	1,309	1,345
Province of Québec	2.75	1 Sep 2028	28,175	29,745	29,782	407 International Inc.	5.75	14 Feb 2036	1,247	1,668	1,669
Province of Québec	2.30	1 Sep 2029	11,477	11,701	11,782	407 International Inc.	3.65	8 Sep 2044	1,559	1,721	1,783
Province of Québec	6.00	1 Oct 2029	1,900	2,554	2,518	AIMCo Realty Investors LP	3.04	1 Jun 2028	805	841	843
Province of Québec	6.25	1 Jun 2032	325	466	455	AIMCo Realty Investors LP	2.71	1 Jun 2029	3,185	3,236	3,239
Province of Québec	5.25	1 Jun 2034	2,000	2,682	2,533	Alectra Inc.	5.30	29 Apr 2041	936	1,279	1,319
Province of Québec	5.75	1 Dec 2036	5,615	8,270	7,794	Alimentation Couche-Tard Inc.	3.06	26 Jul 2024	1,560	1,586	1,601
Province of Québec	5.00	1 Dec 2038	665	927	768	Alimentation Couche-Tard Inc.	3.60	2 Jun 2025	624	648	652
Province of Québec	5.00	1 Dec 2041	1,850	2,669	2,394	Allied Properties REIT	3.11	8 Apr 2027	370	369	370
Province of Québec	4.25	1 Dec 2043	400	535	473	AltaLink, L.P.	5.38	26 Mar 2040	1,880	2,578	2,585
Province of Québec	3.50	1 Dec 2045	1,450	1,759	1,493	AltaLink, L.P.	3.99	30 Jun 2042	1,247	1,462	1,509
Province of Québec	3.50	1 Dec 2048	1,538	1,898	1,656	AltaLink, L.P.	4.05	21 Nov 2044	1,169	1,394	1,434
Province of Québec	3.10	1 Dec 2051	1,036	1,209	1,132	Bank of America Corporation	3.30	24 Apr 2024	3,205	3,292	3,288
Province of Saskatchewan	2.55	2 Jun 2026	2,393	2,472	2,468	Bank of Montreal	1.88	31 Mar 2021	3,781	3,775	3,771
Province of Saskatchewan	2.65	2 Jun 2027	1,577	1,639	1,646	Bank of Montreal	2.70	11 Sep 2024	5,856	5,996	5,808
Province of Saskatchewan	3.05	2 Dec 2028	2,334	2,502	2,521	Bank of Montreal	3.19	1 Mar 2028	659	703	680
Province of Saskatchewan	2.20	2 Jun 2030	268	267	268						
Province of Saskatchewan	6.40	5 Sep 2031	3,900	5,558	5,487						
Province of Saskatchewan	4.75	1 Jun 2040	425	575	525						

