

Canadian Scholarship Trust Group 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 Group Savings Plan (“the Plan”). A copy of the annual financial statements can be obtained on request, and at no cost, by visiting our website at www.cst.org, SEDAR at www.sedar.com, by calling our customer service team at 1-877-333-7377 or by writing to us by mail at 2235 Sheppard Avenue East, Suite 1600, Toronto, Ontario M2J 5B8.

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

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 and Income (money earned on either contributions or government grants, such as interest and capital gains) assets invested in Canadian government fixed income securities all passively managed by CIBC Asset Management Inc., according to pre-specified duration targets. A portion of Plan assets are invested according to a pre-determined maturity payout schedule using both Canadian government fixed income securities and corporate bonds with a minimum debt rating of BBB and above.

During the year, the Plan implemented changes to its investment structure. Given the Plan’s liabilities and expected maturity payout profile, the composition of the Plan’s assets was modified to meet Plan holders’ cash flow requirements, reduce overall risk, while still providing the opportunity for modest returns.

Risk

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

Results of Operation

Plan Performance

During the year, the Plan’s rate of return, net of fees, was 5.2% compared to the investment policy benchmark (“Benchmark”) return of 5.7% and the FTSE Canada Short-Term Government Bond Index return of 4.3% (“Broad-based Index”). The Plan’s return is after the deduction of fees and expenses of 0.7%, while the Benchmark and Broad-based Index returns do not include any costs of investing such as fees, expenses and commissions.

In comparison to the Benchmark, the Plan’s rate of return, before fees and expenses, marginally outperformed the Benchmark over the one-year period. Outperformance was largely due to the

transition of assets to a shorter maturity mandate throughout a period in which longer maturity fixed income returns were negative.

In comparison to the Broad-based Index, the Plan’s former allocation to equities was the primary source of outperformance relative to the FTSE Canada Short-Term Government Bond Index over the one-year period.

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 target across both advanced and developing economies.

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.

Portfolio Manager Changes

With the September 2019 changes implemented to the Plan investment structure, all Plan assets were effectively transitioned to CIBC Asset Management Inc., with mandates formerly assigned to

BlackRock Asset Management Limited., TD Asset Management Inc., and TD Greystone Asset Management Inc. (as of November 1, 2019 amalgamated with TD Asset Management Inc.) terminated.

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 considerations for the classification and measurement of financial assets and liabilities and the impairment of financial assets.

As required by IFRS 9, Management assessed the Plan’s business models and the manner in which financial assets and financial liabilities are managed, and classified financial assets and financial liabilities as appropriate. There was no financial impact to the financial statements.

Financial and Operating Highlights (with comparative figures)

The following table shows selected financial information about the Plan and is intended to help you understand the Plan’s financial performance for each of the past five fiscal years. This information is derived from the Plan’s audited annual financial statements.

(\$ thousands)	2019	2018	2017	2016	2015
Statements of Financial Position					
Total Assets	\$183,357	\$261,440	\$408,550	\$561,079	\$691,290
Net Assets	179,385	256,566	406,053	547,639	680,892
% Change in Net Assets Attributable to Subscribers and Beneficiaries	(30.1)%	(36.8)%	(25.9)%	(19.6)%	(16.7)%
Statements of Comprehensive Income					
Net Investment Income	\$ 14,940	\$ 2,674	\$ 19,981	\$ 22,249	\$ 18,678
Statements of Changes in Net Assets					
Education Assistance Payments	\$ (31,146)	\$ (39,199)	\$ (37,651)	\$ (37,807)	\$ (38,270)
Government Grants Received (net of repayments)	(22)	6	169	930	1,975
Government Grant Payments to Beneficiaries	(21,880)	(24,449)	(14,229)	(13,597)	(12,743)
Other					
Total number of units	242,544	295,005	347,503	390,793	430,138
% Change in the total number of units	(17.8)%	(15.1)%	(11.1)%	(9.1)%	(7.3)%

Management Fees

Administration Fees

An administration fee of \$1.2 million (2018 – \$1.9 million) comprising Plan administration and processing fees and financial reporting expenses was paid to the Canadian Scholarship Trust Foundation (“the Foundation”), the sponsor and administrator of the Plan, in accordance with subscribers’ Education Savings Plan Agreements. The administration of the Plan includes processing and call centre services related to new agreements, Government grants, plan modifications, terminations, maturities and Education Assistance Payments (“EAPs”). The annual administration fee is calculated as 0.5% of the total amount of net Contributions, Government Grants and income earned on these amounts, subject to applicable taxes, and is paid monthly.

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

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

Portfolio Management Fees

The Plan’s annual investment management fee was 0.09% including taxes (2018 – 0.11%), 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 \$89 thousand (2018 – \$122 thousand) and were 0.04% including taxes (2018 – 0.04%), of the average market value of assets.

Summary of Plan Investment Portfolio

The Plan’s Total Portfolio Assets are comprised of the Principal and Income for all education savings plan agreements that have not reached their maturity date, and the assets from which eligible beneficiaries collect EAP payments.

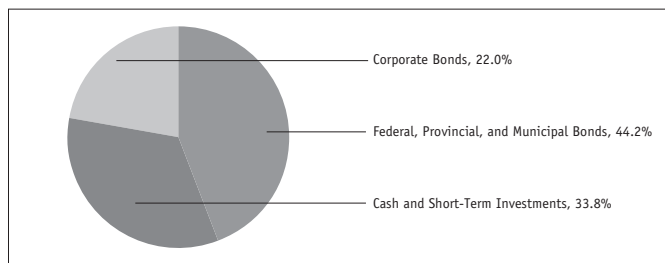
Government Grant assets and related investment income are specific to each beneficiary, and are invested together with funds from other Plans administered by the Foundation. Any payments to beneficiaries from Government Grant assets are treated as separate payments and not included in EAP values paid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

Sales Charge Refund assets and related investment income are used to pay Sales Charge Refund Entitlements to qualified beneficiaries. These assets are invested together with funds from other Plans administered by the Foundation. Any payments to beneficiaries from Sales Charge Refund assets are treated as separate payments.

The Plan’s Total Portfolio Assets as presented and as defined in this report, reflect only the Principal and Income assets. The Plan’s Total Portfolio Assets do not include the allocation of assets from the Government Grant and Sales Charge Refund asset pools that are attributable to this Plan.

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

Asset Mix as at October 31, 2019



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

Issuer			Fair Value (\$ 000's)	% of Plan Portfolio Assets
Government of Canada	–	27 Dec 2019	4,356	5.2%
Canada Housing Trust	1.75%	15 Jun 2022	2,506	3.0%
Canada Housing Trust	2.55%	15 Dec 2023	2,479	2.9%
Canada Housing Trust	2.90%	15 Jun 2024	2,103	2.5%
Government of Canada	3.25%	01 Jun 2021	2,052	2.4%
Manulife Financial Corporation	7.41%	31 Dec 2108	2,015	2.4%
Government of Canada	0.50%	01 Mar 2022	1,954	2.3%
Canada Housing Trust	2.35%	15 Jun 2023	1,534	1.8%
Capital Desjardins Inc.	5.19%	05 May 2020	1,523	1.8%
Toronto Dominion Bank	2.69%	24 Jun 2025	1,505	1.8%
Royal Bank of Canada	2.48%	04 Jun 2025	1,503	1.8%
Province of Ontario	2.85%	02 Jun 2023	1,461	1.7%
Canada Housing Trust	2.40%	15 Dec 2022	1,328	1.6%
Province of Québec	3.00%	01 Sep 2023	1,201	1.4%
Government of Canada	–	14 Nov 2019	1,145	1.4%
Investors Group Inc.	–	09 Nov 2019	1,043	1.2%
Province of Ontario	3.15%	02 Jun 2022	1,036	1.2%
Canada Housing Trust	3.80%	15 Jun 2021	1,034	1.2%
Investors Group Inc.	–	09 May 2020	1,031	1.2%
Government of Canada	1.75%	01 May 2021	1,003	1.2%
Choice Properties REIT	3.60%	20 Apr 2020	1,003	1.2%
Government of Canada	–	23 Jan 2020	996	1.2%
Government of Canada	0.75%	01 Mar 2021	989	1.2%
Government of Canada	1.00%	01 Sep 2022	986	1.2%
AltaGas Ltd.	4.07%	01 Jun 2020	757	0.9%

Top 25 long positions as a percentage of Total Portfolio Asset of the Plan **45.7%**

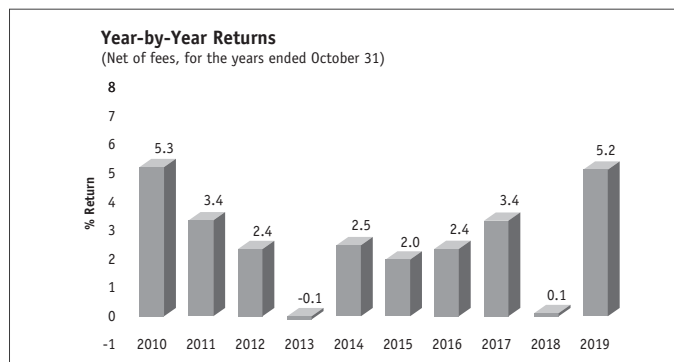
Past Performance

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 and Sales Charge Refund Entitlements. Investment returns have been calculated using market values and time-weighted cash flows during the periods. Total expenses incurred by the Plan, including administration, portfolio management, custody and trustee fees, and

Independent Review Committee expenses have been deducted and only net returns are displayed in each period. Past returns of the Plan do not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The following bar chart illustrates the annual performance in each of the past ten years to October 31, 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 50% FTSE Canada Short-Term Government Bond Index + 50% FTSE Canada 91-Day Treasury Bill Index. 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 FTSE Canada 91-Day Treasury Bill Index is based upon the average daily yield of 91-Day Treasury Bills.

