

Canadian Scholarship Trust Family Savings Plan

Audited Financial Statements and
Management Report of Fund Performance
October 31, 2023 and 2022



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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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

Management Report of Fund Performance

Introduction

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

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

This management discussion of fund performance presents the portfolio management team’s view on the significant factors and developments during the year ended October 31, 2023, that have affected the Plan’s performance and outlook.

Investment Objective and Strategy

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

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

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

The Plan’s equity assets are managed by BlackRock Asset Management Canada Limited. These assets are allocated to ETFs traded on Canadian or U.S. exchanges that replicate the performance of various equity indices including the S&P/TSX Capped Composite Index, S&P US Total Market Index, S&P 500 Total Return Index, MSCI EAFE IMI Index, and MSCI Emerging Markets Index. Global real estate and infrastructure ETFs are managed by BlackRock and designed to replicate the performance of their specific benchmark index.

A portion of the Plan’s assets are managed by C.S.T. Asset Management Inc. in a combination of the above listed asset classes

with the intent of maintaining the broader Plan asset mix and liquidity requirements.

Risk

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

Results of Operation

Plan Performance

During the year, the Plan’s rate of return, net of fees, was 4.4% compared to the investment policy benchmark (the “Benchmark”) return of 1.5%. In comparison, the following Broad-based indices, the FTSE Canada Short-Term Government Bond Index generated a return of 1.7%, and the S&P/TSX Capped Composite Index generated a return of 0.4% over the identical time period. The Plan’s return is after the deduction of fees and expenses of 1.2%, while the Benchmark and Broad-based Indices returns do not include any costs of investing, such as fees, expenses and commissions.

The Plan’s rate of return, before fees and expenses, outperformed the Benchmark rate over the one-year period. The Plan’s allocation to longer dated fixed income overperformed relative to the benchmark. In addition, the U.S. and International equities allocation underperformed relative to the Canadian equity component of the investment policy benchmark.

Economic Review

The global economy continued to improve this year, despite elevated consumer price levels and multiple geo-political events. Central banks across the globe maintained their commitment to fighting inflation through sustained higher interest rates. In October

2023, the International Monetary Fund (IMF) projected global growth to slow from 3.5% in 2022 to 3.0% for 2023 and 2.9% the following year, well below the historical long-term average. The IMF noted global growth risk levels appear more balanced as compared with the prior year but remain tilted to the downside.

The Bank of Canada made progress with its goal of dampening CPI inflation with a decline from its peak of 8.1% in June 2022 to just under 4.0% as of September 2023. This was achieved as the policy interest rate was increased four times throughout the year, starting at 3.75% in October 2022 and moving to 5.00% by September 2023. As a result, the Canadian economy slowed throughout 2023, with GDP growth falling from 0.6% in October 2022 to 0.0% by July 2023. The Canadian labour market loosened from May onwards with unemployment levels reaching 5.7% while demand slowed. The Canadian dollar weakened relative to the US dollar throughout most of the year before rallying back to just under 74 cents U.S. by the end of October.

As global financial conditions tightened, yields on long-term bonds witnessed a sharp rise. With the Bank of Canada's overall interest rate increase of 1.25% over the year, the yield curve shifted upwards and steepened. Longer dated maturities (as represented by the FTSE Canada Long-Term Bond Index) fell by 3.1%. More conservatively positioned short-term bonds benefited as the FTSE Canadian Short-Term Bond Index rose 2.4%, with cash (as

represented by the FTSE 91 Day Treasury Bill Index) gaining 4.6% over the period. In this environment, the broad Canadian bond market (the FTSE Canada Universe Bond Index) was flat with a return of 0.0% and Canadian corporate bonds generating a return of 3.0% as spreads further narrowed over the period.

Despite a moderate sell-off towards the end of the fiscal year, equities experienced substantial returns over the fiscal period with many of the key benchmark indices experiencing double digit gains. Developed equity markets including both U.S. large cap equities (as represented by the S&P 500) and international equities (as reflected by the MSCI EAFE IMI Index) increased by 11.9% and 15.3%, respectively. Emerging Markets equities rebounded from the prior year as the MSCI Emerging Markets IMI Index rose 13.7%. Canadian equities (as represented by the S&P/TSX Capped Composite) lagged relative to other regions with a return of 0.4% as the economy's large exposure to commodities and energy stocks sank due to declining global demand.

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.

(\$ thousands)	2023	2022	2021	2020	2019
Statements of Financial Position					
Total Assets	\$498,696	\$463,816	\$497,795	\$440,941	\$398,595
Net Assets	496,147	460,721	493,919	439,349	396,549
% Change of Net Assets Attributable to Subscribers and Beneficiaries	7.7%	(6.7)%	12.4%	10.8%	16.8%
Statements of Comprehensive Income					
Net Investment (Loss) Income	\$ 18,874	\$ (47,620)	\$ 27,970	\$ 14,455	\$ 31,899
Statements of Changes in Net Assets					
Education Assistance Payments	\$ (24,119)	\$ (27,857)	\$ (18,876)	\$ (13,755)	\$ (12,908)
Government Grants Repaid (net of receipts)	(425)	(1,635)	479	180	(816)
Government Grant payments to Beneficiaries	(27,228)	(25,083)	(15,462)	(11,513)	(11,477)
Other					
Total number of Agreements	81,547	77,977	74,305	70,786	67,054
% Change in the total number of Agreements	4.6%	4.9%	5.0%	5.6%	4.6%

Management Fees

Administration Fees

An administration fee of \$5,423 thousand (2022 – \$5,409 thousand) comprising Plan administration and processing fees and financial reporting expenses was paid to the Foundation, the sponsor and administrator of the Plan, in accordance with subscribers' Education Savings Plan Agreements. The administration of the Plan includes processing and call centre services related to new agreements, Government grants, plan modifications, terminations, maturities, and Education Assistance Payments ("EAPs"). The annual administration fee is calculated as 1.0% of the total amount of net Contributions, Government Grants and income earned on these amounts, subject to applicable taxes, and is paid monthly.

The Foundation has delegated certain administrative and distribution functions to its wholly-owned subsidiary, CST Savings, 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. CST Savings is the exclusive distributor of the Canadian Scholarship Trust Plans.

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

Portfolio Management Fees

The Plan's annual investment management fee was 0.08%, including taxes, (2022 – 0.07%) 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 2023 these fees charged to the Plan amounted to \$93 thousand (2022 – \$111 thousand) and were 0.02% including taxes (2022 – 0.02%) of the average market value of assets.

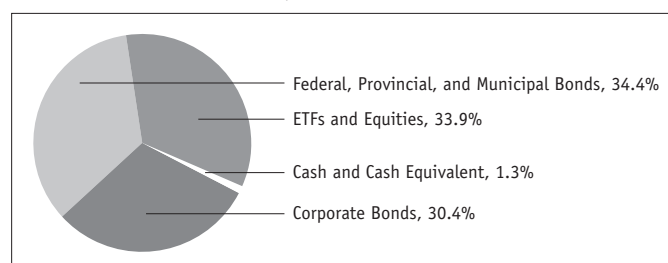
Summary of Plan Investment Fund

The Plan's Total Investment Fund comprises the Principal, Government Grants and Income for all education savings plan agreements that have not been paid out to beneficiaries and/or withdrawn by subscribers.

The Plan's Total Investment Fund as presented and as defined in this report, reflects the Principal, Government Grant, and Income assets.

The following chart illustrates the Plan's Total Investment Fund by investment categories.

