

# Canadian Scholarship Trust Family Savings Plan

Audited Financial Statements and  
Management Report of Fund Performance  
October 31, 2020 and 2019



## Contents

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Management Report of Fund Performance	1
Management’s Responsibility for Financial Reporting	5
Independent Auditor’s Report	5
Statements of Financial Position	7
Statements of Comprehensive Income	8
Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries	8
Statements of Cash Flows	9
Schedule I – Statement of Investment Portfolio	10
Schedule II – Subscribers’ Deposits and Accumulated Income	15
Notes to the Financial Statements	16
Government Grants (Appendix I to Schedule I)	20

### CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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

# Management Report of Fund Performance

## Introduction

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

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

This management discussion of fund performance presents the portfolio management team’s view on the significant factors and developments during the year ended October 31, 2020, that have affected the Plan’s performance and outlook.

## Investment Objective and Strategy

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

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

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

The Plan’s U.S. and International equity assets are managed by BlackRock Asset Management Canada Limited. These assets are allocated to ETFs traded on Canadian or U.S. exchanges that replicate the performance of various non-domestic equity indices including the S&P US Total Market Index, MSCI EAFE IMI Index, and MSCI Emerging Markets Index. Global real estate and infrastructure ETFs are managed by BlackRock and designed to replicate the performance of their specific benchmark index. The Plan’s Canadian equity assets are actively managed by Fiera Capital Corporation and managed to a focused portfolio composed of Canadian companies identified as having effective management with superior long-term prospects.

## Risk

The risks associated with investing in the Plan remain as described in the prospectus. There were no material changes to the Plan during

the financial year that affected the overall level of risk associated with an investment in the Plan.

## Results of Operation

### Plan Performance

During the year, the Plan’s rate of return, net of fees, was 3.3% compared to the investment policy benchmark (the “Benchmark”) return of 3.0%. In comparison, the following Broad-based indices, the FTSE Canada Short-Term Government Bond Index generated a return of 4.4%, and the S&P/TSX Capped Composite gained 2.3% over the identical time period. The Plan’s return is after the deduction of fees and expenses of 1.2%, while the Benchmark and Broad-based Indices returns do not include any costs of investing, such as fees, expenses and commissions.

In comparison to the Benchmark, the Plan’s rate of return outperformed the Benchmark, after fees and expenses, over the one-year period. The Plan’s exposure to U.S. equity ETFs and longer maturity Canadian fixed income contributed to outperformance relative to the Benchmark.

### Economic Review

First recognized in December 2019, and officially declared a global pandemic by the World Health Organization in March 2020, the SARS-CoV-2 coronavirus, or “COVID-19”, has had a negative impact on the health of millions across the globe, and the economic situation for most nations. In an effort to slow the spread of the virus, countries across the world closed borders, enacted business lock downs, and implemented quarantines. Capital markets subsequently reacted with an extreme plunge in equity prices combined with increased volatility and tightening liquidity. Governments also responded with unprecedented levels of fiscal and monetary stimulus packages in attempts to avoid recessions, address rapidly rising unemployment, and maintain functioning financial markets. April and subsequent months witnessed significant market recoveries; however, risk levels remain elevated and are dependent on continued global efforts to contain the spread of the virus.

U.S. GDP grew 33.1% in the third quarter of 2020, as the economy rebounded from the impact of COVID-19 early in the year. The improvement was attributed to the economic stimulus measures enacted by Congress and the Federal Reserve, including lowering the overnight lending rate from 2.5% to 0.25% and conducting quantitative easing measures in order to boost demand and support market liquidity. Unemployment levels which increased to above 14% in April improved to below 7% by October. U.S. Inflation as measured by the Consumer Price Index rose to 1.4% in September as the Federal Reserve noted the accommodative policy stance will be to allow inflation to rise beyond the historically targeted rate of 2 percent.

Similar to its U.S. counterpart, the Bank of Canada conducted a series of wide-ranging stimulus response actions including lowering the overnight lending rate on three separate occasions in March to 0.25% and purchasing fixed income securities on the open market to support liquidity. Canada's unemployment levels peaked at 13.7% in May and subsequently declined to below 9.0% as of October 31<sup>st</sup>. The Canadian dollar strengthened relative to the US dollar despite oil prices remaining well below pre-pandemic levels. Inflation levels similarly declined over the course of the year as lower economic activity and falling energy prices deflated the Consumers Price Index to under 0.5% on an annualized basis.

Canadian fixed income returns were positive as yields fell, more specifically the benchmark FTSE Canada Universe Bond Index gained 6.5%. Longer dated maturities benefited as the FTSE Canada Long Term Bond Index rose 7.6% over the same period. Canadian corporate bonds and shorter maturity fixed income issues also provided gains of 6.3% for the FTSE Corporate Bond Index and 3.4% for the FTSE Canadian Short-Term Bond Index.

Equity returns were extremely volatile over the course of the year with performance widely varying dependent upon the specific region or sector. Despite falling by more than 7% year-to-date

through March 31, 2020, U.S. large cap equities (as represented by the S&P 500) recovered to post an annual gain of 10.7% (in Canadian dollar terms). Positive U.S. equity returns were largely attributed to a narrow group of Technology and Health Care stocks. The Canadian equity market (as represented by the S&P/TSX Capped Composite) returned negative 2.3% as the Energy and Real Estate sectors dragged performance down for the overall index over the year. Developed International equity markets generated negative returns as reflected by the MSCI EAFE Index falling 4.6%, as COVID-19 cases surged throughout Europe towards the end of the year. Despite being in negative territory for the second half of the fiscal year, the MSCI Emerging Markets Index was up 9.2% over 2020.

#### **Portfolio Manager Changes**

On July 24<sup>th</sup>, 2020, the corporate bond mandate allocated to TD Asset Management Inc. was terminated with assets reallocated to Fiera Capital Corporation.

#### **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.

## **Financial and Operating Highlights (with comparative figures)**

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

(\$ thousands)	2020	2018	2017	2016	2015
<b>Statements of Financial Position</b>					
Total Assets	\$440,941	\$398,595	\$343,231	\$320,836	\$294,876
Net Assets	439,349	396,549	339,553	317,663	293,651
% Change of Net Assets Attributable to Subscribers and Beneficiaries	10.8%	16.8%	6.9%	8.2%	11.8%
<b>Statements of Comprehensive Income</b>					
Net Investment Income	\$ 14,455	\$ 31,899	\$ 1,669	\$ 4,347	\$ 11,250
<b>Statements of Changes in Net Assets</b>					
Education Assistance Payments	\$ (13,755)	\$ (12,908)	\$ (11,445)	\$ (12,992)	\$ (13,298)
Government Grants Repaid (net of receipts)	180	(816)	(783)	(381)	(812)
Government Grant payments to Beneficiaries	(11,513)	(11,477)	(10,180)	(5,919)	(5,535)
<b>Other</b>					
Total number of Agreements	70,786	67,054	64,092	61,082	57,986
% Change in the total number of Agreements	5.6%	4.6%	4.9%	5.3%	6.0%

## Management Fees

### Administration Fees

An administration fee of \$4,621 thousand (2019 – \$4,016 thousand) comprising Plan administration and processing fees and financial reporting expenses was paid to the Foundation, the sponsor and administrator of the Plan, in accordance with subscribers' Education Savings Plan Agreements. The administration of the Plan includes processing and call centre services related to new agreements, Government grants, plan modifications, terminations, maturities and Education Assistance Payments ("EAPs"). The annual administration fee is calculated as 1.0% of the total amount of net Contributions, Government Grants and income earned on these amounts, subject to applicable taxes, and is paid monthly.

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

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

### Portfolio Management Fees

The Plan's annual investment management fee was 0.08%, including taxes, (2019 – 0.06%) 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 2020 these fees charged to the Plan amounted to \$148 thousand (2019 – \$158 thousand) and were 0.04% including taxes (2019 – 0.04%) of the average market value of assets.

## Summary of Plan Investment Portfolio

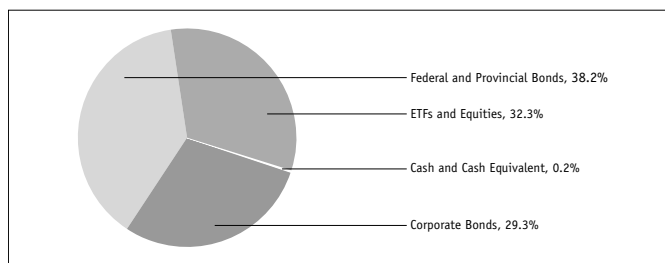
The Plan's Total Portfolio Assets are comprised of the Principal and Income for all education savings plan agreements that have not been paid out to beneficiaries and/or withdrawn by subscribers.

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

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

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

### Asset Mix as at October 31, 2020



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

Issuer		Fair Value (\$000's)	% of Plan Portfolio Assets
iShares Core S&P U.S. ETF		41,408	14.2%
iShares Core MSCI EAFE IMI Index ETF		25,720	8.8%
Province of Ontario	2.60% 2 Jun 2025	7,851	2.7%
Province of Ontario	3.15% 2 Jun 2022	7,463	2.6%
Province of Ontario	2.85% 2 Jun 2023	7,084	2.4%
iShares Core MSCI Emerging Markets IMI Index ETF		7,028	2.4%
Province of Ontario	3.50% 2 Jun 2024	6,032	2.0%
Province of Québec	3.50% 1 Dec 2022	5,551	1.9%
Province of Ontario	1.75% 8 Sep 2025	4,512	1.5%
Province of Québec	2.75% 1 Sep 2025	4,212	1.4%
iShares Global Infrastructure Index ETF		3,919	1.3%
Royal Bank of Canada	2.74% 25 Jul 2029	3,915	1.3%
Province of Ontario	1.35% 8 Mar 2022	3,735	1.3%
iShares Global Real Estate Index ETF		3,535	1.2%
Province of Québec	3.75% 1 Sep 2024	3,517	1.2%
Province of Québec	4.25% 1 Dec 2021	3,442	1.2%
Province of Québec	3.00% 1 Sep 2023	3,401	1.2%
Bank of Nova Scotia	2.84% 3 Jul 2029	3,052	1.0%
Bank of Montreal	2.88% 17 Sep 2029	2,843	1.0%
Bank of America	3.30% 24 Apr 2024	2,813	1.0%
Province of Ontario	2.60% 8 Sep 2023	2,793	1.0%
Wells Fargo & Company	2.98% 19 May 2026	2,560	0.9%
Province of British Columbia	2.85% 18 Jun 2025	2,323	0.8%
Province of Manitoba	2.55% 2 Jun 2023	2,320	0.8%
Province of Ontario	2.30% 8 Sep 2024	2,315	0.8%

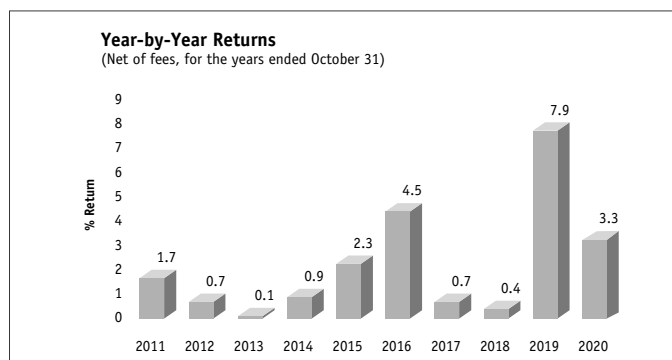
**Top 25 long positions as a percentage of Total Portfolio Asset of the Plan** **55.9%**

## Past Performance

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

### Year-by-Year Returns

The following bar chart illustrates the annual performance in each of the past ten years to October 31, 2020 of the Plan's Total Portfolio Assets. The chart illustrates in percentage terms how much an investment in the Plan's Total Portfolio Assets, made on the first day of each financial year, would have increased or decreased by the last day of each financial year:



### Annual Compound Returns

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

The following table illustrates the annual compound returns of the Plan's Total Portfolio for the periods shown ending on October 31, 2020.

