

**STUDENTS TRUST
INTERNATIONAL PLANS**
*Canadian \$ Students Trust
International Plan*

Financial Statements
for the year ended September 30, 2008
and Independent Auditor's Report

STUDENTS TRUST INTERNATIONAL PLANS

Canadian \$ Students Trust International Plan

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 – 2
FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2008	
Statement of financial position	3 – 4
Statement of comprehensive income	5
Statement of changes in net assets	6 – 7
Statement of cash flows	8
Notes to financial statements	9 – 24

INDEPENDENT AUDITOR'S REPORT

To the Directors of

O'Shaughnessy Education Foundation Limited

We have audited the accompanying financial statements of the Canadian \$ Students Trust International Plan (expressed in Canadian dollars), which comprise the statement of financial position as of September 30, 2008, the statement of comprehensive income, the statement of changes in net assets and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit • Tax • Consulting • Financial Advisory •



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Canadian \$ Students Trust International Plan as of September 30, 2008, its financial performance, its changes in net assets and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

A handwritten signature in black ink that reads "Deloitte & Touche". The signature is written in a cursive, flowing style.

April 6, 2009
British Virgin Islands

STUDENTS TRUST INTERNATIONAL PLANS
Canadian \$ Students Trust International Plan
STATEMENT OF FINANCIAL POSITION
AT SEPTEMBER 30, 2008
(Expressed in Canadian dollars)


	Note	2008	2007
Assets			
<i>Non-current assets</i>			
Available-for-sale financial assets	6	\$ 12,619,218	\$ 15,422,686
Subscriber deposits receivable	5	6,886,842	3,582,454
		19,506,060	19,005,140
 <i>Current assets</i>			
Subscriber deposits receivable	5	2,328,660	2,654,154
Cash and cash equivalents		13,960,466	4,727,411
Due from related parties	7	259,294	34,742
		16,548,420	7,416,307
 Liabilities			
<i>Current liabilities</i>			
Due to related party	7	224,078	-
Trade and other payables		44,067	-
		268,145	-
NET ASSETS		\$ 35,786,335	\$ 26,421,447

See notes to financial statements


STUDENTS TRUST INTERNATIONAL PLANS
Canadian \$ Students Trust International Plan
STATEMENT OF FINANCIAL POSITION (continued)
AT SEPTEMBER 30, 2008
(Expressed in Canadian dollars)

	Note	2008	2007
NET ASSETS REPRESENTED BY:			
Subscriber balances			
Subscriber deposits	4	\$ 23,755,765	\$ 17,697,963
Subscriber deposits receivable		9,057,329	6,173,636
Subscriber deposits - guaranteed return of fees	4	192,223	165,452
Guaranteed return of fees due from subscribers		18,590	25,201
Guaranteed return of fees interest for subscribers	4	22,994	17,709
		33,046,901	24,079,961
Beneficiary balances			
Beneficiary pool interest	4	2,396,654	1,748,178
Beneficiary post maturity interest		10,902	9,035
Return of enrolment fee reserve		156,454	79,113
Enhancement account		218,445	114,738
		2,782,455	1,951,064
Investment revaluation reserve	10	(43,021)	390,422
		\$ 35,786,335	\$ 26,421,447


For and on behalf of the Plan



Tom F. O'Shaughnessy
O'Shaughnessy
Education Foundation Ltd



Freya D. Giffen,
Trust Manager



John B. Nusum
Fiduciary Director

FOR AND ON BEHALF OF
HSBC INTERNATIONAL TRUSTEE
LIMITED AS TRUSTEE OF
THE C\$STI PLAN

See notes to financial statements

STUDENTS TRUST INTERNATIONAL PLANS
Canadian \$ Students Trust International Plan
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2008

(Expressed in Canadian dollars)

	Note	2008	2007
Income			
Interest income		\$ 757,053	\$ 680,034
Donations received	7	225,000	30,000
Dividend		12,013	-
		994,066	710,034
Expenses			
Administration fee	7	232,264	166,642
Trustee fee	7	29,980	21,390
		262,244	188,032
Net investment income		731,822	522,002
Realised gain on available-for-sale financial assets		104,854	30,562
<i>Operating profit</i>		836,676	552,564
Other comprehensive income			
Available-for-sale financial assets		(433,443)	(258,118)
Total comprehensive income for the year		\$ 403,233	\$ 294,446

See notes to financial statements

STUDENTS TRUST INTERNATIONAL PLANS
Canadian \$ Students Trust International Plan
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

(Expressed in Canadian dollars)