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

	Period			
	1 Yr	3 Yr	5 Yr	10 Yr
Net Plan Return*	5.2	2.9	2.6	2.7
Benchmark	5.7	3.4	3.3	3.6
FTSE Canada Short-Term Government Bond Index	4.3	1.2	1.5	2.0

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

For commentary on the market 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 5.8% (1 Year), 3.4% (3 Year), 3.3% (5 Year) and 3.6% (10 Year). In comparison to the Former Benchmark, the Plan marginally outperformed 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 Group Savings Plan (the "Plan") are prepared by management and are approved by the Board of Directors (the "Board") of the Canadian Scholarship Trust Foundation (the "Foundation"). Management is responsible for the information and representations contained in these financial statements. The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities.

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

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



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



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 of Canadian Scholarship Trust Group 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 2018

(in thousands of Canadian dollars)

	2019	2018
Assets		
Cash and cash equivalents	\$ 28,748	\$ 939
Receivables for securities sold	-	2,814
Investments (Note 4 and Schedule I)	151,142	252,266
Accrued income and other receivables	3,467	5,421
	183,357	261,440
Liabilities		
Payables for securities purchased	1,907	2,826
Accounts payable and accrued liabilities	2,065	2,048
	3,972	4,874
Net Assets Attributable to Subscribers and Beneficiaries	179,385	256,566
Represented by:		
Non-Discretionary Funds		
Accumulated income held for future education assistance payments	47,909	79,723
Subscribers' deposits (Schedule II)	37,303	65,002
Government grants	40,853	54,584
Income on Government grants	37,926	37,728
Sales charge refund entitlements (Note 8)	14,656	17,111
General Fund (Note 7)	-	-
Unrealized Gains (Note 9)	738	1,970
Discretionary Funds		
Donations from the Foundation (Note 7)	-	448
	\$179,385	\$256,566

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
Income		
Interest	\$ 4,642	\$ 7,186
Realized gains (losses) on sale of investments	7,180	(749)
Change in unrealized gains (losses)	2,824	(4,254)
Dividends	1,809	2,849
	16,455	5,032
Expenses		
Administration and account maintenance fees <i>(Note 3(a))</i>	1,217	1,872
Portfolio management fees	205	358
Custodian and trustee fees	89	122
Independent Review Committee fees	4	6
	1,515	2,358
Increase (decrease) in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$14,940	\$ 2,674

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
Net Assets Attributable to Subscribers and Beneficiaries, Beginning of Year	\$256,566	\$ 406,053
Increase (decrease) in Net Assets from Operations Attributable to Subscribers and Beneficiaries	14,940	2,674
Transfers from (to) internal and external plans	(6,633)	(10,166)
	8,307	(7,492)
Receipts		
Government grants received (net of repayments)	-	6
Disbursements		
Net decrease in Subscribers' deposits <i>(Schedule II)</i>	(27,699)	(67,566)
Government grants repaid (net of receipts)	(22)	-
Payments to beneficiaries		
Education assistance payments	(31,146)	(39,199)
Government grants	(21,880)	(24,449)
Refund of Sales Charge	(3,397)	(9,504)
Return of income	(1,344)	(1,283)
Total payments to beneficiaries	(57,767)	(74,435)
Receipts less Disbursements	(85,488)	(141,995)
Change in Net Assets Attributable to Subscribers and Beneficiaries	(77,181)	(149,487)
Net Assets Attributable to Subscribers and Beneficiaries, End of Year	\$179,385	\$ 256,566

Statements of Cash Flows

For the years ended October 31, 2019 and 2018

(in thousands of Canadian dollars)

	2019	2018
Operating Activities		
Increase (decrease) in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$ 14,940	\$ 2,674
Net receipts from investment transactions	113,023	141,140
Items not affecting cash		
Realized losses (gains) on sale of investments	(7,180)	749
Change in unrealized (gains) losses	(2,824)	4,254
Change in non-cash operating capital		
(Increase) decrease in Accrued income and other receivables	1,954	581
(Increase) decrease in Government grants receivable	-	10
Increase (decrease) in Accounts payable and accrued liabilities	17	727
Cash flow from Operating Activities	119,930	150,135
Financing Activities		
Transfers to internal and external plans	(6,633)	(10,166)
Government grants (repaid) received (net of receipts/repayments)	(22)	6
Net decrease in Subscribers' deposits (<i>Schedule II</i>)	(27,699)	(67,566)
Payments to beneficiaries	(57,767)	(74,435)
Cash flow used in Financing Activities	(92,121)	(152,161)
Net increase (decrease) in Cash and cash equivalents	27,809	(2,026)
Cash and cash equivalents, Beginning of Year		
Cash	(318)	1,603
Cash equivalents	1,257	1,362
	939	2,965
Cash and cash equivalents, End of Year		
Cash	1,913	(318)
Cash equivalents	26,835	1,257
	28,748	939
Supplemental cash flow information:		
Withholding Taxes	\$ -	\$ 99
Interest Income Received	5,297	7,857