	Period			
	1 Yr	3 Yr	5 Yr	10 Yr
<b>Net Plan Return*</b>	3.3	3.8	3.4	2.3
<b>Benchmark</b>	3.0	4.5	4.0	3.1
<b>FTSE Canada Short-Term Government Bond</b>	4.4	2.9	1.9	1.3
<b>S&amp;P/TSX Capped Composite</b>	(2.3)	2.2	6.1	5.2

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

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

# Management's Responsibility for Financial Reporting

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

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

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



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



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

Toronto, Ontario  
December 15, 2020

## 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 Family Savings Plan (the "Plan"), which comprise the statements of financial position as October 31, 2020 and 2019, 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, 2020 and 2019, 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 15, 2020



# Statements of Financial Position

As at October 31, 2020 and October 31, 2019

(in thousands of Canadian dollars)

	2020	2019
<b>Assets</b>		
Cash and cash equivalents	\$ 821	\$ 2,168
Receivables for securities sold	-	122
Investments, at fair value <i>(Note 4 and Schedule I)</i>	437,052	393,719
Accrued income and other receivables	2,787	2,343
Government grants receivable	281	243
	<b>440,941</b>	<b>398,595</b>
<b>Liabilities</b>		
Payables for securities purchased	-	52
Accounts payable and accrued liabilities	1,592	1,994
	<b>1,592</b>	<b>2,046</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries</b>	<b>439,349</b>	<b>396,549</b>
<b>Represented by:</b>		
<b>Non-Discretionary Funds</b>		
Accumulated income held for future education assistance payments	95,697	81,556
Subscribers' deposits <i>(Schedule II)</i>	200,787	187,513
Government grants	91,479	82,120
Income on Government grants	51,386	45,360
	<b>\$439,349</b>	<b>\$396,549</b>

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



Douglas P. McPhie, FCPA, FCA  
Director



Sherry J. MacDonald, CPA, CA  
Director

# Statements of Comprehensive Income

For the years ended October 31, 2020 and 2019

(in thousands of Canadian dollars)

	2020	2019
<b>Income</b>		
Interest	\$ 7,993	\$ 7,492
Realized gains on sale of investments	3,813	14,708
Change in unrealized gains	4,890	11,606
Dividends	2,889	2,489
	<b>19,585</b>	<b>36,295</b>
<b>Expenses</b>		
Administration fees (Note 3 (a))	4,621	4,016
Portfolio management fees	355	217
Custodian and Trustee fees	148	158
Independent Review Committee fees	6	5
	<b>5,130</b>	<b>4,396</b>
<b>Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries</b>	<b>\$14,455</b>	<b>\$31,899</b>

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

For the years ended October 31, 2020 and 2019

(in thousands of Canadian dollars)

	2020	2019
<b>Net Assets Attributable to Subscribers and Beneficiaries, Beginning of the Year</b>	<b>\$396,549</b>	<b>\$339,553</b>
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	14,455	31,899
Transfers from internal and external plans	41,194	38,346
	<b>55,649</b>	<b>70,245</b>
<b>Receipts</b>		
Net increase in Subscribers' deposits (Schedule II)	13,274	12,446
Government grants received (net of receipts)	180	-
<b>Disbursements</b>		
Government grants repaid (net of receipts)	-	(816)
Payments to beneficiaries		
Education assistance payments	(13,755)	(12,908)
Government grants	(11,513)	(11,477)
Refund of sales charges	(445)	-
Return of income	(590)	(494)
<b>Total payments to beneficiaries</b>	<b>(26,303)</b>	<b>(24,879)</b>
<b>Receipts less Disbursements</b>	<b>(12,849)</b>	<b>(13,249)</b>
<b>Change in Net Assets Attributable to Subscribers and Beneficiaries</b>	<b>42,800</b>	<b>56,996</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries, End of the Year</b>	<b>\$439,349</b>	<b>\$396,549</b>

# Statements of Cash Flows

For the years ended October 31, 2020 and 2019

(in thousands of Canadian dollars)

	2020	2019
<b>Operating Activities</b>		
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$ 14,455	\$ 31,899
Net disbursements for investment transactions	(34,560)	(29,711)
Items not affecting cash		
Realized gains on sale of investments	(3,813)	(14,708)
Change in unrealized gains	(4,890)	(11,606)
Change in non-cash operating capital		
(Increase) decrease in Accrued income and other receivables	(444)	68
Increase in Government grants receivable	(38)	(24)
Decrease in Accounts payable and accrued liabilities	(402)	(66)
<b>Cash flow used in Operating Activities</b>	<b>(29,692)</b>	<b>(24,148)</b>
<b>Financing Activities</b>		
Transfers from internal and external plans	41,194	38,346
Net Government grants received (repaid)	180	(816)
Net increase in Subscribers' deposits <i>(Schedule II)</i>	13,274	12,446
Payments to beneficiaries	(26,303)	(24,879)
<b>Cash flow from Financing Activities</b>	<b>28,345</b>	<b>25,097</b>
<b>Net (decrease) increase in Cash and cash equivalents</b>	<b>(1,347)</b>	<b>949</b>
<b>Cash and cash equivalents, Beginning of the Year</b>		
Cash	1,889	1,114
Cash equivalents	279	105
	<b>2,168</b>	<b>1,219</b>
<b>Cash and cash equivalents, End of the Year</b>		
Cash	508	1,889
Cash equivalents	313	279
	<b>\$ 821</b>	<b>\$ 2,168</b>
<b>Supplemental cash flow information:</b>		
Withholding Taxes	\$ —	\$ —
Interest Income Received	7,857	7,561

# Schedule I – Statement of Investment Portfolio

As at October 31, 2020

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds</b>						<b>Bonds (continued)</b>					
<b>Federal – 3.0%</b>						<b>Provincial – 35.2% (continued)</b>					
Canada Housing Trust	1.50	15 Dec 2021	400	406	402	Province of Alberta	3.45	1 Dec 2043	205	243	215
Canada Housing Trust	1.75	15 Jun 2022	320	328	322	Province of Alberta	3.30	1 Dec 2046	275	320	296
Canada Housing Trust	2.40	15 Dec 2022	303	316	306	Province of Alberta	3.05	1 Dec 2048	106	119	103
Canada Housing Trust	2.35	15 Jun 2023	106	111	106	Province of Alberta	3.10	1 Jun 2050	227	259	245
Canada Housing Trust	2.35	15 Sep 2023	231	244	244	Province of British Columbia	3.25	18 Dec 2021	1,225	1,266	1,267
Canada Housing Trust	2.55	15 Dec 2023	287	306	287	Province of British Columbia	2.70	18 Dec 2022	650	682	661
Canada Housing Trust	2.90	15 Jun 2024	112	122	117	Province of British Columbia	3.30	18 Dec 2023	1,225	1,332	1,278
Canada Housing Trust	1.80	15 Dec 2024	386	405	402	Province of British Columbia	2.85	18 Jun 2025	2,117	2,323	2,306
Canada Housing Trust	2.55	15 Mar 2025	325	352	336	Province of British Columbia	2.55	18 Jun 2027	39	43	43
Canada Housing Trust	0.95	15 Jun 2025	328	333	330	Province of British Columbia	2.95	18 Dec 2028	107	122	111
Canada Housing Trust	1.95	15 Dec 2025	150	160	160	Province of British Columbia	5.70	18 Jun 2029	175	239	230
Canada Housing Trust	2.35	15 Mar 2028	202	223	197	Province of British Columbia	2.20	18 Jun 2030	97	105	102
Canada Housing Trust	2.65	15 Mar 2028	112	126	111	Province of British Columbia	4.70	18 Jun 2037	50	70	63
Canada Housing Trust	2.65	15 Dec 2028	174	197	174	Province of British Columbia	4.30	18 Jun 2042	125	175	145
Canada Housing Trust	2.10	15 Sep 2029	186	203	191	Province of British Columbia	3.20	18 Jun 2044	350	422	361
Canada Housing Trust	1.75	15 Jun 2030	183	195	191	Province of British Columbia	2.95	18 Jun 2050	312	371	335
Government of Canada	1.25	1 Nov 2021	75	76	76	Province of Manitoba	2.55	2 Jun 2023	2,203	2,320	2,215
Government of Canada	0.50	1 Mar 2022	168	169	166	Province of Manitoba	2.45	2 Jun 2025	1,900	2,042	2,037
Government of Canada	1.50	1 May 2022	51	52	52	Province of Manitoba	2.55	2 Jun 2026	100	109	102
Government of Canada	2.75	1 Jun 2022	200	208	209	Province of Manitoba	3.00	2 Jun 2028	146	165	159
Government of Canada	0.25	1 Aug 2022	243	243	243	Province of Manitoba	2.75	2 Jun 2029	110	123	114
Government of Canada	1.00	1 Sep 2022	307	311	302	Province of Manitoba	2.05	2 Jun 2030	38	40	39
Government of Canada	1.75	1 Mar 2023	259	268	268	Province of Manitoba	5.70	5 Mar 2037	100	151	139
Government of Canada	1.50	1 Jun 2023	180	186	185	Province of Manitoba	4.05	5 Sep 2045	200	266	237
Government of Canada	2.00	1 Sep 2023	189	198	191	Province of Manitoba	3.40	5 Sep 2048	50	61	52
Government of Canada	2.25	1 Mar 2024	51	54	53	Province of Manitoba	3.20	5 Mar 2050	86	102	88
Government of Canada	2.50	1 Jun 2024	50	54	52	Province of Manitoba	2.05	5 Sep 2052	18	17	18
Government of Canada	1.50	1 Sep 2024	39	41	40	Province of New Brunswick	1.55	4 May 2022	675	687	658
Government of Canada	1.25	1 Mar 2025	85	88	88	Province of New Brunswick	2.85	2 Jun 2023	1,050	1,113	1,091
Government of Canada	2.25	1 Jun 2025	200	217	218	Province of New Brunswick	1.80	14 Aug 2025	27	28	27
Government of Canada	0.50	1 Sep 2025	445	447	447	Province of New Brunswick	3.10	14 Aug 2028	20	23	21
Government of Canada	1.50	1 Jun 2026	150	159	152	Province of New Brunswick	4.80	3 Jun 2041	375	529	459
Government of Canada	1.00	1 Jun 2027	62	64	64	Province of New Brunswick	3.10	14 Aug 2048	18	21	17
Government of Canada	2.00	1 Jun 2028	37	41	40	Province of New Brunswick	3.05	14 Aug 2050	31	35	33
Government of Canada	2.25	1 Jun 2029	193	220	214	Province of Newfoundland and Labrador	1.95	2 Jun 2022	425	435	418
Government of Canada	1.25	1 Jun 2030	231	244	245	Province of Newfoundland and Labrador	2.30	2 Jun 2025	500	529	525
Government of Canada	5.75	1 Jun 2033	150	239	243	Province of Newfoundland and Labrador	3.00	2 Jun 2026	125	137	126
Government of Canada	5.00	1 Jun 2037	125	203	185	Province of Newfoundland and Labrador	2.85	2 Jun 2028	33	36	32
Government of Canada	4.00	1 Jun 2041	125	193	178	Province of Newfoundland and Labrador	2.85	2 Jun 2029	51	56	52
Government of Canada	3.50	1 Dec 2045	175	264	243	Province of Newfoundland and Labrador	1.75	2 Jun 2030	24	24	24
Government of Canada	2.75	1 Dec 2048	144	196	194	Province of Newfoundland and Labrador	3.70	17 Oct 2048	20	23	21
Government of Canada	2.00	1 Dec 2051	260	310	320	Province of Newfoundland and Labrador	2.65	17 Oct 2050	157	152	157
Government of Canada	2.75	1 Dec 2064	50	76	57	Province of Nova Scotia	1.00	17 Apr 2023	500	507	504
				8,848	8,601	Province of Nova Scotia	2.10	1 Jun 2027	75	80	71
<b>Provincial – 35.2%</b>						Province of Nova Scotia	2.00	1 Sep 2030	115	121	117
Province of Alberta	2.55	15 Dec 2022	890	931	899	Province of Nova Scotia	3.15	1 Dec 2051	124	148	140
Province of Alberta	2.65	1 Sep 2023	788	835	812	Province of Ontario	1.35	8 Mar 2022	3,682	3,735	3,653
Province of Alberta	3.10	1 Jun 2024	900	978	955	Province of Ontario	3.15	2 Jun 2022	7,145	7,463	7,453
Province of Alberta	2.35	1 Jun 2025	2,150	2,297	2,291						
Province of Alberta	2.20	1 Jun 2026	350	373	347						
Province of Alberta	2.55	1 Jun 2027	152	166	166						
Province of Alberta	2.90	1 Dec 2028	260	291	265						
Province of Alberta	2.90	20 Sep 2029	100	112	99						
Province of Alberta	2.05	1 Jun 2030	373	389	385						