	Note	2008	2007
Balance at the beginning of the year		\$ 26,421,447	\$ 19,162,826
<i>Funds received</i>			
<i>Subscriber balances</i>			
Subscriber deposits received		7,375,240	7,647,720
Subscriber deposits due		3,024,073	1,114,393
Subscriber deposits - guaranteed return of fees received	8	35,658	47,382
Enrolment fees	7	(1,289,368)	(1,445,293)
		9,145,603	7,364,202
Total net subscriber deposits			
<i>Beneficiary balances</i>			
Beneficiary pool interest earned		745,720	672,085
Guaranteed return of fees interest earned for subscribers	8	5,285	4,782
Interest earned on enhancement fund		3,708	3,167
Realised gains on investments		104,854	30,562
Dividends received		12,013	-
Donations received	7	225,000	30,000
		1,096,580	740,596
Total interest and other inflows			
Total funds received carried forward		\$ 36,663,630	\$ 27,267,624

See notes to financial statements

STUDENTS TRUST INTERNATIONAL PLANS
Canadian \$ Students Trust International Plan
STATEMENT OF CHANGES IN NET ASSETS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2008

(Expressed in Canadian dollars)

	Note	2008	2007
Total funds received brought forward		\$ 36,663,630	\$ 27,267,624
<i>Funds disbursed</i>			
<i>Payments to subscribers</i>			
Subscriber deposits repaid		181,608	400,027
Total payments to subscribers		181,608	400,027
 <i>Operating expenses paid</i>			
Administration fee	7	232,264	166,642
Trustee fee	7	29,980	21,390
		262,244	188,032
Total funds disbursed		443,852	588,060
 Investment revaluation reserve			
Unrealised losses on available-for-sale financial assets		433,443	258,118
 Balance at the end of the year		\$ 35,786,335	\$ 26,421,447

See notes to financial statements

STUDENT TRUST INTERNATIONAL PLANS
Canadian \$ Students Trust International Plan
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

(Expressed in Canadian dollars)

	2008	2007
Cash flows from operating activities		
Total comprehensive income	\$ 403,233	\$ 294,446
Interest Income	(757,053)	(680,034)
Available-for-sale financial assets		
Realised gains	(104,854)	(30,562)
Change in unrealised depreciation	433,443	258,118
Movements in working capital:		
(Increase)/decrease in subscriptions receivable	1,615	(37,810)
(Increase)/decrease in due from related party	(224,551)	-
Increase/(decrease) in due to related party	160,179	(84,028)
Increase/(decrease) in trade and other payables	44,067	15,690
	(18,690)	(106,148)
Purchase of long-term available-for-sale financial assets	(7,113,543)	(2,420,267)
Proceeds from sale of long-term available-for-sale financial assets	1,411,782	-
Purchase of short-term available-for-sale financial assets	(21,362,387)	-
Proceeds from maturity of short-term available-for-sale financial assets	30,132,000	-
	3,023,931	(2,684,447)
Cash used in operating activities		
Interest received	164,080	680,034
Net cash used in operating activities	3,188,011	(2,004,413)
Cash flows from financing activities		
Subscriber deposits received	6,018,272	6,158,851
Subscriber GRF received	26,772	47,381
Net cash provided by financing activities	6,045,044	6,206,232
Net increase/(decrease) in cash and cash equivalents	9,233,055	4,201,819
Cash and cash equivalents at the beginning of the year	4,727,411	525,592
Cash and cash equivalents at the end of the year	\$ 13,960,466	\$ 4,727,411

STUDENTS TRUST INTERNATIONAL PLANS

Canadian \$ Students Trust International Plan

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

(Expressed in Canadian dollars)

1. FORMATION AND ACTIVITY

The objective of the Students Trust International Plans (which consists of the Canadian \$ Students Trust International Plan (the "Plan"), US \$ Students Trust International Plan and Bermuda Students Trust International Plan, (the "other Plans")) is to provide education savings plans for individual investors who reside in countries other than Canada and the United States, to save for the post-secondary education of their children.

The Plan (expressed in Canadian dollars) was formed in the British Virgin Islands on October 1, 2002, under trust agreements between O'Shaughnessy Education Foundation Limited ("OEF") and HSBC International Trustee Limited (the "Trustee" of the Plan). Prior to April 1, 2007 the Trustee was Whitten Trust Company Limited. The Plan is administered by OEF, an International Business Company incorporated in the British Virgin Islands on September 9, 2002 with the mission to promote access to higher education primarily through the worldwide distribution of education savings plans.

The investment objective of the Plan is to maximize income earned while preserving capital by investing in government guaranteed securities such as federal and provincial Canadian bonds, coupons and treasury bills, guaranteed investment certificates, insured mortgages, and mutual funds that invest primarily in the above securities. An additional objective of the Plan is to ensure that there is sufficient liquidity to satisfy subscriber principal requests for withdrawals.

