

# Canadian Scholarship Trust Family Savings Plan

Semi-Annual Financial Statements

April 30, 2022

Unaudited



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Unaudited semi-annual financial statements

The accompanying semi-annual financial statements have not been reviewed by the external auditors of the Plan in accordance with assurance standards applicable to a review of interim financial statements.

# Statements of Financial Position

As at April 30, 2022 and October 31, 2021

(thousands of Canadian dollars)

	2022	2021
		(Audited)
<b>Assets</b>		
Cash and cash equivalents	\$ 7,385	\$ 5,616
Investments, at fair value <i>(Note 4 and Schedule 1)</i>	461,511	489,028
Accrued income and other receivables	4,704	2,849
Government grants receivable	502	302
	474,102	497,795
<b>Liabilities</b>		
Accounts payable and accrued liabilities	3,253	3,876
	3,253	3,876
<b>Net Assets Attributable to Subscribers and Beneficiaries</b>	<b>470,849</b>	<b>493,919</b>
<b>Represented by:</b>		
<b>Non-Discretionary Funds</b>		
Accumulated income held for future education assistance payments	96,985	119,264
Subscribers' deposits <i>(Note 7)</i>	218,719	212,379
Government grants	103,874	100,587
Income on Government grants	51,271	61,689
	\$470,849	\$493,919

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 six months ended April 30, 2022 and 2021

(thousands of Canadian dollars)

	2022	2021
<b>Income</b>		
Interest	\$ 4,138	\$ 3,768
Realized gains (losses) on sale of investments	(614)	800
Change in unrealized gains (losses)	(35,295)	16,268
Dividends	2,664	1,310
	<b>(29,107)</b>	<b>22,146</b>
<b>Expenses</b>		
Administration fees (Note 3(a))	2,765	2,526
Portfolio management fees	174	209
Custodian and Trustee fees	75	79
Independent Review Committee fees	3	3
	<b>3,017</b>	<b>2,817</b>
<b>(Decrease) Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries</b>	<b>\$(32,124)</b>	<b>\$19,329</b>

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

For the six months ended April 30, 2022 and 2021

(thousands of Canadian dollars)

	2022	2021
<b>Net Assets Attributable to Subscribers and Beneficiaries, Beginning of Period</b>	<b>\$493,919</b>	<b>\$439,349</b>
(Decrease) increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	(32,124)	19,329
Transfers from internal and external plans	30,367	17,563
	<b>(1,757)</b>	<b>36,892</b>
<b>Receipts</b>		
Net increase in Subscribers' deposits (Note 7)	6,340	5,676
Government grants received (net of repayments)	(1,719)	(384)
<b>Disbursements</b>		
Payments to beneficiaries		
Education assistance payments	(14,606)	(7,903)
Government grants	(10,948)	(6,571)
Return of income	(380)	(305)
<b>Total payments to beneficiaries</b>	<b>(25,934)</b>	<b>(14,779)</b>
<b>Receipts less Disbursements</b>	<b>(21,313)</b>	<b>(9,487)</b>
<b>Change in Net Assets Attributable to Subscribers and Beneficiaries</b>	<b>(23,070)</b>	<b>27,405</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries, End of Period</b>	<b>\$470,849</b>	<b>\$466,754</b>

# Statements of Cash Flows

For the six months ended April 30, 2022 and 2021

(thousands of Canadian dollars)

	2022	2021
<b>Operating Activities</b>		
(Decrease) Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$(32,124)	\$ 19,329
Items not affecting cash		
Realized (gains) losses on sale of investments	614	(800)
Change in unrealized (gains) losses	35,295	(16,268)
Change in non-cash operating capital		
(Increase) decrease in Accrued income and other receivables	(1,855)	270
(Increase) decrease in Government grants receivable	(200)	190
Decrease in Accounts payable and accrued liabilities	(623)	(333)
Purchase of investments	(65,809)	(221,019)
Proceeds from sale and maturities of investments	57,417	219,663
<b>Cash flows from (used in) Operating Activities</b>	<b>(7,285)</b>	<b>1,032</b>
<b>Financing Activities</b>		
Transfers from internal and external plans	30,367	17,563
Net increase in Subscribers' deposits <i>(Note 7)</i>	6,340	(384)
Net Government grants received (repaid)	(1,719)	5,676
Payments to beneficiaries	(25,934)	(14,779)
<b>Cash flows from Financing Activities</b>	<b>9,054</b>	<b>8,076</b>
<b>Net increase (decrease) in Cash and cash equivalents</b>	<b>1,769</b>	<b>9,108</b>
<b>Cash and cash equivalents, Beginning of Period</b>	<b>5,616</b>	<b>821</b>
<b>Cash and cash equivalents, End of Period</b>	<b>7,385</b>	<b>9,929</b>
<b>Supplemental cash flow information:</b>		
Withholding taxes	\$ -	\$ -
Interest received	2,283	8,963