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

# Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2020

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>						<b>Bonds (continued)</b>					
<b>Provincial – 35.2% (continued)</b>						<b>Corporate – 29.3%</b>					
Province of Ontario	2.85	2 Jun 2023	6,675	7,084	6,825	407 International Inc.	3.14	6 Mar 2030	500	561	565
Province of Ontario	2.60	8 Sep 2023	2,636	2,793	2,669	407 International Inc.	2.59	25 May 2032	375	396	404
Province of Ontario	3.50	2 Jun 2024	5,475	6,032	5,893	407 International Inc.	3.65	8 Sep 2044	300	339	350
Province of Ontario	2.30	8 Sep 2024	2,179	2,315	2,241	407 International Inc.	3.72	11 May 2048	200	231	235
Province of Ontario	2.60	2 Jun 2025	7,250	7,851	7,755	407 International Inc.	2.84	7 Mar 2050	285	282	289
Province of Ontario	1.75	8 Sep 2025	4,317	4,512	4,518	Access Justice Durham Ltd.	5.02	31 Aug 2039	102	129	131
Province of Ontario	2.40	2 Jun 2026	300	325	303	Aéroports de Montréal	5.67	16 Oct 2037	133	182	191
Province of Ontario	2.60	2 Jun 2027	564	620	590	AIMCo Realty Investors L.P.	3.04	1 Jun 2028	360	394	377
Province of Ontario	1.05	8 Sep 2027	110	110	110	AIMCo Realty Investors L.P.	2.71	1 Jun 2029	1,071	1,148	1,090
Province of Ontario	2.90	2 Jun 2028	473	533	515	Alimentation					
Province of Ontario	6.50	8 Mar 2029	200	282	266	Couche-Tard Inc.	3.06	26 Jul 2024	383	407	410
Province of Ontario	2.70	2 Jun 2029	357	398	369	Allied Properties REIT	3.11	8 Apr 2027	163	170	163
Province of Ontario	2.05	2 Jun 2030	654	693	687	Allied Properties REIT	3.13	15 May 2028	130	135	130
Province of Ontario	1.35	2 Dec 2030	44	44	44	Allied Properties REIT	3.12	21 Feb 2030	220	224	220
Province of Ontario	5.85	8 Mar 2033	275	405	373	AltaGas Ltd.	3.72	28 Sep 2021	627	643	647
Province of Ontario	4.70	2 Jun 2037	575	805	709	AltaGas Ltd.	2.16	10 Jun 2025	230	235	230
Province of Ontario	4.60	2 Jun 2039	650	915	762	AltaGas Ltd.	4.99	4 Oct 2047	188	222	237
Province of Ontario	4.65	2 Jun 2041	225	323	276	AltaLink, L.P.	2.98	28 Nov 2022	250	262	263
Province of Ontario	3.45	2 Jun 2045	575	718	606	AltaLink, L.P.	5.38	26 Mar 2040	857	1,193	1,180
Province of Ontario	2.90	2 Dec 2046	675	775	674	Bank of America	3.30	24 Apr 2024	2,667	2,813	2,752
Province of Ontario	2.80	2 Jun 2048	525	596	507	Bank of Montreal	1.61	28 Oct 2021	236	239	239
Province of Ontario	2.90	2 Jun 2049	570	660	547	Bank of Montreal	2.27	11 Jul 2022	52	53	54
Province of Ontario	2.65	2 Dec 2050	319	355	353	Bank of Montreal	2.85	6 Mar 2024	519	550	528
Province of Ontario	1.90	2 Dec 2051	166	157	165	Bank of Montreal	2.37	3 Feb 2025	420	441	418
Province of Prince Edward Island	2.65	1 Dec 2051	7	7	7	Bank of Montreal	2.88	17 Sep 2029	2,706	2,843	2,717
Province of Québec	4.25	1 Dec 2021	3,300	3,442	3,547	Bank of Montreal	2.08	17 Jun 2030	340	347	340
Province of Québec	1.65	3 Mar 2022	750	764	745	Bank of Nova Scotia	2.36	8 Nov 2022	110	114	114
Province of Québec	3.50	1 Dec 2022	5,215	5,551	5,509	Bank of Nova Scotia	3.89	18 Jan 2029	537	579	562
Province of Québec	3.00	1 Sep 2023	3,175	3,401	3,265	Bank of Nova Scotia	2.84	3 Jul 2029	2,912	3,052	2,938
Province of Québec	3.75	1 Sep 2024	3,145	3,517	3,462	Bell Canada	3.35	22 Mar 2023	281	295	296
Province of Québec	2.75	1 Sep 2025	3,850	4,212	4,200	Bell Canada	4.70	11 Sep 2023	400	438	441
Province of Québec	2.50	1 Sep 2026	275	300	273	Bell Canada	2.90	10 Sep 2029	225	239	235
Province of Québec	2.75	1 Sep 2027	275	307	274	Bell Canada	2.50	14 May 2030	290	297	289
Province of Québec	2.75	1 Sep 2028	123	138	122	Bell Canada	6.10	16 Mar 2035	85	112	118
Province of Québec	2.30	1 Sep 2029	297	323	302	Bell Canada	4.75	29 Sep 2044	178	211	232
Province of Québec	1.90	1 Sep 2030	394	413	417	Bell Canada	4.45	27 Feb 2047	125	144	151
Province of Québec	6.25	1 Jun 2032	200	299	275	Bell Canada	3.50	30 Sep 2050	675	666	703
Province of Québec	5.75	1 Dec 2036	550	848	797	BMW Canada Inc.	2.22	20 Dec 2021	52	53	53
Province of Québec	5.00	1 Dec 2041	150	226	195	Brookfield Renewable Partners L.P.	4.25	15 Jan 2029	436	505	509
Province of Québec	4.25	1 Dec 2043	400	556	475	Brookfield Renewable Partners L.P.	3.33	13 Aug 2050	99	97	99
Province of Québec	3.50	1 Dec 2045	525	663	559	Caisse Centrale Desjardins	2.39	25 Aug 2022	627	647	649
Province of Québec	3.50	1 Dec 2048	474	608	538	Caisse Centrale Desjardins	3.06	11 Sep 2023	472	502	503
Province of Québec	3.10	1 Dec 2051	406	496	488	Caisse Centrale Desjardins	2.42	4 Oct 2024	283	297	288
Province of Saskatchewan	3.20	3 Jun 2024	725	791	773	Calloway REIT Inc.	3.99	30 May 2023	212	223	224
Province of Saskatchewan	0.80	2 Sep 2025	48	48	48	Canadian Imperial Bank of Commerce	3.45	4 Apr 2028	708	746	726
Province of Saskatchewan	3.05	2 Dec 2028	113	128	115	Canadian Imperial Bank of Commerce	2.95	19 Jun 2029	224	235	225
Province of Saskatchewan	2.20	2 Jun 2030	40	43	41	Canadian Imperial Bank of Commerce	2.01	21 Jul 2030	300	304	300
Province of Saskatchewan	5.80	5 Sep 2033	125	183	166	Canadian Natural Resources Limited	3.55	3 Jun 2024	892	939	924
Province of Saskatchewan	2.75	2 Dec 2046	250	271	231	Canadian Pacific Railway Ltd.	3.05	9 Mar 2050	160	161	159
Province of Saskatchewan	3.30	2 Jun 2048	25	30	25	Canadian Western Bank	1.57	14 Sep 2023	864	869	865
Province of Saskatchewan	3.10	2 Jun 2050	138	161	151						
Province of Saskatchewan	2.95	2 Jun 2058	23	27	22						
				102,795	99,558						

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

# Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2020

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>						<b>Bonds (continued)</b>					
<b>Corporate – 29.3% (continued)</b>						<b>Corporate – 29.3% (continued)</b>					
Central 1 Credit Union	3.06	14 Oct 2026	411	416	416	HCN Canadian Holdings L.P.	2.95	15 Jan 2027	482	488	491
Centre Hospitalier de l'Universite de Montreal	6.72	30 Sep 2049	66	95	97	Hospital Infrastructure Partner Inc.	5.44	31 Jan 2045	61	80	81
Choice Properties REIT	4.90	5 Jul 2023	429	467	468	HSBC Bank Canada	2.17	29 Jun 2022	1,327	1,358	1,360
Choice Properties REIT	3.56	9 Sep 2024	215	231	215	Husky Energy Inc.	3.55	12 Mar 2025	360	364	375
Choice Properties REIT	3.53	11 Jun 2029	75	81	83	Husky Energy Inc.	3.50	7 Feb 2028	309	296	300
Choice Properties REIT	2.98	4 Mar 2030	450	468	466	Hydro One Inc.	0.71	16 Jan 2023	52	52	52
Coast Capital Savings Credit Union	5.00	3 May 2028	380	401	402	Hydro One Inc.	6.93	1 Jun 2032	633	943	963
Co-operators Financial Services	3.33	13 May 2030	260	260	267	Hydro One Inc.	6.59	22 Apr 2043	112	181	175
Crombie Real Estate Investment Trust	2.69	31 Mar 2028	166	166	166	Hydro One Inc.	2.71	28 Feb 2050	100	98	102
CU Inc.	4.54	24 Oct 2041	184	234	228	Hydro One Inc.	3.64	5 Apr 2050	431	501	476
CU Inc.	4.72	9 Sep 2043	1,069	1,400	1,375	Hydro-Québec	4.00	15 Feb 2055	312	449	413
CU Inc.	2.96	7 Sep 2049	325	332	335	IA Financial Group	2.40	21 Feb 2030	200	206	200
Daimler Canada Finance Inc.	2.57	22 Nov 2022	95	98	95	Intact Financial Corporation	2.85	7 Jun 2027	245	262	244
Daimler Canada Finance Inc.	2.54	21 Aug 2023	722	747	718	John Deere Financial Inc.	2.99	14 Jan 2022	170	175	175
Daimler Canada Finance Inc.	2.97	13 Mar 2024	534	561	540	Laurentian Bank of Canada	3.00	12 Sep 2022	238	245	245
Eagle Credit Card Trust	1.27	17 Jul 2025	83	83	83	Laurentian Bank of Canada	3.45	27 Jun 2023	188	197	198
Enbridge Gas Inc.	3.01	9 Aug 2049	58	60	58	Liberty Utilities Canada L.P.	3.32	14 Feb 2050	805	795	807
Enbridge Inc.	3.19	5 Dec 2022	291	304	305	Loblaw Companies Limited	4.49	11 Dec 2028	170	203	206
Enbridge Inc.	2.44	2 Jun 2025	140	145	140	Loblaw Companies Limited	6.54	17 Feb 2033	214	286	299
Enbridge Inc.	2.99	3 Oct 2029	254	266	254	Loblaw Companies Limited	6.15	29 Jan 2035	250	334	348
Enbridge Inc.	5.75	2 Sep 2039	115	141	146	Loblaw Companies Limited	5.90	18 Jan 2036	210	274	282
Enbridge Inc.	4.57	11 Mar 2044	500	547	592	Manufacturers Life Insurance Company	3.18	22 Nov 2027	741	772	776
Enbridge Inc.	6.63	12 Apr 2078	493	525	531	Manulife Bank of Canada	1.50	25 Jun 2025	300	305	300
Enbridge Pipelines Inc.	4.55	17 Aug 2043	585	659	674	Manulife Financial Corporation	3.32	9 May 2028	966	1,015	969
Enmax Corporation	3.88	18 Oct 2029	266	296	298	Manulife Financial Corporation	2.24	12 May 2030	225	231	225
Epcor Utilities Inc.	3.95	26 Nov 2048	400	485	502	Manulife Financial Corporation	2.82	13 May 2035	450	467	459
Ford Credit Canada Limited	0.89	15 Apr 2023	143	143	143	Manulife Financial Corporation	5.06	15 Dec 2041	265	319	336
Ford Credit Canada Limited	1.15	15 Jun 2024	243	243	243	MCAP Commercial L.P.	3.74	25 Aug 2025	88	89	88
Foresters Life Insurance Company	2.89	15 Oct 2035	233	233	233	Metro Inc.	4.27	4 Dec 2047	375	430	467
FortisAlberta Inc.	5.37	30 Oct 2039	1,081	1,482	1,460	Montreal Airport	3.03	21 Apr 2050	240	242	255
FortisBC Energy Inc.	5.90	26 Feb 2035	158	218	221	National Australia Bank	3.52	12 Jun 2030	282	294	282
General Motors Financial of Canada Ltd.	3.25	7 Nov 2023	132	136	132	National Bank of Canada	1.57	18 Aug 2026	470	475	470
Gibson Energy Inc.	2.45	14 Jul 2025	50	51	50	NAV Canada	3.53	23 Feb 2046	272	312	323
Gibson Energy Inc.	2.85	14 Jul 2027	60	62	60	North West Redwater Partnership	2.10	23 Feb 2022	638	647	649
Gibson Energy Inc.	3.60	17 Sep 2029	212	225	229	North West Redwater Partnership	2.80	1 Jun 2027	100	105	105
Glacier Credit Card Trust	1.39	22 Sep 2025	279	279	279	Nova Scotia Power Inc.	5.61	15 Jun 2040	45	62	66
Goldman Sachs Group, Inc.	2.43	26 Apr 2023	627	641	641	Omers Realty Corporation	3.63	5 Jun 2030	143	167	158
Granite REIT Holdings Limited Partnership	3.06	4 Jun 2027	180	192	180	Pembina Pipeline Corporation	2.56	1 Jun 2023	148	153	148
Greater Toronto Airports Authority	7.10	4 Jun 2031	350	498	509	Pembina Pipeline Corporation	3.71	11 Aug 2026	315	342	339
Greater Toronto Airports Authority	6.98	15 Oct 2032	55	79	82	Pembina Pipeline Corporation	3.31	1 Feb 2030	871	912	879
Greater Toronto Airports Authority	6.47	2 Feb 2034	149	210	216	Pembina Pipeline Corporation	4.74	21 Jan 2047	347	370	412
Greater Toronto Airports Authority	4.53	2 Dec 2041	370	462	489	Pembina Pipeline Corporation	4.67	28 May 2050	180	191	180
Great-West Lifeco Inc.	2.38	14 May 2030	270	280	270	Real Estate Asset Liquidity Trust	2.38	12 Dec 2028	120	118	117
Great-West Lifeco Inc.	2.98	8 Jul 2050	170	166	169						
H&R REIT	2.92	6 May 2022	110	111	111						
H&R REIT	3.37	30 Jan 2024	67	68	68						