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 (\$)
Bonds						Bonds (continued)					
Federal – 30.6%						Corporate – 21.9% (continued)					
Canada Housing Trust	3.80	15 Jun 2021	1,000	1,034	1,055	Bank of Montreal	2.57	1 Jun 2027	55	55	55
Canada Housing Trust	1.75	15 Jun 2022	2,500	2,506	2,506	Bank of Nova Scotia	1.83	27 Apr 2022	100	99	100
Canada Housing Trust	2.40	15 Dec 2022	1,300	1,328	1,328	Bell Canada	4.95	19 May 2021	300	313	313
Canada Housing Trust	2.35	15 Jun 2023	1,500	1,534	1,517	Canadian Natural Resources Limited	2.05	1 Jun 2020	750	749	749
Canada Housing Trust	2.55	15 Dec 2023	2,400	2,479	2,469	Canadian Natural Resources Limited	3.31	11 Feb 2022	150	153	153
Canada Housing Trust	2.90	15 Jun 2024	2,000	2,103	2,119	Canadian Western Bank	2.83	14 Mar 2022	300	303	303
Government of Canada	–	14 Nov 2019	1,150	1,145	1,145	Capital Desjardins Inc.	5.19	5 May 2020	1,500	1,523	1,523
Government of Canada	–	28 Nov 2019	500	498	498	Choice Properties REIT	3.60	20 Apr 2020	1,000	1,003	1,004
Government of Canada	–	27 Dec 2019	4,375	4,356	4,356	HSBC Bank Canada	2.17	29 Jun 2022	50	50	50
Government of Canada	–	23 Jan 2020	1,000	996	996	HSBC Bank Canada	2.45	29 Jan 2021	300	301	301
Government of Canada	0.75	1 Sep 2020	650	645	636	Husky Energy Inc.	5.00	12 Mar 2020	400	404	404
Government of Canada	2.00	1 Nov 2020	250	251	251	Intact Financial Corporation	4.70	18 Aug 2021	300	313	314
Government of Canada	0.75	1 Mar 2021	1,000	989	989	Inter Pipeline Ltd.	3.78	30 May 2022	55	57	57
Government of Canada	1.75	1 May 2021	1,000	1,003	1,004	Inter Pipeline Ltd.	3.45	20 Jul 2020	500	504	505
Government of Canada	3.25	1 Jun 2021	2,000	2,052	2,117	Investors Group Inc.	–	9 Nov 2019	1,043	1,043	1,042
Government of Canada	0.50	1 Mar 2022	2,000	1,954	1,954	Investors Group Inc.	–	9 May 2020	1,043	1,031	1,031
Government of Canada	1.00	1 Sep 2022	1,000	986	988	Investors Group Inc.	–	9 May 2021	693	668	669
				25,859	25,928	Investors Group Inc.	–	9 May 2022	113	106	106
						John Deere Financial Inc	2.05	13 May 2022	100	100	100
Provincial – 12.5%						Laurentian Bank of Canada	2.75	22 Apr 2021	250	251	251
Province of Alberta	2.65	1 Sep 2023	500	515	516	Manulife Financial Corporation	7.41	31 Dec 2108	2,000	2,021	2,021
Province of British Columbia	–	23 Aug 2020	700	690	690	Manulife Financial Corporation	2.08	26 May 2022	50	50	50
Province of British Columbia	3.25	18 Dec 2021	300	310	315	National Bank of Canada	2.11	18 Mar 2022	200	200	201
Province of British Columbia	3.30	18 Dec 2023	400	424	427	Riocan Real Estate Investment Trust	2.19	9 Apr 2021	250	250	250
Province of Manitoba	1.55	5 Sep 2021	200	200	201	Rogers Communications Inc.	4.70	29 Sep 2020	500	511	512
Province of Manitoba	3.30	2 Jun 2024	200	213	214	Royal Bank of Canada	2.48	4 Jun 2025	1,500	1,503	1,503
Province of New Brunswick	–	26 Mar 2021	700	682	681	SmartCentres REIT	2.76	23 Jun 2021	300	302	302
Province of New Brunswick	–	3 Jun 2021	565	548	547	Sun Life Capital Trust	3.10	19 Feb 2026	700	708	707
Province of New Brunswick	2.85	2 Jun 2023	200	207	207	TELUS Corporation	3.20	5 Apr 2021	250	253	253
Province of Newfoundland and Labrador	–	17 Apr 2022	150	143	142	Teranet Holdings LP	4.81	16 Dec 2020	250	256	257
Province of Newfoundland and Labrador	1.95	2 Jun 2022	200	201	197	Toronto Dominion Bank	2.69	24 Jun 2025	1,500	1,505	1,505
Province of Nova Scotia	–	2 Jun 2022	175	167	166	VW Credit Canada Inc.	2.90	29 Mar 2021	250	252	252
Province of Ontario	3.15	2 Jun 2022	1,000	1,036	1,047	Westcoast Energy Inc.	4.57	2 Jul 2020	500	508	509
Province of Ontario	2.85	2 Jun 2023	1,400	1,455	1,434				18,458	18,465	
Province of Ontario	2.60	8 Sep 2023	300	309	308	Total Fixed Income – 66.2%			55,882	55,993	
Province of Ontario	3.50	2 Jun 2024	700	751	756	Total Investments – 66.2%			55,882	55,993	
Province of Québec	–	21 Sep 2021	357	345	344	Cash and cash equivalents – 33.8%			28,587	28,587	
Province of Québec	4.25	1 Dec 2021	550	579	601	Total Portfolio Assets – 100.0%			84,469	84,580	
Province of Québec	–	21 Mar 2022	145	139	138						
Province of Québec	3.50	1 Dec 2022	400	421	423	Investments Allocation (Note 4)					
Province of Québec	3.00	1 Sep 2023	1,150	1,201	1,204	Government Grants (Appendix I)			79,913	76,694	
				10,536	10,558	Sales Charge Refund Entitlements (Appendix II)			15,347	14,605	
Municipal – 1.2%						Cash and cash equivalents (Appendices I, II)			161	161	
City of Montreal	4.50	1 Dec 2021	300	317	337	Total Investment Fund			179,890	176,040	
City of Toronto	3.50	6 Dec 2021	200	207	217						
Municipal Finance Authority of British Columbia	2.15	1 Dec 2022	500	505	488	Represented by:					
				1,029	1,042	Cash and cash equivalents			28,748		
Corporate – 21.9%						Investments			151,142		
AltaGas Ltd.	4.07	1 Jun 2020	750	757	757				179,890		
Bank of Montreal	3.32	1 Jun 2026	350	356	356						

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 Group Savings Plan Units, Subscribers’ Deposits and Accumulated Income by year of eligibility.

Year of Eligibility	Opening Units	Inflow Units ¹	Outflow Units ²	Closing Units	Subscribers’ Deposits	Accumulated Income ³
2018 and prior to 2018	294,184	1,076	53,729	241,531	\$ 36,132	\$ 47,373
2019	348	111	34	425	483	250
2020	284	51	–	335	384	147
2021	64	30	–	94	106	47
2022	45	9	–	54	90	49
2023	24	6	–	30	45	10
2024 and thereafter	56	41	22	75	64	33
TOTAL	295,005	1,324	53,785	242,544	\$ 37,303	\$ 47,909

1. Inflow units are comprised of transfers in.

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

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

The changes in Subscribers’ deposits are as follows:

	2019	2018
Payments from subscribers	\$ 55	\$ 299
Inter-Plan principal transfers	(7,753)	(12,234)
Account maintenance fees	(26)	(61)
Return of principal	(19,975)	(55,570)
Net decrease in Subscribers’ deposits	(27,699)	(67,566)
Balance, Beginning of Year	65,002	132,568
Balance, End of Year	\$ 37,303	\$ 65,002

Schedule III – Education Assistance Payments

As at October 31, 2019 and 2018

(in thousands of Canadian dollars, except for per unit amounts)

The following tables provide the total dollar payments by fiscal year, as well as number of eligible units paid and education assistance payment amounts by year of eligibility.

Education Assistance Payments	2019	2018	Education Assistance Payments	2019	2018
Current year payments	\$ 8,366	\$16,989	Non-Discretionary	\$31,146	\$39,199
Deferred payments	22,716	22,111			
Advance payments	64	99			
	\$31,146	\$39,199			

	Number of education assistance payment units Year of Eligibility				Amount of education assistance payment per unit Year of Eligibility			
	2019	2018	2017	2016	2019	2018	2017	2016
First	102.6	10,118.5	24,802.7	37,316.1	\$160	\$141	\$129	\$138
Second		9,026.3	21,577.6	30,126.4		151	178	192
Third			19,442.9	27,303.8			156	187
Fourth				24,554.1				161

Notes to the Financial Statements

October 31, 2019 and 2018

(in thousands of Canadian dollars)

Note 1. Nature of Operations

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

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

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

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

There are a number of government grants that may be available to beneficiaries including the Canada Education Savings Grant Program (“CESG”), the Canada Learning Bond (“CLB”), and the Quebec Education Savings Incentive (“QESI”) (collectively, “Government Grants”).

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

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

Note 2. Significant Accounting Policies

(a) Statement of Compliance

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

These financial statements were approved by the Board of Directors of the Foundation on December 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 the 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, management has assessed the Plan’s business models, the manner in which all financial assets and financial liabilities are managed and concluded that 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 under IFRS 9. All other non-derivative financial assets and financial 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. During the year, the Plan began to invest in financial assets with the intention of holding these financial assets to collect contractual cash flows comprising solely of payments of principal and interest and has categorized these investments as at amortized cost, in accordance with IFRS 9.

Impairments for financial assets classified as 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.

(d) Financial instruments

The Plan recognizes financial assets and financial liabilities when it becomes a party to a contract. The Plan classifies financial assets and financial liabilities based on its business model for managing those financial assets and financial liabilities and the contractual cash flow characteristics of the financial assets and financial liabilities.

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. Subsequent changes in fair value of financial assets and financial liabilities classified as FVTPL are

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)

recorded in “Change in unrealized gains” in the Statements of Comprehensive Income.

Financial assets and financial liabilities that are held to collect contractual cash flows are measured at amortized cost using the effective interest method. Financial assets and financial liabilities measured at amortized cost are initially recorded at their fair value plus any directly attributable incremental costs of acquisition or issue. Financial assets at amortized cost are presented net of any allowance for impairment. Interest income, including the amortization of premiums and discounts on securities measured at amortized cost are recorded in interest income. Impairment gains or losses recognized on amortized cost securities are recorded in the Statements of Comprehensive Income. When a debt instrument measured at amortized cost is sold, the difference between the sale proceeds and the amortized cost of the security at the time of the sale is recorded as realized gains (losses) on sale of investments in the Statements of Comprehensive Income.

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.

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

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

i. Financial assets are designated as FVTPL when acquired principally for the purpose of trading.

ii. Financial assets classified as Amortized Cost, including debt instruments and non-derivative financial assets, are held to collect contractual cash flows and at the time of acquisition are not acquired principally for the purpose of trading. Subsequent to initial recognition, these financial assets are carried at amortized cost using the effective interest method.

iii. 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.

Impairment is based on expected credit losses for the investment securities, which are based on a range of possible

outcomes and consider all available reasonable and supportable information including internal and external ratings, historical loss experience, and expectations about future cash flows.

(e) Investment valuation

Investments include investments values at fair value and amortized cost.

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

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

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

Investments in pooled funds used to pay the Sales Charge Refund (“SCR”) Entitlements referred to in Note 8 are valued at net asset values of the pooled funds at the valuation date, as these represent the value that would be received by the Plan from redeeming its units held in the pooled funds.

Note 10 provides further guidance on fair value measurements.

(f) Investment transactions and income recognition

Investment transactions are accounted for on a trade-date basis. Interest 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 that are classified as FVTPL. Dividends and distributions are accrued as of the ex-dividend date and ex-distribution date, respectively. Realized gains (losses) on the sale of investments and Change in unrealized gains (losses) are calculated with reference to the average cost of the related investments and are recognized in the period that such gains (losses) occur.