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

# Government Grants (continued)

## Appendix I to Schedule I Statement of Investment Portfolio As at October 31, 2019

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>						<b>Bonds (continued)</b>					
<b>Corporate – 23.6% (continued)</b>						<b>Corporate – 23.6% (continued)</b>					
Bank of Montreal	2.88	17 Sep 2029	4,890	4,891	4,881	Hydro One Inc.	8.90	18 Aug 2022	1,000	1,191	1,422
Bank of Nova Scotia	2.09	9 Sep 2020	2,596	2,599	2,584	Hydro One Inc.	2.54	5 Apr 2024	1,558	1,584	1,598
Bank of Nova Scotia	1.83	27 Apr 2022	1,598	1,588	1,554	Hydro One Inc.	8.25	22 Jun 2026	2,950	4,067	4,397
Bank of Nova Scotia	2.49	23 Sep 2024	2,341	2,346	2,342	Hydro One Inc.	3.02	5 Apr 2029	1,560	1,626	1,647
Bank of Nova Scotia	2.58	30 Mar 2027	2,595	2,605	2,603	Hydro One Inc.	5.36	20 May 2036	936	1,222	1,245
Bank of Nova Scotia	3.10	2 Feb 2028	2,286	2,428	2,350	Hydro One Inc.	6.59	22 Apr 2043	260	408	407
Bank of Nova Scotia	3.89	18 Jan 2029	4,610	4,810	4,805	Hydro One Inc.	3.63	25 Jun 2049	1,393	1,521	1,570
Bank of Nova Scotia	2.84	3 Jul 2029	4,825	4,815	4,808	Hydro One Inc.	3.64	5 Apr 2050	2,015	2,206	2,217
Bell Canada	3.00	3 Oct 2022	1,558	1,588	1,597	Hydro-Québec	11.00	15 Aug 2020	1,100	1,178	1,588
Bell Canada	4.35	18 Dec 2045	1,973	2,126	2,183	Hydro-Québec	6.00	15 Aug 2031	1,500	2,079	1,957
Caisse Centrale Desjardins	2.42	4 Oct 2024	1,401	1,399	1,401	Hydro-Québec	6.50	15 Feb 2035	450	687	658
Calloway REIT Inc.	3.99	30 May 2023	936	978	981	Hydro-Québec	6.00	15 Feb 2040	250	391	360
Canadian Imperial Bank of Commerce	2.30	11 Jul 2022	7,763	7,799	7,738	Hydro-Québec	5.00	15 Feb 2045	450	668	590
Canadian Imperial Bank of Commerce	2.35	28 Aug 2024	665	662	660	Hydro-Québec	5.00	15 Feb 2050	1,500	2,339	2,061
Canadian Imperial Bank of Commerce	3.30	26 May 2025	2,389	2,525	2,413	Hydro-Québec	4.00	15 Feb 2055	1,353	1,877	1,739
Canadian Imperial Bank of Commerce	3.42	26 Jan 2026	2,680	2,718	2,718	IGM Financial Inc.	4.56	25 Jan 2047	624	707	716
Canadian Imperial Bank of Commerce	3.45	4 Apr 2028	4,690	4,810	4,803	Intact Financial Corporation	2.85	7 Jun 2027	3,201	3,235	3,172
Canadian Imperial Bank of Commerce	2.95	19 Jun 2029	4,705	4,720	4,714	Inter Pipeline Ltd.	4.97	2 Feb 2021	1,955	2,017	2,021
Canadian Natural Resources Limited	3.55	3 Jun 2024	2,590	2,677	2,680	Inter Pipeline Ltd.	2.61	13 Sep 2023	1,559	1,558	1,549
Choice Properties REIT	3.55	10 Jan 2025	1,870	1,932	1,932	Inter Pipeline Ltd.	3.48	16 Dec 2026	1,560	1,603	1,632
Choice Properties REIT	3.53	11 Jun 2029	2,817	2,874	2,870	Inter Pipeline Ltd.	4.64	30 May 2044	312	339	345
Choice Properties REIT	5.27	7 Mar 2046	468	552	550	Loblaw Companies Limited	4.86	12 Sep 2023	1,558	1,684	1,701
CU Inc.	5.56	26 May 2028	758	939	949	Loblaw Companies Limited	3.92	10 Jun 2024	1,558	1,646	1,667
CU Inc.	4.54	24 Oct 2041	2,610	3,230	3,235	Loblaw Companies Limited	6.50	22 Jan 2029	1,163	1,460	1,493
CU Inc.	4.72	9 Sep 2043	5,217	6,655	6,735	Loblaw Companies Limited	5.90	18 Jan 2036	624	788	794
Daimler Canada Finance Inc.	2.57	22 Nov 2022	810	810	809	Manufacturers Life Insurance Company	2.10	1 Jun 2025	5,912	5,907	5,853