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

# Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2020

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	
<b>Bonds (continued)</b>						<b>Bonds (continued)</b>						
<b>Corporate – 29.3% (continued)</b>						<b>Corporate – 29.3% (continued)</b>						
Real Estate Asset Liquidity Trust	2.87	12 Jan 2030	110	110	110	Vancouver International Airport	2.80	21 Sep 2050	227	220	227	
Reliance L.P.	2.68	1 Dec 2027	100	102	100	Ventas Canada Finance Limited	2.80	12 Apr 2024	543	550	551	
Riocan Real Estate Investment Trust	3.21	29 Sep 2023	511	527	522	Verizon Communications Inc.	0.00	1 Jun 2031	-	31	30	
Riocan Real Estate Investment Trust	3.29	12 Feb 2024	164	170	168	VW Credit Canada Inc.	0.00	15 Mar 2023	1,000	1,322	1,297	
Riocan Real Estate Investment Trust	2.36	10 Mar 2027	375	368	376	VW Credit Canada Inc.	3.25	29 Mar 2023	614	645	626	
Rogers Communications Inc.	4.00	13 Mar 2024	213	232	233	Wells Fargo & Company	3.18	8 Feb 2024	906	958	930	
Rogers Communications Inc.	6.56	22 Mar 2041	178	255	269	Wells Fargo & Company	2.57	1-May-26	420	436	420	
Royal Bank of Canada	2.36	5 Dec 2022	30	31	31	Wells Fargo & Company	2.98	19-May-26	2,416	2,560	2,477	
Royal Bank of Canada	2.61	1 Nov 2024	149	158	149					85,637	84,546	
Royal Bank of Canada	2.33	28 Jan 2027	510	538	510					<b>197,280</b>	<b>192,705</b>	
Royal Bank of Canada	2.74	25 Jul 2029	3,740	3,915	3,772	<b>Total Fixed Income – 67.5%</b>						
Royal Bank of Canada	2.88	23 Dec 2029	1,051	1,108	1,071					<b>Number of Securities</b>	<b>Fair Value (\$)</b>	<b>Average Cost (\$)</b>
Royal Bank of Canada	2.09	30 Jun 2030	300	306	301	<b>Security</b>						
Shaw Communications Inc.	3.30	10 Dec 2029	278	300	282	<b>Equity – 4.4%</b>						
Shaw Communications Inc.	2.90	9 Dec 2030	100	104	100	Alimentation Couche-Tard Inc.			12,950	531	425	
SmartCentres Real Estate Investment Trust	3.19	11 Jun 2027	482	499	502	ATCO Ltd.			8,800	326	326	
SmartCentres Real Estate Investment Trust	3.53	20 Dec 2029	250	259	265	Bank of Montreal			5,375	426	367	
SNC-Lavalin Innisfree McGill Finance Inc.	6.63	30 Jun 2044	35	50	51	Brookfield Asset Management Inc.			11,175	442	506	
Summit Industrial Income REIT	2.15	17 Sep 2025	49	49	49	CAE Inc.			8,200	187	176	
Sun Life Financial Inc.	2.06	1 Oct 2035	327	321	327	Canadian National Railway Company			4,614	611	491	
Sun Life Financial Inc.	5.40	29 May 2042	45	58	58	Canadian Pacific Railway Company			1,608	640	426	
Suncor Energy Inc.	3.10	26 Nov 2021	406	414	416	CCL Industries Inc.			8,361	425	462	
Suncor Energy Inc.	5.00	9 Apr 2030	150	173	150	CGI Group Inc.			5,419	448	542	
Suntlife Financial Inc.	2.58	10 May 2032	400	420	411	Constellation Software Inc.			355	496	535	
Sysco Canada, Inc.	3.65	25 Apr 2025	56	60	57	Dollarama Inc.			8,400	385	374	
TELUS Corporation	2.35	27 Jan 2028	110	113	110	Empire Company Limited			10,289	374	331	
TELUS Corporation	3.63	1 Mar 2028	1,168	1,301	1,230	Intact Financial Corporation			2,989	411	317	
TELUS Corporation	3.30	2 May 2029	503	551	514	Loblaw Companies Limited			5,912	392	359	
TELUS Corporation	4.40	29 Jan 2046	399	445	487	Metro Inc.			9,824	601	526	
TELUS Corporation	4.70	6 Mar 2048	125	147	154	National Bank of Canada			7,050	451	389	
TELUS Corporation	3.95	16 Feb 2050	493	517	539	OpenText Corporation			8,700	426	494	
Thomson Reuters Corporation	2.24	14 May 2025	470	486	470	Quebecor Inc.			11,900	368	351	
Toronto Dominion Bank	1.91	18 Jul 2023	45	46	47	Restaurant Brands International Inc.			4,950	343	389	
Toronto Dominion Bank	1.94	13 Mar 2025	530	549	530	Ritchie Brothers Auctioneers			2,410	195	105	
Toronto Dominion Bank	3.22	25 Jul 2029	695	741	686	Rogers Communications Inc.			4,200	227	238	
Toronto Dominion Bank	4.86	4 Mar 2031	1,038	1,210	1,134	Royal Bank of Canada			6,400	596	550	
Toronto Dominion Bank	3.06	26 Jan 2032	344	371	351	Saputo Inc.			3,593	117	148	
TransCanada PipeLines Limited	3.80	5 Apr 2027	430	474	456	Shaw Communications Inc.			9,800	215	225	
TransCanada PipeLines Limited	3.00	18 Sep 2029	225	237	227	TELUS Corporation			10,850	247	257	
TransCanada PipeLines Limited	4.55	15 Nov 2041	1,692	1,844	1,874	Thomson Reuters Corporation			4,525	469	437	
Union Gas Limited	5.20	23 Jul 2040	915	1,240	1,220	TMX Group Limited			3,875	502	516	
Union Gas Limited	4.20	2 Jun 2044	646	795	776	Toromont Industries Ltd.			7,700	638	457	
Vancouver International Airport	1.76	20 Sep 2030	106	105	106	Toronto Dominion Bank			9,082	534	642	
						Waste Connections, Inc.			2,625	347	342	
						Winpak Ltd.			8,300	342	380	
										12,712	12,083	
						<b>Exchange-traded Funds – 27.9%</b>						
						iShares Core MSCI Emerging Markets IMI Index ETF			255,921	7,028	6,481	
						iShares Core S&P U.S. ETF			1,265,211	41,408	32,734	
						iShares Global Infrastructure Index ETF			163,021	3,919	4,363	
						iShares Global Real Estate Index ETF			137,117	3,535	4,351	

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

# Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2020

(in thousands of Canadian dollars)

Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
<b>Exchange-traded Funds – 27.9% (continued)</b>			
iShares Core MSCI EAFE IMI Index ETF	894,604	25,720	26,515
		81,610	74,444
<b>Total Equities – 32.3%</b>		<b>94,322</b>	<b>86,527</b>
<b>Total Investments – 99.8%</b>		<b>291,602</b>	<b>279,232</b>
<b>Cash and cash equivalents – 0.2%</b>		<b>652</b>	<b>652</b>
<b>Total Portfolio Assets – 100.0%</b>		<b>292,254</b>	<b>279,884</b>
<b>Investments Allocation (Note 4)</b>			
<b>Government Grants (Appendix I)</b>		145,450	138,403
<b>Cash and cash equivalents (Appendix I)</b>		169	169
<b>Total Investment Fund</b>		<b>437,873</b>	<b>418,456</b>
<b>Represented by:</b>			
<b>Cash and cash equivalents</b>		821	
<b>Investments, at fair value</b>		437,052	
		<b>437,873</b>	



## Schedule II – Subscribers’ Deposits and Accumulated Income

As at October 31, 2020 and 2019

(in thousands of Canadian dollars)

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

Opening Agreements	Inflow Agreements	Outflow Agreements	Closing Agreements	Subscribers’ Deposits	Accumulated Income
67,054	9,959	6,227	70,786	\$200,787	\$95,697

The changes in Subscribers’ deposits are as follows:

	2020	2019
Net payments from subscribers <sup>1</sup>	\$ 9,358	\$ 8,997
Inter-plan principal transfers	48,613	51,963
Return of principal	(44,697)	(48,514)
Net increase in Subscribers’ deposits	13,274	12,446
<b>Balance, Beginning of the Year</b>	<b>187,513</b>	<b>175,067</b>
<b>Balance, End of the Year</b>	<b>\$200,787</b>	<b>\$187,513</b>

<sup>1</sup> Net of Sales charges collected of \$11 (2019 – \$11)

# Notes to the Financial Statements

October 31, 2020 and 2019

(in thousands of Canadian dollars)

## Note 1. Nature of Operations

The Canadian Scholarship Trust Family Savings Plan (the “Plan”) is a self-determined Education Savings Plan that was established on March 1, 1997. The objective of the Plan is to assist parents and others to save for the post-secondary education of children. The Plan is managed and distributed by C.S.T. Consultants Inc. (“C.S.T.C.”), a wholly-owned subsidiary of the Canadian Scholarship Trust Foundation (the “Foundation”). The Plan’s registered place of business is 1600–2235 Sheppard Avenue East, Toronto, Ontario, Canada.

Payments are made by a subscriber to an account maintained by the Plan’s trustee on behalf of one or more beneficiaries. Payments of sales charges are made from the subscriber’s initial contribution. The principal accumulated over the term of the subscriber’s education savings plan agreement (the “Agreement”) is returned in whole or in part at any time at the request of the subscriber. A beneficiary is deemed to be a qualified student upon receipt of evidence of enrolment in a qualifying educational program at an eligible institution. Education assistance payments (“EAPs”) paid to a beneficiary from the Plan are determined by the subscriber and are paid from the income earned on the subscriber’s principal.

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

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

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

## Note 2. Significant Accounting Policies

### (a) Statement of Compliance

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

These financial statements were approved by the Board of Directors of the Foundation on December 15, 2020.

### (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) Financial instruments

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

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

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

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

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

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

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

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.