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

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

(h) Income taxes

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

(i) Cash and cash equivalents

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

Notes to the Financial Statements (continued)

October 31, 2019 and 2018

(in thousands of Canadian dollars)

Note 2. Significant Accounting Policies (continued)

(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.

The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are those used in the valuation of the SCR Entitlements. Further information on the SCR Entitlement valuation can be found in Note 8 (b).

Note 3. Related Party Transactions

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

(a) Administration of the Plan

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

Administration and account maintenance fees are paid to the Foundation. Administration fees are annual fees of ½ of 1% of the total amount of principal, Government Grants and income earned thereon, as well as the investments used to pay the SCR Entitlements ("SCR Fund").

During the year ended October 31, 2019, \$1,217 was recognized as an expense for Administration and account maintenance fees (2018 – \$1,872). Administration and account maintenance fees included in Accounts payable and accrued liabilities at October 31, 2019 was \$85 (2018 – \$120).

Sales charges were paid by subscribers and deducted from their contributions. In accordance with the distribution agreement, the Foundation agreed to set aside a portion of the sales charges collected from subscribers to the SCR Fund each year in order to pay SCR Entitlements when they become due. The Foundation is responsible to pay to beneficiaries of the Plan the refunds of sales charges as promised. Any shortfall in

the assets to meet the SCR Entitlements will be funded by the Foundation (see Note 8).

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

During the year ended October 31, 2019, the Foundation provided deficit funding payments of \$nil (2018 – \$nil) to the SCR Fund (see Note 8(b)).

(c) Fees paid for services of an Independent Review Committee

The Independent Review Committee ("IRC") provides independent review and oversight of conflicts of interest relating to the management of the Plans. For the year ended October 31, 2019, the Plan recognized an expense of \$4 (2018 – \$6) for the services of the IRC. IRC fees included in Accounts payable and accrued liabilities at October 31, 2019 was \$nil (2018 – \$nil).

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

Included in Portfolio management fees on the Statements of Comprehensive Income is \$33 (2018 – \$70) 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 to C.S.T.C. at October 31, 2019 (2018 – \$4 owing from C.S.T.C.) relating to these expenses.

Note 4. Investment Holdings

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

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

Investments used to fund the SCR Entitlements of the Group Savings Plan and the Group Savings Plan 2001 of 100% of sales charges paid, are managed in a separate SCR Fund (see Appendix II to Schedule 1). The SCR Fund's holdings and income are allocated to the Plan based on the Plan's proportionate share of the SCR Entitlements.

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

Note 5. Capital Risk Management

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

Notes to the Financial Statements (continued)

October 31, 2019 and 2018

(in thousands of Canadian dollars)

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	25%	6%
1-3 years	13%	19%
3-5 years	12%	22%
Greater than 5 years	28%	30%
Total debt instruments	78%	77%

As at October 31, 2019, if prevailing interest rates had increased by 1%, the fair value of the Total Investment Fund of \$179,890 (2018 – \$253,205) as per Schedule I – Statement of Investment Portfolio, would have decreased by approximately \$5,360 (2018 – \$8,600). If prevailing interest rates had decreased by 1%, the fair value of the Total Investment Fund would have increased by approximately \$4,600 (2018 – \$9,900). This 1% change assumes a parallel shift in the yield curve with all other variables held constant. In practice, actual results may differ materially.

ii. Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, other than those arising from interest rate risk. Factors specific to an individual investment, its issuer or

other factors affecting all instruments traded in a market or market segment affect other price risk. The asset classes that are most impacted by other price risk are the ETFs of the Plan, Government Grants asset pool, and the SCR Funds, which represent 22% (2018 – 23%) of the Total Investment Fund as at October 31, 2019. The risk associated with the equity component of the SCR Fund is managed by security selection and active management by external managers within approved investment policy and mandates.

As at October 31, 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 \$370 (2018 – \$600). 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	14%	24,928	19%	\$ 47,825
AA/AAH/AAL	25%	44,065	32%	81,943
A/AH/AL	23%	41,999	20%	50,021
BBB	6%	11,543	0%	731
R-1	8%	14,110	6%	14,115
Short-term unrated	2%	3,671	0%	375
Total debt Instruments	78%	140,316	77%	\$ 195,010

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

(c) Liquidity risk

Liquidity risk is the risk that the Plan may not be able to meet its financial obligations as they come due. The Plan's exposure to liquidity risk is concentrated in principal repayments to subscribers and EAPs to beneficiaries including SCR Entitlements. The Plan primarily invests in securities that are traded in active markets and can be readily sold. The Plan retains sufficient cash and cash equivalent positions to meet liquidity requirements by utilizing cash forecasting models that reflect the maturity distribution of subscribers' deposits and accumulated

Notes to the Financial Statements (continued)

October 31, 2019 and 2018

(in thousands of Canadian dollars)

Note 6. Risks Associated with Financial Instruments (continued)

(c) Liquidity risk (continued)

income. All other financial liabilities are short term and due within one year. The Foundation directed a portion of the sales charges collected from subscribers to the SCR Fund each year in order to pay SCR Entitlements when they become due.

(d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Plan holds foreign pooled equity funds and ETFs, which represent 18% (2018 – 20%) of the Total Investment Fund. The fair value of the Total Investment Fund would increase or decrease by approximately \$330 (2018 – \$500) in response to a 1% depreciation or appreciation of the Canadian dollar currency exchange rate. In practice the actual change may differ materially.

Note 7. General Fund and Donations from the Foundation

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

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

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

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

Receipts and disbursements of the General Fund included in the financial statements of the Plan for the years ended October 31, 2019 and 2018 are as follows:

	2019	2018
Receipts		
Net investment income	\$ 2,074	\$ 1,288
Transfer from Scholarship Pool	1,244	-
Disbursements		
Education assistance payments	(3,318)	(5,073)
(Shortfalls) Excess of Receipts over Disbursements	-	(3,785)
Balance, Beginning of Year	-	3,785
Balance, End of Year	\$ -	\$ -

Receipts and disbursements in the Donations from the Foundation included in the financial statement of the Plan for the years ended October 31, 2019 and 2018 are as follows:

	2019	2018
Disbursements		
Education assistance payments	\$ (448)	\$ (161)
Balance, Beginning of Year	448	609
Balance, End of Year	\$ -	\$ 448

Note 8. Sales Charge Refund

(a) Sales Charge Refund Entitlements

The Plan refunds sales charges to the beneficiaries from the SCR Fund, which amount to 100% of sales charges paid. This SCR Entitlement is paid with the first instalment of the EAP payouts to qualified beneficiaries. The total amount refunded for the year ended October 31, 2019 was \$3,397 (2018 – \$9,504).

As at October 31, 2019, the SCR Entitlements amount of \$14,656 (2018 – \$17,111) presented in the Statements of Financial Position represents the average cost of the Plan’s investments in the SCR Fund of \$14,660 (2018 – \$16,702), adjusted for funds to be transferred to (from) the direct investment holdings of the plan of \$(25) (2018 – \$398) for SCR payments made to beneficiaries during the period, plus accrued interest and payables of \$21 (2018 – \$11). The fair value of the investments in the SCR Fund as at October 31, 2019, after adjusting for the above, amounted to \$15,398 (2018 – \$17,360). The SCR Fund comprises investments, at fair value, of \$15,347 and Cash and cash equivalents of \$55, which are reported in the Statement of Financial Position. The difference between the present value of SCR Entitlements and the fair value of the SCR Fund is not recorded in the financial statements of the plan.

(b) Sales Charge Refund Entitlements Valuations

Two separate valuations are performed for SCR Entitlements. First, on an annual basis, a valuation of SCR Entitlements is

Notes to the Financial Statements (continued)

October 31, 2019 and 2018

(in thousands of Canadian dollars)

Note 8. Sales Charge Refund (continued)

(b) Sales Charge Refund Entitlements Valuations (continued)

conducted based on management's best estimates. This valuation is used to estimate the current funded status for SCR Entitlements. The present value of the SCR Entitlements is determined using the expected long-term investment rates of return based on the investment policy for the SCR Fund as explained in (i) below.

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

(i) Management's Best Estimates Valuation

The assumptions used in determining the valuation of SCR Entitlements reflect management's best estimate of future payments to beneficiaries and involve both economic and non-economic assumptions. The non-economic assumptions include considerations such as termination of Agreements prior to maturity and participation of eligible students in the collection of EAPs. The primary economic assumption is the discount rate, which is set at the expected long-term investment rates of return of the SCR Fund at October 31, 2019 of 5.4% (2018 – 5.3%) based on the investment policy approved by Investment Committee of the Foundation. As underlying conditions change over time, assumptions may also change, which could cause a material change in the present value of the SCR Entitlements.

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

	2019	2018
Present value of SCR Entitlements	\$ 5,468	\$ 9,368
Fair value of SCR Fund (Note 8(a))	15,402	16,951
Overfunded portion of SCR Entitlements	\$ 9,934	\$ 7,583

A 1% decrease or increase in the discount rate used will increase or decrease the present value of SCR Entitlements by \$70 or \$67, respectively (2018 – \$127 or \$120, respectively).