Daimler Canada Finance Inc.	2.54	21 Aug 2023	3,265	3,253	3,247	Manufacturers Life Insurance Company	3.18	22 Nov 2027	1,484	1,522	1,527
Daimler Canada Finance Inc.	2.97	13 Mar 2024	3,220	3,254	3,254	Manulife Financial Corporation	3.32	9 May 2028	3,137	3,224	3,156
Enbridge Gas Distribution Inc.	4.00	22 Aug 2044	1,725	2,001	2,045	Nissan Canada Financial Services Inc.	2.61	5 Mar 2021	670	671	671
Enbridge Gas Distribution Inc.	3.01	9 Aug 2049	2,400	2,375	2,400	North West Redwater Partnership	4.25	1 Jun 2029	1,560	1,740	1,761
Enbridge Inc.	3.19	5 Dec 2022	2,182	2,232	2,248	North West Redwater Partnership	4.35	10 Jan 2039	1,558	1,774	1,822
Enbridge Inc.	2.99	3 Oct 2029	550	545	550	North West Redwater Partnership	3.70	23 Feb 2043	623	655	660
Enbridge Inc.	4.57	11 Mar 2044	935	1,017	1,037	Omers Realty Corporation	3.63	5 Jun 2030	2,935	3,226	3,239
Enbridge Inc.	5.38	27 Sep 2077	624	623	627	Pembina Pipeline Corp	3.31	1 Feb 2030	1,630	1,628	1,628
Enbridge Pipelines Inc.	4.55	17 Aug 2043	1,435	1,625	1,650	Power Corporation of Canada	8.57	22 Apr 2039	1,107	1,826	1,831
Enbridge Pipelines Inc.	4.13	9 Aug 2046	1,559	1,674	1,719	Riocan Real Estate Investment Trust	2.83	3 Oct 2022	800	809	807
Enbridge Pipelines Inc.	4.33	22 Feb 2049	1,460	1,626	1,644	Riocan Real Estate Investment Trust	3.21	29 Sep 2023	3,140	3,209	3,204
EPCOR Utilities Inc.	3.55	27 Nov 2047	1,733	1,895	1,949	Riocan Real Estate Investment Trust	3.29	12 Feb 2024	2,820	2,889	2,885
Finning International Inc.	2.63	14 Aug 2026	935	925	940	Rogers Communications Inc.	3.25	1 May 2029	1,871	1,912	1,961
FortisAlberta Inc.	5.40	21 Apr 2036	1,559	2,044	2,095	Royal Bank of Canada	2.03	15 Mar 2021	4,182	4,184	4,195
FortisAlberta Inc.	5.37	30 Oct 2039	2,390	3,219	3,224	Royal Bank of Canada	1.65	15 Jul 2021	11,507	11,438	11,382
FortisBC Energy Inc.	6.00	2 Oct 2037	623	888	891	Royal Bank of Canada	2.35	2 Jul 2024	130	130	129
FortisBC Energy Inc.	3.85	7 Dec 2048	624	728	753	Royal Bank of Canada	2.61	1 Nov 2024	1,310	1,322	1,310
Greater Toronto Airports Authority	2.75	17 Oct 2039	975	972	974	Royal Bank of Canada	2.74	25 Jul 2029	4,845	4,830	4,865
Great-West Lifeco Inc.	4.65	13 Aug 2020	2,954	3,012	3,040	SmartCentres REIT	3.44	28 Aug 2026	1,559	1,593	1,611
Great-West Lifeco Inc.	6.67	21 Mar 2033	1,577	2,218	2,086	South Coast Transportation Authority	3.25	23 Nov 2028	700	756	699
Heathrow Funding Limited	3.25	21 May 2027	936	967	979	TELUS Corporation	3.35	15 Mar 2023	3,013	3,101	3,106
Heathrow Funding Limited	3.78	4 Sep 2030	935	992	1,019	TELUS Corporation	2.75	8 Jul 2026	2,182	2,175	2,212
Honda Canada Finance Inc.	3.18	28 Aug 2023	2,183	2,247	2,262	TELUS Corporation	3.63	1 Mar 2028	2,755	2,889	2,899
HSBC Bank Canada	2.17	29 Jun 2022	5,679	5,662	5,641	TELUS Corporation	3.30	2 May 2029	3,135	3,200	3,199
HSBC Bank Canada	2.54	31 Jan 2023	6,960	7,005	6,925	TELUS Corporation	4.70	6 Mar 2048	1,247	1,395	1,435
HSBC Bank Canada	3.25	15 Sep 2023	4,730	4,879	4,799	Toronto Dominion Bank	1.68	8 Jun 2021	288	287	285
HSBC Bank Canada	3.20	5 Dec 2023	4,745	4,851	4,845						

