

# Canadian Scholarship Trust Group Savings Plan

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



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### CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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

# Management Report of Fund Performance

## Introduction

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Canadian Scholarship Trust Group Savings Plan (“the Plan”). A copy of the annual financial statements can be obtained on request, and at no cost, by visiting our website at [www.cst.org](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, 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 and Income (money earned on either contributions or government grants, such as interest and capital gains) assets invested in Canadian government fixed income securities all passively managed by CIBC Asset Management Inc., according to pre-specified duration targets. A portion of Plan assets are invested according to a pre-determined maturity payout schedule using both Canadian government fixed income securities and corporate bonds with a minimum debt rating of BBB and above.

## Risk

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

## Results of Operation

### Plan Performance

During the year, the Plan’s rate of return, net of fees, was 1.7% compared to the investment policy benchmark (“Benchmark”) return of 2.7% and the FTSE Canada Short-Term Government Bond Index return of 4.4% (“Broad-based Index”). The Plan’s return is after the deduction of fees and expenses of 0.7%, while the Benchmark and Broad-based Index returns do not include any costs of investing such as fees, expenses and commissions.

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

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

## Economic Review

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.

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.

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

<i>(\$ thousands)</i>	2020	2019	2018	2017	2016
<b>Statements of Financial Position</b>					
Total Assets	<b>\$146,624</b>	\$183,357	\$261,440	\$408,550	\$561,079
Net Assets	<b>137,115</b>	179,385	256,566	406,053	547,639
% Change in Net Assets Attributable to Subscribers and Beneficiaries	<b>(23.6)%</b>	(30.1)%	(36.8)%	(25.9)%	(19.6)%
<b>Statements of Comprehensive Income</b>					
Net Investment Income	<b>\$ 5,948</b>	\$ 14,940	\$ 2,674	\$ 19,981	\$ 22,249
<b>Statements of Changes in Net Assets</b>					
Education Assistance Payments	<b>\$ (19,177)</b>	\$(31,146)	\$(39,199)	\$(37,651)	\$(37,807)
Government Grants Received (net of repayments)	<b>2</b>	(22)	6	169	930
Government Grant Payments to Beneficiaries	<b>(14,910)</b>	(21,880)	(24,449)	(14,229)	(13,597)
<b>Other</b>					
Total number of units	<b>195,487</b>	242,544	295,005	347,503	390,793
% Change in the total number of units	<b>(19.4)%</b>	(17.8)%	(15.1)%	(11.1)%	(9.1)%

## Management Fees

### Administration Fees

An administration fee of \$0.9 million (2019 – \$1.2 million) comprising of Plan administration and processing fees and financial reporting expenses was paid to the Canadian Scholarship Trust Foundation (“the Foundation”), the sponsor and administrator of the Plan, in accordance with subscribers’ Education Savings Plan Agreements. The administration of the Plan includes processing and call centre services related to new agreements, Government grants, plan modifications, terminations, maturities and Education Assistance Payments (“EAPs”). The annual administration fee is calculated as 0.5% of the total amount of net Contributions, Government Grants and income earned on these amounts, subject to applicable taxes, and is paid monthly.

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

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

### Portfolio Management Fees

The Plan’s annual investment management fee was 0.07% including taxes (2019 – 0.09%), 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 \$52 thousand (2019 – \$89 thousand) and were 0.03% 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 reached their maturity date, and the assets from which eligible beneficiaries collect EAP payments.

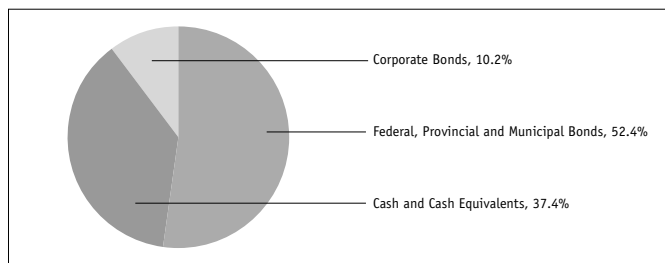
Government Grant assets and related investment income are specific to each beneficiary and are invested together with funds from other Plans administered by the Foundation. Any payments to beneficiaries from Government Grant assets are treated as separate payments and not included in EAP values paid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

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

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

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

### Asset Mix as at October 31, 2020



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

Issuer			Fair Value (\$000's)	% of Plan Portfolio Assets
Government of Canada	–	12 Nov 2020	4,295	7.3%
Government of Canada	–	4 Feb 2021	2,999	5.1%
Province of Saskatchewan	–	28 Jan 2021	1,998	3.4%
Government of Canada	1.50	1 May 2022	1,987	3.4%
Canada Housing Trust	2.55	15 Dec 2023	1,810	3.1%
Canada Housing Trust	2.35	15 Jun 2023	1,261	2.1%
Canada Housing Trust	0.95	23 Jun 2025	1,218	2.1%
Government of Canada	0.25	1 Feb 2023	1,199	2.0%
Canada Housing Trust	2.40	15 Dec 2022	1,095	1.9%
Government of Canada	0.50	1 Sep 2025	904	1.5%
Government of Canada	0.25	1 Aug 2022	800	1.4%
Sun Life Financial Inc.	3.10	19 Feb 2026	702	1.2%
Province of New Brunswick	–	26 Mar 2021	681	1.2%
Hydro One Inc.	–	5 Nov 2020	674	1.1%
Investors Group Inc.	–	9 May 2021	669	1.1%
Canada Housing Trust	1.75	15 Jun 2022	665	1.1%
Province of Québec	3.00	1 Sep 2023	643	1.1%
Province of Ontario	1.75	8 Sep 2025	627	1.1%
Province of Ontario	3.50	2 Jun 2024	551	0.9%
Province of New Brunswick	–	3 Jun 2021	547	0.9%
Hydro-Québec	–	15 Apr 2021	546	0.9%
Province of Ontario	2.60	8 Sep 2023	530	0.9%
Government of Canada	0.25	1 Apr 2024	499	0.8%
Province of Ontario	2.60	2 Jun 2025	487	0.8%
Government of Canada	0.50	1 Mar 2022	462	0.8%

**Top 25 long positions as a percentage of Total Portfolio Asset of the Plan** **47.2%**

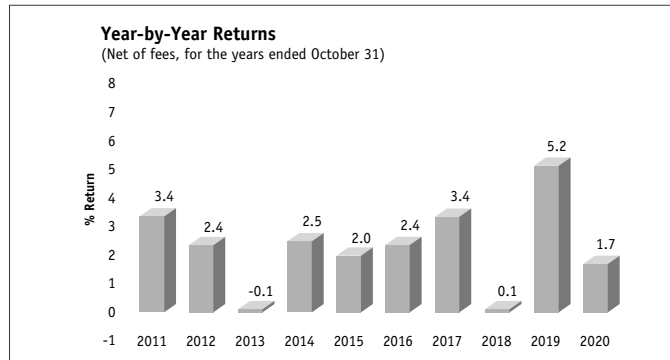
## Past Performance

The returns presented in the following chart and the annual compound returns table are based on the investment performance of the Plan’s Total Portfolio Assets only and do not reflect the investment performance of assets from the Government Grants and Sales Charge Refund Entitlements. Investment returns have been calculated using market values and time-weighted cash flows during the periods. Total expenses incurred by the Plan, including administration, portfolio management, custody and trustee fees, and

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

### Year-by-Year Returns

The following bar chart illustrates the annual performance in each of the past ten years to October 31, 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 2020, the Plan's investment benchmark was changed effective October 1, 2019 to 50% FTSE Canada Short-Term Government Bond Index + 50% FTSE Canada 91-Day Treasury Bill Index. The FTSE Canada Short Term Government Bond Index is a broad measure of Canadian investment grade fixed income securities, issued by the Government of Canada, including Crown Corporations and provincial governments, with maturities between 1 and 5 years. The FTSE Canada 91-Day Treasury Bill Index is based upon the average daily yield of 91-Day Treasury Bills.

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

	Period			
	1 Yr	3 Yr	5 Yr	10 Yr
<b>Net Plan Return*</b>	<b>1.7</b>	<b>2.3</b>	<b>2.5</b>	<b>2.3</b>
<b>Benchmark</b>	<b>2.7</b>	<b>3.1</b>	<b>3.3</b>	<b>3.2</b>
<b>FTSE Canada Short-Term Government Bond Index</b>	<b>4.4</b>	<b>2.9</b>	<b>1.9</b>	<b>1.3</b>

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

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

# Management's Responsibility for Financial Reporting

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

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

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



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



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

Toronto, Ontario  
December 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 Group 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 2019

(in thousands of Canadian dollars)