(ii) Funding Valuation

A funding valuation of the SCR Entitlements for the Plan was completed based on assets and obligations as at October 31, 2018. This valuation included assumptions regarding management's estimate of termination of Agreements prior to maturity and participation of eligible students in the collection of EAPs. The discount rate used to determine the present value of SCR Entitlements was based on the expected long-term investment rate of return of 5.3%, which resulted in the liability

being fully funded. The Foundation has a responsibility to pay beneficiaries of the Plan a refund sales charges as promised. Funding requirements were established by the Foundation to ensure assets are sufficient to meet future SCR Entitlements using expected long-term investment rates of return based on the investment policy approved by Investment Committee of the Foundation to project the asset growth of the SCR Fund. Any shortfall in the assets to meet the SCR Entitlements will be funded by the Foundation.

The next actuarial funding valuation will be performed in 2021 based on assets and obligations as at October 31, 2020.

Note 9. Change in Policy

During the year, management made the operational decision to begin including accumulated unrealized gains (losses) on investments within Accumulated income held for future education assistance payments on the Statements of Financial Position as this more accurately reflects value of future EAPs. The amount included in Unrealized Gains on the Statements of Financial Position relates to accumulated unrealized gains (losses) on investments held for the Sales Charge Refund Entitlement. The unrealized gain on investments held for the Sales Charge Refund Entitlement as of October 31, 2018 is an unrealized gain of \$248.

Note 10. 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 following table provides a comparison of the carrying and fair values for each classification of financial instruments. For measurement purposes, they are carried at fair value when conditions requiring separation are met.

Carrying Amount and Fair Value of Financial Instruments as at October 31, 2019						
	Carrying amount and fair value	Carrying Amount	Fair Value			
	Financial instruments classified as FVTPL	Financial instruments measured at amortized cost	Financial instruments measured at amortized cost	Total carrying amount	Total fair value	
Financial Assets						
Cash Equivalents ¹	\$ 26,835	\$ -	\$ -	\$ 26,835	\$ 26,835	
Investments	104,882	46,260	46,248	151,142	151,130	
Other Assets ²	-	3,467	3,467	3,467	3,467	
Financial Liabilities						
Other Liabilities ³	\$ -	\$ 3,972	\$ 3,972	\$ 3,972	\$ 3,972	

Notes to the Financial Statements (continued)

October 31, 2019 and 2018

(in thousands of Canadian dollars)

Note 10. Fair Value Measurements and Disclosure (continued)

Carrying Amount and Fair Value of Financial Instruments as at October 31, 2018

	Carrying amount and fair value	Carrying Amount	Fair Value		
	Financial instruments classified as FVTPL	Financial instruments measured at amortized cost	Financial instruments measured at amortized cost	Total carrying amount	Total fair value
Financial Assets					
Cash Equivalents ¹	\$ 1,257	\$ -	\$ -	\$ 1,257	\$ 1,257
Investments	252,266	-	-	252,266	252,266
Other Assets ²	-	8,235	8,235	8,235	8,235
Financial Liabilities					
Other Liabilities ³	\$ -	\$ 4,874	\$ 4,874	\$ 4,874	\$ 4,874

1. Cash and bank balances of \$1,913 (2018 - \$(318)) have been excluded.

2. Other assets consist of Receivables for securities sold, Accrued income and other receivables and Government grants receivable.

3. Other liabilities consist of Payable for securities purchased and Accounts Payable and accrued liabilities.

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

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

Assets Measured at Fair Value as of October 31, 2019

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 92,250	\$ -	\$ 92,250
Equity securities, ETFs and Pooled equity funds	\$ 39,467	\$ -	\$ -	\$ 39,467
Total Investments, at fair value	\$39,467	\$ 92,250	\$ -	\$131,717

Assets Measured at Fair Value as of October 31, 2018

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 195,328	\$ -	\$195,328
Equity securities, ETFs and Pooled equity funds	\$ 58,195	-	\$ -	\$ 58,195
Total Investments, at fair value	\$58,195	\$195,328	\$ -	\$253,523

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

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 (\$)
Bonds (continued)						Bonds (continued)					
Provincial – 33.0% (continued)						Provincial – 33.0% (continued)					
Province of New Brunswick	3.10	14 Aug 2028	970	1,039	1,041	Province of Ontario	2.90	2 Dec 2046	2,913	3,182	2,854
Province of New Brunswick	5.65	27 Dec 2028	1,645	2,099	2,102	Province of Ontario	2.80	2 Jun 2048	1,147	1,238	1,085
Province of New Brunswick	5.50	27 Jan 2034	125	169	147	Province of Ontario	2.90	2 Jun 2049	1,413	1,560	1,349
Province of New Brunswick	4.65	26 Sep 2035	110	139	114	Province of Ontario	2.65	2 Dec 2050	3,322	3,508	3,498
Province of New Brunswick	4.55	26 Mar 2037	1,000	1,268	1,183	Province of PEI	2.65	1 Sep 2051	101	101	101
Province of New Brunswick	4.80	26 Sep 2039	250	333	311	Province of Québec	3.00	1 Sep 2023	2,000	2,089	2,134
Province of New Brunswick	3.55	3 Jun 2043	1,350	1,562	1,361	Province of Québec	5.35	1 Jun 2025	1,000	1,178	1,164
Province of New Brunswick	3.80	14 Aug 2045	200	243	215	Province of Québec	2.60	6 Jul 2025	3,250	3,375	3,423
Province of New Brunswick	3.10	14 Aug 2048	287	314	280	Province of Québec	2.75	1 Sep 2025	21,325	22,312	22,448
Province of Newfoundland and Labrador	2.30	2 Jun 2025	200	203	199	Province of Québec	2.50	1 Sep 2026	9,529	9,848	9,914
Province of Newfoundland and Labrador	3.00	2 Jun 2026	3,324	3,494	3,443	Province of Québec	2.75	1 Sep 2027	11,289	11,879	11,895
Province of Newfoundland and Labrador	6.15	17 Apr 2028	350	453	466	Province of Québec	2.75	1 Sep 2028	28,175	29,745	29,782
Province of Newfoundland and Labrador	2.85	2 Jun 2028	1,969	2,052	2,040	Province of Québec	2.30	1 Sep 2029	11,477	11,701	11,782
Province of Newfoundland and Labrador	2.85	2 Jun 2029	2,326	2,427	2,428	Province of Québec	6.00	1 Oct 2029	1,900	2,554	2,518
Province of Newfoundland and Labrador	6.55	17 Oct 2030	1,750	2,435	2,377	Province of Québec	6.25	1 Jun 2032	325	466	455
Province of Newfoundland and Labrador	4.65	17 Oct 2040	150	194	177	Province of Québec	5.25	1 Jun 2034	2,000	2,682	2,533
Province of Newfoundland and Labrador	3.70	17 Oct 2048	1,409	1,673	1,471	Province of Québec	5.75	1 Dec 2036	5,615	8,270	7,794
Province of Newfoundland and Labrador	2.65	17 Oct 2050	268	263	265	Province of Québec	5.00	1 Dec 2038	665	927	768
Province of Nova Scotia	2.10	1 Jun 2027	2,462	2,467	2,458	Province of Québec	5.00	1 Dec 2041	1,850	2,669	2,394
Province of Nova Scotia	5.80	1 Jun 2033	1,275	1,783	1,656	Province of Québec	4.25	1 Dec 2043	400	535	473
Province of Nova Scotia	4.40	1 Jun 2042	2,100	2,788	2,442	Province of Québec	3.50	1 Dec 2045	1,450	1,759	1,493
Province of Nova Scotia	3.45	1 Jun 2045	350	414	353	Province of Québec	3.50	1 Dec 2048	1,538	1,898	1,656
Province of Nova Scotia	3.50	2 Jun 2062	600	765	599	Province of Québec	3.10	1 Dec 2051	1,036	1,209	1,132
Province of Ontario	4.00	2 Jun 2021	3,100	3,212	3,423	Province of Saskatchewan	2.55	2 Jun 2026	2,393	2,472	2,468
Province of Ontario	3.15	2 Jun 2022	1,900	1,968	2,031	Province of Saskatchewan	2.65	2 Jun 2027	1,577	1,639	1,646
Province of Ontario	2.85	2 Jun 2023	1,100	1,140	1,157	Province of Saskatchewan	3.05	2 Dec 2028	2,334	2,502	2,521
Province of Ontario	3.50	2 Jun 2024	400	429	430	Province of Saskatchewan	2.20	2 Jun 2030	268	267	268
Province of Ontario	2.30	8 Sep 2024	9,365	9,554	9,645	Province of Saskatchewan	6.40	5 Sep 2031	3,900	5,558	5,487
Province of Ontario	2.65	5 Feb 2025	800	831	802	Province of Saskatchewan	4.75	1 Jun 2040	425	575	525
Province of Ontario	2.60	2 Jun 2025	22,075	22,874	22,998	Province of Saskatchewan	3.90	2 Jun 2045	300	377	332
Province of Ontario	8.50	2 Dec 2025	3,300	4,516	4,537	Province of Saskatchewan	2.75	2 Dec 2046	2,056	2,146	1,814
Province of Ontario	2.40	2 Jun 2026	26,078	26,750	26,815	Province of Saskatchewan	3.30	2 Jun 2048	334	388	342
Province of Ontario	2.60	2 Jun 2027	31,181	32,389	32,442	Province of Saskatchewan	3.10	2 Jun 2050	235	266	249
Province of Ontario	7.90	2 Jun 2027	1,120	1,555	1,605	Province of Saskatchewan	3.75	5 Mar 2054	84	109	94
Province of Ontario	2.90	2 Jun 2028	21,977	23,367	23,684	Province of Saskatchewan	2.95	2 Jun 2058	80	89	76
Province of Ontario	6.50	8 Mar 2029	18,425	25,175	25,451					471,520	466,645
Province of Ontario	2.70	2 Jun 2029	20,559	21,592	21,975	Municipal – 1.3%					
Province of Ontario	6.20	2 Jun 2031	2,175	3,058	3,016	City of Montreal	3.00	1 Sep 2025	831	873	837
Province of Ontario	5.85	8 Mar 2033	2,825	3,973	3,849	City of Montreal	2.75	1 Sep 2026	223	231	223
Province of Ontario	5.60	2 Jun 2035	275	390	352	City of Montreal	4.25	1 Dec 2032	350	418	384
Province of Ontario	4.70	2 Jun 2037	1,410	1,870	1,665	City of Montreal	4.10	1 Dec 2034	375	444	399
Province of Ontario	4.60	2 Jun 2039	1,815	2,422	2,198	City of Montreal	3.15	1 Dec 2036	900	962	898
Province of Ontario	4.65	2 Jun 2041	625	856	771	City of Montreal	3.50	1 Dec 2038	800	896	863
Province of Ontario	3.50	2 Jun 2043	1,300	1,547	1,396	City of Montreal	6.00	1 Jun 2043	550	867	782
Province of Ontario	3.45	2 Jun 2045	2,125	2,534	2,205	City of Ottawa	4.60	14 Jul 2042	500	663	590
						City of Ottawa	3.10	27 Jul 2048	683	745	644
						City of Toronto	2.40	24 Jun 2026	225	229	225
						City of Toronto	2.95	28 Apr 2035	300	313	277
						City of Toronto	3.50	2 Jun 2036	1,509	1,683	1,504
						City of Toronto	5.20	1 Jun 2040	350	487	446
						City of Toronto	4.70	10 Jun 2041	325	431	383