# Schedule I – Statement of Investment Portfolio

As at April 30, 2022

(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>					
Aéroports de Montréal	6.95	16 Apr 2032	203	230	258	Government of Canada	1.25	1 Jun 2030	3,283	2,906	3,230
Aéroports de Montréal	5.67	16 Oct 2037	157	177	223	Government of Canada	7.21	1 Nov 2030	60	43	46
Calgary Airport Authority	3.20	7 Oct 2036	91	77	91	Government of Canada	0.50	1 Dec 2030	9,363	7,683	8,525
Calgary Airport Authority	3.34	7 Oct 2038	319	271	319	Government of Canada	1.50	1 Jun 2031	2,639	2,351	2,693
Canada Housing Trust	1.75	15 Jun 2022	10	10	10	Government of Canada	1.50	1 Dec 2031	2,497	2,211	2,385
Canada Housing Trust	2.35	15 Jun 2023	201	201	204	Government of Canada	5.75	1 Jun 2033	150	190	243
Canada Housing Trust	2.35	15 Sep 2023	231	230	244	Government of Canada	5.00	1 Jun 2037	50	63	74
Canada Housing Trust	3.15	15 Sep 2023	80	81	85	Government of Canada	4.00	1 Jun 2041	125	145	178
Canada Housing Trust	2.55	15 Dec 2023	287	286	287	Government of Canada	3.50	1 Dec 2045	450	498	548
Canada Housing Trust	2.90	15 Jun 2024	112	112	117	Government of Canada	2.75	1 Dec 2048	144	142	194
Canada Housing Trust	1.80	15 Dec 2024	1,536	1,494	1,590	Government of Canada	2.00	1 Dec 2051	406	340	399
Canada Housing Trust	2.55	15 Mar 2025	2,075	2,053	2,198	Government of Canada	1.75	1 Dec 2053	425	331	387
Canada Housing Trust	0.95	15 Jun 2025	228	214	229	Government of Canada	2.75	1 Dec 2064	150	146	166
Canada Housing Trust	2.25	15 Dec 2025	3,100	3,019	3,249	Greater Toronto Airports Authority					
Canada Housing Trust	1.95	15 Dec 2025	3,290	3,170	3,416	Greater Toronto Airports Authority	7.10	4 Jun 2031	396	474	573
Canada Housing Trust	1.25	15 Jun 2026	312	290	312	Greater Toronto Airports Authority	6.98	15 Oct 2032	65	78	96
Canada Housing Trust	1.10	15 Dec 2026	183	168	183	Greater Toronto Airports Authority	6.47	2 Feb 2034	176	208	253
Canada Housing Trust	1.55	15 Dec 2026	170	159	170	Greater Toronto Airports Authority					
Canada Housing Trust	2.35	15 Jun 2027	191	184	191	Greater Toronto Airports Authority	4.53	2 Dec 2041	437	439	570
Canada Housing Trust	2.35	15 Mar 2028	202	194	197	Montreal Airport	3.03	21 Apr 2050	283	216	296
Canada Housing Trust	2.65	15 Mar 2028	112	109	111	Montreal Airport	3.44	26 Apr 2051	276	227	276
Canada Housing Trust	2.65	15 Dec 2028	174	169	174	Vancouver International Airport					
Canada Housing Trust	2.10	15 Sep 2029	186	172	191	Vancouver International Airport	2.80	21 Sep 2050	265	196	262
Canada Housing Trust	1.75	15 Jun 2030	483	430	491	Winnipeg Airports Authority	5.21	28 Sep 2040	82	83	96
Canada Housing Trust	1.90	15 Mar 2031	125	111	124						
Canada Housing Trust	1.40	15 Mar 2031	105	89	105						
Canada Housing Trust	1.10	15 Mar 2031	87	72	87					45,029	49,580