	2020	2019
<b>Assets</b>		
Cash and cash equivalents	\$ 22,172	\$ 28,748
Investments <i>(Note 4 and Schedule I)</i>	118,941	151,142
Accrued income and other receivables	5,511	3,467
	<b>146,624</b>	<b>183,357</b>
<b>Liabilities</b>		
Payables for securities purchased	7,284	1,907
Accounts payable and accrued liabilities	2,225	2,065
	<b>9,509</b>	<b>3,972</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries</b>	<b>137,115</b>	<b>179,385</b>
<b>Represented by:</b>		
<b>Non-Discretionary Funds</b>		
Accumulated income held for future education assistance payments	30,629	47,909
Subscribers' deposits <i>(Schedule II)</i>	26,998	37,303
Government grants	32,285	40,853
Income on Government grants	32,586	37,926
Sales charge refund entitlements <i>(Note 8)</i>	14,637	14,656
General Fund <i>(Note 7)</i>	(925)	-
<b>Unrealized Gains</b>	<b>905</b>	<b>738</b>
	<b>\$137,115</b>	<b>\$179,385</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	\$ 2,674	\$ 4,642
Realized gains on sale of investments	1,141	7,180
Change in unrealized gains	1,702	2,824
Dividends	1,518	1,809
	<b>7,035</b>	<b>16,455</b>
<b>Expenses</b>		
Administration and account maintenance fees <i>(Note 3(a))</i>	909	1,217
Portfolio management fees	123	205
Custodian and trustee fees	52	89
Independent Review Committee fees	3	4
	<b>1,087</b>	<b>1,515</b>
<b>Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries</b>	<b>\$ 5,948</b>	<b>\$ 14,940</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>\$179,385</b>	<b>\$ 256,566</b>
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	5,948	14,940
Transfers to internal and external plans	(1,709)	(6,633)
	<b>4,239</b>	<b>8,307</b>
<b>Receipts</b>		
Government grants received (net of repayments)	2	-
<b>Disbursements</b>		
Net decrease in Subscribers' deposits <i>(Schedule II)</i>	(10,305)	(27,699)
Government grants repaid (net of receipts)	-	(22)
Payments to beneficiaries		
Education assistance payments	(19,177)	(31,146)
Government grants	(14,910)	(21,880)
Refund of Sales Charge	(1,001)	(3,397)
Return of income	(1,118)	(1,344)
<b>Total payments to beneficiaries</b>	<b>(36,206)</b>	<b>(57,767)</b>
<b>Receipts less Disbursements</b>	<b>(46,509)</b>	<b>(85,488)</b>
<b>Change in Net Assets Attributable to Subscribers and Beneficiaries</b>	<b>(42,270)</b>	<b>(77,181)</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries, End of the Year</b>	<b>\$137,115</b>	<b>\$ 179,385</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	\$ 5,948	\$ 14,940
Net receipts from investment transactions	40,421	113,023
Items not affecting cash		
Realized gains on sale of investments	(1,141)	(7,180)
Change in unrealized gains	(1,702)	(2,824)
Change in non-cash operating capital		
(Increase) decrease in Accrued income and other receivables	(2,038)	1,954
(Increase) decrease in Government grants receivable	(6)	-
Increase in Accounts payable and accrued liabilities	160	17
<b>Cash flow from Operating Activities</b>	<b>41,642</b>	<b>119,930</b>
<b>Financing Activities</b>		
Transfers to internal and external plans	(1,709)	(6,633)
Net Government grants received (repaid)	2	(22)
Net decrease in Subscribers' deposits <i>(Schedule II)</i>	(10,305)	(27,699)
Payments to beneficiaries	(36,206)	(57,767)
<b>Cash flow used in Financing Activities</b>	<b>(48,218)</b>	<b>(92,121)</b>
<b>Net increase in Cash and cash equivalents</b>	<b>(6,576)</b>	<b>27,809</b>
<b>Cash and cash equivalents, Beginning of Year</b>		
Cash	1,913	(318)
Cash equivalents	26,835	1,257
	<b>28,748</b>	<b>939</b>
<b>Cash and cash equivalents, End of Year</b>		
Cash	1,975	1,913
Cash equivalents	20,197	26,835
	<b>22,172</b>	<b>28,748</b>
<b>Supplemental cash flow information:</b>		
Withholding Taxes	\$ -	\$ -
Interest Income Received	3,007	5,297

# Schedule I – Statement of Investment Portfolio

As at October 31, 2020

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Values (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Values (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds</b>						<b>Bonds (continued)</b>					
<b>Federal – 34.3%</b>						<b>Municipal – 0.7% (continued)</b>					
Canada Housing Trust	1.75	15 Jun 2022	650	665	650	Municipal Finance Authority of British Columbia	2.15	1 Dec 2022	200	207	195
Canada Housing Trust	2.40	15 Dec 2022	1,050	1,095	1,071					426	408
Canada Housing Trust	2.35	15 Jun 2023	1,200	1,261	1,214						
Canada Housing Trust	2.55	15 Dec 2023	1,700	1,810	1,757						
Canada Housing Trust	2.90	15 Jun 2024	200	217	211						
Canada Housing Trust	1.80	15 Dec 2024	300	315	315						
Canada Housing Trust	0.95	15 Jun 2025	1,200	1,218	1,215						
Government of Canada	–	12 Nov 2020	4,300	4,298	4,301						
Government of Canada	–	10 Dec 2020	100	100	100						
Government of Canada	–	4 Feb 2021	3,000	2,999	2,999						
Government of Canada	0.50	1 Mar 2022	460	462	448						
Government of Canada	1.50	1 May 2022	1,950	1,987	1,989						
Government of Canada	0.25	1 Aug 2022	800	800	800						
Government of Canada	1.00	1 Sep 2022	400	406	391						
Government of Canada	0.25	1 Feb 2023	1,200	1,199	1,199						
Government of Canada	0.25	1 Apr 2024	500	499	499						
Government of Canada	0.50	1 Sep 2025	900	904	906						
				20,235	20,065						
<b>Provincial – 17.6%</b>						<b>Corporate – 10.0%</b>					
Province of Alberta	2.65	1 Sep 2023	300	318	309	Bank of Montreal	3.32	1 Jun 2026	350	355	356
Province of Alberta	2.35	1 Jun 2025	200	214	214	Bank of Montreal	2.57	1 Jun 2027	55	56	55
Province of British Columbia	3.30	18 Dec 2023	200	217	213	Bank of Nova Scotia	1.83	27 Apr 2022	100	100	100
Province of British Columbia	2.85	18 Jun 2025	200	219	220	Canadian Natural Resources Limited	3.31	11 Feb 2022	150	154	153
Province of Manitoba	3.30	2 Jun 2024	200	219	214	Canadian Western Bank	2.83	14 Mar 2022	300	303	303
Province of Manitoba	2.45	2 Jun 2025	150	161	161	HSBC Bank Canada	2.45	29 Jan 2021	300	301	301
Province of New Brunswick	–	26 Mar 2021	700	681	681	HSBC Bank Canada	2.17	29 Jun 2022	50	51	50
Province of New Brunswick	–	3 Jun 2021	565	547	547	Hydro One Inc.	–	5 Nov 2020	675	674	674
Province of New Brunswick	2.85	2 Jun 2023	200	212	201	Hydro-Québec	–	15 Apr 2021	560	546	546
Province of Newfoundland and Labrador	–	17 Apr 2022	150	142	142	Intact Financial Corporation	4.70	18 Aug 2021	300	309	314
Province of Newfoundland and Labrador	1.95	2 Jun 2022	200	205	197	Inter Pipeline Ltd.	3.78	30 May 2022	55	57	57
Province of Nova Scotia	–	2 Jun 2022	175	174	166	Investors Group Inc.	–	9 May 2021	693	669	669
Province of Ontario	3.15	2 Jun 2022	100	104	105	Investors Group Inc.	–	9 May 2022	113	106	106
Province of Ontario	2.85	2 Jun 2023	375	398	384	John Deere Financial Inc.	2.05	13 May 2022	100	100	100
Province of Ontario	2.60	8 Sep 2023	500	530	527	Laurentian Bank of Canada	2.75	22 Apr 2021	250	252	251
Province of Ontario	3.50	2 Jun 2024	500	551	549	Manulife Financial Corporation	2.08	26 May 2022	50	51	50
Province of Ontario	2.60	2 Jun 2025	450	487	488	National Bank of Canada	2.11	18 Mar 2022	200	201	201
Province of Ontario	1.75	8 Sep 2025	600	627	628	Riocan Real Estate Investment Trust	2.19	9 Apr 2021	250	251	250
Province of Québec	–	9 Apr 2021	400	400	400	SmartCentres Real Estate Investment Trust	2.76	23 Jun 2021	300	303	302
Province of Québec	–	21 Sep 2021	357	344	344	Sun Life Financial Inc.	3.10	19 Feb 2026	700	702	707
Province of Québec	–	21 Mar 2022	145	138	138	Teranet Holdings L.P.	4.81	16 Dec 2020	107	107	110
Province of Québec	3.00	1 Sep 2023	600	643	628	VW Credit Canada Inc.	2.90	29 Mar 2021	250	252	252
Province of Québec	3.75	1 Sep 2024	300	336	336				5,900	5,907	
Province of Québec	2.75	1 Sep 2025	350	383	384						
Province of Saskatchewan	–	28 Jan 2021	2,000	1,998	1,998						
Province of Saskatchewan	0.80	2 Sep 2025	100	100	100						
				10,348	10,274						
<b>Municipal – 0.7%</b>						<b>Total Fixed Income – 62.6%</b>					
City of Toronto	3.90	29 Sep 2023	200	219	213					<b>36,909</b>	<b>36,654</b>
						<b>Total Investments – 62.6%</b>					
										<b>36,909</b>	<b>36,654</b>
						<b>Cash and cash equivalents – 37.4%</b>					
										<b>22,067</b>	<b>22,067</b>
						<b>Total Portfolio Assets – 100.0%</b>					
										<b>58,976</b>	<b>58,721</b>
						<b>Investments Allocation (Note 4)</b>					
						<b>Government Grants (Appendix I)</b>					
										66,555	63,331
						<b>Sales Charge Refund Entitlements (Appendix II)</b>					
										15,477	14,572
						<b>Cash and cash equivalents (Appendices I, II)</b>					
										105	105
						<b>Total Investment Fund</b>					
										<b>141,113</b>	<b>136,729</b>
						<b>Represented by:</b>					
						<b>Cash and cash equivalents</b>					
										22,172	
						<b>Investments, at fair value</b>					
										118,941	
										<b>141,113</b>	