### (d) Investment valuation

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

# Notes to the Financial Statements (continued)

October 31, 2020 and 2019

(in thousands of Canadian dollars)

## Note 2. Significant Accounting Policies (continued)

### (d) Investment valuation (continued)

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

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

Note 8 provides further guidance on fair value measurements.

### (e) Investment transactions and income recognition

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

### (f) Subscribers' deposits and sales charges

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

### (g) Income taxes

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

### (h) 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.

### (i) 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.

### (j) Critical accounting estimates and judgments

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

## Note 3. Related Party Transactions

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

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

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

Annual administration fees are paid to the Foundation at 1% of the total amount of principal, Government Grants and income earned thereon.

During the year ended October 31, 2020, \$4,621 was recognized as an expense for Administration and account maintenance fees (2019 — \$4,016). Administration and account maintenance fees included in Accounts payable and accrued liabilities at October 31, 2020 was \$276 (2019 — \$200).

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

During the year ended October 31, 2020, \$11 was paid to C.S.T.C. from sales charges collected (2019 — \$11).

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

The Independent Review Committee ("IRC") provides independent review and oversight of conflicts of interest relating to the management of the Plans. For the year ended October 31, 2020, the Plan recognized an expense of \$6 (2019 — \$5) for the services of the IRC. IRC fees included in Accounts payable and accrued liabilities at October 31, 2020 was \$nil (2019 — \$nil).

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

Included in Portfolio management fees on the Statements of Comprehensive Income is \$60 (2019 — \$44) charged by C.S.T.C. for expenses incurred to monitor and manage the portfolio managers. Included in Accounts payable and accrued liabilities is \$18 owing from C.S.T.C. at October 31, 2020 (2019 — \$nil) relating to these expenses.

## Note 4. Investment Holdings

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

# Notes to the Financial Statements (continued)

October 31, 2020 and 2019

(in thousands of Canadian dollars)

## Note 4. Investment Holdings (continued)

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

## Note 5. Capital Risk Management

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

## Note 6. Risks Associated with Financial Instruments

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

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

### (a) Market risk

#### i. Interest rate risk

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

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

Debt Instruments by Maturity Date	% of Total Investment Fund	
	Oct 31, 2020	Oct 31, 2019
Less than 1 year	2%	1%
1-3 years	15%	12%
3-5 years	14%	18%
Greater than 5 years	37%	34%
<b>Total debt instruments</b>	<b>68%</b>	<b>65%</b>

As at October 31, 2020, if prevailing interest rates had increased by 1%, the fair value of the Total Investment Fund of \$437,873 (2019 — \$395,887) as per the Schedule I — Statement of Investment Portfolio would have decreased by approximately \$20,330 (2019 — \$14,750). If prevailing interest rates had decreased by 1%, the fair value of the Total Investment Fund would have increased by approximately \$17,520 (2019 — \$17,120). This 1% change assumes a parallel shift in the yield curve with all other variables held constant. In practice, actual results may differ materially.

#### ii. Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, other than those arising from interest rate risk. Factors specific to an individual investment, its issuer or other factors affecting all instruments traded in a market or market segment affect other price risk. The asset classes that are most impacted by other price risk are the equities and ETFs of the Plan and Government Grants asset pool, which represent 32% (2019 — 35%) of the Total Investment Fund amount as at October 31, 2020.

As at October 31, 2020, if equity and underlying indices prices had increased or decreased by 1%, with all other variables held constant, the fair value of the Total Investment Fund as per Schedule I — Statement of Investment Portfolio would have increased or decreased by approximately \$1,380 (2019 — \$1,370). 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.

# Notes to the Financial Statements (continued)

October 31, 2020 and 2019

(in thousands of Canadian dollars)

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

### (b) Credit risk (continued)

The Plan's credit risk exposure is summarized below:

Credit rating	October 31, 2020		October 31, 2019	
	% of Total Investment	Amount	% of Total Investment	Amount
AAA	4%	\$ 19,132	4%	\$ 16,808
AA/AAH/AAL	36%	157,891	26%	103,174
A/AH/AL	18%	77,011	31%	120,772
BBB	9%	38,650	3%	14,731
R-1	1%	5,415	0%	1,284
Short-term unrated	1%	1,304	1%	2,062
<b>Total debt instruments</b>	<b>69%</b>	<b>\$299,403</b>	<b>65%</b>	<b>\$258,831</b>

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

### (c) Liquidity risk

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

### (d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Plan holds foreign ETFs which represent 29% (2019 — 28%) of the Total Investment Fund. The fair value of the Total Investment Fund would increase or decrease by approximately \$1,250 (2019 — \$1,090) 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. Sales Charge Refund

As of January 20, 2020, if a subscribers' Agreement is transferred from CST Advantage Plan, the subscriber may be eligible for a partial refund of the CST Advantage Plan sales charges paid. The percentage of sales charges to be refunded is dependent on the length of time the subscribers' Agreement was in CST Advantage Plan and ranges from 0% to 25% of the total sales charges paid. The sales charge refund ("SCR Entitlement") is paid to qualified beneficiaries

proportionate to the amount of EAP withdrawn. The total amount refunded for the year ended October 31, 2020 was \$445.

SCR Entitlements are paid by CST Advantage Plan when incurred.

## Note 8. Fair Value Measurements and Disclosure

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

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

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

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

### Assets Measured at Fair Value as of October 31, 2020

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 298,582	\$ -	\$298,582
ETFs and Equity securities	138,470	-	-	138,470
<b>Total Investments, at fair value</b>	<b>\$138,470</b>	<b>\$298,582</b>	<b>\$ -</b>	<b>\$437,052</b>

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

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

For the years ended October 31, 2020 and 2019, there were no transfers between Levels 1 or 2.

# Government Grants

## Appendix I to Schedule I Statement of Investment Portfolio As at October 31, 2020

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds</b>						<b>Bonds (continued)</b>					
<b>Federal – 9.6%</b>						<b>Federal – 9.6% (continued)</b>					
Canada Housing Trust	1.15	15 Dec 2021	589	595	584	Muskkrat Falls Funding Trust	3.86	1 Dec 2048	150	207	186
Canada Housing Trust	1.50	15 Dec 2021	688	698	688					143,225	140,495
Canada Housing Trust	1.75	15 Jun 2022	1,243	1,272	1,249	<b>Provincial – 34.1%</b>					
Canada Housing Trust	2.40	15 Dec 2022	6,535	6,818	6,804	Province of Alberta	2.35	1 Jun 2025	1,925	2,057	1,973
Canada Housing Trust	2.35	15 Jun 2023	487	512	487	Province of Alberta	4.45	15 Dec 2025	1,785	2,095	2,052
Canada Housing Trust	2.35	15 Sep 2023	1,398	1,475	1,478	Province of Alberta	2.20	1 Jun 2026	8,947	9,537	9,097
Canada Housing Trust	2.55	15 Dec 2023	1,216	1,295	1,217	Province of Alberta	2.55	1 Jun 2027	10,716	11,670	11,311
Canada Housing Trust	2.90	15 Jun 2024	800	868	849	Province of Alberta	2.90	1 Dec 2028	8,014	8,968	8,454
Canada Housing Trust	1.80	15 Mar 2024	6,017	6,318	6,020	Province of Alberta	2.90	20 Sep 2029	1,900	2,127	1,975
Canada Housing Trust	2.55	15 Mar 2025	6,000	6,506	6,288	Province of Alberta	2.05	1 Jun 2030	17,668	18,406	18,344
Canada Housing Trust	0.95	15 Jun 2025	1,045	1,061	1,057	Province of Alberta	3.50	1 Jun 2031	175	206	185
Canada Housing Trust	1.95	15 Dec 2025	2,458	2,616	2,624	Province of Alberta	3.90	1 Dec 2033	1,100	1,356	1,223
Canada Housing Trust	1.90	15 Sep 2026	823	878	813	Province of Alberta	3.45	1 Dec 2043	1,150	1,362	1,198
Canada Housing Trust	2.35	15 Jun 2027	4,660	5,121	4,981	Province of Alberta	3.30	1 Dec 2046	776	903	794
Canada Housing Trust	2.35	15 Mar 2028	238	263	237	Province of Alberta	3.05	1 Dec 2048	1,104	1,239	1,192
Canada Housing Trust	2.65	15 Mar 2028	514	579	509	Province of Alberta	3.10	1 Jun 2050	1,821	2,074	1,926
Canada Housing Trust	2.65	15 Dec 2028	734	832	733	Province of British Columbia	2.85	18 Jun 2025	2,000	2,194	2,075
Canada Housing Trust	2.10	15 Sep 2029	682	746	698	Province of British Columbia	2.30	18 Jun 2026	3,598	3,885	3,685
Canada Housing Trust	1.75	15 Jun 2030	1,831	1,948	1,896	Province of British Columbia	2.55	18 Jun 2027	4,901	5,395	5,178
Canada Post Corporation	4.36	16 Jul 2040	375	529	472	Province of British Columbia	2.95	18 Dec 2028	1,622	1,849	1,792
Government of Canada	-	12 Nov 2020	1,915	1,913	1,913	Province of British Columbia	5.70	18 Jun 2029	3,275	4,464	4,357
Government of Canada	-	26 Nov 2020	6,375	6,372	6,372	Province of British Columbia	2.20	18 Jun 2030	10,452	11,275	11,265
Government of Canada	-	10 Dec 2020	7,000	6,997	6,997	Province of British Columbia	6.35	18 Jun 2031	2,975	4,418	4,234
Government of Canada	-	7 Jan 2021	35,730	35,719	35,719	Province of British Columbia	4.70	18 Jun 2037	420	592	516
Government of Canada	-	21 Jan 2021	175	175	175	Province of British Columbia	4.95	18 Jun 2040	1,300	1,932	1,685
Government of Canada	-	4 Feb 2021	525	525	525	Province of British Columbia	4.30	18 Jun 2042	430	600	503
Government of Canada	0.50	1 Mar 2022	1,732	1,739	1,733	Province of British Columbia	3.20	18 Jun 2044	250	302	253
Government of Canada	1.50	1 May 2022	752	766	768	Province of British Columbia	2.80	18 Jun 2048	507	580	515
Government of Canada	2.75	1 Jun 2022	1,399	1,455	1,449	Province of British Columbia	2.95	18 Jun 2050	740	879	851
Government of Canada	0.25	1 Aug 2022	800	800	799	Province of Manitoba	4.40	5 Sep 2025	1,300	1,519	1,462
Government of Canada	1.00	1 Sep 2022	2,390	2,424	2,326	Province of Manitoba	2.55	2 Jun 2026	4,580	4,981	4,744
Government of Canada	0.25	1 Nov 2022	800	800	799	Province of Manitoba	2.60	2 Jun 2027	4,013	4,403	4,143
Government of Canada	1.75	1 Mar 2023	1,196	1,237	1,195	Province of Manitoba	3.00	2 Jun 2028	2,949	3,330	3,114
Government of Canada	1.50	1 Jun 2023	1,170	1,208	1,155	Province of Manitoba	2.75	2 Jun 2029	3,581	3,991	3,948
Government of Canada	2.00	1 Sep 2023	1,565	1,641	1,620	Province of Manitoba	3.25	5 Sep 2029	725	839	756
Government of Canada	2.25	1 Mar 2024	1,268	1,350	1,328	Province of Manitoba	2.05	2 Jun 2030	766	806	801
Government of Canada	0.25	1 Apr 2024	1,800	1,795	1,796	Province of Manitoba	6.30	5 Mar 2031	500	725	688
Government of Canada	2.50	1 Jun 2024	1,800	1,941	1,924	Province of Manitoba	4.10	5 Mar 2041	1,800	2,360	2,005
Government of Canada	1.50	1 Sep 2024	958	1,001	987	Province of Manitoba	4.40	5 Mar 2042	500	685	590
Government of Canada	1.25	1 Mar 2025	1,945	2,020	2,020	Province of Manitoba	3.35	5 Mar 2043	100	119	100
Government of Canada	2.25	1 Jun 2025	1,917	2,083	2,088	Province of Manitoba	4.05	5 Sep 2045	350	465	414
Government of Canada	0.50	1 Sep 2025	1,692	1,700	1,702	Province of Manitoba	2.85	5 Sep 2046	396	437	393
Government of Canada	0.25	1 Mar 2026	1,800	1,780	1,784	Province of Manitoba	3.40	5 Sep 2048	157	192	159
Government of Canada	1.50	1 Jun 2026	738	783	734	Province of Manitoba	3.20	5 Mar 2050	438	522	507
Government of Canada	1.00	1 Jun 2027	882	913	859	Province of Manitoba	2.05	5 Sep 2052	47	44	47
Government of Canada	2.00	1 Jun 2028	1,381	1,533	1,452	Province of New Brunswick	2.60	14 Aug 2026	1,167	1,273	1,217
Government of Canada	2.25	1 Jun 2029	471	537	532	Province of New Brunswick	2.35	14 Aug 2027	1,859	2,007	1,977
Government of Canada	1.25	1 Jun 2030	3,471	3,659	3,688	Province of New Brunswick	3.10	14 Aug 2028	970	1,102	1,041
Government of Canada	0.50	1 Dec 2030	1,800	1,761	1,765	Province of New Brunswick	5.65	27 Dec 2028	1,645	2,187	2,102
Government of Canada	5.75	1 Jun 2033	1,200	1,910	1,807	Province of New Brunswick	5.50	27 Jan 2034	125	178	147
Government of Canada	5.00	1 Jun 2037	222	361	333	Province of New Brunswick	4.65	26 Sep 2035	110	147	114
Government of Canada	4.00	1 Jun 2041	1,250	1,926	1,750	Province of New Brunswick	4.55	26 Mar 2037	1,000	1,337	1,183
Government of Canada	3.50	1 Dec 2045	506	762	739	Province of New Brunswick	4.80	26 Sep 2039	250	350	311
Government of Canada	2.75	1 Dec 2048	2,066	2,812	2,822	Province of New Brunswick	3.55	3 Jun 2043	1,150	1,390	1,159
Government of Canada	2.00	1 Dec 2051	1,970	2,349	2,418	Province of New Brunswick	3.80	14 Aug 2045	200	252	215
Government of Canada	2.75	1 Dec 2064	800	1,208	948	Province of New Brunswick	3.10	14 Aug 2048	237	271	231
Labrador-Island Link Funding Trust	3.76	1 Jun 2033	150	189	176	Province of New Brunswick and Labrador	3.05	14 Aug 2050	95	108	108
Labrador-Island Link Funding Trust	3.86	1 Dec 2045	1,500	2,042	1,801	Province of Newfoundland and Labrador	3.00	2 Jun 2026	3,324	3,645	3,443
Labrador-Island Link Funding Trust	3.85	1 Dec 2053	100	145	126	Province of Newfoundland and Labrador	6.15	17 Apr 2028	350	463	466
Muskkrat Falls Funding Trust	3.83	1 Jun 2037	1,350	1,757	1,501						