Canada Housing Trust	1.60	15 Dec 2031	2,864	2,448	2,691						
Canada Housing Trust	2.45	15 Dec 2031	130	120	130	<b>Provincial – 28.5%</b>					
Canada Housing Trust	2.15	15 Dec 2031	138	124	138	Province of Alberta	2.65	1 Sep 2023	988	988	1,017
Government of Canada	0.25	1 Nov 2022	20	20	20	Province of Alberta	3.10	1 Jun 2024	2,050	2,058	2,185
Government of Canada	0.25	1 May 2023	200	196	199	Province of Alberta	2.35	1 Jun 2025	2,925	2,861	3,091
Government of Canada	1.50	1 Jun 2023	180	178	185	Province of Alberta	2.20	1 Jun 2026	2,550	2,456	2,659
Government of Canada	0.25	1 Aug 2023	100	97	99	Province of Alberta	2.55	1 Jun 2027	352	341	362
Government of Canada	2.00	1 Sep 2023	264	262	271	Province of Alberta	2.90	1 Dec 2028	310	301	320
Government of Canada	0.50	1 Nov 2023	250	243	245	Province of Alberta	2.90	20 Sep 2029	100	96	99
Government of Canada	0.75	1 Feb 2024	200	194	199	Province of Alberta	2.05	1 Jun 2030	514	461	519
Government of Canada	2.25	1 Mar 2024	51	51	53	Province of Alberta	1.65	1 Jun 2031	228	194	221
Government of Canada	0.25	1 Apr 2024	350	335	348	Province of Alberta	3.45	1 Dec 2043	205	195	215
Government of Canada	2.50	1 Jun 2024	150	150	159	Province of Alberta	3.30	1 Dec 2046	275	253	296
Government of Canada	1.50	1 Sep 2024	89	87	92	Province of Alberta	3.05	1 Dec 2048	231	203	230
Government of Canada	0.75	1 Oct 2024	250	239	246	Province of Alberta	3.10	1 Jun 2050	624	554	663
Government of Canada	1.25	1 Mar 2025	85	82	88	Province of Alberta	2.95	1 Jun 2052	168	145	171
Government of Canada	1.50	1 Apr 2025	200	193	197	Province of British Columbia	3.30	18 Dec 2023	1,975	1,993	2,060
Government of Canada	2.25	1 Jun 2025	150	148	155	Province of British Columbia	2.85	18 Jun 2025	3,117	3,097	3,342
Government of Canada	0.50	1 Sep 2025	273	254	267	Province of British Columbia	2.30	18 Jun 2026	1,350	1,306	1,410
Government of Canada	0.25	1 Mar 2026	248	226	240	Province of British Columbia	2.55	18 Jun 2027	222	215	242
Government of Canada	1.50	1 Jun 2026	132	126	134	Province of British Columbia	2.95	18 Dec 2028	107	104	111
Government of Canada	1.00	1 Sep 2026	389	361	368	Province of British Columbia	5.70	18 Jun 2029	175	200	230
Government of Canada	1.25	1 Mar 2027	725	676	711	Province of British Columbia	2.20	18 Jun 2030	256	233	263
Government of Canada	1.00	1 Jun 2027	696	639	681	Province of British Columbia	1.55	18 Jun 2031	231	195	217
Government of Canada	8.00	1 Jun 2027	1,500	1,872	2,024	Province of British Columbia	3.20	18 Jun 2032	47	45	47
Government of Canada	2.00	1 Jun 2028	4	4	4	Province of British Columbia	4.70	18 Jun 2037	50	55	63
Government of Canada	2.25	1 Jun 2029	3,068	2,962	3,290	Province of British Columbia	4.30	18 Jun 2042	175	187	210