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 (\$)
Bonds (continued)						Bonds (continued)					
Municipal – 1.3% (continued)						Corporate – 23.6% (continued)					
City of Toronto	3.80	13 Dec 2042	550	653	578	Canadian Imperial Bank of Commerce	2.35	28 Aug 2024	665	662	660
City of Toronto	4.15	10 Mar 2044	225	283	246	Canadian Imperial Bank of Commerce	3.30	26 May 2025	2,389	2,525	2,413
City of Toronto	3.25	24 Jun 2046	109	121	109	Canadian Imperial Bank of Commerce	3.42	26 Jan 2026	2,680	2,718	2,718
City of Vancouver	3.10	21 Sep 2028	600	642	600	Canadian Imperial Bank of Commerce	3.45	4 Apr 2028	4,690	4,810	4,803
City of Vancouver	3.70	18 Oct 2052	1,145	1,427	1,227	Canadian Imperial Bank of Commerce	2.95	19 Jun 2029	4,705	4,720	4,714
City of Winnipeg	4.10	1 Jun 2045	42	52	48	Canadian Natural Resources Limited	3.55	3 Jun 2024	2,590	2,677	2,680
City of Winnipeg	4.30	15 Nov 2051	450	601	512	Choice Properties REIT	3.55	10 Jan 2025	1,870	1,932	1,932
Municipal Finance Authority of British Columbia	2.50	19 Apr 2026	822	845	823	Choice Properties REIT	3.53	11 Jun 2029	2,817	2,874	2,870
Region of Peel	2.30	2 Nov 2026	77	78	77	Choice Properties REIT	5.27	7 Mar 2046	468	552	550
Region of Peel	5.10	29 Jun 2040	550	759	694	CU Inc.	5.56	26 May 2028	758	939	949
Region of Peel	3.85	30 Oct 2042	900	1,080	989	CU Inc.	4.54	24 Oct 2041	2,610	3,230	3,235
Regional Municipality of Halton	4.05	11 Oct 2041	300	368	336	CU Inc.	4.72	9 Sep 2043	5,217	6,655	6,735
Regional Municipality of York	2.60	15 Dec 2025	950	978	927	Daimler Canada Finance Inc.	2.57	22 Nov 2022	810	810	809
Regional Municipality of York	2.50	2 Jun 2026	77	79	79	Daimler Canada Finance Inc.	2.54	21 Aug 2023	3,265	3,253	3,247
Regional Municipality of York	4.00	31 May 2032	300	349	329	Daimler Canada Finance Inc.	2.97	13 Mar 2024	3,220	3,254	3,254
Regional Municipality of York	4.05	1 May 2034	625	736	688	Enbridge Gas Distribution Inc.	4.00	22 Aug 2044	1,725	2,001	2,045
				18,293	16,717	Enbridge Gas Distribution Inc.	3.01	9 Aug 2049	2,400	2,375	2,400
Corporate – 23.6%						Enbridge Inc.	3.19	5 Dec 2022	2,182	2,232	2,248
407 International Inc.	5.96	3 Dec 2035	935	1,309	1,345	Enbridge Inc.	2.99	3 Oct 2029	550	545	550
407 International Inc.	5.75	14 Feb 2036	1,247	1,668	1,669	Enbridge Inc.	4.57	11 Mar 2044	935	1,017	1,037
407 International Inc.	3.65	8 Sep 2044	1,559	1,721	1,783	Enbridge Inc.	5.38	27 Sep 2077	624	623	627
AIMCo Realty Investors LP	3.04	1 Jun 2028	805	841	843	Enbridge Pipelines Inc.	4.55	17 Aug 2043	1,435	1,625	1,650
AIMCo Realty Investors LP	2.71	1 Jun 2029	3,185	3,236	3,239	Enbridge Pipelines Inc.	4.13	9 Aug 2046	1,559	1,674	1,719
Alectra Inc.	5.30	29 Apr 2041	936	1,279	1,319	Enbridge Pipelines Inc.	4.33	22 Feb 2049	1,460	1,626	1,644
Alimentation Couche-Tard Inc.	3.06	26 Jul 2024	1,560	1,586	1,601	EPCOR Utilities Inc.	3.55	27 Nov 2047	1,733	1,895	1,949
Alimentation Couche-Tard Inc.	3.60	2 Jun 2025	624	648	652	Finning International Inc.	2.63	14 Aug 2026	935	925	940
Allied Properties REIT	3.11	8 Apr 2027	370	369	370	FortisAlberta Inc.	5.40	21 Apr 2036	1,559	2,044	2,095
AltaLink, L.P.	5.38	26 Mar 2040	1,880	2,578	2,585	FortisAlberta Inc.	5.37	30 Oct 2039	2,390	3,219	3,224
AltaLink, L.P.	3.99	30 Jun 2042	1,247	1,462	1,509	FortisBC Energy Inc.	6.00	2 Oct 2037	623	888	891
AltaLink, L.P.	4.05	21 Nov 2044	1,169	1,394	1,434	FortisBC Energy Inc.	3.85	7 Dec 2048	624	728	753
Bank of America Corporation	3.30	24 Apr 2024	3,205	3,292	3,288	Greater Toronto Airports Authority	2.75	17 Oct 2039	975	972	974
Bank of Montreal	1.88	31 Mar 2021	3,781	3,775	3,771	Great-West Lifeco Inc.	4.65	13 Aug 2020	2,954	3,012	3,040
Bank of Montreal	2.70	11 Sep 2024	5,856	5,996	5,808	Great-West Lifeco Inc.	6.67	21 Mar 2023	1,577	2,218	2,086
Bank of Montreal	3.19	1 Mar 2028	659	703	680	Heathrow Funding Limited	3.25	21 May 2027	936	967	979
Bank of Montreal	2.88	17 Sep 2029	4,890	4,891	4,881	Heathrow Funding Limited	3.78	4 Sep 2030	935	992	1,019
Bank of Nova Scotia	2.09	9 Sep 2020	2,596	2,599	2,584	Honda Canada Finance Inc.	3.18	28 Aug 2023	2,183	2,247	2,262
Bank of Nova Scotia	1.83	27 Apr 2022	1,598	1,588	1,554	HSBC Bank Canada	2.17	29 Jun 2022	5,679	5,662	5,641
Bank of Nova Scotia	2.49	23 Sep 2024	2,341	2,346	2,342	HSBC Bank Canada	2.54	31 Jan 2023	6,960	7,005	6,925
Bank of Nova Scotia	2.58	30 Mar 2027	2,595	2,605	2,603	HSBC Bank Canada	3.25	15 Sep 2023	4,730	4,879	4,799
Bank of Nova Scotia	3.10	2 Feb 2028	2,286	2,428	2,350	HSBC Bank Canada	3.20	5 Dec 2023	4,745	4,851	4,845
Bank of Nova Scotia	3.89	18 Jan 2029	4,610	4,810	4,805	Hydro One Inc.	8.90	18 Aug 2022	1,000	1,191	1,422
Bank of Nova Scotia	2.84	3 Jul 2029	4,825	4,815	4,808	Hydro One Inc.	2.54	5 Apr 2024	1,558	1,584	1,598
Bell Canada	3.00	3 Oct 2022	1,558	1,588	1,597	Hydro One Inc.	8.25	22 Jun 2026	2,950	4,067	4,397
Bell Canada	4.35	18 Dec 2045	1,973	2,126	2,183	Hydro One Inc.	3.02	5 Apr 2029	1,560	1,626	1,647
Caisse Centrale Desjardins	2.42	4 Oct 2024	1,401	1,399	1,401	Hydro One Inc.	5.36	20 May 2036	936	1,222	1,245
Calloway REIT Inc.	3.99	30 May 2023	936	978	981						
Canadian Imperial Bank of Commerce	2.30	11 Jul 2022	7,763	7,799	7,738						