Asset Mix as at October 31, 2023



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

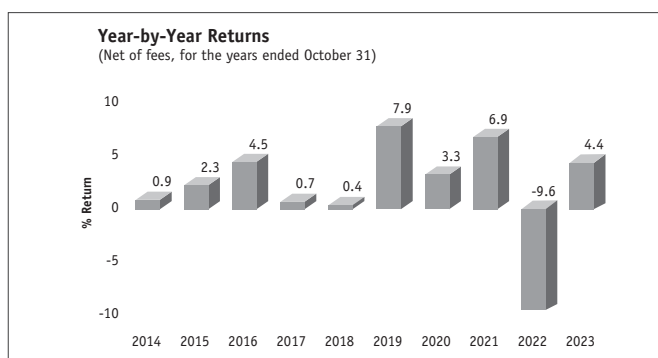
Issuer	Fair Value (\$ 000's)	% of Plan Portfolio Assets
iShares Core S&P U.S. ETF	57,780	11.8%
iShares Core MSCI EAFE IMI Index ETF	31,988	6.5%
iShares Core S&P 500 Index ETF	24,803	5.0%
BMO S&P 500 Index ETF	20,145	4.1%
iShares Core MSCI Emerging Markets IMI Index ETF	13,994	2.8%
iShares Global Infrastructure Index ETF	8,520	1.7%
iShares Global Real Estate Index ETF	8,143	1.7%
Province of Ontario	2.60% 2 Jun 2025	7,958 1.6%
Province of Ontario	2.60% 2 Jun 2027	7,814 1.6%
Province of Ontario	2.90% 2 Jun 2028	6,415 1.3%
Province of Ontario	2.40% 2 Jun 2026	5,287 1.1%
Province of Québec	2.75% 1 Sep 2027	5,256 1.1%
Government of Canada	0.50% 1 Dec 2030	5,163 1.1%
Government of Canada	0.00% 20 Jun 2024	4,948 1.0%
Province of Ontario	1.75% 8 Sep 2025	4,814 1.0%
Province of Québec	2.50% 1 Sep 2026	4,766 1.0%
Government of Canada	0.00% 15 Aug 2024	4,677 1.0%
Government of Canada	0.00% 18 Jul 2024	4,598 0.9%
Province of Québec	2.75% 1 Sep 2028	4,266 0.9%
Province of Ontario	3.60% 8 Mar 2028	3,878 0.8%
Government of Canada	0.00% 23 May 2024	3,860 0.8%
Province of Alberta	2.55% 1 Jun 2027	3,782 0.8%
Province of Québec	2.75% 1 Sep 2025	3,709 0.8%
Bank of Montreal	2.70% 11 Sep 2024	3,420 0.7%
Government of Canada	1.25% 1 Jun 2030	3,402 0.7%
Top 25 long positions as a percentage of Total Portfolio Asset of the Plan		51.8%

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 Investment Fund only. 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, 2023 of the Plan's Total Investment Fund. The chart illustrates in percentage terms how much an investment in the Plan's Total Investment Fund, 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

The Plan's investment benchmark was composed of 70% FTSE Canada Short-Term Government Bond Index + 30% S&P/TSX Capped Composite 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 S&P/TSX Capped Composite Index reflects price movements of selected securities listed on the Toronto Stock Exchange and weighted by market capitalization, with a capped weight of 10% on all of the constituents.

The following table illustrates the annual compound returns as a percentage of the Plan's Total Portfolio for the periods shown ending on October 31, 2023.

	Period			
	1Yr	3Yr	5Yr	10Yr
Net Plan Return*	4.4	0.3	2.4	2.1
Benchmark	1.5	2.2	3.6	3.2
FTSE Canada Short-Term Government Bond	1.7	(1.2)	1.0	1.0
S&P/TSX Capped Composite	0.4	9.8	8.0	6.7

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

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

Management's Responsibility for Financial Reporting

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

The Foundation, through C.S.T. Savings 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 19, 2023

Independent Auditor's Report

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

Opinion

We have audited the financial statements of Canadian Scholarship Trust Family Savings Plan (the "Plan"), which comprise the statements of financial position as at October 31, 2023 and 2022, 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, 2023 and 2022, 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 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
December 19, 2023
Toronto, Ontario

Statements of Financial Position

As at October 31, 2023 and October 31, 2022

(thousands of Canadian dollars)

	2023	2022
Assets		
Cash and cash equivalents	\$ 6,527	\$ 21,413
Investments, at fair value <i>(Note 4 and Schedule I)</i>	484,708	436,313
Accrued income and other receivables	7,087	5,752
Government grants receivable	374	338
	498,696	463,816
Liabilities		
Accounts payable and accrued liabilities	2,549	3,095
	2,549	3,095
Net Assets Attributable to Subscribers and Beneficiaries	496,147	460,721
Represented by:		
Non-Discretionary Funds		
Accumulated income held for future education assistance payments	98,414	87,187
Subscribers' deposits <i>(Schedule II)</i>	227,573	218,953
Government grants	117,483	108,346
Income on Government grants	52,677	46,235
	\$496,147	\$460,721

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, 2023 and 2022

(thousands of Canadian dollars)

	2023	2022
Income		
Interest	\$ 9,765	\$ 8,503
Realized gains (losses) on sale of investments	1,299	(8,157)
Change in unrealized gains (losses)	9,650	(45,885)
Dividends	4,083	3,795
	24,797	(41,744)
Expenses		
Administration fees and account maintenance fees <i>(Note 3(a))</i>	5,423	5,409
Portfolio management fees	396	351
Custodian and Trustee fees	93	111
Independent Review Committee fees	11	5
	5,923	5,876
Increase in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$18,874	\$(47,620)

Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries

For the years ended October 31, 2023 and 2022

(thousands of Canadian dollars)

	2023	2022
Net Assets Attributable to Subscribers and Beneficiaries, Beginning of Year	\$460,721	\$493,919
Increase (decrease) in Net Assets from Operations Attributable to Subscribers and Beneficiaries	18,874	(47,620)
Transfers from internal and external plans	60,495	63,188
	79,369	15,568
Receipts		
Net increase in Subscribers' deposits <i>(Schedule II)</i>	8,620	6,574
Disbursements		
Government grants repaid (net of receipts)	(425)	(1,635)
Payments to beneficiaries		
Education assistance payments	(24,119)	(27,857)
Government grants	(27,228)	(25,083)
Return of income	(791)	(765)
Total payments to beneficiaries	(52,138)	(53,705)
Receipts less Disbursements	(43,943)	(48,766)
Change in Net Assets Attributable to Subscribers and Beneficiaries	35,426	(33,198)
Net Assets Attributable to Subscribers and Beneficiaries, End of Year	\$496,147	\$460,721

Statements of Cash Flows

For the years ended October 31, 2023 and 2022

(thousands of Canadian dollars)

	2023	2022
Operating Activities		
Increase (decrease) in Net Assets from Operations Attributable to Subscribers and Beneficiaries	\$ 18,874	\$ (47,620)
Items not affecting cash		
Realized loss (gains) on sale of investments	(1,299)	8,157
Change in unrealized losses (gains)	(9,650)	45,885
Change in non-cash operating capital		
(Increase) in Accrued income and other receivables	(1,335)	(2,903)
(Increase) in Government grants receivable	(36)	(36)
(Decrease) in Accounts payable and accrued liabilities	(546)	(781)
Purchase of investments	(212,551)	(172,195)
Proceeds from sale and maturities of investments	175,105	170,868
Cash flows (used in) from Operating Activities	(31,438)	1,375
Financing Activities		
Transfers from internal and external plans	60,495	63,188
Net increase in Subscribers' deposits <i>(Schedule II)</i>	8,620	6,574
Net Government grants (repaid) received	(425)	(1,635)
Payments to beneficiaries	(52,138)	(53,705)
Cash flows from Financing Activities	16,552	14,422
Net (decrease) increase in Cash and cash equivalents	(14,886)	15,797
Cash and cash equivalents, Beginning of the Year	21,413	5,616
Cash and cash equivalents, End of the Year	6,527	21,413
Supplemental cash flow information:		
Interest Received	\$ 8,430	\$ 5,600