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

# Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 2022

(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 – 28.5% (continued)</b>						<b>Provincial – 28.5% (continued)</b>					
Province of British Columbia	3.20	18 Jun 2044	350	319	361	Province of Ontario	2.65	5 Feb 2025	2,000	1,981	2,144
Province of British Columbia	2.80	18 Jun 2048	175	147	165	Province of Ontario	2.60	2 Jun 2025	10,000	9,854	10,685
Province of British Columbia	2.95	18 Jun 2050	370	319	397	Province of Ontario	1.75	8 Sep 2025	7,467	7,144	7,712
Province of British Columbia	2.75	18 Jun 2052	286	236	278	Province of Ontario	2.40	2 Jun 2026	7,450	7,231	7,791
Province of Manitoba	2.55	2 Jun 2023	2,003	2,001	2,014	Province of Ontario	1.35	8 Sep 2026	801	742	790
Province of Manitoba	2.45	2 Jun 2025	3,300	3,237	3,512	Province of Ontario	2.60	2 Jun 2027	1,889	1,833	1,938
Province of Manitoba	2.55	2 Jun 2026	1,600	1,561	1,681	Province of Ontario	1.05	8 Sep 2027	110	98	110
Province of Manitoba	3.00	2 Jun 2028	146	143	159	Province of Ontario	2.90	2 Jun 2028	973	950	1,054
Province of Manitoba	2.75	2 Jun 2029	110	105	114	Province of Ontario	6.50	8 Mar 2029	200	237	266
Province of Manitoba	2.05	2 Jun 2030	55	49	57	Province of Ontario	2.70	2 Jun 2029	857	818	888
Province of Manitoba	2.05	2 Jun 2031	153	134	153	Province of Ontario	2.05	2 Jun 2030	754	676	786
Province of Manitoba	5.70	5 Mar 2037	100	120	139	Province of Ontario	1.35	2 Dec 2030	377	316	361
Province of Manitoba	4.10	5 Mar 2041	100	102	120	Province of Ontario	2.15	2 Jun 2031	600	533	600
Province of Manitoba	4.05	5 Sep 2045	200	204	237	Province of Ontario	2.25	2 Dec 2031	1,110	988	1,089
Province of Manitoba	3.40	5 Sep 2048	100	92	107	Province of Ontario	5.85	8 Mar 2033	150	179	203
Province of Manitoba	3.20	5 Mar 2050	86	76	88	Province of Ontario	5.60	2 Jun 2035	900	1,069	1,237
Province of Manitoba	2.05	5 Sep 2052	229	156	189	Province of Ontario	4.70	2 Jun 2037	575	633	709
Province of Manitoba	3.80	5 Sep 2053	22	22	22	Province of Ontario	4.60	2 Jun 2039	550	601	645
Province of New Brunswick	2.85	2 Jun 2023	1,050	1,052	1,091	Province of Ontario	4.65	2 Jun 2041	225	249	276
Province of New Brunswick	1.80	14 Aug 2025	1,022	980	1,048	Province of Ontario	3.50	2 Jun 2043	300	286	309
Province of New Brunswick	2.60	14 Aug 2026	531	518	553	Province of Ontario	3.45	2 Jun 2045	575	541	606
Province of New Brunswick	3.10	14 Aug 2028	20	20	21	Province of Ontario	2.90	2 Dec 2046	675	576	674
Province of New Brunswick	2.55	14 Aug 2031	24	22	24	Province of Ontario	2.80	2 Jun 2048	425	354	410
Province of New Brunswick	4.80	3 Jun 2041	375	419	459	Province of Ontario	2.90	2 Jun 2049	695	589	661
Province of New Brunswick	3.10	14 Aug 2048	68	59	70	Province of Ontario	2.65	2 Dec 2050	894	717	927
Province of New Brunswick	3.05	14 Aug 2050	31	27	33	Province of Ontario	1.90	2 Dec 2051	984	657	825
Province of New Brunswick	2.90	14 Aug 2052	22	18	22	Province of Ontario	2.55	2 Dec 2052	591	462	546
Province of Newfoundland and Labrador	2.30	2 Jun 2025	800	780	839	Province of Prince Edward Island	1.20	11 Feb 2028	8	7	8
Province of Newfoundland and Labrador	3.00	2 Jun 2026	725	718	775	Province of Prince Edward Island	1.85	27 Jul 2031	19	16	18
Province of Newfoundland and Labrador	1.25	2 Jun 2027	25	23	25	Province of Prince Edward Island	2.65	1 Dec 2051	7	5	7
Province of Newfoundland and Labrador	2.85	2 Jun 2028	33	32	32	Province of Prince Edward Island	3.60	17 Jan 2053	25	23	24
Province of Newfoundland and Labrador	2.85	2 Jun 2029	51	49	52	Province of Québec	3.00	1 Sep 2023	4,150	4,168	4,313
Province of Newfoundland and Labrador	1.75	2 Jun 2030	59	51	58	Province of Québec	3.75	1 Sep 2024	5,945	6,058	6,500
Province of Newfoundland and Labrador	2.05	2 Jun 2031	83	72	80	Province of Québec	2.75	1 Sep 2025	5,750	5,691	6,233
Province of Newfoundland and Labrador	3.70	17 Oct 2048	20	19	21	Province of Québec	8.50	1 Apr 2026	1,725	2,060	2,222
Province of Newfoundland and Labrador	2.65	17 Oct 2050	322	246	307	Province of Québec	2.50	1 Sep 2026	5,500	5,356	5,769
Province of Nova Scotia	3.15	2 Dec 2052	33	28	33	Province of Québec	2.75	1 Sep 2027	725	709	746
Province of Nova Scotia	2.10	1 Jun 2027	675	639	699	Province of Québec	2.75	1 Sep 2028	323	313	336
Province of Nova Scotia	1.10	1 Jun 2028	25	22	25	Province of Québec	2.30	1 Sep 2029	297	276	302
Province of Nova Scotia	2.00	1 Sep 2030	88	78	89	Province of Québec	1.90	1 Sep 2030	726	642	736
Province of Nova Scotia	2.40	1 Dec 2031	26	23	26	Province of Québec	1.50	1 Sep 2031	780	653	736
Province of Nova Scotia	3.15	1 Dec 2051	292	256	328	Province of Québec	6.25	1 Jun 2032	200	244	275
Province of Ontario	2.85	2 Jun 2023	10,450	10,475	10,734	Province of Québec	3.25	1 Sep 2032	97	94	97
Province of Ontario	2.60	8 Sep 2023	4,361	4,356	4,488	Province of Québec	5.75	1 Dec 2036	350	427	507
Province of Ontario	3.50	2 Jun 2024	8,875	8,981	9,574	Province of Québec	5.00	1 Dec 2038	100	114	121
Province of Ontario	2.30	8 Sep 2024	2,679	2,640	2,738	Province of Québec	5.00	1 Dec 2041	350	407	476
						Province of Québec	4.25	1 Dec 2043	400	426	475
						Province of Québec	3.50	1 Dec 2045	425	405	453
						Province of Québec	3.50	1 Dec 2048	474	451	538
						Province of Québec	3.10	1 Dec 2051	708	626	780