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 (\$)
Bonds (continued)						Bonds (continued)					
Corporate – 23.6% (continued)						Corporate – 23.6% (continued)					
Hydro One Inc.	6.59	22 Apr 2043	260	408	407	TELUS Corporation	3.63	1 Mar 2028	2,755	2,889	2,899
Hydro One Inc.	3.63	25 Jun 2049	1,393	1,521	1,570	TELUS Corporation	3.30	2 May 2029	3,135	3,200	3,199
Hydro One Inc.	3.64	5 Apr 2050	2,015	2,206	2,217	TELUS Corporation	4.70	6 Mar 2048	1,247	1,395	1,435
Hydro-Québec	11.00	15 Aug 2020	1,100	1,178	1,180	Toronto Dominion Bank	1.68	8 Jun 2021	288	287	285
Hydro-Québec	6.00	15 Aug 2031	1,500	2,079	1,957	Toronto Dominion Bank	1.91	18 Jul 2023	8,717	8,647	8,426
Hydro-Québec	6.50	15 Feb 2035	450	687	658	Toronto Dominion Bank	2.85	8 Mar 2024	3,213	3,280	3,219
Hydro-Québec	6.00	15 Feb 2040	250	391	360	Toronto Dominion Bank	2.50	2 Dec 2024	2,730	2,742	2,735
Hydro-Québec	5.00	15 Feb 2045	450	668	590	Toronto Dominion Bank	3.59	14 Sep 2028	3,115	3,226	3,109
Hydro-Québec	5.00	15 Feb 2050	1,500	2,339	2,061	Toronto Dominion Bank	3.22	25 Jul 2029	3,151	3,213	3,103
Hydro-Québec	4.00	15 Feb 2055	1,353	1,877	1,739	Toronto Dominion Bank	4.86	4 Mar 2031	2,877	3,200	3,096
IGM Financial Inc.	4.56	25 Jan 2047	624	707	716	Toronto Dominion Bank	3.06	26 Jan 2032	3,200	3,210	3,210
Intact Financial Corporation	2.85	7 Jun 2027	3,201	3,235	3,172	Toronto Hydro	3.49	28 Feb 2048	1,248	1,374	1,396
Inter Pipeline Ltd.	4.97	2 Feb 2021	1,955	2,017	2,021	TransCanada PipeLines Limited	3.69	19 Jul 2023	2,182	2,282	2,303
Inter Pipeline Ltd.	2.61	13 Sep 2023	1,559	1,558	1,549	TransCanada PipeLines Limited	3.39	15 Mar 2028	1,560	1,624	1,664
Inter Pipeline Ltd.	3.48	16 Dec 2026	1,560	1,603	1,632	TransCanada PipeLines Limited	3.00	18 Sep 2029	1,610	1,616	1,622
Inter Pipeline Ltd.	4.64	30 May 2044	312	339	345	TransCanada PipeLines Limited	4.55	15 Nov 2041	5,956	6,553	6,617
Loblaw Companies Limited	4.86	12 Sep 2023	1,558	1,684	1,701	TransCanada Trust	4.65	18 May 2077	935	906	911
Loblaw Companies Limited	3.92	10 Jun 2024	1,558	1,646	1,667	Union Gas Limited	5.20	23 Jul 2040	2,452	3,255	3,267
Loblaw Companies Limited	6.50	22 Jan 2029	1,163	1,460	1,493	Union Gas Limited	4.20	2 Jun 2044	2,715	3,240	3,260
Loblaw Companies Limited	5.90	18 Jan 2036	624	788	794	VW Credit Canada Inc.	2.65	27 Jun 2022	535	536	536
Manufacturers Life Insurance Company	2.10	1 Jun 2025	5,912	5,907	5,853	VW Credit Canada Inc.	3.70	14 Nov 2022	3,085	3,184	3,185
Manufacturers Life Insurance Company	3.18	22 Nov 2027	1,484	1,522	1,527	VW Credit Canada Inc.	3.25	29 Mar 2023	3,115	3,176	3,175
Manulife Financial Corporation	3.32	9 May 2028	3,137	3,224	3,156	Wells Fargo & Company	3.18	8 Feb 2024	3,165	3,247	3,246
Nissan Canada Financial Services Inc.	2.61	5 Mar 2021	670	671	671	Wells Fargo & Company	2.98	19 May 2026	3,260	3,299	3,304
North West Redwater Partnership	4.25	1 Jun 2029	1,560	1,740	1,761					337,845	337,896
North West Redwater Partnership	4.35	10 Jan 2039	1,558	1,774	1,822	Total Fixed Income Investments – 64.3%				919,727	912,316
North West Redwater Partnership	3.70	23 Feb 2043	623	655	660						
Omers Realty Corporation	3.63	5 Jun 2030	2,935	3,226	3,239	Equities – 5.5%					
Pembina Pipeline Corp	3.31	1 Feb 2030	1,630	1,628	1,628	Alimentation Couche-Tard Inc.			78,126	3,085	2,314
Power Corporation of Canada	8.57	22 Apr 2039	1,107	1,826	1,831	ATCO Ltd.			9,277	429	390
Riocan Real Estate Investment Trust	2.83	3 Oct 2022	800	809	807	Bank of Nova Scotia			72,329	5,463	4,974
Riocan Real Estate Investment Trust	3.21	29 Sep 2023	3,140	3,209	3,204	Birchcliff Energy Ltd.			166,800	335	867
Riocan Real Estate Investment Trust	3.29	12 Feb 2024	2,820	2,889	2,885	Boardwalk Real Estate Investment Trust			9,606	420	458
Rogers Communications Inc.	3.25	1 May 2029	1,871	1,912	1,961	Brookfield Asset Management Inc.			33,865	2,464	1,961
Royal Bank of Canada	2.03	15 Mar 2021	4,182	4,184	4,195	Brookfield Infrastructure Partners L.P.			15,234	1,005	656
Royal Bank of Canada	1.65	15 Jul 2021	11,507	11,438	11,382	Brookfield Renewable Partners L.P.			18,047	1,011	726
Royal Bank of Canada	2.35	2 Jul 2024	130	130	129	CAE Inc.			28,787	951	604
Royal Bank of Canada	2.61	1 Nov 2024	1,310	1,322	1,310	Canadian National Railway Company			23,578	2,776	2,247
Royal Bank of Canada	2.74	25 Jul 2029	4,845	4,830	4,865	Canadian Natural Resources Limited			29,391	976	898
SmartCentres REIT	3.44	28 Aug 2026	1,559	1,593	1,611	Canadian Pacific Railway Company			4,100	1,227	869
South Coast Transportation Authority	3.25	23 Nov 2028	700	756	699	CCL Industries Inc.			37,392	2,026	2,051
TELUS Corporation	3.35	15 Mar 2023	3,013	3,101	3,106	CGI Group Inc.			5,351	548	353
TELUS Corporation	2.75	8 Jul 2026	2,182	2,175	2,212	CI Financial Corp.			87,438	1,674	2,096
						Cogeco Inc.			7,534	858	522
						Computer Modeling Group Ltd.			82,680	580	748
						Dollarama Inc.			12,269	544	434