These financial statements were approved by the Board of Directors of OEF (the "Board") and authorised for issue on April 6, 2009.

2. ADOPTION OF NEW AND REVISED STANDARDS AND STANDARDS, AMENDMENTS AND INTERPRETATIONS IN ISSUE NOT YET ADOPTED

Standards and Interpretations effective in the current period

In the current year, the Plan has adopted International Financial Reporting Standards ("IFRS") 7 *Financial Instruments: Disclosures* and the complementary amendment to International Accounting Standard ("IAS") 1, *Presentation of Financial Statements*, which is effective for annual reporting periods beginning on or after January 1, 2007. The impact of the adoption of IFRS 7 has been to expand the disclosures provided in these financial statements regarding the Plan's financial instruments and management of capital (see Note 11).

Early adoption of Standards and Interpretations

In addition, the Plan has elected to adopt IAS 1 *Presentation of Financial Statements* (September 2007) in advance of its effective date, on or after 1 January 2009. The revisions to the Standard are relatively minor – the titles of some of the financial statements have been changed.

Standards, amendments and interpretations in issue not yet adopted

At the date of authorisation of these financial statements the following standards, amendments and interpretations, relevant to the Plan, were in issue but not yet effective:

STUDENTS TRUST INTERNATIONAL PLANS

Canadian \$ Students Trust International Plan

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

(Expressed in Canadian dollars)

2. ADOPTION OF NEW AND REVISED STANDARDS AND STANDARDS, AMENDMENTS AND INTERPRETATIONS IN ISSUE NOT YET ADOPTED (continued)

Standards, amendments and interpretations in issue not yet adopted (continued)

- IAS 1 *Presentation of Financial Statements*
 - Comprehensive revision including requiring a statement of comprehensive income
 - Amendments relating to disclosure of puttable instruments and obligations arising on liquidation
 - Amendments resulting from May 2008 Annual Improvements to IFRSs
- IAS 32 *Financial Instruments: Presentation*
 - Amendments relating to puttable instruments and obligations arising on liquidation
- IAS 36 *Impairment of Assets*
 - Amendments resulting from May 2008 Annual Improvements to IFRSs
- IAS 39 *Financial Instruments: Recognition and Measurement*
 - Amendments resulting from May 2008 Annual Improvements to IFRSs
- International Financial Reporting Interpretations Committee ("IFRIC") 17 *Distributions of Non-cash Assets to Owners*

The Board anticipates that all of the above standards, amendments and interpretations will be adopted in the Plan's financial statements for the period commencing January 1, 2009 (IAS 1, 32, 36 and 39) and July 1, 2009 (IFRIC 17) and that the adoption of those standards, amendments and interpretations will have no material impact on the financial statements of the Plan in the period of initial application.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with IFRS.

Basis of preparation

The financial statements have been prepared on the historical cost basis except for the revaluation of available for sale financial assets.

The accounting policies have been consistently applied to all years presented and the principal accounting policies are set out below.

STUDENTS TRUST INTERNATIONAL PLANS

Canadian \$ Students Trust International Plan

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation

The financial statements are presented in Canadian dollars (“\$”), which is both the presentation and the functional currency. Transactions in currencies other than the Plan’s functional currency (“foreign currencies”) are recorded at the exchange rates prevailing at the dates of the transactions. At the date of the statement of financial position the “reporting date”, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences are recognised in the statement of comprehensive income in the period in which they arise. Foreign exchange gains or losses from investments are presented in the statement of comprehensive income within “Other comprehensive income”. For the year ended September 30, 2008 (2007 – \$nil) there were no exchange differences.

Financial instruments

Classification

The Plan classifies its investments as available-for-sale (“AFS”). These financial assets and financial liabilities are designated by the Board as AFS upon initial recognition.

A financial asset is classified as AFS if:

- it has been designated as such; or
- it is not classified as (a) loans and receivables, (b) held-to-maturity or (c) at fair value through profit or loss (“FVTPL”).

AFS investments held by the Plan are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in the investment revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the comprehensive income is included in profit or loss of the period.

Subscriptions receivable and due from related parties which have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables

The Plan classifies its financial liabilities at FVTPL. These financial liabilities are classified as held for trading or designated by the Board as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if:

- it has been acquired (incurred) principally for the purpose of selling (repurchasing) in the near future; or
- it is a part of an identified portfolio of financial instruments that the Plan manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

STUDENTS TRUST INTERNATIONAL PLANS

Canadian \$ Students Trust International Plan

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Classification (continued)

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial liabilities which is managed and its performance is evaluated on a fair value basis, in accordance with the Plan's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Recognition and derecognition

Financial assets and financial liabilities are recognised in the Plan's statement of financial position when the Plan becomes a party to the contractual provision of the instruments.