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

# Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 2022

(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 – 28.5% (continued)</b>						<b>Corporate – 24.3% (continued)</b>					
Province of Québec	2.85	1 Dec 2053	447	374	432	Bell Canada	3.50	30 Sep 2050	882	647	890
Province of Saskatchewan	3.20	3 Jun 2024	725	729	773	BMW Canada Auto Trust	0.76	20 Apr 2024	54	52	54
Province of Saskatchewan	0.80	2 Sep 2025	967	896	959	Brookfield Renewable Partners LP	4.25	15 Jan 2029	414	409	481
Province of Saskatchewan	2.55	2 Jun 2026	1,118	1,091	1,167	Brookfield Renewable Partners LP	3.33	13 Aug 2050	117	87	116
Province of Saskatchewan	3.05	2 Dec 2028	113	111	115	Caisse Centrale Desjardins	2.42	4 Oct 2024	2,816	2,723	2,932
Province of Saskatchewan	2.20	2 Jun 2030	57	52	59	Calloway REIT Inc.	3.99	30 May 2023	248	249	262
Province of Saskatchewan	2.15	2 Jun 2031	73	65	72	Canadian Imperial Bank of Commerce	3.29	15 Jan 2024	1,500	1,490	1,597
Province of Saskatchewan	5.80	5 Sep 2033	125	149	166	Canadian Imperial Bank of Commerce	2.35	28 Aug 2024	1,040	1,006	1,080
Province of Saskatchewan	4.75	1 Jun 2040	200	223	259	Canadian Imperial Bank of Commerce	1.10	19 Jan 2026	1,800	1,616	1,762
Province of Saskatchewan	2.75	2 Dec 2046	250	206	231	Canadian Imperial Bank of Commerce	1.70	15 Jul 2026	2,650	2,403	2,649
Province of Saskatchewan	3.30	2 Jun 2048	25	23	25	Canadian Imperial Bank of Commerce	2.25	7 Jan 2027	412	378	411
Province of Saskatchewan	3.10	2 Jun 2050	113	99	122	Canadian Imperial Bank of Commerce	2.95	19 Jun 2029	272	265	275
Province of Saskatchewan	2.80	2 Dec 2052	119	98	114	Canadian Imperial Bank of Commerce	2.01	21 Jul 2030	371	344	372
Province of Saskatchewan	2.95	2 Jun 2058	23	19	22	Canadian Imperial Bank of Commerce	4.20	7 Apr 2032	155	152	155
				133,982	144,710	Canadian Natural Resources Limited	3.55	3 Jun 2024	151	151	157
<b>Corporate – 24.3%</b>						Canadian Natural Resources Limited	2.50	17 Jan 2028	234	212	234
407 International Inc.	6.47	27 Jul 2029	500	567	652	Canadian Pacific Railway Ltd.	2.54	28 Feb 2028	234	214	234
407 International Inc.	3.65	8 Sep 2044	300	262	350	Canadian Pacific Railway Ltd.	3.05	9 Mar 2050	188	138	185
407 International Inc.	3.72	11 May 2048	226	197	263	Canadian Western Bank	1.57	14 Sep 2023	1,010	982	1,012
Access Justice Durham Ltd.	5.02	31 Aug 2039	162	171	203	Canadian Western Bank	1.93	16 Apr 2026	420	385	420
Alimentation Couche-Tard Inc.	3.06	26 Jul 2024	448	441	479	Cenovus Energy Inc.	3.55	12 Mar 2025	424	419	443
Allied Properties REIT	3.11	8 Apr 2027	192	179	193	Cenovus Energy Inc.	3.50	7 Feb 2028	358	339	350
Allied Properties REIT	3.13	15 May 2028	154	141	155	Central 1 Credit Union	1.32	29 Jan 2026	284	257	283
Allied Properties REIT	3.12	21 Feb 2030	259	226	259	Centre Hospitalier de l'Université de Montreal	6.72	30 Sep 2049	408	479	573
AltaGas Ltd.	2.16	10 Jun 2025	270	254	271	Choice Properties REIT	4.90	5 Jul 2023	484	490	527
AltaGas Ltd.	2.48	30 Nov 2030	354	292	352	Choice Properties REIT	3.56	9 Sep 2024	255	252	258
AltaGas Ltd.	4.50	15 Aug 2044	151	128	156	Choice Properties REIT	3.53	11 Jun 2029	220	204	227
AltaGas Ltd.	4.99	4 Oct 2047	222	201	276	Choice Properties REIT	2.98	4 Mar 2030	531	467	547
AltaLink, LP	5.38	26 Mar 2040	784	874	1,072	Classic RMBS Trust	1.53	15 Sep 2026	231	168	164
Bank of America	3.30	24 Apr 2024	1,683	1,679	1,741	Classic RMBS Trust	1.43	15 Nov 2051	281	136	116
Bank of America	1.98	15 Sep 2027	126	114	126	Clover LP	4.22	31 Mar 2034	96	95	105
Bank of America	3.62	16 Mar 2028	553	531	553	Clover LP	4.22	30 Jun 2034	62	62	68
Bank of Montreal	2.70	11 Sep 2024	3,500	3,443	3,701	Coast Capital Savings Credit Union	5.00	3 May 2028	444	449	470
Bank of Montreal	2.37	3 Feb 2025	1,043	1,001	1,028	Coast Capital Savings Credit Union	5.25	29 Oct 2030	77	78	85
Bank of Montreal	1.55	28 May 2026	1,600	1,450	1,551	Concentra Bank	1.46	17 May 2024	163	155	163
Bank of Montreal	2.88	17 Sep 2029	2,016	1,956	2,038	Co-operators Financial Services	3.33	13 May 2030	304	267	310
Bank of Montreal	2.08	17 Jun 2030	400	374	401	Crombie Real Estate Investment Trust	2.69	31 Mar 2028	571	508	582
Bank of Nova Scotia	2.29	28 Jun 2024	1,500	1,466	1,565	CT REIT	3.03	5 Feb 2029	211	191	211
Bank of Nova Scotia	2.49	23 Sep 2024	2,500	2,424	2,614	CT REIT	2.37	6 Jan 2031	346	282	343
Bank of Nova Scotia	1.95	10 Jan 2025	756	718	756	CU Inc.	4.54	24 Oct 2041	218	218	269
Bank of Nova Scotia	1.85	2 Nov 2026	591	535	591						
Bank of Nova Scotia	2.95	8 Mar 2027	850	803	833						
Bank of Nova Scotia	3.89	18 Jan 2029	628	626	660						
Bank of Nova Scotia	2.84	3 Jul 2029	3,040	2,955	3,085						
Bank of Nova Scotia	3.93	3 May 2032	217	210	217						
Bank of Nova Scotia	5.65	31 Dec 2056	37	43	45						
Bell Canada	4.70	11 Sep 2023	200	203	220						
Bell Canada	2.50	14 May 2030	342	293	341						
Bell Canada	3.00	17 Mar 2031	300	262	266						
Bell Canada	6.10	16 Mar 2035	100	108	137						
Bell Canada	4.75	29 Sep 2044	213	197	272						
Bell Canada	4.35	18 Dec 2045	56	49	61						
Bell Canada	4.45	27 Feb 2047	125	110	151						