Schedule I – Statement of Investment Portfolio

As at October 31, 2023

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds						Bonds (continued)					
Federal – 12.0%						Provincial – 22.2%					
Aéroports de Montréal	6.95	16 Apr 2032	183	193	234	Province of Alberta	2.35	1 Jun 2025	1,775	1,705	1,834
Aéroports de Montréal	5.67	16 Oct 2037	157	160	223	Province of Alberta	2.20	1 Jun 2026	2,300	2,160	2,358
Calgary Airport Authority	3.20	7 Oct 2036	91	71	91	Province of Alberta	2.55	1 Jun 2027	4,052	3,782	3,899
Calgary Airport Authority	3.34	7 Oct 2038	269	208	269	Province of Alberta	2.90	1 Dec 2028	110	102	113
Canada Housing Trust	1.80	15 Dec 2024	386	373	402	Province of Alberta	2.90	20 Sep 2029	25	23	25
Canada Housing Trust	2.55	15 Mar 2025	2,075	2,010	2,198	Province of Alberta	2.05	1 Jun 2030	339	290	342
Canada Housing Trust	0.95	15 Jun 2025	728	684	697	Province of Alberta	1.65	1 Jun 2031	328	264	291
Canada Housing Trust	1.95	15 Dec 2025	840	793	851	Province of Alberta	4.15	1 Jun 2033	74	70	74
Canada Housing Trust	2.25	15 Dec 2025	3,100	2,946	3,249	Province of Alberta	3.45	1 Dec 2043	205	164	215
Canada Housing Trust	1.25	15 Jun 2026	562	516	543	Province of Alberta	3.30	1 Dec 2046	175	134	188
Canada Housing Trust	1.10	15 Dec 2026	433	390	410	Province of Alberta	3.05	1 Dec 2048	131	95	130
Canada Housing Trust	1.55	15 Dec 2026	420	384	402	Province of Alberta	3.10	1 Jun 2050	249	182	236
Canada Housing Trust	2.35	15 Jun 2027	600	557	578	Province of Alberta	2.95	1 Jun 2052	168	118	171
Canada Housing Trust	3.80	15 Jun 2027	185	181	184	Province of British Columbia	2.85	18 Jun 2025	3,042	2,944	3,137
Canada Housing Trust	1.60	15 Dec 2031	2,000	1,605	1,874	Province of British Columbia	2.30	18 Jun 2026	1,100	1,035	1,130
Government of Canada	–	25 Apr 2024	2,000	1,938	1,938	Province of British Columbia	2.55	18 Jun 2027	822	767	795
Government of Canada	–	23 May 2024	4,000	3,860	3,860	Province of British Columbia	2.95	18 Dec 2028	207	192	199
Government of Canada	–	20 Jun 2024	5,148	4,948	4,948	Province of British Columbia	5.70	18 Jun 2029	250	264	309
Government of Canada	–	18 Jul 2024	4,800	4,598	4,598	Province of British Columbia	2.20	18 Jun 2030	181	156	186
Government of Canada	2.75	1 Aug 2024	950	934	929	Province of British Columbia	3.20	18 Jun 2032	124	110	120
Government of Canada	–	15 Aug 2024	4,900	4,677	4,677	Province of British Columbia	4.70	18 Jun 2037	50	49	63
Government of Canada	–	12 Sep 2024	500	476	476	Province of British Columbia	4.30	18 Jun 2042	100	91	120
Government of Canada	0.50	1 Sep 2025	2,978	2,762	2,756	Province of British Columbia	3.20	18 Jun 2044	100	77	93
Government of Canada	1.50	1 Jun 2026	807	750	760	Province of British Columbia	2.80	18 Jun 2048	175	122	153
Government of Canada	1.00	1 Sep 2026	514	468	480	Province of British Columbia	2.95	18 Jun 2050	395	281	367
Government of Canada	1.25	1 Mar 2027	993	900	921	Province of British Columbia	2.75	18 Jun 2052	430	291	350
Government of Canada	1.00	1 Jun 2027	940	842	853	Province of Manitoba	2.45	2 Jun 2025	2,700	2,598	2,874
Government of Canada	8.00	1 Jun 2027	1,500	1,688	2,024	Province of Manitoba	2.55	2 Jun 2026	1,400	1,326	1,471
Government of Canada	3.50	1 Mar 2028	1,100	1,071	1,093	Province of Manitoba	2.60	2 Jun 2027	500	467	489
Government of Canada	3.25	1 Sep 2028	675	650	657	Province of Manitoba	3.00	2 Jun 2028	1,100	1,030	1,057
Government of Canada	2.25	1 Jun 2029	2,000	1,826	2,143	Province of Manitoba	2.75	2 Jun 2029	110	100	114
Government of Canada	1.25	1 Jun 2030	4,055	3,402	3,768	Province of Manitoba	2.05	2 Jun 2030	55	47	57
Government of Canada	7.21	1 Nov 2030	60	35	42	Province of Manitoba	2.05	2 Jun 2031	53	44	53
Government of Canada	0.50	1 Dec 2030	6,600	5,163	6,010	Province of Manitoba	3.90	2 Dec 2032	27	25	27
Government of Canada	1.50	1 Jun 2031	2,430	2,022	2,488	Province of Manitoba	5.70	5 Mar 2037	100	106	139
Government of Canada	1.50	1 Dec 2031	2,000	1,646	1,926	Province of Manitoba	4.10	5 Mar 2041	100	88	120
Government of Canada	3.25	1 Dec 2033	898	839	837	Province of Manitoba	4.05	5 Sep 2045	100	86	119
Government of Canada	1.75	1 Dec 2053	945	593	631	Province of Manitoba	3.20	5 Mar 2050	86	63	88
Greater Toronto Airports Authority	7.10	4 Jun 2031	281	309	407	Province of Manitoba	2.05	5 Sep 2052	129	72	107
Greater Toronto Airports Authority	6.98	15 Oct 2032	65	72	96	Province of New Brunswick	1.80	14 Aug 2025	797	755	818
Greater Toronto Airports Authority	6.47	2 Feb 2034	176	189	253	Province of New Brunswick	2.60	14 Aug 2026	681	644	695
Greater Toronto Airports Authority	4.53	2 Dec 2041	437	394	570	Province of New Brunswick	2.35	14 Aug 2027	500	461	475
Montreal Airport	3.03	21 Apr 2050	283	192	296	Province of New Brunswick	3.10	14 Aug 2028	20	19	21
Montreal Airport	3.44	26 Apr 2051	276	202	276	Province of New Brunswick	2.55	14 Aug 2031	48	41	46
Vancouver International Airport	2.80	21 Sep 2050	265	172	262	Province of New Brunswick	3.95	14 Aug 2032	500	468	481
Winnipeg Airports Authority	5.21	28 Sep 2040	78	73	91	Province of New Brunswick	5.50	27 Jan 2034	200	209	234
Winnipeg Airports Authority	6.10	20 Nov 2040	113	111	112	Province of New Brunswick	4.80	3 Jun 2041	225	216	275
				58,873	63,383	Province of New Brunswick	3.10	14 Aug 2048	68	49	70
						Province of New Brunswick	3.05	14 Aug 2050	31	22	33
						Province of New Brunswick	2.90	14 Aug 2052	22	15	22
						Province of Newfoundland and Labrador	2.30	2 Jun 2025	700	671	734