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

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

Year of Eligibility	Opening Units	Inflow Units <sup>1</sup>	Outflow Units <sup>2</sup>	Closing Units	Subscribers’ Deposits	Accumulated Income <sup>3</sup>
2019 and prior to 2019	241,956	289	47,459	194,786	\$ 26,260	\$ 30,182
2020	335	61	–	396	389	228
2021	94	39	–	133	127	84
2022	54	9	–	63	106	73
2023	30	3	1	32	49	16
2024	18	–	–	18	13	5
2025 and thereafter	57	2	–	59	54	41
<b>TOTAL</b>	<b>242,544</b>	<b>403</b>	<b>47,460</b>	<b>195,487</b>	<b>\$ 26,998</b>	<b>\$ 30,629</b>

1. Inflow units are comprised of transfers in.

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

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

The changes in Subscribers’ deposits are as follows:

	2020	2019
Payments from subscribers	\$ 54	\$ 55
Inter-Plan principal transfers	(4,263)	(7,753)
Account maintenance fees	(22)	(26)
Return of principal	(6,074)	(19,975)
Net decrease in Subscribers’ deposits	(10,305)	(27,699)
<b>Balance, Beginning of the Year</b>	<b>37,303</b>	<b>65,002</b>
<b>Balance, End of the Year</b>	<b>\$ 26,998</b>	<b>\$ 37,303</b>

# Schedule III – Education Assistance Payments

As at October 31, 2020 and 2019

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

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

<b>Education Assistance Payments</b>	<b>2020</b>	<b>2019</b>	<b>Education Assistance Payments</b>	<b>2020</b>	<b>2019</b>
Current year payments	<b>\$ 4,453</b>	\$ 8,366	Non-Discretionary	<b>\$19,177</b>	\$31,146
Deferred payments	<b>14,704</b>	22,716			
Advance payments	<b>20</b>	64			
	<b>\$19,177</b>	\$31,146			

	<b>Number of education assistance payment units</b>				<b>Amount of education assistance payment per unit</b>			
	<b>Year of Eligibility</b>				<b>Year of Eligibility</b>			
	<b>2020</b>	2019	2018	2017	<b>2020</b>	2019	2018	2017
First	<b>72.6</b>	262.5	12,704.1	27,852.2	<b>\$171</b>	160	141	129
Second		<b>82.7</b>	14,193.9	28,382.0		<b>198</b>	151	178
Third			<b>7,312.9</b>	40,692.8			<b>175</b>	156
Fourth				<b>15,803.7</b>				<b>199</b>

# Notes to the Financial Statements

October 31, 2020 and 2019

(in thousands of Canadian dollars)

## Note 1. Nature of Operations

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

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

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

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

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

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

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

## Note 2. Significant Accounting Policies

### (a) Statement of Compliance

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

These financial statements were approved by the Board of Directors of the Foundation on December 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. The Plan classifies its investments in debt and equity securities and financial liabilities based on its business model for managing those financial assets and financial liabilities and the contractual cash flow characteristics of the financial assets and financial liabilities.

Financial assets and financial liabilities classified as FVTPL are measured at fair value on initial recognition and transaction costs are expensed when incurred. Subsequent changes in fair value of financial assets and financial liabilities classified as FVTPL are recorded in “Change in unrealized gains (losses)” in the Statements of Comprehensive Income. When a financial asset and financial liability classified as FVTPL is sold, the difference between the sale proceeds and the fair value on initial recognition of the security is recorded as “Realized gains (losses) on sale of investments” in the Statements of Comprehensive Income.

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

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

# Notes to the Financial Statements (continued)

October 31, 2020 and 2019

(in thousands of Canadian dollars)

## Note 2. Significant Accounting Policies (continued)

### (c) Financial instruments (continued)

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

Financial asset or financial liability	Classification
Investments, at fair value	FVTPL <sup>i</sup>
Investments, at amortized cost	Amortized Cost <sup>ii</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.

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

<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.

Impairment is based on expected credit losses for the investment securities, which are based on a range of possible outcomes and consider all available reasonable and supportable information including internal and external ratings, historical loss experience, and expectations about future cash flows.

### (e) Investment valuation

Investments include investments values at fair value and amortized cost.

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

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

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

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

Note 9 provides further guidance on fair value measurements.

### (f) Investment transactions and income recognition

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

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

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

### (h) Income taxes

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

### (i) Cash and cash equivalents

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

### (j) Foreign currency

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

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

### (k) Critical accounting estimates and judgments

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

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



# Notes to the Financial Statements (continued)

October 31, 2020 and 2019

(in thousands of Canadian dollars)

## Note 2. Significant Accounting Policies (continued)

### (k) Critical accounting estimates and judgments (continued)

the SCR Entitlements. Further information on the SCR Entitlement valuation can be found in Note 8 (b).

## Note 3. Related Party Transactions

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

### (a) Administration of the Plan

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

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

During the year ended October 31, 2020, \$909 was recognized as an expense for Administration and account maintenance fees (2019 – \$1,217). Administration and account maintenance fees included in Accounts payable and accrued liabilities at October 31, 2020 was \$68 (2019 – \$85).

Sales charges were paid by subscribers and deducted from their contributions. In accordance with the distribution agreement, the Foundation agreed to set aside a portion of the sales charges collected from subscribers to the SCR Fund each year in order to pay SCR Entitlements when they become due. The Foundation is responsible to pay to beneficiaries of the Plan the refunds of sales charges as promised. Any shortfall in the assets to meet the SCR Entitlements will be funded by the Foundation (see Note 8).

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

During the year ended October 31, 2020, the Foundation provided deficit funding payments of \$nil (2019 – \$nil) to the SCR Fund (see Note 8(b)).

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

The Independent Review Committee (“IRC”) provides independent review and oversight of conflicts of interest relating to the management of the Plans. For the year ended October 31, 2020, the Plan recognized an expense of \$3 (2019 – \$4) for the services of the IRC. IRC fees included in Accounts payable and accrued liabilities at October 31, 2020 was \$nil (2019 – \$nil).

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

Included in Portfolio management fees on the Statements of Comprehensive Income is \$28 (2019 – \$33) charged by C.S.T.C. for expenses incurred to monitor and manage the portfolio managers. Included in Accounts payable and accrued

liabilities is \$8 owing to C.S.T.C. at October 31, 2020 (2019 – \$nil owing from C.S.T.C.) relating to these expenses.

## Note 4. Investment Holdings

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

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

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

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

## Note 5. Capital Risk Management

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

## 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.

# Notes to the Financial Statements (continued)

October 31, 2020 and 2019

(in thousands of Canadian dollars)

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

### (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	29%	25%
1-3 years	12%	13%
3-5 years	9%	12%
Greater than 5 years	28%	28%
<b>Total debt instruments</b>	<b>78%</b>	<b>78%</b>

As at October 31, 2020, if prevailing interest rates had increased by 1%, the fair value of the Total Investment Fund of \$141,113 (2019 – \$179,890) as per Schedule I – Statement of Investment Portfolio, would have decreased by approximately \$3,980 (2019 – \$5,360). If prevailing interest rates had decreased by 1%, the fair value of the Total Investment Fund would have increased by approximately \$4,590 (2019 – \$4,600). This 1% change assumes a parallel shift in the yield curve with all other variables held constant. In practice, actual results may differ materially.

#### ii. Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, other than those arising from interest rate risk. Factors specific to an individual investment, its issuer or other factors affecting all instruments traded in a market or market segment affect other price risk. The asset classes that are most impacted by other price risk are the ETFs of the Plan, Government Grants asset pool, and the SCR Fund, which represent 22% (2019 – 22%) of the Total Investment Fund as at October 31, 2020. The risk associated with the equity component of the SCR Fund is managed by security selection and active management by external managers within approved investment policy and mandates.

As at October 31, 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 \$310 (2019 – \$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.

The Plan's credit risk exposure is summarized below:

Credit rating	October 31, 2020		October 31, 2019	
	% of Total Investment Fund	Amount	% of Total Investment Fund	Amount
AAA	13%	\$ 17,809	14%	\$ 24,928
AA/AAH/AAL	22%	30,796	25%	44,065
A/AH/AL	19%	26,415	23%	41,999
BBB	7%	9,790	6%	11,543
R-1	15%	21,806	8%	14,110
Short-term unrated	2%	3,427	2%	3,671
<b>Total debt Instruments</b>	<b>78%</b>	<b>\$110,043</b>	<b>78%</b>	<b>\$140,316</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 including SCR Entitlements. The Plan primarily invests in securities that are traded in active markets and can be readily sold. The Plan retains sufficient cash and cash equivalent positions to meet liquidity requirements by utilizing cash forecasting models that reflect the maturity distribution of subscribers' deposits and accumulated income. All other financial liabilities are short term and due within one year. The Foundation directed a portion of the sales charges collected from subscribers to the SCR Fund each year in order to pay SCR Entitlements when they become due.

### (d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Plan holds foreign pooled equity funds and ETFs, which represent 20% (2019 – 18%) of the Total Investment Fund. The fair value of the Total Investment Fund would increase or decrease by approximately \$290 (2019 – \$330) in response to a 1% depreciation or appreciation of the Canadian dollar currency

# Notes to the Financial Statements (continued)

October 31, 2020 and 2019

(in thousands of Canadian dollars)

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

### (d) Currency risk (continued)

exchange rate. In practice the actual change may differ materially.