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



# Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 2022

(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 – 24.3% (continued)</b>						<b>Corporate – 24.3% (continued)</b>					
CU Inc.	4.72	9 Sep 2043	1,019	1,044	1,303	Hydro-Québec	4.00	15 Feb 2055	512	534	666
CU Inc.	2.96	7 Sep 2049	216	163	219	Hydro-Québec	2.10	15 Feb 2060	481	318	411
Daimler Canada Finance Inc.	2.54	21 Aug 2023	101	100	101	Hyundai Capital Canada, Inc.	2.01	12 May 2026	145	132	145
Daimler Canada Finance Inc.	1.85	15 Dec 2023	294	286	294	IA Financial Group	2.40	21 Feb 2030	236	225	237
Daimler Canada Finance Inc.	2.97	13 Mar 2024	1,129	1,114	1,168	Intact Financial Corporation	2.85	7 Jun 2027	316	297	319
Eagle Credit Card Trust	1.27	17 Jul 2025	83	77	83	Inter Pipeline Ltd.	3.98	25 Nov 2031	817	725	817
Enbridge Inc.	2.44	2 Jun 2025	164	156	165	Inter Pipeline Ltd.	5.09	27 Nov 2051	111	95	111
Enbridge Inc.	2.99	3 Oct 2029	299	267	300	Investors Group Inc.	7.45	9 May 2031	100	119	133
Enbridge Inc.	3.10	21 Sep 2033	390	323	389	Investors Group Inc.	7.00	31 Dec 2032	78	91	110
Enbridge Inc.	5.75	2 Sep 2039	255	258	320	Investors Group Inc.	7.11	7 Sep 2033	79	93	109
Enbridge Inc.	4.57	11 Mar 2044	686	595	793	John Deere Credit Inc.	1.09	17 Jul 2024	71	67	71
Enbridge Inc.	6.63	12 Apr 2078	702	714	770	John Deere Credit Inc.	2.40	17 Sep 2024	1,000	972	1,046
Enbridge Pipelines Inc.	4.55	17 Aug 2043	689	607	787	JPMorgan Chase & Co.	1.90	5 Mar 2028	493	439	493
Enmax Corporation	3.88	18 Oct 2029	314	297	350	Laurentian Bank of Canada	3.45	27 Jun 2023	220	220	231
EPCOR Utilities Inc.	3.95	26 Nov 2048	467	427	578	Laurentian Bank of Canada	1.15	3 Jun 2024	263	248	263
Federation des caisses						Laurentian Bank of Canada	1.95	17 Mar 2025	314	296	314
Desjardins du Quebec	1.99	28 May 2031	365	330	365	Liberty Utilities Canada LP	3.32	14 Feb 2050	951	725	938
First Nations ETF LP	4.14	31 Dec 2041	111	106	120	Loblaw Companies Limited	4.49	11 Dec 2028	387	390	457
Ford Credit Canada Limited	1.15	15 Jun 2024	284	271	284	Loblaw Companies Limited	2.28	7 May 2030	200	170	172
Foresters Life Insurance Company	2.89	15 Oct 2035	272	233	271	Loblaw Companies Limited	6.54	17 Feb 2033	252	283	348
FortisAlberta Inc.	5.37	30 Oct 2039	926	1,017	1,241	Loblaw Companies Limited	6.15	29 Jan 2035	295	323	406
FortisAlberta Inc.	2.63	8 Jun 2051	156	108	156	Loblaw Companies Limited	5.90	18 Jan 2036	240	257	319
FortisBC Energy Inc.	5.90	26 Feb 2035	184	209	255	Manulife Bank of Canada	2.86	16 Feb 2027	351	332	351
General Motors Financial of Canada Ltd.	3.25	7 Nov 2023	155	154	156	Manulife Financial Corporation	3.32	9 May 2028	150	150	152
General Motors Financial of Canada Ltd.	1.70	9 Jul 2025	132	122	132	Manulife Financial Corporation	2.24	12 May 2030	264	250	265
Gibson Energy Inc.	2.45	14 Jul 2025	50	47	50	Manulife Financial Corporation	2.82	13 May 2035	529	458	538
Gibson Energy Inc.	2.85	14 Jul 2027	60	55	60	Manulife Financial Corporation	5.06	15 Dec 2041	499	502	613
Gibson Energy Inc.	3.60	17 Sep 2029	248	228	267	MCAP Commercial LP	3.74	25 Aug 2025	88	85	88
Glacier Credit Card Trust	1.39	22 Sep 2025	385	355	384	MCAP Commercial LP	3.38	26 Nov 2027	204	188	204
Goldman Sachs Group, Inc.	2.01	28 Feb 2029	814	705	812	Metro Inc.	4.27	4 Dec 2047	456	403	550
Granite REIT Holdings Limited Partnership	3.06	4 Jun 2027	213	200	215	Morgan Stanley	1.78	4 Aug 2027	514	463	514
Granite REIT Holdings Limited Partnership	2.38	18 Dec 2030	169	139	168	Nalcor Energy	3.38	1 Jun 2057	17	16	17
Great-West Lifeco Inc.	6.67	21 Mar 2033	504	582	700	National Australia Bank	3.52	12 Jun 2030	330	319	332
Great-West Lifeco Inc.	6.00	16 Nov 2039	172	195	238	National Bank of Canada	2.98	4 Mar 2024	1,000	987	1,059
H&R REIT	3.42	23 Jan 2023	200	201	207	National Bank of Canada	2.58	3 Feb 2025	88	85	86
H&R REIT	3.37	30 Jan 2024	67	66	68	National Bank of Canada	1.57	18 Aug 2026	553	510	553
H&R REIT	2.63	19 Feb 2027	162	148	162	North West Redwater Partnership	2.80	1 Jun 2027	306	288	321
HCN Canadian Holdings LP	2.95	15 Jan 2027	570	535	582	North West Redwater Partnership	4.25	1 Jun 2029	820	814	938
HomeEquity Bank	1.74	15 Dec 2025	179	165	179	North West Redwater Partnership	4.15	1 Jun 2033	179	169	201
Honda Canada Finance Inc.	1.71	28 Sep 2026	114	103	114	North West Redwater Partnership	3.70	23 Feb 2043	215	179	221
Hospital Infrastructure Partner Inc.	5.44	31 Jan 2045	112	119	145	North West Redwater Partnership	4.05	22 Jul 2044	192	167	216
HSBC Bank Canada	3.40	24 Mar 2025	445	438	445	North West Redwater Partnership	3.75	1 Jun 2051	250	204	249
HSBC Bank Canada	1.78	20 May 2026	361	330	361	Nova Scotia Power Inc.	5.61	15 Jun 2040	45	50	66
Hydro One Inc.	2.23	17 Sep 2031	1,000	848	859	Pembina Pipeline Corporation	2.56	1 Jun 2023	651	644	665
Hydro One Inc.	6.93	1 Jun 2032	744	888	1,119	Pembina Pipeline Corporation	3.71	11 Aug 2026	377	367	406
Hydro One Inc.	6.59	22 Apr 2043	133	170	208	Pembina Pipeline Corporation	3.31	1 Feb 2030	1,015	912	1,028
Hydro One Inc.	3.64	5 Apr 2050	182	157	200						
Hydro-Québec	2.00	1 Sep 2028	108	100	105						
Hydro-Québec	5.00	15 Feb 2045	400	470	554						