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

Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2023

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)						Bonds (continued)					
Provincial – 22.2% (continued)						Provincial – 22.2% (continued)					
Province of Newfoundland and Labrador	3.00	2 Jun 2026	1,500	1,435	1,516	Province of Prince Edward Island	2.65	1 Dec 2051	7	5	7
Province of Newfoundland and Labrador	1.25	2 Jun 2027	625	555	566	Province of Prince Edward Island	3.60	17 Jan 2053	25	20	24
Province of Newfoundland and Labrador	2.85	2 Jun 2028	433	401	412	Province of Québec	2.75	1 Sep 2025	3,850	3,709	3,939
Province of Newfoundland and Labrador	2.85	2 Jun 2029	51	46	52	Province of Québec	8.50	1 Apr 2026	2,225	2,412	2,711
Province of Newfoundland and Labrador	1.75	2 Jun 2030	159	132	144	Province of Québec	2.50	1 Sep 2026	5,050	4,766	5,172
Province of Newfoundland and Labrador	2.05	2 Jun 2031	83	68	80	Province of Québec	2.75	1 Sep 2027	5,600	5,256	5,373
Province of Newfoundland and Labrador	3.70	17 Oct 2048	20	16	21	Province of Québec	2.75	1 Sep 2028	4,613	4,266	4,330
Province of Newfoundland and Labrador	2.65	17 Oct 2050	212	133	202	Province of Québec	2.30	1 Sep 2029	797	706	748
Province of Newfoundland and Labrador	3.15	2 Dec 2052	56	39	50	Province of Québec	1.90	1 Sep 2030	401	337	364
Province of Nova Scotia	2.15	1 Jun 2025	400	383	384	Province of Québec	1.50	1 Sep 2031	530	419	465
Province of Nova Scotia	2.10	1 Jun 2027	500	459	518	Province of Québec	3.25	1 Sep 2032	484	431	461
Province of Nova Scotia	1.10	1 Jun 2028	25	21	25	Province of Québec	3.60	1 Sep 2033	725	656	655
Province of Nova Scotia	2.00	1 Sep 2030	488	412	442	Province of Québec	5.00	1 Dec 2038	325	325	369
Province of Nova Scotia	2.40	1 Dec 2031	50	42	48	Province of Québec	5.00	1 Dec 2041	350	349	476
Province of Nova Scotia	3.15	1 Dec 2051	292	213	328	Province of Québec	4.25	1 Dec 2043	500	454	516
Province of Ontario	2.65	5 Feb 2025	2,760	2,682	2,887	Province of Québec	3.50	1 Dec 2045	415	334	426
Province of Ontario	2.60	2 Jun 2025	8,250	7,958	8,799	Province of Québec	3.50	1 Dec 2048	424	338	433
Province of Ontario	1.75	8 Sep 2025	5,092	4,814	5,163	Province of Québec	3.10	1 Dec 2051	408	299	424
Province of Ontario	2.40	2 Jun 2026	5,600	5,287	5,426	Province of Québec	2.85	1 Dec 2053	413	285	351
Province of Ontario	1.35	8 Sep 2026	2,858	2,608	2,636	Province of Québec	4.40	1 Dec 2055	325	304	324
Province of Ontario	2.60	2 Jun 2027	8,354	7,814	8,140	Province of Saskatchewan	0.80	2 Sep 2025	767	713	761
Province of Ontario	1.05	8 Sep 2027	2,870	2,521	2,561	Province of Saskatchewan	2.55	2 Jun 2026	918	870	958
Province of Ontario	3.60	8 Mar 2028	4,027	3,878	3,963	Province of Saskatchewan	2.65	2 Jun 2027	600	562	580
Province of Ontario	2.90	2 Jun 2028	6,875	6,415	6,543	Province of Saskatchewan	3.05	2 Dec 2028	63	59	64
Province of Ontario	6.50	8 Mar 2029	100	109	133	Province of Saskatchewan	2.20	2 Jun 2030	57	49	59
Province of Ontario	2.70	2 Jun 2029	400	364	372	Province of Saskatchewan	2.15	2 Jun 2031	73	61	72
Province of Ontario	2.05	2 Jun 2030	479	409	459	Province of Saskatchewan	5.80	5 Sep 2033	50	54	66
Province of Ontario	1.35	2 Dec 2030	227	182	217	Province of Saskatchewan	2.75	2 Dec 2046	150	104	139
Province of Ontario	2.15	2 Jun 2031	900	753	848	Province of Saskatchewan	3.30	2 Jun 2048	25	19	25
Province of Ontario	2.25	2 Dec 2031	335	279	329	Province of Saskatchewan	2.80	2 Dec 2052	367	250	303
Province of Ontario	3.75	2 Jun 2032	430	398	427	Province of Saskatchewan	2.95	2 Jun 2058	23	16	22
Province of Ontario	5.60	2 Jun 2035	600	635	754				109,251	117,841	
Province of Ontario	4.70	2 Jun 2037	375	364	462	Municipal – 0.2%					
Province of Ontario	4.60	2 Jun 2039	300	287	340	City of Winnipeg	4.00	27 May 2024	750	743	737
Province of Ontario	4.65	2 Jun 2041	325	311	359				743	737	
Province of Ontario	3.50	2 Jun 2043	325	265	317	Corporate – 30.4%					
Province of Ontario	3.45	2 Jun 2045	700	560	696	407 International Inc.	6.47	27 Jul 2029	500	528	652
Province of Ontario	2.90	2 Dec 2046	525	377	504	407 International Inc.	3.65	8 Sep 2044	300	233	350
Province of Ontario	2.80	2 Jun 2048	525	367	487	407 International Inc.	3.72	11 May 2048	226	174	263
Province of Ontario	2.90	2 Jun 2049	645	458	576	Access Justice Durham Ltd.	5.02	31 Aug 2039	153	145	192
Province of Ontario	1.90	2 Dec 2051	709	393	487	Alimentation Couche-Tard Inc.	3.06	26 Jul 2024	2,500	2,455	2,441
Province of Ontario	2.55	2 Dec 2052	371	240	314	Allied Properties REIT	3.11	8 Apr 2027	192	169	193
Province of Ontario	3.75	2 Dec 2053	708	589	648	Allied Properties REIT	3.13	15 May 2028	354	300	334
Province of Prince Edward Island	1.20	11 Feb 2028	8	7	8	Allied Properties REIT	3.12	21 Feb 2030	259	204	259
Province of Prince Edward Island	1.85	27 Jul 2031	19	15	18	AltaGas Ltd.	2.16	10 Jun 2025	270	255	271
						AltaGas Ltd.	2.08	30 May 2028	300	255	259
						AltaGas Ltd.	2.48	30 Nov 2030	704	560	644
						AltaGas Ltd.	4.50	15 Aug 2044	301	233	271
						AltaGas Ltd.	4.99	4 Oct 2047	272	223	321
						AltaLink, LP	3.67	6 Nov 2023	400	400	396

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Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2023