## Note 7. General Fund and Donations from the Foundation

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

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

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

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

Receipts and disbursements of the General Fund included in the financial statements of the Plan for the years ended October 31, 2020 and 2019 are as follows:

	2020	2019
<b>Receipts</b>		
Net investment income	\$ 449	\$ 2,074
Transfer from Scholarship Pool	-	1,244
<b>Disbursements</b>		
Education assistance payments	(1,374)	(3,318)
(Shortfalls) Excess of Receipts over Disbursements	-	-
<b>Balance, Beginning of the Year</b>	-	-
<b>Balance, End of the Year</b>	\$ (925)	\$ -

Receipts and disbursements in the Donations from the Foundation included in the financial statement of the Plan for the years ended October 31, 2020 and 2019 are as follows:

	2020	2019
<b>Disbursements</b>		
Education assistance payments	\$ -	\$ (448)
<b>Balance, Beginning of the Year</b>	-	448
<b>Balance, End of the Year</b>	\$ -	\$ -

## Note 8. Sales Charge Refund

### (a) Sales Charge Refund Entitlements

The Plan refunds sales charges to the beneficiaries from the SCR Fund, which amount to 100% of sales charges paid. This SCR Entitlement is paid with the first instalment of the EAP pay-outs to qualified beneficiaries. The total amount refunded for the year ended October 31, 2020 was \$1,001 (2019 – \$3,397).

As at October 31, 2020, the SCR Entitlements amount of \$14,637 (2019 – \$14,656) presented in the Statements of Financial Position represents the average cost of the Plan’s investments in the SCR Fund of \$14,600 (2019 – \$14,660), adjusted for funds to be transferred to (from) the direct investment holdings of the Plan of \$20 (2019 – \$(25)) for SCR payments made to beneficiaries during the period, plus accrued interest and payables of \$17 (2019 – \$21). The fair value of the investments in the SCR Fund as at October 31, 2020, after adjusting for the above, amounted to \$15,542 (2019 – \$15,398). The SCR Fund comprises investments, at fair value, of \$15,477 and Cash and cash equivalents of \$28, which are reported in the Statement of Financial Position. The difference between the present value of SCR Entitlements and the fair value of the SCR Fund is not recorded in the financial statements of the Plan.

### (b) Sales Charge Refund Entitlements Valuations

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

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

# Notes to the Financial Statements (continued)

October 31, 2020 and 2019

(in thousands of Canadian dollars)

## Note 8. Sales Charge Refund (continued)

### (b) Sales Charge Refund Entitlements Valuations (continued)

#### (i) Management's Best Estimates Valuation

The assumptions used in determining the valuation of SCR Entitlements reflect management's best estimate of future payments to beneficiaries and involve both economic and non-economic assumptions. The non-economic assumptions include considerations such as termination of Agreements prior to maturity and participation of eligible students in the collection of EAPs. The primary economic assumption is the discount rate, which is set at the expected long-term investment rates of return of the SCR Fund at October 31, 2020 of 5.1% (2019 – 5.4%) based on the investment policy approved by Investment Committee of the Foundation. As underlying conditions change over time, assumptions may also change, which could cause a material change in the present value of the SCR Entitlements.

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

	2020	2019
Present value of SCR Entitlements	\$ 4,006	\$ 5,468
Fair value of SCR Fund (Note 8(a))	15,505	15,402
Overfunded portion of SCR Entitlements	\$11,499	\$ 9,934

A 1% decrease or increase in the discount rate used will increase or decrease the present value of SCR Entitlements by \$55 or \$52, respectively (2019 – \$70 or \$67, respectively).

#### (ii) Funding Valuation

A funding valuation of the SCR Entitlements for the Plan was completed based on assets and obligations as at October 31, 2018. This valuation included assumptions regarding management's best estimate of termination of Agreements prior to maturity and participation of eligible students in the collection of EAPs. The discount rate used to determine the present value of SCR Entitlements was based on the expected long-term investment rate of return of 5.3%, which resulted in the liability being fully funded. The Foundation has a responsibility to pay beneficiaries of the Plan a refund sales charges as promised. Funding requirements were established by the Foundation to ensure assets are sufficient to meet future SCR Entitlements using expected long-term investment rates of return based on the investment policy approved by Investment Committee of the Foundation to project the asset growth of the SCR Fund. Any shortfall in the assets to meet the SCR Entitlements will be funded by the Foundation.

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

## Note 9. Fair Value Measurements and Disclosure

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

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

### Carrying Amount and Fair Value of Financial Instruments as at October 31, 2020

	Carrying amount and fair value	Carrying Amount	Fair Value		
	Financial instruments classified as FVTPL	Financial instruments measured at amortized cost	Financial instruments measured at amortized cost	Total carrying amount	Total fair value
<b>Financial Assets</b>					
Cash Equivalents <sup>1</sup>	\$ -	\$ 20,197	\$ 20,197	\$ 20,197	\$ 20,197
Investments	108,619	10,322	10,440	118,941	119,059
Other Assets <sup>2</sup>	-	5,511	5,511	5,511	5,511
<b>Financial Liabilities</b>					
Other Liabilities <sup>3</sup>	\$ -	\$ 9,509	\$ 9,509	\$ 9,509	\$ 9,509

### Carrying Amount and Fair Value of Financial Instruments as at October 31, 2019

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

1. Cash and bank balances of \$1,975 (2019 – \$1,913) have been excluded.

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

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

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

- Level 1 financial instruments are valued using quoted market prices.

# Notes to the Financial Statements (continued)

October 31, 2020 and 2019

(in thousands of Canadian dollars)

## Note 9. Fair Value Measurements and Disclosure (continued)

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

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

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 77,549	\$ -	\$ 77,549
Equity securities, ETFs and Pooled equity funds	31,070	-		31,070
<b>Total Investments, at fair value</b>	<b>\$31,070</b>	<b>\$ 77,549</b>	<b>\$ -</b>	<b>\$108,619</b>

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

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 65,415	\$ -	\$ 65,415
Equity securities, ETFs and Pooled equity funds	39,467	-	-	39,467
<b>Total Investments, at fair value</b>	<b>\$39,467</b>	<b>\$ 65,415</b>	<b>\$ -</b>	<b>\$104,882</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	Government of Canada	2.00	1 Dec 2051	1,970	2,349	2,418
Canada Housing Trust	1.50	15 Dec 2021	688	698	688	Government of Canada	2.75	1 Dec 2064	800	1,208	948
Canada Housing Trust	1.75	15 Jun 2022	1,243	1,272	1,249	Labrador-Island Link Funding Trust					
Canada Housing Trust	2.40	15 Dec 2022	6,535	6,818	6,804	Labrador-Island Link Funding Trust	3.76	1 Jun 2033	150	189	176
Canada Housing Trust	2.35	15 Jun 2023	487	512	487	Labrador-Island Link Funding Trust	3.86	1 Dec 2045	1,500	2,042	1,801
Canada Housing Trust	2.35	15 Sep 2023	1,398	1,475	1,478	Labrador-Island Link Funding Trust					
Canada Housing Trust	2.55	15 Dec 2023	1,216	1,295	1,217	Muskkrat Falls Funding Trust	3.85	1 Dec 2053	100	145	126
Canada Housing Trust	2.90	15 Jun 2024	800	868	849	Muskkrat Falls Funding Trust	3.83	1 Jun 2037	1,350	1,757	1,501
Canada Housing Trust	1.80	15 Dec 2024	6,017	6,318	6,020	Muskkrat Falls Funding Trust	3.86	1 Dec 2048	150	207	186
Canada Housing Trust	2.55	15 Mar 2025	6,000	6,506	6,288					143,225	140,495
Canada Housing Trust	0.95	15 Jun 2025	1,045	1,061	1,057						
Canada Housing Trust	1.95	15 Dec 2025	2,458	2,616	2,624						
Canada Housing Trust	1.90	15 Sep 2026	823	878	813	<b>Provincial – 34.1%</b>					
Canada Housing Trust	2.35	15 Jun 2027	4,660	5,121	4,981	Province of Alberta	2.35	1 Jun 2025	1,925	2,057	1,973
Canada Housing Trust	2.35	15 Mar 2028	238	263	237	Province of Alberta	4.45	15 Dec 2025	1,785	2,095	2,052
Canada Housing Trust	2.65	15 Mar 2028	514	579	509	Province of Alberta	2.20	1 Jun 2026	8,947	9,537	9,097
Canada Housing Trust	2.65	15 Dec 2028	734	832	733	Province of Alberta	2.55	1 Jun 2027	10,716	11,670	11,311
Canada Housing Trust	2.10	15 Sep 2029	682	746	698	Province of Alberta	2.90	1 Dec 2028	8,014	8,968	8,454
Canada Housing Trust	1.75	15 Jun 2030	1,831	1,948	1,896	Province of Alberta	2.90	20 Sep 2029	1,900	2,127	1,975
Canada Post Corporation	4.36	16 Jul 2040	375	529	472	Province of Alberta	2.05	1 Jun 2030	17,668	18,406	18,344
Government of Canada	–	12 Nov 2020	1,915	1,913	1,913	Province of Alberta	3.50	1 Jun 2031	175	206	185
Government of Canada	–	26 Nov 2020	6,375	6,372	6,372	Province of Alberta	3.90	1 Dec 2033	1,100	1,356	1,223
Government of Canada	–	10 Dec 2020	7,000	6,997	6,997	Province of Alberta	3.45	1 Dec 2043	1,150	1,362	1,198
Government of Canada	–	7 Jan 2021	35,730	35,719	35,719	Province of Alberta	3.30	1 Dec 2046	776	903	794
Government of Canada	–	21 Jan 2021	175	175	175	Province of Alberta	3.05	1 Dec 2048	1,104	1,239	1,192
Government of Canada	–	4 Feb 2021	525	525	525	Province of Alberta	3.10	1 Jun 2050	1,821	2,074	1,926
Government of Canada	0.50	1 Mar 2022	1,732	1,739	1,733	Province of British Columbia	2.85	18 Jun 2025	2,000	2,194	2,075
Government of Canada	1.50	1 May 2022	752	766	768	Province of British Columbia	2.30	18 Jun 2026	3,598	3,885	3,685
Government of Canada	2.75	1 Jun 2022	1,399	1,455	1,449	Province of British Columbia	2.55	18 Jun 2027	4,901	5,395	5,178
Government of Canada	0.25	1 Aug 2022	800	800	799	Province of British Columbia	2.95	18 Dec 2028	1,622	1,849	1,792
Government of Canada	1.00	1 Sep 2022	2,390	2,424	2,326	Province of British Columbia	5.70	18 Jun 2029	3,275	4,464	4,357
Government of Canada	0.25	1 Nov 2022	800	800	799	Province of British Columbia	2.20	18 Jun 2030	10,452	11,275	11,265
Government of Canada	1.75	1 Mar 2023	1,196	1,237	1,195	Province of British Columbia	6.35	18 Jun 2031	2,975	4,418	4,234
Government of Canada	1.50	1 Jun 2023	1,170	1,208	1,155	Province of British Columbia	4.70	18 Jun 2037	420	592	516
Government of Canada	2.00	1 Sep 2023	1,565	1,641	1,620	Province of British Columbia	4.95	18 Jun 2040	1,300	1,932	1,685
Government of Canada	2.25	1 Mar 2024	1,268	1,350	1,328	Province of British Columbia	4.30	18 Jun 2042	430	600	503
Government of Canada	0.25	1 Apr 2024	1,800	1,795	1,796	Province of British Columbia	3.20	18 Jun 2044	250	302	253
Government of Canada	2.50	1 Jun 2024	1,800	1,941	1,924	Province of British Columbia	2.80	18 Jun 2048	507	580	515
Government of Canada	1.50	1 Sep 2024	958	1,001	987	Province of British Columbia	2.95	18 Jun 2050	740	879	851
Government of Canada	1.25	1 Mar 2025	1,945	2,020	2,020	Province of Manitoba	4.40	5 Sep 2025	1,300	1,519	1,462
Government of Canada	2.25	1 Jun 2025	1,917	2,083	2,088	Province of Manitoba	2.55	2 Jun 2026	4,580	4,981	4,744
Government of Canada	0.50	1 Sep 2025	1,692	1,700	1,702	Province of Manitoba	2.60	2 Jun 2027	4,013	4,403	4,143
Government of Canada	0.25	1 Mar 2026	1,800	1,780	1,784	Province of Manitoba	3.00	2 Jun 2028	2,949	3,330	3,114
Government of Canada	1.50	1 Jun 2026	738	783	734	Province of Manitoba	2.75	2 Jun 2029	3,581	3,991	3,948
Government of Canada	1.00	1 Jun 2027	882	913	859	Province of Manitoba	3.25	5 Sep 2029	725	839	756
Government of Canada	2.00	1 Jun 2028	1,381	1,533	1,452	Province of Manitoba	2.05	2 Jun 2030	766	806	801
Government of Canada	2.25	1 Jun 2029	471	537	532	Province of Manitoba	6.30	5 Mar 2031	500	725	688
Government of Canada	1.25	1 Jun 2030	3,471	3,659	3,688	Province of Manitoba	4.10	5 Mar 2041	1,800	2,360	2,005
Government of Canada	0.50	1 Dec 2030	1,800	1,761	1,765	Province of Manitoba	4.40	5 Mar 2042	500	685	590
Government of Canada	5.75	1 Jun 2033	1,200	1,910	1,807	Province of Manitoba	3.35	5 Mar 2043	100	119	100
Government of Canada	5.00	1 Jun 2037	222	361	333	Province of Manitoba	4.05	5 Sep 2045	350	465	414
Government of Canada	4.00	1 Jun 2041	1,250	1,926	1,750	Province of Manitoba	2.85	5 Sep 2046	396	437	393
Government of Canada	3.50	1 Dec 2045	506	762	739	Province of Manitoba	3.40	5 Sep 2048	157	192	159
Government of Canada	2.75	1 Dec 2048	2,066	2,812	2,822	Province of Manitoba	3.20	5 Mar 2050	438	522	507