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

# Government Grants (continued)

## Appendix I to Schedule I Statement of Investment Portfolio As at October 31, 2019

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>						<b>Equities – 5.5% (continued)</b>			
<b>Corporate – 23.6% (continued)</b>									
Toronto Dominion Bank	1.91	18 Jul 2023	8,717	8,647	8,426	IA Financial Group	13,141	833	731
Toronto Dominion Bank	2.85	8 Mar 2024	3,213	3,280	3,219	IGM Financial Inc.	20,161	749	716
Toronto Dominion Bank	2.50	2 Dec 2024	2,730	2,742	2,735	Imperial Oil Limited	37,697	1,233	1,509
Toronto Dominion Bank	3.59	14 Sep 2028	3,115	3,226	3,109	Intact Financial Corporation	20,712	2,811	1,975
Toronto Dominion Bank	3.22	25 Jul 2029	3,151	3,213	3,103	Loblaw Companies Limited	17,993	1,263	1,036
Toronto Dominion Bank	4.86	4 Mar 2031	2,877	3,200	3,096	Magna International Inc.	22,687	1,607	1,411
Toronto Dominion Bank	3.06	26 Jan 2032	3,200	3,210	3,210	Methanex Corporation	22,975	1,147	1,233
Toronto Hydro	3.49	28 Feb 2048	1,248	1,374	1,396	METRO Inc.	33,019	1,839	1,515
TransCanada PipeLines Limited	3.69	19 Jul 2023	2,182	2,282	2,303	Morguard Corporation	2,823	559	425
TransCanada PipeLines Limited	3.39	15 Mar 2028	1,560	1,624	1,664	Nutrien Ltd.	30,434	1,915	1,778
TransCanada PipeLines Limited	3.00	18 Sep 2029	1,610	1,616	1,622	Pason System Inc.	76,387	1,080	1,415
TransCanada PipeLines Limited	4.55	15 Nov 2041	5,956	6,553	6,617	Pembina Pipeline Corp	14,913	690	662
TransCanada Trust	4.65	18 May 2077	935	906	911	PrairieSky Royalty Ltd.	73,346	942	1,688
Union Gas Limited	5.20	23 Jul 2040	2,452	3,255	3,267	Recipe Unlimited Corporation	20,332	478	540
Union Gas Limited	4.20	2 Jun 2044	2,715	3,240	3,260	Restaurant Brands International Inc.	7,012	604	469
VW Credit Canada Inc.	2.65	27 Jun 2022	535	536	536	Ritchie Brothers Auctioneers	22,759	1,233	959
VW Credit Canada Inc.	3.70	14 Nov 2022	3,085	3,184	3,185	Royal Bank of Canada	17,438	1,852	1,724
VW Credit Canada Inc.	3.25	29 Mar 2023	3,115	3,176	3,175	Saputo Inc.	68,278	2,608	2,771
Wells Fargo & Company	3.18	8 Feb 2024	3,165	3,247	3,246	ShawCor Ltd.	36,290	481	1,027
Wells Fargo & Company	2.98	19 May 2026	3,260	3,299	3,304	Stella-Jones Inc.	30,471	1,113	1,296
				337,845	337,896	Suncor Energy Inc.	50,867	1,989	1,964
						TC Energy Corporation	12,972	860	750
						TELUS Corporation	58,184	2,725	2,570
						Toromont Industries Ltd.	26,967	1,833	1,393
<b>Total Fixed Income Investments – 64.3%</b>				<b>919,727</b>	<b>912,316</b>	Toronto Dominion Bank	72,425	5,443	4,417
						Total Energy Services Inc.	37,904	213	510
						Tucows Inc.	8,148	594	589
<b>Equities – 5.5%</b>						Wajax Corporation	24,749	379	531
Alimentation Couche-Tard Inc.			78,126	3,085	2,314	Westshore Terminals Investment Corporation	67,800	1,548	1,556
ATCO Ltd.			9,277	429	390	Winpak Ltd.	14,475	674	699
Bank of Nova Scotia			72,329	5,463	4,974			78,838	74,178
Birchcliff Energy Ltd.			166,800	335	867				
Boardwalk Real Estate Investment Trust			9,606	420	458	<b>Exchanged-traded Funds – 30.1%</b>			
Brookfield Asset Management Inc.			33,865	2,464	1,961	BMO MSCI EAFE Index ETF	3,051,690	57,707	55,301
Brookfield Infrastructure Partners L.P.			15,234	1,005	656	BMO MSCI Emerging Markets Index ETF	720,800	14,286	13,643
Brookfield Renewable Partners L.P.			18,047	1,011	726	BMO S&P 500 INDEX ETF	1,342,930	59,116	48,203
CAE Inc.			28,787	951	604	iShares Core MSCI Emerging Markets IMI Index ETF	750,424	19,556	18,974
Canadian National Railway Company			23,578	2,776	2,247	iShares Core S&P U.S. ETF	5,065,210	153,375	126,289
Canadian Natural Resources Limited			29,391	976	898	iShares Global Infrastructure Index ETF	935,696	25,881	25,144
Canadian Pacific Railway Company			4,100	1,227	869	iShares Global Real Estate Index ETF	790,091	25,315	25,151
CCL Industries Inc.			37,392	2,026	2,051	iShares Core MSCI EAFE IMI Index ETF	2,410,312	74,310	71,383
CGI Group Inc.			5,351	548	353			429,546	384,088
CI Financial Corp.			87,438	1,674	2,096	<b>Total Equities – 35.6%</b>		<b>508,384</b>	<b>458,266</b>
Cogeco Inc.			7,534	858	522	<b>Total Investments – 99.9%</b>		<b>1,428,111</b>	<b>1,370,582</b>
Computer Modeling Group Ltd.			82,680	580	748	<b>Cash and cash equivalents – 0.1%</b>		<b>1,892</b>	<b>1,892</b>
Dollarama Inc.			12,269	544	434	<b>Total Portfolio Assets – 100.0%</b>		<b>1,430,003</b>	<b>1,372,474</b>
DREAM Unlimited Corporation			58,938	593	441				
Enbridge Inc.			47,475	2,276	2,294				
Enerflex Ltd.			90,982	939	1,389				
Fairfax Financial Holdings Limited			2,014	1,124	1,277				
Finning International Inc.			42,282	948	952				
FirstService Corporation			6,509	748	420				
Franco-Nevada Corporation			16,037	2,048	1,355				
Freehold Royalties Ltd.			129,500	835	1,492				
Great Canadian Gaming Corporation			9,930	413	254				
Great-West Lifeco Inc.			38,918	1,247	1,277				