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)						Bonds (continued)					
Corporate – 30.4% (continued)						Corporate – 30.4% (continued)					
AltaLink, LP	5.38	26 Mar 2040	740	733	1,012	Canadian Imperial Bank of Commerce	5.50	14 Jan 2028	1,353	1,340	1,359
Bank of America	1.98	15 Sep 2027	251	225	238	Canadian Imperial Bank of Commerce	2.01	21 Jul 2030	721	672	692
Bank of America	3.62	16 Mar 2028	1,172	1,088	1,141	Canadian Imperial Bank of Commerce	4.20	7 Apr 2032	737	689	705
Bank of America	2.60	4 Apr 2029	200	174	176	Canadian Imperial Bank of Commerce	5.33	20 Jan 2033	296	285	296
Bank of Montreal	2.70	11 Sep 2024	3,500	3,420	3,701	Canadian Imperial Bank of Commerce	7.15	28 Jul 2082	188	179	187
Bank of Montreal	1.55	28 May 2026	1,179	1,068	1,143	Canadian Pacific Railway Ltd.	3.05	9 Mar 2050	98	64	96
Bank of Montreal	3.65	1 Apr 2027	762	714	743	Canadian Western Bank	1.93	16 Apr 2026	520	473	510
Bank of Montreal	4.31	1 Jun 2027	1,476	1,409	1,458	Genovus Energy Inc.	3.50	7 Feb 2028	258	238	252
Bank of Montreal	4.71	7 Dec 2027	977	942	958	Central 1 Credit Union	1.32	29 Jan 2026	284	256	283
Bank of Montreal	2.88	17 Sep 2029	2,016	1,960	2,038	Choice Properties REIT	4.06	24 Nov 2025	200	193	193
Bank of Montreal	2.08	17 Jun 2030	800	749	771	Choice Properties REIT	3.53	11 Jun 2029	220	195	227
Bank of Montreal	6.53	27 Oct 2032	253	255	253	Choice Properties REIT	2.98	4 Mar 2030	881	739	855
Bank of Montreal	7.33	26 Nov 2082	199	190	199	Choice Properties REIT	6.00	24 Jun 2032	492	482	492
Bank of Nova Scotia	2.29	28 Jun 2024	1,500	1,470	1,565	Choice Properties REIT	5.70	28 Feb 2034	332	314	332
Bank of Nova Scotia	2.49	23 Sep 2024	3,000	2,919	3,100	Classic RMBS Trust	1.53	15 Sep 2026	231	59	56
Bank of Nova Scotia	5.50	29 Dec 2025	281	280	281	Classic RMBS Trust	1.43	15 Nov 2051	281	36	37
Bank of Nova Scotia	5.50	8 May 2026	280	279	281	Clover LP	4.22	31 Mar 2034	83	77	90
Bank of Nova Scotia	1.85	2 Nov 2026	501	449	501	Clover LP	4.22	30 Jun 2034	53	50	58
Bank of Nova Scotia	2.95	8 Mar 2027	850	780	833	CNH CAPITAL	4.99	15 Oct 2029	255	250	255
Bank of Nova Scotia	2.84	3 Jul 2029	1,592	1,557	1,616	Coast Capital Savings Credit Union	7.01	28 Sep 2026	161	162	161
Bank of Nova Scotia	3.93	3 May 2032	217	201	217	Coast Capital Savings Credit Union	5.25	29 Oct 2030	77	73	85
Bank of Nova Scotia	5.65	31 Dec 2056	37	37	45	Concentra Bank	1.46	17 May 2024	163	159	163
Bank of Nova Scotia	7.02	27 Jul 2082	200	189	200	Connect 6ix GP	6.11	30 Nov 2046	251	249	251
Bell Canada	2.50	14 May 2030	342	282	341	Connect 6ix GP	6.21	30 Nov 2060	180	175	180
Bell Canada	3.00	17 Mar 2031	551	458	484	Co-operators Financial Services	3.33	13 May 2030	450	368	436
Bell Canada	5.85	10 Nov 2032	665	659	676	Crombie Real Estate Investment Trust	2.69	31 Mar 2028	571	491	582
Bell Canada	6.10	16 Mar 2035	250	250	291	Crombie Real Estate Investment Trust	5.24	28 Sep 2029	235	222	235
Bell Canada	4.75	29 Sep 2044	213	178	272	CT Real Estate Investment Trust	3.03	5 Feb 2029	211	180	211
Bell Canada	4.35	18 Dec 2045	432	338	396	CT Real Estate Investment Trust	2.37	6 Jan 2031	346	264	343
Bell Canada	4.45	27 Feb 2047	360	285	352	CU Inc.	5.56	30 Oct 2037	300	301	322
Bell Canada	3.50	30 Sep 2050	956	628	887	CU Inc.	4.54	24 Oct 2041	218	194	269
Brookfield Renewable Partners LP	4.25	15 Jan 2029	414	387	481	CU Inc.	4.72	9 Sep 2043	737	668	943
Brookfield Renewable Partners LP	5.29	28 Oct 2033	265	249	265	CU Inc.	3.76	19 Nov 2046	575	448	463
Brookfield Renewable Partners LP	3.33	13 Aug 2050	117	75	116	CU Inc.	2.96	7 Sep 2049	216	143	219
Caisse Centrale Desjardins	2.42	4 Oct 2024	2,500	2,429	2,609	Daimler Canada Finance Inc.	2.97	13 Mar 2024	500	495	528
Caisse Centrale Desjardins	5.20	1 Oct 2025	406	402	406	Dollarama Inc.	3.55	6 Nov 2023	500	500	493
Caisse Centrale Desjardins	5.04	23 Aug 2032	1,023	977	1,008	DREAM Unlimited Corporation	2.15	17 Sep 2025	119	111	114
Canadian Imperial Bank of Commerce	3.29	15 Jan 2024	1,500	1,493	1,597	Eagle Credit Card Trust	1.27	17 Jul 2025	83	77	83
Canadian Imperial Bank of Commerce	2.35	28 Aug 2024	1,500	1,461	1,493	Eagle Credit Card Trust	5.13	17 Jun 2028	114	112	114
Canadian Imperial Bank of Commerce	2.75	7 Mar 2025	250	240	239	Enbridge Gas Distribution Inc.	3.15	22 Aug 2024	2,000	1,962	1,949
Canadian Imperial Bank of Commerce	4.33	15 May 2025	218	213	218						
Canadian Imperial Bank of Commerce	1.70	15 Jul 2026	2,650	2,397	2,649						
Canadian Imperial Bank of Commerce	2.25	7 Jan 2027	412	372	411						
Canadian Imperial Bank of Commerce	4.95	29 Jun 2027	413	402	412						
Canadian Imperial Bank of Commerce	5.05	7 Oct 2027	463	452	462						

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Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2023