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 Manitoba	2.05	5 Sep 2052	47	44	47	Province of Ontario	4.65	2 Jun 2041	625	898	771
Province of New Brunswick	2.60	14 Aug 2026	1,167	1,273	1,217	Province of Ontario	3.50	2 Jun 2043	550	687	604
Province of New Brunswick	2.35	14 Aug 2027	1,859	2,007	1,977	Province of Ontario	3.45	2 Jun 2045	2,125	2,652	2,205
Province of New Brunswick	3.10	14 Aug 2028	970	1,102	1,041	Province of Ontario	2.90	2 Dec 2046	4,213	4,837	4,319
Province of New Brunswick	5.65	27 Dec 2028	1,645	2,187	2,102	Province of Ontario	2.80	2 Jun 2048	897	1,018	893
Province of New Brunswick	5.50	27 Jan 2034	125	178	147	Province of Ontario	2.90	2 Jun 2049	3,313	3,838	3,565
Province of New Brunswick	4.65	26 Sep 2035	110	147	114	Province of Ontario	2.65	2 Dec 2050	1,772	1,972	1,952
Province of New Brunswick	4.55	26 Mar 2037	1,000	1,337	1,183	Province of Ontario	1.90	2 Dec 2051	1,407	1,334	1,404
Province of New Brunswick	4.80	26 Sep 2039	250	350	311	Province of PEI	2.65	1 Dec 2051	101	107	101
Province of New Brunswick	3.55	3 Jun 2043	1,150	1,390	1,159	Province of Québec	5.35	1 Jun 2025	1,000	1,204	1,164
Province of New Brunswick	3.80	14 Aug 2045	200	252	215	Province of Québec	2.75	1 Sep 2025	5,000	5,470	5,238
Province of New Brunswick	3.10	14 Aug 2048	237	271	231	Province of Québec	2.50	1 Sep 2026	7,579	8,276	7,925
Province of New Brunswick	3.05	14 Aug 2050	95	108	108	Province of Québec	2.75	1 Sep 2027	13,789	15,369	14,695
Province of Newfoundland and Labrador	3.00	2 Jun 2026	3,324	3,645	3,443	Province of Québec	2.75	1 Sep 2028	24,425	27,381	25,814
Province of Newfoundland and Labrador	6.15	17 Apr 2028	350	463	466	Province of Québec	2.30	1 Sep 2029	13,027	14,167	13,356
Province of Newfoundland and Labrador	2.85	2 Jun 2028	1,969	2,155	2,040	Province of Québec	6.00	1 Oct 2029	2,400	3,348	3,190
Province of Newfoundland and Labrador	2.85	2 Jun 2029	2,326	2,546	2,428	Province of Québec	1.90	1 Sep 2030	20,952	21,975	22,182
Province of Newfoundland and Labrador	1.75	2 Jun 2030	264	263	263	Province of Québec	6.25	1 Jun 2032	325	486	455
Province of Newfoundland and Labrador	6.55	17 Oct 2030	1,750	2,492	2,377	Province of Québec	5.25	1 Jun 2034	2,000	2,820	2,533
Province of Newfoundland and Labrador	4.65	17 Oct 2040	150	196	177	Province of Québec	5.75	1 Dec 2036	4,915	7,582	6,832
Province of Newfoundland and Labrador	3.70	17 Oct 2048	1,409	1,650	1,471	Province of Québec	5.00	1 Dec 2038	1,265	1,854	1,600
Province of Nova Scotia	2.10	1 Jun 2027	1,762	1,878	1,759	Province of Québec	5.00	1 Dec 2041	1,350	2,033	1,746
Province of Nova Scotia	2.00	1 Sep 2030	2,370	2,487	2,416	Province of Québec	4.25	1 Dec 2043	400	556	473
Province of Nova Scotia	5.80	1 Jun 2033	1,275	1,859	1,656	Province of Québec	3.50	1 Dec 2045	700	884	929
Province of Nova Scotia	4.40	1 Jun 2042	2,100	2,890	2,442	Province of Québec	3.50	1 Dec 2048	1,038	1,332	1,174
Province of Nova Scotia	3.45	1 Jun 2045	500	608	548	Province of Québec	3.10	1 Dec 2051	1,285	1,569	1,598
Province of Nova Scotia	3.15	1 Dec 2051	171	204	204	Province of Saskatchewan	2.55	2 Jun 2026	2,393	2,602	2,468
Province of Nova Scotia	3.50	2 Jun 2062	600	795	599	Province of Saskatchewan	2.65	2 Jun 2027	1,577	1,734	1,646
Province of Ontario	1.75	8 Sep 2025	9,256	9,675	9,624	Province of Saskatchewan	3.05	2 Dec 2028	2,334	2,654	2,521
Province of Ontario	8.50	2 Dec 2025	3,300	4,546	4,537	Province of Saskatchewan	2.20	2 Jun 2030	485	517	500
Province of Ontario	2.40	2 Jun 2026	26,278	28,432	27,093	Province of Saskatchewan	6.40	5 Sep 2031	3,900	5,764	5,487
Province of Ontario	1.85	1 Feb 2027	475	501	474	Province of Saskatchewan	4.75	1 Jun 2040	350	494	443
Province of Ontario	2.60	2 Jun 2027	32,427	35,673	33,943	Province of Saskatchewan	3.90	2 Jun 2045	300	389	332
Province of Ontario	7.60	2 Jun 2027	1,120	1,587	1,605	Province of Saskatchewan	2.75	2 Dec 2046	2,056	2,227	1,814
Province of Ontario	1.05	8 Sep 2027	3,232	3,232	3,241	Province of Saskatchewan	3.30	2 Jun 2048	334	400	342
Province of Ontario	2.90	2 Jun 2028	27,327	30,791	29,841	Province of Saskatchewan	3.10	2 Jun 2050	180	210	199
Province of Ontario	6.50	8 Mar 2029	16,025	22,609	22,128	Province of Saskatchewan	3.75	5 Mar 2054	84	112	94
Province of Ontario	2.70	2 Jun 2029	23,886	26,654	25,776	Province of Saskatchewan	2.95	2 Jun 2058	80	93	76
Province of Ontario	2.05	2 Jun 2030	22,799	24,157	24,303					510,391	488,063
Province of Ontario	1.35	2 Dec 2030	1,863	1,848	1,861						
Province of Ontario	6.20	2 Jun 2031	175	256	243	<b>Municipal – 1.3%</b>					
Province of Ontario	5.85	8 Mar 2033	2,375	3,499	3,245	City of Montreal	3.00	1 Sep 2025	831	914	837
Province of Ontario	5.60	2 Jun 2035	775	1,155	1,073	City of Montreal	2.75	1 Sep 2026	223	245	223
Province of Ontario	4.70	2 Jun 2037	1,060	1,483	1,257	City of Montreal	4.25	1 Dec 2032	350	442	384
Province of Ontario	4.60	2 Jun 2039	1,815	2,556	2,198	City of Montreal	4.10	1 Dec 2034	375	471	399
						City of Montreal	4.10	1 Dec 2034	375	471	399
						City of Montreal	3.15	1 Dec 2036	900	1,025	898
						City of Montreal	3.50	1 Dec 2038	1,300	1,546	1,437
						City of Montreal	6.00	1 Jun 2043	550	894	782
						City of Ottawa	4.60	14 Jul 2042	500	691	590
						City of Ottawa	3.10	27 Jul 2048	683	775	644
						City of Toronto	2.40	24 Jun 2026	225	243	225
						City of Toronto	2.95	28 Apr 2035	300	335	277
						City of Toronto	3.50	2 Jun 2036	1,509	1,792	1,504
						City of Toronto	5.20	1 Jun 2040	350	513	446