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, 2020

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>						<b>Bonds (continued)</b>					
<b>Provincial – 34.1% (continued)</b>						<b>Provincial – 34.1% (continued)</b>					
Province of Newfoundland and Labrador	2.85	2 Jun 2028	1,969	2,155	2,040	Province of Québec	3.10	1 Dec 2051	1,285	1,569	1,598
Province of Newfoundland and Labrador	2.85	2 Jun 2029	2,326	2,546	2,428	Province of Saskatchewan	2.55	2 Jun 2026	2,393	2,602	2,468
Province of Newfoundland and Labrador	1.75	2 Jun 2030	264	263	263	Province of Saskatchewan	2.65	2 Jun 2027	1,577	1,734	1,646
Province of Newfoundland and Labrador	6.55	17 Oct 2030	1,750	2,492	2,377	Province of Saskatchewan	3.05	2 Dec 2028	2,334	2,654	2,521
Province of Newfoundland and Labrador	4.65	17 Oct 2040	150	196	177	Province of Saskatchewan	2.20	2 Jun 2030	485	517	500
Province of Newfoundland and Labrador	3.70	17 Oct 2048	1,409	1,650	1,471	Province of Saskatchewan	6.40	5 Sep 2031	3,900	5,764	5,487
Province of Newfoundland and Labrador	2.65	17 Oct 2050	388	376	383	Province of Saskatchewan	4.75	1 Jun 2040	350	494	443
Province of Nova Scotia	2.10	1 Jun 2027	1,762	1,878	1,759	Province of Saskatchewan	3.90	2 Jun 2045	300	389	332
Province of Nova Scotia	2.00	1 Sep 2030	2,370	2,487	2,416	Province of Saskatchewan	2.75	2 Dec 2046	2,056	2,227	1,814
Province of Nova Scotia	5.80	1 Jun 2033	1,275	1,859	1,656	Province of Saskatchewan	3.30	2 Jun 2048	334	400	342
Province of Nova Scotia	4.40	1 Jun 2042	2,100	2,890	2,442	Province of Saskatchewan	3.10	2 Jun 2050	180	210	199
Province of Nova Scotia	3.45	1 Jun 2045	500	608	548	Province of Saskatchewan	3.75	5 Mar 2054	84	112	94
Province of Nova Scotia	3.15	1 Dec 2051	171	204	204	Province of Saskatchewan	2.95	2 Jun 2058	80	93	76
Province of Nova Scotia	3.50	2 Jun 2062	600	795	599					510,391	488,063
Province of Ontario	1.75	8 Sep 2025	9,256	9,675	9,624	<b>Municipal – 1.3%</b>					
Province of Ontario	8.50	2 Dec 2025	3,300	4,546	4,537	City of Montreal	3.00	1 Sep 2025	831	914	837
Province of Ontario	2.40	2 Jun 2026	26,278	28,432	27,093	City of Montreal	2.75	1 Sep 2026	223	245	223
Province of Ontario	1.85	1 Feb 2027	475	501	474	City of Montreal	4.25	1 Dec 2032	350	442	384
Province of Ontario	2.60	2 Jun 2027	32,427	35,673	33,943	City of Montreal	4.10	1 Dec 2034	375	471	399
Province of Ontario	7.60	2 Jun 2027	1,120	1,587	1,605	City of Montreal	3.15	1 Dec 2036	900	1,025	898
Province of Ontario	1.05	8 Sep 2027	3,232	3,232	3,241	City of Montreal	3.50	1 Dec 2038	1,300	1,546	1,437
Province of Ontario	2.90	2 Jun 2028	27,327	30,791	29,841	City of Montreal	6.00	1 Jun 2043	550	894	782
Province of Ontario	6.50	8 Mar 2029	16,025	22,609	22,128	City of Ottawa	4.60	14 Jul 2042	500	691	590
Province of Ontario	2.70	2 Jun 2029	23,886	26,654	25,776	City of Ottawa	3.10	27 Jul 2048	683	775	644
Province of Ontario	2.05	2 Jun 2030	22,799	24,157	24,303	City of Toronto	2.40	24 Jun 2026	225	243	225
Province of Ontario	1.35	2 Dec 2030	1,863	1,848	1,861	City of Toronto	2.95	28 Apr 2035	300	335	277
Province of Ontario	6.20	2 Jun 2031	175	256	243	City of Toronto	3.50	2 Jun 2036	1,509	1,792	1,504
Province of Ontario	5.85	8 Mar 2033	2,375	3,499	3,245	City of Toronto	5.20	1 Jun 2040	350	513	446
Province of Ontario	5.60	2 Jun 2035	775	1,155	1,073	City of Toronto	4.70	10 Jun 2041	325	451	383
Province of Ontario	4.70	2 Jun 2037	1,060	1,483	1,257	City of Toronto	3.80	13 Dec 2042	550	687	578
Province of Ontario	4.60	2 Jun 2039	1,815	2,556	2,198	City of Toronto	4.15	10 Mar 2044	225	293	246
Province of Ontario	4.65	2 Jun 2041	625	898	771	City of Toronto	3.25	24 Jun 2046	109	126	109
Province of Ontario	3.50	2 Jun 2043	550	687	604	City of Vancouver	3.10	21 Sep 2028	600	683	600
Province of Ontario	3.45	2 Jun 2045	2,125	2,652	2,205	City of Vancouver	3.70	18 Oct 2052	1,145	1,478	1,227
Province of Ontario	2.90	2 Dec 2046	4,213	4,837	4,319	City of Winnipeg	4.10	1 Jun 2045	42	54	48
Province of Ontario	2.80	2 Jun 2048	897	1,018	893	City of Winnipeg	4.30	15 Nov 2051	450	628	512
Province of Ontario	2.90	2 Jun 2049	3,313	3,838	3,565	Municipal Finance Authority of British Columbia	2.50	19 Apr 2026	822	891	823
Province of Ontario	2.65	2 Dec 2050	1,772	1,972	1,952	Region of Peel	2.30	2 Nov 2026	77	83	77
Province of Ontario	1.90	2 Dec 2051	1,407	1,334	1,404	Region of Peel	5.10	29 Jun 2040	550	795	694
Province of PEI	2.65	1 Dec 2051	101	107	101	Region of Peel	3.85	30 Oct 2042	900	1,129	989
Province of Québec	5.35	1 Jun 2025	1,000	1,204	1,164	Regional Municipality of Halton	4.05	11 Oct 2041	300	385	336
Province of Québec	2.75	1 Sep 2025	5,000	5,470	5,238	Regional Municipality of York	2.60	15 Dec 2025	950	1,031	927
Province of Québec	2.50	1 Sep 2026	7,579	8,276	7,925	Regional Municipality of York	2.50	2 Jun 2026	77	83	79
Province of Québec	2.75	1 Sep 2027	13,789	15,369	14,695	Regional Municipality of York	4.00	31 May 2032	300	371	329
Province of Québec	2.75	1 Sep 2028	24,425	27,381	25,814	Regional Municipality of York	4.05	1 May 2034	625	783	688
Province of Québec	2.30	1 Sep 2029	13,027	14,167	13,356					19,837	17,291
Province of Québec	6.00	1 Oct 2029	2,400	3,348	3,190	<b>Corporate – 24.6%</b>					
Province of Québec	1.90	1 Sep 2030	20,952	21,975	22,182	407 International Inc.	2.59	25 May 2032	850	897	915
Province of Québec	6.25	1 Jun 2032	325	486	455	407 International Inc.	5.96	3 Dec 2035	935	1,315	1,345
Province of Québec	5.25	1 Jun 2034	2,000	2,820	2,533	407 International Inc.	5.75	14 Feb 2036	1,247	1,608	1,669
Province of Québec	5.75	1 Dec 2036	4,915	7,582	6,832	407 International Inc.	3.65	8 Sep 2044	1,767	1,999	2,023
Province of Québec	5.00	1 Dec 2038	1,265	1,854	1,600	407 International Inc.	3.72	11 May 2048	325	376	381
Province of Québec	5.00	1 Dec 2041	1,350	2,033	1,746	407 International Inc.	2.84	7 Mar 2050	640	634	648
Province of Québec	4.25	1 Dec 2043	400	556	473	Access Justice Durham Ltd.	5.02	31 Aug 2039	217	275	278
Province of Québec	3.50	1 Dec 2045	700	884	929	Aéroports de Montréal	5.67	16 Oct 2037	299	409	430
Province of Québec	3.50	1 Dec 2048	1,038	1,332	1,174	AIMCo Realty Investors L.P.	3.04	1 Jun 2028	805	881	843
						AIMCo Realty Investors L.P.	2.71	1 Jun 2029	1,964	2,104	1,998
						Alectra Inc.	5.30	29 Apr 2041	936	1,311	1,319