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)						Bonds (continued)					
Corporate – 30.4% (continued)						Corporate – 30.4% (continued)					
Enbridge Gas Inc.	2.35	15 Sep 2031	219	176	185	Hydro-Québec	2.00	1 Sep 2028	108	96	105
Enbridge Gas Inc.	4.15	17 Aug 2032	85	77	80	Hydro-Québec	4.39	26 Sep 2041	250	220	251
Enbridge Gas Inc.	5.70	6 Oct 2033	224	226	224	Hydro-Québec	5.00	15 Feb 2045	100	100	139
Enbridge Gas Inc.	5.67	6 Oct 2053	172	175	172	Hydro-Québec	2.10	15 Feb 2060	206	112	176
Enbridge Inc.	2.44	2 Jun 2025	64	61	64	Hydro-Québec	4.00	15 Feb 2063	84	72	81
Enbridge Inc.	2.99	3 Oct 2029	299	258	300	Hyundai Capital Canada, Inc.	2.01	12 May 2026	145	132	145
Enbridge Inc.	6.10	9 Nov 2032	285	284	311	IA Financial Group	2.40	21 Feb 2030	236	225	237
Enbridge Inc.	3.10	21 Sep 2033	1,240	964	1,102	IA Financial Group	5.69	20 Jun 2033	295	290	295
Enbridge Inc.	5.75	2 Sep 2039	255	238	320	Intact Financial Corporation	2.85	7 Jun 2027	316	289	319
Enbridge Inc.	4.57	11 Mar 2044	686	546	793	Inter Pipeline Ltd.	5.76	17 Feb 2028	282	278	282
Enbridge Inc.	6.63	12 Apr 2078	1,046	988	1,106	Inter Pipeline Ltd.	5.71	29 May 2030	221	213	221
Enbridge Inc.	8.75	15 Jan 2084	240	240	240	Inter Pipeline Ltd.	3.98	25 Nov 2031	967	807	952
Enbridge Pipelines Inc.	6.35	17 Nov 2023	1,000	1,000	1,007	Inter Pipeline Ltd.	5.85	18 May 2032	385	364	385
Enbridge Pipelines Inc.	8.20	15 Feb 2024	750	755	774	Inter Pipeline Ltd.	5.09	27 Nov 2051	519	405	461
Enbridge Pipelines Inc.	4.55	17 Aug 2043	689	556	787	Investors Group Inc.	7.45	9 May 2031	100	109	133
Enmax Corporation	3.88	18 Oct 2029	314	281	350	Investors Group Inc.	7.00	31 Dec 2032	78	83	110
EPCOR Utilities Inc.	3.95	26 Nov 2048	307	246	380	Investors Group Inc.	7.11	7 Mar 2033	79	85	109
EPCOR Utilities Inc.	5.33	3 Oct 2053	233	231	233	John Deere Credit Inc.	2.40	17 Sep 2024	1,000	974	1,046
Federation des caisses Desjardins du Quebec	4.41	19 May 2027	529	507	529	JPMorgan Chase & Co.	1.90	5 Mar 2028	743	657	713
Federation des caisses Desjardins du Quebec	1.99	28 May 2031	1,552	1,395	1,421	Laurentian Bank of Canada	1.95	17 Mar 2025	314	297	314
First Nations ETF LP	4.14	31 Dec 2041	103	90	111	Laurentian Bank of Canada	4.60	2 Sep 2025	550	535	547
Foresters Life Insurance Company	2.89	15 Oct 2035	406	319	383	Liberty Utilities Canada LP	3.32	14 Feb 2050	951	631	938
FortisAlberta Inc.	5.37	30 Oct 2039	926	911	1,241	Loblaw Companies Limited	4.49	11 Dec 2028	387	372	457
FortisAlberta Inc.	2.63	8 Jun 2051	156	94	156	Loblaw Companies Limited	2.28	7 May 2030	200	166	172
FortisAlberta Inc.	4.62	30 May 2052	86	76	84	Loblaw Companies Limited	5.01	13 Sep 2032	250	238	257
FortisBC Energy Inc.	5.90	26 Feb 2035	184	188	255	Loblaw Companies Limited	6.54	17 Feb 2033	252	260	348
General Motors Financial of Canada Ltd.	1.70	9 Jul 2025	132	123	132	Loblaw Companies Limited	6.15	29 Jan 2035	295	298	406
General Motors Financial of Canada Ltd.	5.20	9 Feb 2028	302	290	302	Loblaw Companies Limited	5.90	18 Jan 2036	365	360	450
Gibson Energy Inc.	2.45	14 Jul 2025	50	47	50	Loblaw Companies Limited	5.34	13 Sep 2052	270	251	270
Gibson Energy Inc.	2.85	14 Jul 2027	560	505	514	Manulife Bank of Canada	2.86	16 Feb 2027	351	323	351
Gibson Energy Inc.	3.60	17 Sep 2029	248	219	267	Manulife Bank of Canada	7.12	19 Jun 2082	337	319	336
Glacier Credit Card Trust	1.39	22 Sep 2025	385	355	384	Manulife Financial Corporation	2.24	12 May 2030	264	249	265
Goldman Sachs Group, Inc.	2.01	28 Feb 2029	814	691	812	Manulife Financial Corporation	5.41	10 Mar 2033	541	527	541
Granite REIT Holdings Limited Partnership	3.06	4 Jun 2027	213	193	215	Manulife Financial Corporation	2.82	13 May 2035	779	639	756
Granite REIT Holdings Limited Partnership	2.38	18 Dec 2030	169	131	168	Manulife Financial Corporation	5.06	15 Dec 2041	569	508	680
Great-West Lifeco Inc.	3.34	28 Feb 2028	151	139	144	MCAP Commercial LP	3.74	25 Aug 2025	278	262	268
Great-West Lifeco Inc.	6.67	21 Mar 2033	604	638	806	MCAP Commercial LP	3.38	26 Nov 2027	204	177	204
Great-West Lifeco Inc.	6.00	16 Nov 2039	272	278	351	Metro Inc.	4.27	4 Dec 2047	576	460	655
H&R REIT	2.63	19 Feb 2027	362	319	339	Morgan Stanley	1.78	4 Aug 2027	514	461	514
HCN Canadian Holdings LP	2.95	15 Jan 2027	570	513	582	National Australia Bank	3.52	12 Jun 2030	410	387	409
Health Montreal Collective LP	6.72	30 Sep 2049	815	840	1,031	National Bank of Canada	2.98	4 Mar 2024	1,000	991	1,059
HomeEquity Bank	1.74	15 Dec 2025	179	163	179	National Bank of Canada	5.30	3 Nov 2025	337	334	337
Hospital Infrastructure Partner Inc.	5.44	31 Jan 2045	194	185	227	National Bank of Canada	1.57	18 Aug 2026	553	514	553
Hydro One Inc.	2.23	17 Sep 2031	1,000	808	859	National Bank of Canada	5.22	14 Jun 2028	1,552	1,520	1,552
Hydro One Inc.	6.93	1 Jun 2032	744	811	1,119	National Bank of Canada	5.43	16 Aug 2032	856	829	859
Hydro One Inc.	6.59	22 Apr 2043	133	151	208	North West Redwater Partnership	2.80	1 Jun 2027	212	194	222
Hydro One Inc.	3.91	23 Feb 2046	505	406	473	North West Redwater Partnership	4.25	1 Jun 2029	1,020	963	1,135
Hydro One Inc.	3.64	5 Apr 2050	632	479	601	North West Redwater Partnership	4.15	1 Jun 2033	179	159	201
Hydro One Inc.	3.10	15 Sep 2051	62	42	47	North West Redwater Partnership	3.65	1 Jun 2035	325	268	290