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>Municipal – 1.3% (continued)</b>						<b>Corporate – 24.6% (continued)</b>					
City of Toronto	4.70	10 Jun 2041	325	451	383	Bank of Nova Scotia	1.83	27 Apr 2022	123	125	120
City of Toronto	3.80	13 Dec 2042	550	687	578	Bank of Nova Scotia	2.36	8 Nov 2022	250	259	259
City of Toronto	4.15	10 Mar 2044	225	293	246	Bank of Nova Scotia	2.38	1 May 2023	1,268	1,316	1,288
City of Toronto	3.25	24 Jun 2046	109	126	109	Bank of Nova Scotia	2.49	23 Sep 2024	356	375	362
City of Vancouver	3.10	21 Sep 2028	600	683	600	Bank of Nova Scotia	3.89	18 Jan 2029	4,554	4,911	4,614
City of Vancouver	3.70	18 Oct 2052	1,145	1,478	1,227	Bank of Nova Scotia	2.84	3 Jul 2029	6,010	6,300	6,049
City of Winnipeg	4.10	1 Jun 2045	42	54	48	Bell Canada	3.00	3 Oct 2022	2,576	2,679	2,642
City of Winnipeg	4.30	15 Nov 2051	450	628	512	Bell Canada	3.35	22 Mar 2023	595	625	628
Municipal Finance Authority of British Columbia	2.50	19 Apr 2026	822	891	823	Bell Canada	3.35	12 Mar 2025	666	720	656
Region of Peel	2.30	2 Nov 2026	77	83	77	Bell Canada	2.90	10 Sep 2029	425	451	443
Region of Peel	5.10	29 Jun 2040	550	795	694	Bell Canada	2.50	14 May 2030	650	665	649
Region of Peel	3.85	30 Oct 2042	900	1,129	989	Bell Canada	6.10	16 Mar 2035	192	254	267
Regional Municipality of Halton	4.05	11 Oct 2041	300	385	336	Bell Canada	4.75	29 Sep 2044	441	523	575
Regional Municipality of York	2.60	15 Dec 2025	950	1,031	927	Bell Canada	4.35	18 Dec 2045	2,248	2,540	2,488
Regional Municipality of York	2.50	2 Jun 2026	77	83	79	Bell Canada	3.50	30 Sep 2050	1,350	1,333	1,412
Regional Municipality of York	4.00	31 May 2032	300	371	329	BMW Canada Inc.	2.22	20 Dec 2021	125	126	127
Regional Municipality of York	4.05	1 May 2034	625	783	688	Brookfield Infrastructure Finance ULC	2.86	1 Sep 2032	1,360	1,371	1,360
				19,837	17,291	Brookfield Renewable Partners L.P.	4.25	15 Jan 2029	982	1,138	1,146
						Brookfield Renewable Partners L.P.	3.33	13 Aug 2050	222	217	222
<b>Corporate – 24.6%</b>						Caisse Centrale Desjardins	2.39	25 Aug 2022	1,195	1,234	1,236
407 International Inc.	2.59	25 May 2032	850	897	915	Caisse Centrale Desjardins	3.06	11 Sep 2023	1,002	1,067	1,068
407 International Inc.	5.96	3 Dec 2035	935	1,315	1,345	Caisse Centrale Desjardins	2.42	4 Oct 2024	1,401	1,469	1,401
407 International Inc.	5.75	14 Feb 2036	1,247	1,608	1,669	Calloway REIT Inc.	3.99	30 May 2023	1,385	1,460	1,456
407 International Inc.	3.65	8 Sep 2044	1,767	1,999	2,023	Canadian Imperial Bank of Commerce	2.30	11 Jul 2022	8,190	8,428	8,169
407 International Inc.	3.72	11 May 2048	325	376	381	Canadian Imperial Bank of Commerce	2.00	17 Apr 2025	1,582	1,635	1,581
407 International Inc.	2.84	7 Mar 2050	640	634	648	Canadian Imperial Bank of Commerce	3.45	4 Apr 2028	1,570	1,653	1,609
Access Justice Durham Ltd.	5.02	31 Aug 2039	217	275	278	Canadian Imperial Bank of Commerce	2.95	19 Jun 2029	605	636	606
Aéroports de Montréal	5.67	16 Oct 2037	299	409	430	Canadian Imperial Bank of Commerce	2.01	21 Jul 2030	680	689	680
AIMCo Realty Investors L.P.	3.04	1 Jun 2028	805	881	843	Canadian Natural Resources Limited	3.55	3 Jun 2024	2,000	2,106	2,069
AIMCo Realty Investors L.P.	2.71	1 Jun 2029	1,964	2,104	1,998	Canadian Pacific Railway Ltd.	3.05	9 Mar 2050	350	351	347
Alectra Inc.	5.30	29 Apr 2041	936	1,311	1,319	Canadian Western Bank	1.57	14 Sep 2023	1,828	1,839	1,829
Alimentation Couche-Tard Inc.	3.06	26 Jul 2024	4,310	4,586	4,398	Central 1 Credit Union	3.06	14 Oct 2026	871	881	881
Alimentation Couche-Tard Inc.	3.60	2 Jun 2025	601	657	625	Centre Hospitalier de l'Université de Montreal	6.72	30 Sep 2049	139	201	205
Allied Properties REIT	3.11	8 Apr 2027	370	386	370	Choice Properties REIT	4.90	5 Jul 2023	697	758	761
Allied Properties REIT	3.13	15 May 2028	300	311	300	Choice Properties REIT	3.56	9 Sep 2024	500	537	501
Allied Properties REIT	3.12	21 Feb 2030	490	499	490	Choice Properties REIT	3.55	10 Jan 2025	1,870	2,012	1,932
AltaGas Ltd.	3.72	28 Sep 2021	1,410	1,447	1,454	Choice Properties REIT	2.85	21 May 2027	1,666	1,750	1,666
AltaGas Ltd.	2.16	10 Jun 2025	510	520	510	Choice Properties REIT	4.18	8 Mar 2028	380	430	399
AltaGas Ltd.	4.99	4 Oct 2047	423	498	534	Choice Properties REIT	3.53	11 Jun 2029	2,368	2,571	2,414
AltaLink, L.P.	2.98	28 Nov 2022	575	602	605	Choice Properties REIT	2.98	4 Mar 2030	1,013	1,053	1,047
AltaLink, L.P.	5.38	26 Mar 2040	1,905	2,652	2,620	Choice Properties REIT	5.27	7 Mar 2046	468	566	550
AltaLink, L.P.	3.99	30 Jun 2042	1,347	1,616	1,637	Coast Capital Savings Credit Union	5.00	3 May 2028	804	848	850
AltaLink, L.P.	4.05	21 Nov 2044	626	765	768	Co-operators Financial Services	3.33	13 May 2030	550	550	564
Bank of America Corporation	3.30	24 Apr 2024	5,555	5,860	5,716						
Bank of Montreal	2.27	11 Jul 2022	175	180	180						
Bank of Montreal	2.85	6 Mar 2024	1,070	1,135	1,088						
Bank of Montreal	2.70	11 Sep 2024	1,460	1,561	1,448						
Bank of Montreal	2.37	3 Feb 2025	925	971	920						
Bank of Montreal	2.88	17 Sep 2029	5,515	5,793	5,505						
Bank of Montreal	2.08	17 Jun 2030	750	765	750						