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



## Schedule I – Statement of Investment Portfolio (continued)

As at April 30, 2022

(thousands of Canadian dollars)

Securities	Number of Securities	Fair Value (\$)	Average Cost (\$)
<b>Exchange-traded Funds – 36.0% (continued)</b>			
<b>Total Equities – 36.0%</b>		<b>168,571</b>	<b>151,362</b>
<b>Total Investments – 98.4%</b>		<b>461,511</b>	<b>472,619</b>
<b>Cash and cash equivalents – 1.6%</b>		<b>7,385</b>	<b>7,385</b>
<b>Total Investment Fund – 100.0%</b>		<b>468,896</b>	<b>480,004</b>
<b>Represented by :</b>			
Cash and cash equivalents		7,385	
Investments, at fair value		461,511	
		<b>468,896</b>	

# Notes to the Financial Statements

Six months ended April 30, 2022 and 2021

(Unaudited, in thousands of Canadian dollars)

## Note 1. Nature of Operations

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

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

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

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

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

## Note 2. Significant Accounting Policies

### (a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards.

These financial statements were approved by the Board of Directors of the Foundation on June 8, 2022.

### (b) Basis of measurement

These financial statements have been prepared on the historical cost basis except for financial instruments classified as “at fair value through profit or loss” (“FVTPL”), which are measured at fair value.

### (c) Financial instruments

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

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

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

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

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

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

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

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

### (d) Investment valuation

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

# Notes to the Financial Statements (continued)

Six months ended April 30, 2022 and 2021

(Unaudited, in thousands of Canadian dollars)

## Note 2. Significant Accounting Policies (continued)

### (d) Investment valuation (continued)

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

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

Note 9 provides further guidance on fair value measurements.

### (e) Investment transactions and income recognition

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

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

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

### (g) Income taxes

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

### (h) Cash and cash equivalents

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

### (i) Foreign currency

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

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

### (j) Critical accounting estimates and judgments

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

## Note 3. Related Party Transactions

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

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

The Foundation, as the Plan sponsor, has appointed CST Savings as the Scholarship Plan Dealer and Investment Fund Manager to distribute and administer the Plan. The agreements are renewable annually on November 1.

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

During the six months ended April 30, 2022, \$2,765 was recognized as an expense for Administration and account maintenance fees (2021 – \$2,526). Administration and account maintenance fees included in Accounts payable and accrued liabilities at April 30, 2022 was \$186 (October 31, 2021 – \$195).

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

During the six months ended April 30, 2022, \$12 was paid to CST Savings from sales charges collected (2021 – \$16). Related amounts included in Accounts payable and accrued liabilities at April 30, 2022 was \$1 (October 31, 2021 – \$1).

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

The Independent Review Committee ("IRC") provides independent review and oversight of conflicts of interest relating to the management of the Plans. For the six months ended April 30, 2022, the Plan recognized an expense of \$3 (2021 – \$3) for the services of the IRC. IRC fees included in Accounts payable and accrued liabilities at April 30, 2022 was \$1 (October 31, 2021 – \$nil).

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

Included in Portfolio management fees on the Statements of Comprehensive Income is \$30 (2021 – \$20) charged by CST Savings for expenses incurred to monitor and manage the portfolio managers. Included in Accounts payable and accrued liabilities is \$15 owing from CST Savings at April 30, 2022 (October 31, 2021 – \$11) relating to these expenses.



# Notes to the Financial Statements (continued)

Six months ended April 30, 2022 and 2021

(Unaudited, in thousands of Canadian dollars)

## Note 4. Investment Holdings

The investment holdings are disclosed in Schedule I – Statement of Investment Portfolio.