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

Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2023

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)	Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)						Bonds (continued)					
Corporate – 30.4% (continued)						Corporate – 30.4% (continued)					
North West Redwater Partnership	3.70	23 Feb 2043	415	317	376	Royal Bank of Canada	4.61	26 Jul 2027	2,660	2,565	2,639
North West Redwater Partnership	4.05	22 Jul 2044	192	153	216	Royal Bank of Canada	1.83	31 Jul 2028	650	551	650
North West Redwater Partnership	3.75	1 Jun 2051	250	183	249	Royal Bank of Canada	2.74	25 Jul 2029	838	818	841
Nova Scotia Power Inc.	8.85	19 May 2025	150	155	160	Royal Bank of Canada	2.88	23 Dec 2029	1,220	1,176	1,248
Nova Scotia Power Inc.	4.95	15 Nov 2032	254	236	254	Royal Bank of Canada	5.23	24 Jun 2030	1,099	1,065	1,102
Nova Scotia Power Inc.	5.61	15 Jun 2040	45	43	66	Royal Bank of Canada	2.09	30 Jun 2030	336	315	337
Nova Scotia Power Inc.	4.50	20 Jul 2043	75	62	63	Royal Bank of Canada	2.94	3 May 2032	266	239	266
Nova Scotia Power Inc.	3.57	5 Apr 2049	419	291	318	Sienna Senior Living Inc.	3.45	27 Feb 2026	125	116	118
Original Wempi Inc	7.79	4 Oct 2027	482	488	482	Sienna Senior Living Inc.	2.82	31 Mar 2027	111	98	111
Pembina Pipeline Corporation	3.71	11 Aug 2026	377	358	406	SmartCentres Real Estate Investment Trust	1.74	16 Dec 2025	608	554	583
Pembina Pipeline Corporation	3.31	1 Feb 2030	1,402	1,212	1,373	SmartCentres Real Estate Investment Trust	3.44	28 Aug 2026	396	367	368
Pembina Pipeline Corporation	4.75	30 Apr 2043	149	120	158	SmartCentres Real Estate Investment Trust	3.19	11 Jun 2027	568	511	591
Pembina Pipeline Corporation	4.74	21 Jan 2047	398	313	466	SmartCentres Real Estate Investment Trust	2.31	18 Dec 2028	205	168	176
Pembina Pipeline Corporation	4.54	3 Apr 2049	88	66	73	SmartCentres Real Estate Investment Trust	3.53	20 Dec 2029	288	245	304
Pembina Pipeline Corporation	4.67	28 May 2050	796	611	701	SNC-Lavalin Innisfree McGill Finance Inc.	6.63	30 Jun 2044	621	650	815
Plenary Health Hamilton LP	7.25	31 Aug 2042	42	47	47	Sun Life Financial Inc.	2.58	10 May 2032	1,272	1,135	1,206
Plenary Health Hamilton LP	5.80	31 May 2043	234	230	267	Sun Life Financial Inc.	2.80	21 Nov 2033	803	691	803
Plenary Properties LTAP LP	6.29	31 Jan 2044	34	35	45	Sun Life Financial Inc.	4.78	10 Aug 2034	372	349	372
Power Financial Corporation	6.90	11 Mar 2033	287	305	332	Sun Life Financial Inc.	2.06	1 Oct 2035	549	423	513
Real Estate Asset Liquidity Trust	2.38	12 Dec 2028	140	90	99	Sun Life Financial Inc.	3.15	18 Nov 2036	200	161	171
Real Estate Asset Liquidity Trust	2.87	12 Feb 2055	110	92	110	Sun Life Financial Inc.	5.40	29 May 2042	150	139	190
Reliance LP	3.84	15 Mar 2025	133	129	142	Sysco Canada, Inc.	3.65	25 Apr 2025	56	54	57
Reliance LP	2.68	1 Dec 2027	129	113	130	Telus Corporation	3.63	1 Mar 2028	323	298	343
Reliance LP	2.67	1 Aug 2028	375	322	356	Telus Corporation	5.25	15 Nov 2032	961	906	944
Riocan Real Estate Investment Trust	5.61	6 Oct 2027	229	222	229	Telus Corporation	4.85	5 Apr 2044	155	128	176
Riocan Real Estate Investment Trust	2.83	8 Nov 2028	236	199	236	Telus Corporation	4.40	29 Jan 2046	470	361	563
Riocan Real Estate Investment Trust	5.96	1 Oct 2029	583	565	583	Telus Corporation	4.70	6 Mar 2048	559	446	555
Rogers Communications Inc.	3.80	2 Nov 2023	500	500	492	Telus Corporation	3.95	16 Feb 2050	431	301	463
Rogers Communications Inc.	3.65	31 Mar 2027	513	479	552	Telus Corporation	5.65	13 Sep 2052	354	323	359
Rogers Communications Inc.	3.30	10 Dec 2029	327	283	333	Teranet Holdings LP	3.54	11 Jun 2025	400	383	385
Rogers Communications Inc.	2.90	9 Dec 2030	100	82	100	Teranet Holdings LP	5.75	17 Dec 2040	80	72	77
Rogers Communications Inc.	4.25	15 Apr 2032	912	795	876	Toronto Dominion Bank	1.94	13 Mar 2025	2,635	2,506	2,507
Rogers Communications Inc.	5.90	21 Sep 2033	204	198	203	Toronto Dominion Bank	2.67	9 Sep 2025	700	663	658
Rogers Communications Inc.	6.68	4 Nov 2039	34	34	50	Toronto Dominion Bank	2.26	7 Jan 2027	403	364	403
Rogers Communications Inc.	6.75	9 Nov 2039	315	321	404	Toronto Dominion Bank	4.21	1 Jun 2027	537	512	537
Rogers Communications Inc.	6.11	25 Aug 2040	442	422	558	Toronto Dominion Bank	5.38	21 Oct 2027	1,089	1,077	1,091
Rogers Communications Inc.	6.56	22 Mar 2041	438	438	571	Toronto Dominion Bank	4.68	8 Jan 2029	2,260	2,161	2,213
Rogers Communications Inc.	5.25	15 Apr 2052	637	538	592	Toronto Dominion Bank	4.86	4 Mar 2031	50	49	55
Royal Bank of Canada	2.35	2 Jul 2024	3,100	3,034	3,124	Toronto Dominion Bank	3.06	26 Jan 2032	605	550	600
Royal Bank of Canada	2.61	1 Nov 2024	2,500	2,427	2,624	Toronto Dominion Bank	7.28	31 Oct 2082	191	183	191
Royal Bank of Canada	1.94	1 May 2025	2,434	2,304	2,327	Toronto Hydro Corporation	4.61	14 Jun 2033	442	418	442
Royal Bank of Canada	5.24	2 Nov 2026	400	395	400	Toyota Credit Canada Inc.	2.64	27 Mar 2024	500	494	525
Royal Bank of Canada	2.33	28 Jan 2027	678	613	687	Toyota Credit Canada Inc.	2.31	23 Oct 2024	2,000	1,940	2,082
						TransCanada PipeLines Limited	3.80	5 Apr 2027	502	472	535
						TransCanada PipeLines Limited	3.39	15 Mar 2028	190	173	204
						TransCanada PipeLines Limited	3.00	18 Sep 2029	265	229	268
						TransCanada PipeLines Limited	6.50	9 Dec 2030	130	129	167

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

Schedule I – Statement of Investment Portfolio (continued)

As at October 31, 2023

(in thousands of Canadian dollars)

Security	Interest Rate (%)	Maturity Date	Par Value (\$)	Fair Value (\$)	Average Cost (\$)
Bonds (continued)					
Corporate – 30.4% (continued)					
TransCanada Pipelines Limited	5.33	12 May 2032	538	509	548
TransCanada Pipelines Limited	4.55	15 Nov 2041	1,581	1,259	1,742
TransCanada Pipelines Limited	4.33	16 Sep 2047	290	215	240
TransCanada Pipelines Limited	4.18	3 Jul 2048	120	86	89
TransCanada Pipelines Limited	4.34	15 Oct 2049	375	276	295
TransCanada Pipelines Limited	5.92	12 May 2052	48	45	48
Union Gas Limited	5.20	23 Jul 2040	809	773	1,071
Union Gas Limited	4.20	2 Jun 2044	329	273	393
Ventas Canada Finance Limited	3.30	1 Dec 2031	509	407	484
VW Credit Canada Inc.	2.85	26 Sep 2024	1,000	975	1,013
Wells Fargo & Company	2.57	1 May 2026	496	471	499
Wells Fargo & Company	2.98	19 May 2026	2,842	2,651	2,926
				149,293	165,406
Total Fixed Income – 64.8%			318,160	347,367	
Securities					
			Number of Securities	Fair Value (\$)	Average Cost (\$)
Exchange-traded Funds – 33.9%					
BMO S&P 500 Index ETF			316,600	20,145	17,950
iShares Core MSCI Emerging Markets IMI Index ETF			572,348	13,994	15,859
iShares Core S&P 500 Index ETF			826,306	24,803	26,200
iShares Core S&P U.S. ETF			1,347,805	57,780	39,915
iShares Global Infrastructure Index ETF			248,108	8,520	7,275
iShares Global Real Estate Index ETF			331,838	8,143	9,694
iShares Core MSCI EAFE IMI Index ETF			1,001,984	31,988	31,043
Vanguard FTSE Emerging Markets All Cap Index ETF			37,200	1,175	1,469
				166,548	149,405
Total Equities – 33.9%				166,548	149,405
Total Investments – 98.7%				484,708	496,772
Cash and cash equivalents – 1.3%				6,527	6,527
Total Portfolio Assets – 100.0%				491,235	503,299
Total Investment Fund				491,235	503,299