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>					
Crombie Real Estate Investment Trust	2.69	31 Mar 2028	551	551	551	Greater Toronto Airports Authority	2.75	17 Oct 2039	975	957	974
CU Inc.	5.56	26 May 2028	758	969	949	Greater Toronto Airports Authority	4.53	2 Dec 2041	840	1,048	1,111
CU Inc.	4.54	24 Oct 2041	429	545	532	Great-West Lifeco Inc.	2.38	14 May 2030	610	632	610
CU Inc.	4.72	9 Sep 2043	4,466	5,848	5,776	Great-West Lifeco Inc.	6.67	21 Mar 2033	1,577	2,205	2,086
CU Inc.	2.96	7 Sep 2049	955	975	964	Great-West Lifeco Inc.	2.98	8 Jul 2050	833	812	828
Daimler Canada Finance Inc.	2.57	22 Nov 2022	300	309	300	H&R REIT	2.92	6 May 2022	229	230	231
Daimler Canada Finance Inc.	2.54	21 Aug 2023	1,397	1,446	1,389	H&R REIT	3.37	30 Jan 2024	141	143	143
Daimler Canada Finance Inc.	2.97	13 Mar 2024	1,192	1,253	1,205	HCN Canadian Holdings L.P.	2.95	15 Jan 2027	1,110	1,123	1,132
Eagle Credit Card Trust	1.27	17 Jul 2025	187	187	187	Heathrow Funding Ltd.	3.25	21 May 2027	936	963	979
Enbridge Gas Distribution Inc.	4.00	22 Aug 2044	1,725	2,069	2,045	Heathrow Funding Ltd.	3.78	4 Sep 2030	935	954	1,019
Enbridge Inc.	3.19	5 Dec 2022	3,729	3,891	3,871	Heathrow Funding Ltd.	3.66	13 Jan 2031	180	181	180
Enbridge Inc.	2.44	2 Jun 2025	2,291	2,369	2,331	Honda Canada Finance Inc.	3.18	28 Aug 2023	2,183	2,314	2,262
Enbridge Inc.	2.99	3 Oct 2029	565	592	565	Honda Canada Finance Inc.	1.34	17 Mar 2026	650	647	650
Enbridge Inc.	5.75	2 Sep 2039	245	301	310	Hospital Infrastructure Partner Inc.	5.44	31 Jan 2045	129	170	173
Enbridge Inc.	4.57	11 Mar 2044	2,065	2,259	2,375	HSBC Bank Canada	2.17	29 Jun 2022	2,892	2,960	2,917
Enbridge Inc.	5.38	27 Sep 2077	624	618	627	HSBC Bank Canada	2.54	31 Jan 2023	7,467	7,746	7,441
Enbridge Inc.	6.63	12 Apr 2078	1,883	2,004	2,030	HSBC Bank Canada	3.25	15 Sep 2023	260	277	277
Enbridge Pipelines Inc.	4.55	17 Aug 2043	1,310	1,475	1,507	Husky Energy Inc.	3.55	12 Mar 2025	1,000	810	834
Enbridge Pipelines Inc.	4.13	9 Aug 2046	1,882	2,012	2,085	Husky Energy Inc.	3.50	7 Feb 2028	621	595	603
Enmax Corporation	3.88	18 Oct 2029	598	665	670	Hydro One Inc.	0.71	16 Jan 2023	21	21	21
Epcor Utilities Inc.	1.30	19 May 2023	287	291	287	Hydro One Inc.	2.54	5 Apr 2024	40	42	41
Epcor Utilities Inc.	3.55	27 Nov 2047	1,733	1,965	1,949	Hydro One Inc.	8.25	22 Jun 2026	2,950	4,114	4,397
Epcor Utilities Inc.	3.95	26 Nov 2048	840	1,019	1,055	Hydro One Inc.	6.93	1 Jun 2032	1,403	2,090	2,135
Federated Co-operatives Ltd.	3.92	17 Jun 2025	1,479	1,571	1,538	Hydro One Inc.	5.36	20 May 2036	936	1,260	1,245
Federation des caisses Desjardins du Quebec	2.86	26 May 2030	1,013	1,063	1,013	Hydro One Inc.	6.59	22 Apr 2043	260	421	407
Finning International Inc.	2.63	14 Aug 2026	935	963	940	Hydro One Inc.	3.63	25 Jun 2049	1,519	1,762	1,687
Ford Credit Canada Limited	0.89	15 Apr 2023	303	303	303	Hydro One Inc.	3.64	5 Apr 2050	950	1,105	1,048
Ford Credit Canada Limited	1.15	15 Jun 2024	515	515	515	Hydro-Québec	6.00	15 Aug 2031	2,750	3,984	3,788
Foresters Life Insurance Company	2.89	15 Oct 2035	494	493	494	Hydro-Québec	6.50	15 Feb 2035	450	715	658
FortisAlberta Inc.	5.40	21 Apr 2036	1,559	2,073	2,095	Hydro-Québec	6.00	15 Feb 2040	250	407	360
FortisAlberta Inc.	5.37	30 Oct 2039	2,455	3,366	3,314	Hydro-Québec	5.00	15 Feb 2045	450	689	590
FortisBC Energy Inc.	5.90	26 Feb 2035	328	453	459	Hydro-Québec	5.00	15 Feb 2050	1,500	2,408	2,061
FortisBC Energy Inc.	6.00	2 Oct 2037	623	896	891	Hydro-Québec	4.00	15 Feb 2055	1,566	2,252	2,041
FortisBC Energy Inc.	3.85	7 Dec 2048	624	752	753	IA Financial Group	2.40	21 Feb 2030	450	463	450
General Motors Financial of Canada Ltd.	3.25	7 Nov 2023	290	299	290	IGM Financial Inc.	4.56	25 Jan 2047	624	735	716
Gibson Energy Inc.	2.45	14 Jul 2025	110	112	110	Intact Financial Corporation	2.85	7 Jun 2027	549	588	544
Gibson Energy Inc.	2.85	14 Jul 2027	140	144	140	Inter Pipeline Ltd.	2.61	13 Sep 2023	1,559	1,596	1,549
Gibson Energy Inc.	3.60	17 Sep 2029	449	478	485	Inter Pipeline Ltd.	3.48	16 Dec 2026	1,560	1,635	1,632
Glacier Credit Card Trust	1.39	22 Sep 2025	590	590	590	Inter Pipeline Ltd.	4.64	30 May 2044	312	317	345
Goldman Sachs Group, Inc.	2.43	26 Apr 2023	1,410	1,442	1,441	John Deere Financial Inc.	2.99	14 Jan 2022	360	370	371
Granite REIT Holdings Limited Partnership	3.06	4 Jun 2027	410	438	410	John Deere Financial Inc.	1.34	8 Sep 2027	520	517	520
Greater Toronto Airports Authority	2.73	3 Apr 2029	550	591	595	Laurentian Bank of Canada	3.00	12 Sep 2022	536	552	551
Greater Toronto Airports Authority	7.10	4 Jun 2031	575	818	841	Laurentian Bank of Canada	3.45	27 Jun 2023	398	417	418
Greater Toronto Airports Authority	6.98	15 Oct 2032	124	179	185	Liberty Utilities Canada L.P.	3.32	14 Feb 2050	1,840	1,817	1,843
Greater Toronto Airports Authority	6.47	2 Feb 2034	335	472	485	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

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>					
Manufacturers Life Insurance Company	3.18	22 Nov 2027	2,592	2,702	2,686	Riocan Real Estate Investment Trust	2.36	10 Mar 2027	790	774	791
Manulife Bank of Canada	1.50	25 Jun 2025	1,096	1,113	1,096	Rogers Communications Inc.	4.00	13 Mar 2024	451	491	493
Manulife Financial Corporation	3.32	9 May 2028	2,187	2,298	2,201	Rogers Communications Inc.	3.65	31 Mar 2027	301	334	300
Manulife Financial Corporation	2.24	12 May 2030	1,929	1,983	1,928	Rogers Communications Inc.	3.25	1 May 2029	747	815	777
Manulife Financial Corporation	2.82	13 May 2035	1,000	1,039	1,019	Rogers Communications Inc.	6.56	22 Mar 2041	400	572	604
Manulife Financial Corporation	5.06	15 Dec 2041	600	723	760	Royal Bank of Canada	2.36	5 Dec 2022	58	60	60
MCAP Commercial L.P.	3.74	25 Aug 2025	197	199	197	Royal Bank of Canada	2.61	1 Nov 2024	490	519	491
Metro Inc.	4.27	4 Dec 2047	848	971	1,056	Royal Bank of Canada	2.33	28 Jan 2027	3,680	3,882	3,615
Metropolitan Life Insurance Company	1.01	27 Sep 2022	1,953	1,964	1,894	Royal Bank of Canada	2.74	25 Jul 2029	7,195	7,532	7,234
Metropolitan Life Insurance Company	3.39	9 Apr 2030	1,560	1,733	1,631	Royal Bank of Canada	2.88	23 Dec 2029	2,120	2,235	2,145
Montreal Airport	3.03	21 Apr 2050	539	543	572	Royal Bank of Canada	2.09	30 Jun 2030	1,440	1,470	1,440
National Australia Bank	3.52	12 Jun 2030	598	624	598	Shaw Communications Inc.	3.30	10 Dec 2029	615	664	624
National Bank of Canada	2.98	4 Mar 2024	576	613	593	Shaw Communications Inc.	2.90	9 Dec 2030	220	228	220
National Bank of Canada	1.57	18 Aug 2026	1,050	1,061	1,050	SmartCentres Real Estate Investment Trust	3.44	28 Aug 2026	613	645	634
National Bank of Canada	3.18	1 Feb 2028	2,465	2,567	2,457	SmartCentres Real Estate Investment Trust	3.19	11 Jun 2027	1,621	1,677	1,668
NAV Canada	3.53	23 Feb 2046	576	662	684	SmartCentres Real Estate Investment Trust	3.53	20 Dec 2029	482	500	510
North West Redwater Partnership	2.10	23 Feb 2022	1,351	1,369	1,373	SNC-Lavalin Innisfree McGill Finance Inc.	6.63	30 Jun 2044	79	113	115
North West Redwater Partnership	2.80	1 Jun 2027	200	210	209	South Coast Transportation Authority	3.25	23 Nov 2028	700	806	699
North West Redwater Partnership	4.25	1 Jun 2029	5,052	5,807	5,632	Summit Industrial Income REIT	2.15	17 Sep 2025	104	104	104
North West Redwater Partnership	4.35	10 Jan 2039	1,558	1,744	1,822	Sun Life Financial Inc.	2.06	1 Oct 2035	693	681	692
North West Redwater Partnership	3.70	23 Feb 2043	1,040	1,073	1,045	Sun Life Financial Inc.	5.40	29 May 2042	95	121	122
Nova Scotia Power Inc.	5.61	15 Jun 2040	100	138	146	Suncor Energy Inc.	3.10	26 Nov 2021	898	916	920
Omers Realty Corporation	3.63	5 Jun 2030	407	475	449	Suncor Energy Inc.	5.00	9 Apr 2030	350	404	349
Pembina Pipeline Corporation	2.56	1 Jun 2023	285	294	286	Sunlife Financial Inc.	2.58	10 May 2032	1,773	1,863	1,798
Pembina Pipeline Corporation	3.71	11 Aug 2026	785	852	841	Sysco Canada, Inc.	3.65	25 Apr 2025	125	133	126
Pembina Pipeline Corporation	3.31	1 Feb 2030	1,810	1,895	1,817	TELUS Corporation	3.35	15 Mar 2023	3,013	3,164	3,106
Pembina Pipeline Corporation	4.74	21 Jan 2047	642	685	763	TELUS Corporation	2.75	8 Jul 2026	1,486	1,579	1,507
Pembina Pipeline Corporation	4.67	28 May 2050	886	940	887	TELUS Corporation	2.35	27 Jan 2028	250	258	249
Power Corporation of Canada	8.57	22 Apr 2039	1,107	1,874	1,831	TELUS Corporation	3.63	1 Mar 2028	2,630	2,930	2,768
Real Estate Asset Liquidity Trust	2.38	12 Dec 2028	260	255	253	TELUS Corporation	3.30	2 May 2029	1,134	1,242	1,158
Real Estate Asset Liquidity Trust	2.87	12 Jan 2030	240	240	240	TELUS Corporation	4.40	29 Jan 2046	899	1,002	1,098
Reliance L.P.	2.68	1 Dec 2027	225	230	225	TELUS Corporation	4.70	6 Mar 2048	2,103	2,476	2,435
Riocan Real Estate Investment Trust	3.21	29 Sep 2023	1,235	1,275	1,260	TELUS Corporation	3.95	16 Feb 2050	1,110	1,165	1,214
Riocan Real Estate Investment Trust	3.29	12 Feb 2024	390	404	399	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