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



# Government Grants (continued)

## Appendix I to Schedule I

### Statement of Investment Portfolio

As at October 31, 2019

(in thousands of Canadian dollars)

Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
<b>Total Investments Allocation</b>			
Plan II		871	836
Founders' Plan		10,888	10,450
Group Savings Plan		79,913	76,694
Group Savings Plan 2001		1,203,801	1,155,307
Family Savings Plan		129,263	124,056
Individual Savings Plan		3,375	3,239
		<b>1,428,111</b>	<b>1,370,582</b>
<b>Cash and cash equivalents Allocation</b>			
Plan II		1	1
Founders' Plan		15	15
Group Savings Plan		106	106
Group Savings Plan 2001		1,595	1,595
Family Savings Plan		171	171
Individual Savings Plan		4	4
		<b>1,892</b>	<b>1,892</b>

# Canadian Scholarship Trust Plan

## **Sponsor**

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

## **Investment Fund Manager and Distributor**

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

## **Trustee**

RBC Investor Services Trust  
155 Wellington Street West, 2<sup>nd</sup> Floor  
Toronto, ON M5V 3L3

## **Auditor**

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

## **Bank**

Royal Bank of Canada  
Royal Bank Plaza  
South Tower  
200 Bay Street, 10<sup>th</sup> Floor  
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For updates on your Plan account, login to Online Services at [www.cst.org](http://www.cst.org)  
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