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 (\$)	Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
Equities – 5.5% (continued)				Exchanged-traded Funds – 30.1%			
DREAM Unlimited Corporation	58,938	593	441	BMO MSCI EAFE Index ETF	3,051,690	57,707	55,301
Enbridge Inc.	47,475	2,276	2,294	BMO MSCI Emerging Markets Index ETF	720,800	14,286	13,643
Enerflex Ltd.	90,982	939	1,389	BMO S&P 500 INDEX ETF	1,342,930	59,116	48,203
Fairfax Financial Holdings Limited	2,014	1,124	1,277	iShares Core MSCI Emerging Markets IMI Index ETF	750,424	19,556	18,974
Finning International Inc.	42,282	948	952	iShares Core S&P U.S. ETF	5,065,210	153,375	126,289
FirstService Corporation	6,509	748	420	iShares Global Infrastructure Index ETF	935,696	25,881	25,144
Franco-Nevada Corporation	16,037	2,048	1,355	iShares Global Real Estate Index ETF	790,091	25,315	25,151
Freehold Royalties Ltd.	129,500	835	1,492	iShares Core MSCI EAFE IMI Index ETF	2,410,312	74,310	71,383
Great Canadian Gaming Corporation	9,930	413	254				
Great-West Lifeco Inc.	38,918	1,247	1,277			429,546	384,088
IA Financial Group	13,141	833	731	Total Equities – 35.6%		508,384	458,266
IGM Financial Inc.	20,161	749	716	Total Investments – 99.9%		1,428,111	1,370,582
Imperial Oil Limited	37,697	1,233	1,509	Cash and cash equivalents – 0.1%		1,892	1,892
Intact Financial Corporation	20,712	2,811	1,975	Total Portfolio Assets – 100.0%		1,430,003	1,372,474
Loblaw Companies Limited	17,993	1,263	1,036	Total Investments Allocation			
Magna International Inc.	22,687	1,607	1,411	Plan II		871	836
Methanex Corporation	22,975	1,147	1,233	Founders' Plan		10,888	10,450
METRO Inc.	33,019	1,839	1,515	Group Savings Plan		79,913	76,694
Morguard Corporation	2,823	559	425	Group Savings Plan 2001		1,203,801	1,155,307
Nutrien Ltd.	30,434	1,915	1,778	Family Savings Plan		129,263	124,056
Pason System Inc.	76,387	1,080	1,415	Individual Savings Plan		3,375	3,239
Pembina Pipeline Corp	14,913	690	662			1,428,111	1,370,582
PrairieSky Royalty Ltd.	73,346	942	1,688	Cash and cash equivalents Allocation			
Recipe Unlimited Corporation	20,332	478	540	Plan II		1	1
Restaurant Brands International Inc.	7,012	604	469	Founders' Plan		15	15
Ritchie Brothers Auctioneers	22,759	1,233	959	Group Savings Plan		106	106
Royal Bank of Canada	17,438	1,852	1,724	Group Savings Plan 2001		1,595	1,595
Saputo Inc.	68,278	2,608	2,771	Family Savings Plan		171	171
ShawCor Ltd.	36,290	481	1,027	Individual Savings Plan		4	4
Stella-Jones Inc.	30,471	1,113	1,296			1,892	1,892
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				
Toronto Dominion Bank	72,425	5,443	4,417				
Total Energy Services Inc.	37,904	213	510				
Tucows Inc.	8,148	594	589				
Wajax Corporation	24,749	379	531				
Westshore Terminals Investment Corporation	67,800	1,548	1,556				
Winpak Ltd.	14,475	674	699				
		78,838	74,178				

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

Sales Charge Refund Entitlements

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

(in thousands of Canadian dollars)

Agreements Purchased prior to October 2, 2007

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds					
Federal – 1.1%					
Canada Housing Trust	2.65	1 Oct 2027	160	135	133
First National Financial	2.03	1 Aug 2024	100	98	98
First National Financial	2.40	1 Sep 2029	360	362	357
Government of Canada	1.94	1 Aug 2024	84	82	82
Kreditanstalt fur Wiederaufbau Global	5.05	4 Feb 2025	279	322	338
Kreditanstalt fur Wiederaufbau Global	4.70	2 Jun 2037	90	119	116
				1,118	1,124
Provincial – 0.1%					
Province of New Brunswick	6.47	30 Nov 2027	135	158	161
				158	161
Corporate – 27.0%					
407 International Inc.	6.75	27 Jul 2039	175	245	241
407 International Inc.	7.13	26 Jul 2040	438	696	672
Anheuser-Busch InBev	2.60	15 May 2024	41	41	38
Apple Inc.	2.51	19 Aug 2024	2,251	2,286	2,237
AT&T Inc.	4.85	25 May 2047	1,075	1,139	1,071
Bank of Montreal	2.17	1 Feb 2023	1,422	1,422	1,422
Blue Water Bridge Authority	6.41	9 Jul 2027	1,246	705	736
CMHC Scotia Capital Inc.	2.05	1 Jan 2024	126	121	120
CSS Partnership	6.92	31 Jul 2042	184	254	240
Enbridge Inc.	4.57	11 Mar 2044	1,149	1,250	1,082
Enbridge Pipelines Inc.	4.33	22 Feb 2049	73	81	73
EUROFIMA Maple Bond	4.55	30 Mar 2027	212	248	237
GE Capital Canada Funding Company	4.60	26 Jan 2022	135	140	137
GE Capital Canada Funding Company	2.31	15 Feb 2022	866	849	796
GE Capital Canada Funding Company	3.18	6 Feb 2023	147	147	141
GE Capital Canada Funding Company	5.73	22 Oct 2037	404	440	387
Greater Toronto Airports Authority	6.45	30 Jul 2029	1,085	1,318	1,319
Honda Canada Finance Inc.	2.36	13 Sep 2021	125	125	125
InPower BC General Partnership	4.47	31 Mar 2033	533	576	529
Lloyds Bank plc	2.53	11 Jul 2023	1,445	1,437	1,445
Loblaws Companies Limited	6.54	17 Feb 2033	173	225	214
Loblaws Companies Limited	4.49	11 Dec 2028	141	157	141
Maritimes and Northeast Pipelines Limited Partnership	6.90	30 Nov 2019	9	9	11
Maritimes and Northeast Pipelines Limited Partnership	4.34	30 Nov 2019	29	29	30
McCain Finance Limited	3.87	7 Feb 2023	737	766	737
NAV Canada	7.56	1 Mar 2027	627	745	788
NAV Canada	7.40	1 Jun 2027	72	98	99
NAV Canada	3.21	29 Sep 2050	80	88	83
North Battleford Power L.P.	4.96	31 Dec 2032	163	184	185

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

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)					
Corporate – 27.0% (continued)					
Nova Gas Transmission Ltd.	9.90	16 Dec 2024	109	145	167
Ornge Issuer Trust	5.73	11 Jun 2034	957	1,128	1,104
Pembina Pipeline Corp	3.62	3 Apr 2029	46	47	46
Pembina Pipeline Corp	3.31	1 Feb 2030	392	391	392
Pembina Pipeline Corp	4.75	26 Mar 2048	420	459	420
Plenary Properties LTAP LP	6.29	31 Jan 2044	842	1,147	1,069
Public Sector Pension Investment Board	3.27	12 Jun 2020	1,588	1,591	1,596
Royal Bank of Canada	2.11	27 Jun 2022	811	812	811
Shaw Communications Inc.	6.75	9 Nov 2039	1,130	1,502	1,142
Strait Crossing Development Inc.	6.17	15 Sep 2031	451	362	319
Sun Life Assurance Co.	6.30	15 May 2028	41	52	50
Toronto Dominion Bank	2.28	28 Jun 2023	410	412	410
TransCanada PipeLines Limited	8.29	5 Feb 2026	214	279	283
TransCanada PipeLines Limited	6.28	26 May 2028	35	43	42
TransCanada PipeLines Limited	6.89	7 Aug 2028	117	150	146
University Health Network	5.64	8 Dec 2022	1,027	1,075	1,171
University of Ontario Institute of Technology	6.35	15 Oct 2034	1,091	1,332	1,158
Walt Disney Company	2.76	7 Oct 2024	1,286	1,323	1,283
				28,071	26,945
Total Fixed Income – 28.2%				29,189	28,069
Equities					
			Number of Securities	Fair Value (\$)	Average Cost (\$)
Pool Equity Fund – 71.4%					
CCL Global Equity Fund			3,342,530	74,324	77,649
Total Equities – 71.4%				74,324	77,649
Total Investments – 99.6%				103,671	105,879
Cash and cash equivalents – 0.4%				397	397
Total Portfolio Assets – 100.0%				104,068	106,276
Total Investments Allocation					
Group Savings Plan				15,347	14,605
Group Savings Plan 2001				88,324	91,235
				103,671	105,840
Cash and cash equivalents Allocation					
Group Savings Plan				55	55
Group Savings Plan 2001				342	342
				397	397

Canadian Scholarship Trust Plan

Sponsor

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

Investment Fund Manager and Distributor

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

Trustee

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

Auditor

Deloitte LLP
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Bank

Royal Bank of Canada
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For updates on your Plan account, login to Online Services at www.cst.org
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