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	Number of Securities	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>						<b>Equities – 4.5% (continued)</b>			
<b>Corporate – 24.6% (continued)</b>						Rogers Communications Inc.	11,200	605	625
TransCanada PipeLines Limited	3.80	5 Apr 2027	3,916	4,320	3,978	Royal Bank of Canada	17,400	1,619	1,476
TransCanada PipeLines Limited	3.39	15 Mar 2028	815	882	869	Saputo Inc.	9,771	317	397
TransCanada PipeLines Limited	3.00	18 Sep 2029	510	538	515	Shaw Communications Inc.	26,600	583	601
TransCanada PipeLines Limited	4.55	15 Nov 2041	6,246	6,808	6,936	TELUS Corporation	29,446	670	675
TransCanada Trust	4.65	18 May 2077	935	911	911	Thomson Reuters Corporation	12,300	1,272	1,171
Union Gas Limited	5.20	23 Jul 2040	2,095	2,840	2,794	TMX Group Limited	10,500	1,357	1,378
Union Gas Limited	4.20	2 Jun 2044	1,370	1,686	1,646	Toromont Industries Ltd.	20,896	1,731	1,094
Vancouver International Airport	1.76	20 Sep 2030	225	223	225	Toronto Dominion Bank	24,694	1,450	1,507
Vancouver International Airport	2.80	21 Sep 2050	480	465	480	Waste Connections, Inc.	7,100	937	913
Ventas Canada Finance Limited	2.80	12 Apr 2024	1,155	1,171	1,171	Winpak Ltd.	22,600	929	1,019
Verizon Communications Inc.	2.50	16 May 2030	2,107	2,187	2,103			67,727	65,521
VW Credit Canada Inc.	3.70	14 Nov 2022	2,935	3,090	3,021	<b>Exchanged-traded Funds – 25.8%</b>			
VW Credit Canada Inc.	3.25	29 Mar 2023	1,305	1,370	1,331	BMO MSCI EAFE Index ETF	3,521,840	60,855	63,402
VW Credit Canada Inc.	1.50	23 Sep 2025	530	527	525	BMO MSCI Emerging Markets Index ETF	730,690	15,688	13,805
Wells Fargo & Company	3.18	8 Feb 2024	2,050	2,168	2,103	BMO S&P 500 Index ETF	1,307,200	62,667	48,444
Wells Fargo & Company	2.57	1 May 2026	2,578	2,677	2,578	iShares Core MSCI Emerging Markets IMI Index ETF	599,646	16,466	15,118
Wells Fargo & Company	2.98	19 May 2026	4,935	5,230	5,036	iShares Core S&P U.S. ETF	3,840,601	125,700	97,395
Wells Fargo & Company	2.49	18 Feb 2027	2,805	2,897	2,778	iShares Global Infrastructure Index ETF	939,723	22,591	25,148
				367,313	359,187	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
<b>Total Fixed Income – 69.6%</b>			<b>1,040,766</b>	<b>1,005,036</b>				385,851	351,389
						<b>Total Equities – 30.3%</b>		<b>453,578</b>	<b>416,910</b>
						<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>

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

# Sales Charge Refund Entitlements

## Appendix II to Schedule I

### Statement of Investment Portfolio

As at October 31, 2020

(in thousands of Canadian dollars)

#### Agreements Purchased prior to October 2, 2007

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
<b>Bonds</b>						<b>Bonds (continued)</b>					
<b>Provincial – 0.1%</b>						<b>Corporate – 29.6% (continued)</b>					
Province of New Brunswick	6.47	30 Nov 2027	123	147	146	Pembina Pipeline Corporation	3.62	3 Apr 2029	46	49	46
				147	146	Pembina Pipeline Corporation	3.31	1 Feb 2030	392	410	392
						Pembina Pipeline Corporation	4.75	26 Mar 2048	742	794	773
						Plenary Properties LTAP L.P.	6.29	31 Jan 2044	828	1,202	1,051
						Rogers Communications Inc.	3.65	31 Mar 2027	564	627	564
						Royal Bank of Canada	4.50	24 Nov 2080	698	717	704
						Shaw Communications Inc.	6.75	9 Nov 2039	973	1,345	983
						Strait Crossing Development Inc.	6.17	15 Sep 2031	451	343	302
						Sun Life Assurance Company of Canada	6.30	15 May 2028	41	53	50
						Suncor Energy Inc.	3.10	24 May 2029	245	252	261
						Suncor Energy Inc.	5.00	9 Apr 2030	742	856	741
						Sunlife Financial Inc.	2.58	10 May 2032	376	395	376
						Toyota Credit Canada Inc.	2.31	23 Oct 2024	651	680	651
						TransCanada PipeLines Limited	8.29	5 Feb 2026	214	278	283
						TransCanada PipeLines Limited	3.80	5 Apr 2027	700	772	699
						TransCanada PipeLines Limited	6.28	26 May 2028	327	417	407
						TransCanada PipeLines Limited	6.89	7 Aug 2028	117	153	146
						TransCanada PipeLines Limited	4.33	16 Sep 2047	79	83	61
						University Health Network	5.64	8 Dec 2022	753	776	859
						University of Ontario Institute of Technology	6.35	15 Oct 2034	1,045	1,353	1,110
						VW Credit Canada Inc.	1.19	27 Sep 2021	135	135	134
						Walt Disney Company	2.76	7 Oct 2024	1,089	1,154	1,086
						Walt Disney Company	3.06	30 Mar 2027	754	816	763
										31,100	29,038
						<b>Total Fixed Income – 29.7%</b>				<b>31,247</b>	<b>29,184</b>
									<b>Number of Securities</b>	<b>Fair Value (\$)</b>	<b>Average Cost (\$)</b>
						<b>Security</b>					
						<b>Pool Equity Fund – 70.1%</b>					
						CCL Global Equity Fund			3,325,649	73,711	76,669
						<b>Total Equities – 70.1%</b>				<b>73,711</b>	<b>76,669</b>
						<b>Total Investments – 99.8%</b>				<b>104,958</b>	<b>105,853</b>
						<b>Cash and cash equivalents – 0.2%</b>				<b>236</b>	<b>236</b>
						<b>Total Portfolio Assets – 100.0%</b>				<b>105,194</b>	<b>106,089</b>
						<b>Total Investments Allocation</b>					
						Group Savings Plan				15,477	14,572

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

# Sales Charge Refund Entitlements (continued)

Appendix II to Schedule I

Statement of Investment Portfolio

As at October 31, 2020

(in thousands of Canadian dollars)

## Agreements Purchased prior to October 2, 2007 (continued)

Security	Number of Securities	Fair Value (\$)	Average Cost (\$)
<b>Bonds (continued)</b>			
<b>Total Investments Allocation (continued)</b>			
CST Advantage Plan		89,481	91,281
		<b>104,958</b>	<b>105,853</b>
<b>Cash and cash equivalents Allocation</b>			
Group Savings Plan		28	28
CST Advantage Plan		208	208
		<b>236</b>	<b>236</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.