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

Schedule II – Subscribers’ Deposits and Accumulated Income

As at October 31, 2023 and 2022

(in thousands of Canadian dollars)

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

Opening Agreements	Inflow Agreements	Outflow Agreements	Closing Agreements	Subscribers’ Deposits	Accumulated Income
77,977	13,194	9,624	81,547	227,573	98,414

The changes in Subscribers’ deposits are as follows:

	2023	2022
Net payments from subscribers ¹	\$ 10,290	\$ 10,770
Inter-plan principal transfers	81,202	77,321
Return of principal	(82,872)	(81,517)
Net increase in Subscribers’ deposits	8,620	6,574
Balance, Beginning of Year	218,953	212,379
Balance, End of Year	\$227,573	\$218,953

1. Net of Sales charges collected of \$47 (2022 – \$27)

Notes to the Financial Statements

October 31, 2023 and 2022

(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”), 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. Material 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 December 19, 2023.

(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 ⁱ
Cash and cash equivalents	Amortized Cost ⁱⁱ
Accrued income and other receivables	Amortized Cost ⁱⁱ
Receivables for securities sold	Amortized Cost ⁱⁱ
Accounts payable and accrued liabilities	Amortized Cost ⁱⁱⁱ
Payables for securities purchased	Amortized Cost ⁱⁱⁱ

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

ⁱⁱ 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.

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

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)

October 31, 2023 and 2022

(in thousands of Canadian dollars)

Note 2. Material Accounting Policies (continued)

(d) Investment valuation (continued)

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

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

Note 8 provides further guidance on fair value measurements.

(e) Investment transactions and income recognition

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

(f) Subscribers' deposits and sales charges

Subscribers' deposits reflect amounts received from subscribers and do not include future amounts receivable on outstanding Agreements. A sales charge is required as part of the initial contribution under each Agreement. Sales charges collected during the reporting period are paid to 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 and account maintenance fees are paid to the Foundation at 1% of the total amount of principal, Government Grants and income earned thereon.

During the year ended October 31, 2023, \$5,423 was recognized as an expense for Administration and account maintenance fees (2022 – \$5,409). Administration and account maintenance fees included in Accounts payable and accrued liabilities at October 31, 2023 was \$71 (2022 – \$163).

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 year ended October 31, 2023, \$46 was paid to CST Savings from sales charges collected (2022 – \$27). Related amounts included in Accounts payable and accrued liabilities at October 31, 2023 was \$nil (2022 – \$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 year ended October 31, 2023, the Plan recognized an expense of \$11 (2022 – \$5) for the services of the IRC. IRC fees included in Accounts payable and accrued liabilities at October 31, 2023 was \$nil (2022 – \$nil).

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

Included in Portfolio management fees on the Statements of Comprehensive Income is \$75 (2022 – \$71) charged by CST Savings for expenses incurred to monitor and manage the portfolio managers. Included in Accounts payable and accrued liabilities is \$7 owing from CST Savings at October 31, 2023 (2022 – \$21) relating to these expenses.

(d) Fees paid for investment management services provided by C.S.T. Asset Management Inc.

CST Savings has appointed C.S.T. Asset Management Inc. ("CSTA") to manage a portion of the Plan's investment accounts.

Notes to the Financial Statements (continued)

October 31, 2023 and 2022

(in thousands of Canadian dollars)

Note 3. Related Party Transactions (continued)

(d) Fees paid for investment management services provided by C.S.T. Asset Management Inc. (continued)

The agreement shall continue in force and can be terminated with 30 days' notice. The fair value of the total investments managed by CSTA is \$108,152 as of October 31, 2023 (2022 – \$86,017).

Included in Portfolio management fees on the Statements of Comprehensive Income is \$126 charged by CSTA for expenses incurred for the performance of these services (2022 – \$109). Included in Accounts payable and accrued liabilities is \$44 owing to CSTA at October 31, 2023 relating to these expenses (2022 – \$9).

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	Oct 31, 2023	Oct 31, 2022
Less than 1 year	12%	5%
1-3 years	17%	10%
3-5 years	15%	18%
Greater than 5 years	22%	29%
Total debt instruments	66%	62%

As at October 31, 2023, if prevailing interest rates had increased by 1%, the fair value of the Total Investment Fund of \$491,235 (2022 – \$457,726) as per the Schedule I – Statement of Investment Portfolio would have decreased by approximately \$12,235 (2022 – \$11,546). If prevailing interest rates had decreased by 1%, the fair value of the Total Investment Fund would have increased by approximately \$13,842 (2022 – \$13,078). 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 34% (2022 – 38%) of the Total Investment Fund amount as at October 31, 2023.

As at October 31, 2023, 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 \$1,665 (2022 – \$1,755). In practice, actual results may differ materially.

Notes to the Financial Statements (continued)

October 31, 2023 and 2022

(in thousands of Canadian dollars)

Note 6. Risks Associated with Financial Instruments (continued)

(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, 2023		October 31, 2022	
	% of Total Investment Fund	Amount	% of Total Investment Fund	Amount
AAA	8%	\$ 37,438	8%	\$ 34,370
AA/AAH/AAL	30%	144,813	30%	138,686
A/AH/AL	13%	65,530	14%	64,052
BBB	9%	45,109	7%	31,612
R-1	0%	-	0%	65
Short-term unrated	6%	31,797	3%	13,399
Total debt instruments	66%	\$324,687	62%	\$282,184

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 33% (2022 – 38%) of the Total Investment Fund. The fair value of the Total Investment Fund would increase or decrease by approximately \$1,637 (2022 – \$1,723) in response to a 1% depreciation or appreciation of the Canadian dollar currency exchange rate. In practice the actual change may differ materially.

Note 7. Sales Charge Refund

If a subscribers' Agreement is transferred from CST Advantage Plan, the subscriber may be eligible for a partial refund of the CST Advantage Plan sales charges paid. The percentage of sales charges to be refunded is dependent on the length of time the subscribers' Agreement was in CST Advantage Plan and ranges from 0% to 25% of the total sales charges paid. The sales charge refund ('SCR Entitlement') is paid to qualified beneficiaries proportionate to the amount of EAP withdrawn. The total amount refunded for the year ended October 31, 2023 was \$2,385 (2022 – \$2,262).

SCR Entitlements are paid by CST Advantage Plan when incurred.

Note 8. Fair Value Measurements and Disclosure

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

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

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

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

Notes to the Financial Statements (continued)

October 31, 2023 and 2022

(in thousands of Canadian dollars)

Note 8. Fair Value Measurements and Disclosure (continued)

Assets Measured at Fair Value as of October 31, 2023

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 318,160	\$ -	\$318,160
ETFs and Equity securities	166,548	-	-	166,548
Total Investments, at fair value	\$166,548	\$318,160	\$ -	\$484,708

Assets Measured at Fair Value as of October 31, 2022

	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 260,771	\$ -	\$260,771
ETFs and Equity securities	175,542	-	-	175,542
Total Investments, at fair value	\$175,542	\$260,771	\$ -	\$436,313

For the years ended October 31, 2023 and 2022, 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
155 Wellington Street West, 2nd Floor
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