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, 2020

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>						<b>Bonds (continued)</b>					
<b>Corporate – 24.6% (continued)</b>						<b>Corporate – 24.6% (continued)</b>					
Alimentation Couche-Tard Inc.	3.06	26 Jul 2024	4,310	4,586	4,398	Centre Hospitalier de l'Universite de Montreal	6.72	30 Sep 2049	139	201	205
Alimentation Couche-Tard Inc.	3.60	2 Jun 2025	601	657	625	Choice Properties REIT	4.90	5 Jul 2023	697	758	761
Allied Properties REIT	3.11	8 Apr 2027	370	386	370	Choice Properties REIT	3.56	9 Sep 2024	500	537	501
Allied Properties REIT	3.13	15 May 2028	300	311	300	Choice Properties REIT	3.55	10 Jan 2025	1,870	2,012	1,932
Allied Properties REIT	3.12	21 Feb 2030	490	499	490	Choice Properties REIT	2.85	21 May 2027	1,666	1,750	1,666
AltaGas Ltd.	3.72	28 Sep 2021	1,410	1,447	1,454	Choice Properties REIT	4.18	8 Mar 2028	380	430	399
AltaGas Ltd.	2.16	10 Jun 2025	510	520	510	Choice Properties REIT	3.53	11 Jun 2029	2,368	2,571	2,414
AltaGas Ltd.	4.99	4 Oct 2047	423	498	534	Choice Properties REIT	2.98	4 Mar 2030	1,013	1,053	1,047
AltaLink, L.P.	2.98	28 Nov 2022	575	602	605	Choice Properties REIT	5.27	7 Mar 2046	468	566	550
AltaLink, L.P.	5.38	26 Mar 2040	1,905	2,652	2,620	Coast Capital Savings Credit Union	5.00	3 May 2028	804	848	850
AltaLink, L.P.	3.99	30 Jun 2042	1,347	1,616	1,637	Co-operators Financial Services	3.33	13 May 2030	550	550	564
AltaLink, L.P.	4.05	21 Nov 2044	626	765	768	Crombie Real Estate Investment Trust	2.69	31 Mar 2028	551	551	551
Bank of America Corporation	3.30	24 Apr 2024	5,555	5,860	5,716	CU Inc.	5.56	26 May 2028	758	969	949
Bank of Montreal	2.27	11 Jul 2022	175	180	180	CU Inc.	4.54	24 Oct 2041	429	545	532
Bank of Montreal	2.85	6 Mar 2024	1,070	1,135	1,088	CU Inc.	4.72	9 Sep 2043	4,466	5,848	5,776
Bank of Montreal	2.70	11 Sep 2024	1,460	1,561	1,448	CU Inc.	2.96	7 Sep 2049	955	975	964
Bank of Montreal	2.37	3 Feb 2025	925	971	920	Daimler Canada Finance Inc.	2.57	22 Nov 2022	300	309	300
Bank of Montreal	2.88	17 Sep 2029	5,515	5,793	5,505	Daimler Canada Finance Inc.	2.54	21 Aug 2023	1,397	1,446	1,389
Bank of Montreal	2.08	17 Jun 2030	750	765	750	Daimler Canada Finance Inc.	2.97	13 Mar 2024	1,192	1,253	1,205
Bank of Nova Scotia	1.83	27 Apr 2022	123	125	120	Eagle Credit Card Trust	1.27	17 Jul 2025	187	187	187
Bank of Nova Scotia	2.36	8 Nov 2022	250	259	259	Enbridge Gas Distribution Inc.	4.00	22 Aug 2044	1,725	2,069	2,045
Bank of Nova Scotia	2.38	1 May 2023	1,268	1,316	1,288	Enbridge Inc.	3.19	5 Dec 2022	3,729	3,891	3,871
Bank of Nova Scotia	2.49	23 Sep 2024	356	375	362	Enbridge Inc.	2.44	2 Jun 2025	2,291	2,369	2,331
Bank of Nova Scotia	3.89	18 Jan 2029	4,554	4,911	4,614	Enbridge Inc.	2.99	3 Oct 2029	565	592	565
Bank of Nova Scotia	2.84	3 Jul 2029	6,010	6,300	6,049	Enbridge Inc.	5.75	2 Sep 2039	245	301	310
Bell Canada	3.00	3 Oct 2022	2,576	2,679	2,642	Enbridge Inc.	4.57	11 Mar 2044	2,065	2,259	2,375
Bell Canada	3.35	22 Mar 2023	595	625	628	Enbridge Inc.	5.38	27 Sep 2077	624	618	627
Bell Canada	3.35	12 Mar 2025	666	720	656	Enbridge Inc.	6.63	12 Apr 2078	1,883	2,004	2,030
Bell Canada	2.90	10 Sep 2029	425	451	443	Enbridge Pipelines Inc.	4.55	17 Aug 2043	1,310	1,475	1,507
Bell Canada	2.50	14 May 2030	650	665	649	Enbridge Pipelines Inc.	4.13	9 Aug 2046	1,882	2,012	2,085
Bell Canada	6.10	16 Mar 2035	192	254	267	Enmax Corporation	3.88	18 Oct 2029	598	665	670
Bell Canada	4.75	29 Sep 2044	441	523	575	Epcor Utilities Inc.	1.30	19 May 2023	287	291	287
Bell Canada	4.35	18 Dec 2045	2,248	2,540	2,488	Epcor Utilities Inc.	3.55	27 Nov 2047	1,733	1,965	1,949
Bell Canada	3.50	30 Sep 2050	1,350	1,333	1,412	Epcor Utilities Inc.	3.95	26 Nov 2048	840	1,019	1,055
Bell Canada	2.22	20 Dec 2021	125	126	127	Federated Co-operatives Ltd.	3.92	17 Jun 2025	1,479	1,571	1,538
BMW Canada Inc.	2.22	20 Dec 2021	125	126	127	Federation des caisses Desjardins du Quebec	2.86	26 May 2030	1,013	1,063	1,013
Brookfield Infrastructure Finance ULC	2.86	1 Sep 2032	1,360	1,371	1,360	Finning International Inc.	2.63	14 Aug 2026	935	963	940
Brookfield Renewable Partners L.P.	4.25	15 Jan 2029	982	1,138	1,146	Ford Credit Canada Limited	0.89	15 Apr 2023	303	303	303
Brookfield Renewable Partners L.P.	3.33	13 Aug 2050	222	217	222	Ford Credit Canada Limited	1.15	15 Jun 2024	515	515	515
Caisse Centrale Desjardins	2.39	25 Aug 2022	1,195	1,234	1,236	Foresters Life Insurance Company	2.89	15 Oct 2035	494	493	494
Caisse Centrale Desjardins	3.06	11 Sep 2023	1,002	1,067	1,068	FortisAlberta Inc.	5.40	21 Apr 2036	1,559	2,073	2,095
Caisse Centrale Desjardins	2.42	4 Oct 2024	1,401	1,469	1,401	FortisAlberta Inc.	5.37	30 Oct 2039	2,455	3,366	3,314
Calloway REIT Inc.	3.99	30 May 2023	1,385	1,460	1,456	FortisBC Energy Inc.	5.90	26 Feb 2035	328	453	459
Canadian Imperial Bank of Commerce	2.30	11 Jul 2022	8,190	8,428	8,169	FortisBC Energy Inc.	6.00	2 Oct 2037	623	896	891
Canadian Imperial Bank of Commerce	2.00	17 Apr 2025	1,582	1,635	1,581	FortisBC Energy Inc.	3.85	7 Dec 2048	624	752	753
Canadian Imperial Bank of Commerce	3.45	4 Apr 2028	1,570	1,653	1,609	General Motors Financial of Canada Ltd.	3.25	7 Nov 2023	290	299	290
Canadian Imperial Bank of Commerce	2.95	19 Jun 2029	605	636	606	Gibson Energy Inc.	2.45	14 Jul 2025	110	112	110
Canadian Imperial Bank of Commerce	2.01	21 Jul 2030	680	689	680	Gibson Energy Inc.	2.85	14 Jul 2027	140	144	140
Canadian Natural Resources Limited	3.55	3 Jun 2024	2,000	2,106	2,069	Gibson Energy Inc.	3.60	17 Sep 2029	449	478	485
Canadian Pacific Railway Ltd.	3.05	9 Mar 2050	350	351	347	Glacier Credit Card Trust	1.39	22 Sep 2025	590	590	590
Canadian Western Bank	1.57	14 Sep 2023	1,828	1,839	1,829	Goldman Sachs Group, Inc.	2.43	26 Apr 2023	1,410	1,442	1,441
Central 1 Credit Union	3.06	14 Oct 2026	871	881	881	Granite REIT Holdings Limited Partnership	3.06	4 Jun 2027	410	438	410
						Greater Toronto Airports Authority	2.73	3 Apr 2029	550	591	595

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, 2020

(in thousands of Canadian dollars)

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<b>Bonds (continued)</b>						<b>Bonds (continued)</b>					
<b>Corporate – 24.6% (continued)</b>						<b>Corporate – 24.6% (continued)</b>					
Greater Toronto Airports Authority	7.10	4 Jun 2031	575	818	841	Manulife Financial Corporation	3.32	9 May 2028	2,187	2,298	2,201
Greater Toronto Airports Authority	6.98	15 Oct 2032	124	179	185	Manulife Financial Corporation	2.24	12 May 2030	1,929	1,983	1,928
Greater Toronto Airports Authority	6.47	2 Feb 2034	335	472	485	Manulife Financial Corporation	2.82	13 May 2035	1,000	1,039	1,019
Greater Toronto Airports Authority	2.75	17 Oct 2039	975	957	974	Manulife Financial Corporation	5.06	15 Dec 2041	600	723	760
Greater Toronto Airports Authority	4.53	2 Dec 2041	840	1,048	1,111	MCAP Commercial L.P.	3.74	25 Aug 2025	197	199	197
Great-West Lifeco Inc.	2.38	14 May 2030	610	632	610	Metro Inc.	4.27	4 Dec 2047	848	971	1,056
Great-West Lifeco Inc.	6.67	21 Mar 2033	1,577	2,205	2,086	Metropolitan Life Insurance Company	1.01	27 Sep 2022	1,953	1,964	1,894
Great-West Lifeco Inc.	2.98	8 Jul 2050	833	812	828	Metropolitan Life Insurance Company	3.39	9 Apr 2030	1,560	1,733	1,631
H&R REIT	2.92	6 May 2022	229	230	231	Montreal Airport	3.03	21 Apr 2050	539	543	572
H&R REIT	3.37	30 Jan 2024	141	143	143	National Australia Bank	3.52	12 Jun 2030	598	624	598
HCN Canadian Holdings L.P.	2.95	15 Jan 2027	1,110	1,123	1,132	National Bank of Canada	2.98	4 Mar 2024	576	613	593
Heathrow Funding Ltd.	3.25	21 May 2027	936	963	979	National Bank of Canada	1.57	18 Aug 2026	1,050	1,061	1,050
Heathrow Funding Ltd.	3.78	4 Sep 2030	935	954	1,019	National Bank of Canada	3.18	1 Feb 2028	2,465	2,567	2,457
Heathrow Funding Ltd.	3.66	13 Jan 2031	180	181	180	NAV Canada	3.53	23 Feb 2046	576	662	684
Honda Canada Finance Inc.	3.18	28 Aug 2023	2,183	2,314	2,262	North West Redwater Partnership	2.10	23 Feb 2022	1,351	1,369	1,373
Honda Canada Finance Inc.	1.34	17 Mar 2026	650	647	650	North West Redwater Partnership	2.80	1 Jun 2027	200	210	209
Hospital Infrastructure Partner Inc.	5.44	31 Jan 2045	129	170	173	North West Redwater Partnership	4.25	1 Jun 2029	5,052	5,807	5,632
HSBC Bank Canada	2.17	29 Jun 2022	2,892	2,960	2,917	North West Redwater Partnership	4.35	10 Jan 2039	1,558	1,744	1,822
HSBC Bank Canada	2.54	31 Jan 2023	7,467	7,746	7,441	North West Redwater Partnership	3.70	23 Feb 2043	1,040	1,073	1,045
HSBC Bank Canada	3.25	15 Sep 2023	260	277	277	Nova Scotia Power Inc.	5.61	15 Jun 2040	100	138	146
Husky Energy Inc.	3.55	12 Mar 2025	1,000	810	834	Omers Realty Corporation	3.63	5 Jun 2030	407	475	449
Husky Energy Inc.	3.50	7 Feb 2028	621	595	603	Pembina Pipeline Corporation	2.56	1 Jun 2023	285	294	286
Hydro One Inc.	0.71	16 Jan 2023	21	21	21	Pembina Pipeline Corporation	3.71	11 Aug 2026	785	852	841
Hydro One Inc.	2.54	5 Apr 2024	40	42	41	Pembina Pipeline Corporation	3.31	1 Feb 2030	1,810	1,895	1,817
Hydro One Inc.	8.25	22 Jun 2026	2,950	4,114	4,397	Pembina Pipeline Corporation	4.74	21 Jan 2047	642	685	763
Hydro One Inc.	6.93	1 Jun 2032	1,403	2,090	2,135	Pembina Pipeline Corporation	4.67	28 May 2050	886	940	887
Hydro One Inc.	5.36	20 May 2036	936	1,260	1,245	Power Corporation of Canada	8.57	22 Apr 2039	1,107	1,874	1,831
Hydro One Inc.	6.59	22 Apr 2043	260	421	407	Real Estate Asset Liquidity Trust	2.38	12 Dec 2028	260	255	253
Hydro One Inc.	3.63	25 Jun 2049	1,519	1,762	1,687	Real Estate Asset Liquidity Trust	2.87	12 Jan 2030	240	240	240
Hydro One Inc.	3.64	5 Apr 2050	950	1,105	1,048	Reliance L.P.	2.68	1 Dec 2027	225	230	225
Hydro-Québec	6.00	15 Aug 2031	2,750	3,984	3,788	Riocan Real Estate Investment Trust	3.21	29 Sep 2023	1,235	1,275	1,260
Hydro-Québec	6.50	15 Feb 2035	450	715	658	Riocan Real Estate Investment Trust	3.29	12 Feb 2024	390	404	399
Hydro-Québec	6.00	15 Feb 2040	250	407	360	Riocan Real Estate Investment Trust	2.36	10 Mar 2027	790	774	791
Hydro-Québec	5.00	15 Feb 2045	450	689	590	Rogers Communications Inc.	4.00	13 Mar 2024	451	491	493
Hydro-Québec	5.00	15 Feb 2050	1,500	2,408	2,061	Rogers Communications Inc.	3.65	31 Mar 2027	301	334	300
Hydro-Québec	4.00	15 Feb 2055	1,566	2,252	2,041	Rogers Communications Inc.	3.25	1 May 2029	747	815	777
IA Financial Group	2.40	21 Feb 2030	450	463	450	Rogers Communications Inc.	6.56	22 Mar 2041	400	572	604
IGM Financial Inc.	4.56	25 Jan 2047	624	735	716	Royal Bank of Canada	2.36	5 Dec 2022	58	60	60
Intact Financial Corporation	2.85	7 Jun 2027	549	588	544	Royal Bank of Canada	2.61	1 Nov 2024	490	519	491
Inter Pipeline Ltd.	2.61	13 Sep 2023	1,559	1,596	1,549	Royal Bank of Canada	2.33	28 Jan 2027	3,680	3,882	3,615
Inter Pipeline Ltd.	3.48	16 Dec 2026	1,560	1,635	1,632	Royal Bank of Canada	2.74	25 Jul 2029	7,195	7,532	7,234
Inter Pipeline Ltd.	4.64	30 May 2044	312	317	345	Royal Bank of Canada	2.88	23 Dec 2029	2,120	2,235	2,145
John Deere Financial Inc.	2.99	14 Jan 2022	360	370	371	Royal Bank of Canada	2.09	30 Jun 2030	1,440	1,470	1,440
John Deere Financial Inc.	1.34	8 Sep 2027	520	517	520						
Laurentian Bank of Canada	3.00	12 Sep 2022	536	552	551						
Laurentian Bank of Canada	3.45	27 Jun 2023	398	417	418						
Liberty Utilities Canada L.P.	3.32	14 Feb 2050	1,840	1,817	1,843						
Loblaw Companies Limited	4.86	12 Sep 2023	1,558	1,714	1,701						
Loblaw Companies Limited	3.92	10 Jun 2024	1,558	1,705	1,667						
Loblaw Companies Limited	4.49	11 Dec 2028	380	454	461						
Loblaw Companies Limited	6.50	22 Jan 2029	1,598	2,109	2,035						
Loblaw Companies Limited	6.54	17 Feb 2033	483	646	675						
Loblaw Companies Limited	6.15	29 Jan 2035	566	756	789						
Loblaw Companies Limited	5.90	18 Jan 2036	999	1,303	1,297						
Manufacturers Life Insurance Company	3.18	22 Nov 2027	2,592	2,702	2,686						
Manulife Bank of Canada	1.50	25 Jun 2025	1,096	1,113	1,096						