Government Grant principal received and income earned thereon are invested collectively with Subscribers' principal and income earned on principal. Investment holdings are disclosed in Schedule I – Statement of Investment Portfolio.

## Note 5. Capital Risk Management

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

## Note 6. Risks Associated with Financial Instruments

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

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

### (a) Market risk

#### i. Interest rate risk

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

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

Debt Instruments by Maturity Date	% of Total Investment Fund	
	Apr 30, 2022	Oct 31, 2021
Less than 1 year	2%	2%
1-3 years	19%	19%
3-5 years	18%	18%
Greater than 5 years	25%	24%
<b>Total debt instruments</b>	<b>64%</b>	<b>63%</b>

As at April 30, 2022, if prevailing interest rates had increased by 1%, the fair value of the Total Investment Fund of \$468,896 (October 31, 2021 – \$494,644) as per the Schedule I – Statement of Investment Portfolio would have decreased by approximately \$15,622 (October 31, 2021 – \$15,244). If prevailing interest rates had decreased by 1%, the fair value of the Total Investment Fund would have increased by approximately \$13,760 (October 31, 2021 – \$17,453). This 1% change assumes a parallel shift in the yield curve with all other variables held constant. In practice, actual results may differ materially.

#### ii. Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, other than those arising from interest rate risk. Factors specific to an individual investment, its issuer or other factors affecting all instruments traded in a market or market segment affect other price risk. The asset classes that are most impacted by other price risk are the equities and ETFs of the Plan, which represent 36% (October 31, 2021 – 37%) of the Total Investment Fund amount as at April 30, 2022.

As at April 30, 2022, if equity and underlying indices prices had increased or decreased by 1%, with all other variables held constant, the fair value of the Total Investment Fund as per Schedule I – Statement of Investment Portfolio would have increased or decreased by approximately \$1,686 (October 31, 2021 – \$1,847). In practice, actual results may differ materially.

### (b) Credit risk

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

# Notes to the Financial Statements (continued)

Six months ended April 30, 2022 and 2021

(Unaudited, in thousands of Canadian dollars)

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

### (b) Credit risk (continued)

The Plan's credit risk exposure is summarized below:

Credit rating	April 30, 2022		October 31, 2021	
	% of Total Investment Fund	Amount	% of Total Investment Fund	Amount
AAA	9%	\$ 43,761	7%	\$ 35,912
AA/AAH/AAL	34%	156,984	34%	164,136
A/AH/AL	13%	61,635	14%	71,169
BBB	6%	29,885	7%	33,088
Short-term unrated	2%	8,061	1%	5,616
<b>Total debt instruments</b>	<b>64%</b>	<b>\$300,325</b>	<b>63%</b>	<b>\$309,921</b>

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

### (c) Liquidity risk

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

### (d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Plan holds foreign ETFs which represent 36% (October 31, 2021 – 37%) of the Total Investment Fund. The fair value of the Total Investment Fund would increase or decrease by approximately \$1,686 (October 31, 2021 – \$1,847) in response to a 1% depreciation or appreciation of the Canadian dollar currency exchange rate. In practice the actual change may differ materially.

## Note 7. Subscribers' Deposits

The changes in Subscribers' deposits for the six months ended April 30 are as follows:

	2022	2021
Payments from subscribers	\$ 5,765	\$ 6,099
Inter-plan principal transfers	34,358	20,075
Return of principal	(33,783)	(20,498)
Net increase in Subscribers' deposits	6,340	5,676
<b>Balance, Beginning of Period</b>	<b>212,379</b>	<b>200,787</b>
<b>Balance, End of Period</b>	<b>218,719</b>	<b>206,463</b>

## Note 8. Sales Charge Refund

If a subscribers' Agreement is transferred from CST Advantage Plan, the subscriber may be eligible for a partial refund of the CST Advantage Plan sales charges paid. The percentage of sales charges to be refunded is dependent on the length of time the subscribers' Agreement was in CST Advantage Plan and ranges from 0% to 25% of the total sales charges paid. The sales charge refund ("SCR Entitlement") is paid to qualified beneficiaries proportionate to the amount of EAP withdrawn. The total amount refunded for the six months ended April 30, 2022, was \$1,037.

SCR Entitlements are paid by CST Advantage Plan when incurred.

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

# Notes to the Financial Statements (continued)

Six months ended April 30, 2022 and 2021

(Unaudited, in thousands of Canadian dollars)

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

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

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

Assets Measured at Fair Value as of April 30, 2022				
	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 292,940	\$ -	\$292,940
ETFs and Equity securities	168,571	-	-	168,571
<b>Total Investments, at fair value</b>	<b>\$168,571</b>	<b>\$292,940</b>	<b>\$ -</b>	<b>\$461,511</b>

  

Assets Measured at Fair Value as of October 31, 2021				
	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 304,305	\$ -	\$304,305
ETFs and Equity securities	184,723	-	-	184,723
<b>Total Investments, at fair value</b>	<b>\$184,723</b>	<b>\$304,305</b>	<b>\$ -</b>	<b>\$489,028</b>

For the six months ended April 30, 2022 and year ended October 31, 2021, there were no transfers between Levels 1 and 2.



# 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. Savings Inc.  
2235 Sheppard Avenue East, Suite 1600  
Toronto, Ontario M2J 5B8

## **Trustee**

RBC Investor Services Trust  
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