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, 2020

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>					
<b>Corporate – 24.6% (continued)</b>					
Shaw Communications Inc.	3.30	10 Dec 2029	615	664	624
Shaw Communications Inc.	2.90	9 Dec 2030	220	228	220
SmartCentres Real Estate Investment Trust	3.44	28 Aug 2026	613	645	634
SmartCentres Real Estate Investment Trust	3.19	11 Jun 2027	1,621	1,677	1,668
SmartCentres Real Estate Investment Trust	3.53	20 Dec 2029	482	500	510
SNC-Lavalin Innisfree McGill Finance Inc.	6.63	30 Jun 2044	79	113	115
South Coast Transportation Authority	3.25	23 Nov 2028	700	806	699
Summit Industrial Income REIT	2.15	17 Sep 2025	104	104	104
Sun Life Financial Inc.	2.06	1 Oct 2035	693	681	692
Sun Life Financial Inc.	5.40	29 May 2042	95	121	122
Suncor Energy Inc.	3.10	26 Nov 2021	898	916	920
Suncor Energy Inc.	5.00	9 Apr 2030	350	404	349
Sunlife Financial Inc.	2.58	10 May 2032	1,773	1,863	1,798
Sysco Canada, Inc.	3.65	25 Apr 2025	125	133	126
TELUS Corporation	3.35	15 Mar 2023	3,013	3,164	3,106
TELUS Corporation	2.75	8 Jul 2026	1,486	1,579	1,507
TELUS Corporation	2.35	27 Jan 2028	250	258	249
TELUS Corporation	3.63	1 Mar 2028	2,630	2,930	2,768
TELUS Corporation	3.30	2 May 2029	1,134	1,242	1,158
TELUS Corporation	4.40	29 Jan 2046	899	1,002	1,098
TELUS Corporation	4.70	6 Mar 2048	2,103	2,476	2,435
TELUS Corporation	3.95	16 Feb 2050	1,110	1,165	1,214
Thomson Reuters Corporation	2.24	14 May 2025	2,473	2,556	2,473
Toronto Dominion Bank	0.82	28 Jun 2023	532	536	524
Toronto Dominion Bank	1.91	18 Jul 2023	5,270	5,440	5,096
Toronto Dominion Bank	2.85	8 Mar 2024	3,213	3,413	3,209
Toronto Dominion Bank	1.94	13 Mar 2025	1,040	1,076	1,040
Toronto Dominion Bank	3.22	25 Jul 2029	1,551	1,653	1,530
Toronto Dominion Bank	3.11	22 Apr 2030	1,913	2,041	1,913
Toronto Dominion Bank	4.86	4 Mar 2031	2,732	3,184	2,971
Toronto Dominion Bank	3.06	26 Jan 2032	2,030	2,188	2,008
Toronto Hydro Corporation	3.49	28 Feb 2048	1,248	1,424	1,396
Toyota Credit Canada Inc.	2.31	23 Oct 2024	923	965	923
TransCanada PipeLines Limited	3.69	19 Jul 2023	2,182	2,317	2,303
TransCanada PipeLines Limited	3.80	5 Apr 2027	3,916	4,320	3,978
TransCanada PipeLines Limited	3.39	15 Mar 2028	815	882	869
TransCanada PipeLines Limited	3.00	18 Sep 2029	510	538	515
TransCanada PipeLines Limited	4.55	15 Nov 2041	6,246	6,808	6,936
TransCanada Trust	4.65	18 May 2077	935	911	911
Union Gas Limited	5.20	23 Jul 2040	2,095	2,840	2,794
Union Gas Limited	4.20	2 Jun 2044	1,370	1,686	1,646
Vancouver International Airport	1.76	20 Sep 2030	225	223	225
Vancouver International Airport	2.80	21 Sep 2050	480	465	480
Ventas Canada Finance Limited	2.80	12 Apr 2024	1,155	1,171	1,171
Verizon Communications Inc.	2.50	16 May 2030	2,107	2,187	2,103
VW Credit Canada Inc.	3.70	14 Nov 2022	2,935	3,090	3,021
VW Credit Canada Inc.	3.25	29 Mar 2023	1,305	1,370	1,331
VW Credit Canada Inc.	1.50	23 Sep 2025	530	527	525
Wells Fargo & Company	3.18	8 Feb 2024	2,050	2,168	2,103

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>					
<b>Corporate – 24.6% (continued)</b>					
Wells Fargo & Company	2.57	1 May 2026	2,578	2,677	2,578
Wells Fargo & Company	2.98	19 May 2026	4,935	5,230	5,036
Wells Fargo & Company	2.49	18 Feb 2027	2,805	2,897	2,778
				367,313	359,187
<b>Total Fixed Income – 69.6%</b>				<b>1,040,766</b>	<b>1,005,036</b>
Security			Number of Securities	Fair Value (\$)	Average Cost (\$)
<b>Equities – 4.5%</b>					
Alimentation Couche-Tard Inc.			35,206	1,442	1,134
ATCO Ltd.			23,900	885	873
Bank of Montreal			1,602,820	34,469	34,776
Brookfield Asset Management Inc.			30,182	1,193	1,348
CAE Inc.			22,100	502	469
Canadian National Railway Company			12,507	1,653	1,220
Canadian Pacific Railway Company			4,360	1,734	1,093
CCL Industries Inc.			22,715	1,152	1,212
CGI Group Inc.			14,617	1,206	1,443
Constellation Software Inc.			961	1,342	1,425
Dollarama Inc.			22,800	1,045	1,000
Empire Company Limited			27,863	1,012	883
Intact Financial Corporation			8,074	1,109	798
Loblaw Companies Limited			15,993	1,060	975
Metro Inc.			26,610	1,651	1,427
National Bank of Canada			18,925	1,208	1,028
OpenText Corporation			23,500	1,148	1,315
Quebecor Inc.			32,300	997	939
Restaurant Brands International Inc.			13,300	920	1,030
Ritchie Brothers Auctioneers			6,559	529	277
Rogers Communications Inc.			11,200	605	625
Royal Bank of Canada			17,400	1,619	1,476
Saputo Inc.			9,771	317	397
Shaw Communications Inc.			26,600	583	601
TELUS Corporation			29,446	670	675
Thomson Reuters Corporation			12,300	1,272	1,171
TMX Group Limited			10,500	1,357	1,378
Toromont Industries Ltd.			20,896	1,731	1,094
Toronto Dominion Bank			24,694	1,450	1,507
Waste Connections, Inc.			7,100	937	913
Winpak Ltd.			22,600	929	1,019
				67,727	65,521
<b>Exchanged-traded Funds – 25.8%</b>					
BMO MSCI EAFE Index ETF			3,521,840	60,855	63,402
BMO MSCI Emerging Markets Index ETF			730,690	15,688	13,805
BMO S&P 500 Index ETF			1,307,200	62,667	48,444
iShares Core MSCI Emerging Markets IMI Index ETF			599,646	16,466	15,118
iShares Core S&P U.S. ETF			3,840,601	125,700	97,395
iShares Global Infrastructure Index ETF			939,723	22,591	25,148
iShares Global Real Estate Index ETF			808,019	20,831	25,641
iShares Core MSCI EAFE IMI Index ETF			2,123,581	61,053	62,436
				385,851	351,389
<b>Total Equities – 30.3%</b>				<b>453,578</b>	<b>416,910</b>

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, 2020

(in thousands of Canadian dollars)

Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
<b>Total Investments – 99.9%</b>		<b>1,494,344</b>	<b>1,421,946</b>
<b>Cash and cash equivalents – 0.1%</b>		<b>1,734</b>	<b>1,734</b>
<b>Total Portfolio Assets – 100.0%</b>		<b>1,496,078</b>	<b>1,423,680</b>
<b>Total Investments Allocation</b>			
Plan II		858	816
Founders' Plan		9,855	9,377
Group Savings Plan		66,555	63,331
CST Advantage Plan		1,268,089	1,206,653
Family Savings Plan		145,450	138,403
Individual Savings Plan		3,537	3,366
		<b>1,494,344</b>	<b>1,421,946</b>
<b>Cash and cash equivalents Allocation</b>			
Plan II		1	1
Founders' Plan		11	11
Group Savings Plan		77	77
CST Advantage Plan		1,472	1,472
Family Savings Plan		169	169
Individual Savings Plan		4	4
		<b>1,734</b>	<b>1,734</b>

# Canadian Scholarship Trust Plan

## **Sponsor**

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

## **Investment Fund Manager and Distributor**

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

## **Trustee**

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

## **Auditor**

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

## **Bank**

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

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