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned. Realised gains and losses on these investments are recorded in the statement of comprehensive income. Other financial assets are derecognised only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Plan derecognises financial liabilities when, and only when, the Plan's obligations are discharged, cancelled or they expire.

Measurement

AFS financial assets are initially recognised at amortised cost. Transaction costs are expensed as incurred in the statement of comprehensive income. Subsequent to initial recognition, all financial assets and financial liabilities are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities are presented in the statement of comprehensive income in the period in which they arise.

Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate.

Financial liabilities, other than those at FVTPL, are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

STUDENTS TRUST INTERNATIONAL PLANS
Canadian \$ Students Trust International Plan
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008
(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, where appropriate, a shorter period.

Fair value

The fair value of financial assets and financial liabilities traded in an active market is based on their last sale price at the reporting date without any deduction for estimated future selling costs. Where no sale occurred at the reporting date, financial assets are priced at current bid price while financial liabilities are priced at current asking price.

IAS 39 indicates that for listed assets and liabilities the best evidence of fair value is usually that last bid and offer prices per the quoted market, respectively. The Plan's offering memorandum, however, specifies that securities listed on recognised exchanges are valued at the last traded price. The Board has determined that at the reporting dates, the valuation of the investments per the Plan's offering memorandum is not materially different to that produced under IAS 39.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Plan uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques used by market participants.

Investments not traded on an exchange or over-the-counter shall have the value as management considers fair and reasonable; provided that management shall obtain at least one independent dealer or third-party pricing service quote (unless no quotes are available) and may not value such security above the highest price obtained from all independent dealer or third-party pricing service.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets. Changes in the carrying amount of the allowance account are recognised in the investment revaluation reserve.

Cash and cash equivalents

The Plan considers cash at bank, short-term deposits and other short-term highly liquid investments with maturities of three months or less to be cash and cash equivalents.

STUDENTS TRUST INTERNATIONAL PLANS

Canadian \$ Students Trust International Plan

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income and expenses recognition

Interest income is recorded on the accrual basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income is recognised when the investor's right to receive payment has been established, normally the ex-dividend date.

Other expenses are recorded on the accrual basis as they incurred.

Subscriber deposits and subscriber deposits receivable

Subscriber deposits reflect amounts received from subscribers and do not include amounts receivable on outstanding agreements. Deposits receivable represent amounts owing from subscribers which they have committed to under contract and which, if not made in accordance with the contract, will trigger the withdrawal of the subscriber from the Plan.

Enrolment fees

Enrolment fees are deductions from subscribers' deposits which are used to cover the costs of distribution of the Plan. These fees are ultimately repaid to beneficiaries with each education payment or to the subscriber on withdrawal through the Guaranteed Return of Fees ("GRF") program. As such, enrolment fees are not recorded in the statement of comprehensive income, but are taken directly to the representing subscriber balances in net assets.

Taxation

Under the current laws of the British Virgin Islands, the Plan is not subject to income, estate, corporation or capital gains taxes. Accordingly, no provision has been made for these taxes in these financial statements. The Plan intends to conduct its affairs such that it will not be subject to taxation in any jurisdiction, other than withholding taxes on investment income and capital gains, where applicable. Withholding taxes, if any, are shown as a separate item in the statement of comprehensive income.

STUDENTS TRUST INTERNATIONAL PLANS
Canadian \$ Students Trust International Plan
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008
(Expressed in Canadian dollars)

4. SUMMARY OF SCHOLARSHIP UNITS AND SUBSCRIBER AND BENEFICIARY BALANCES

2008					
Year of commencement	Number of outstanding units	Subscriber balances			Beneficiary pool interest
		Subscriber deposits	Guaranteed return of fees	Guaranteed return of fees interest	
2009	109.60	\$ 350,720	\$ -	\$ -	\$ 108,911
2010	89.43	251,618	-	-	63,540
2011	250.47	646,351	-	-	139,560
2012	168.60	436,987	2,200	387	62,850
2013	459.85	927,821	4,055	703	154,945
2014	739.53	1,588,751	1,800	315	153,755
2015	784.17	1,430,828	8,639	619	130,309
2016	793.84	1,172,748	10,636	1,656	119,109
2017	1,094.17	1,427,908	6,858	1,009	151,750
2018	1,281.71	1,408,889	7,073	922	142,256
2019	1,617.76	1,652,700	16,612	2,277	160,679
2020	1,872.38	1,619,150	5,126	730	182,446
2021	2,955.07	2,150,558	49,066	8,547	273,745
2022	3,057.66	2,161,131	20,065	2,534	236,427
2023	3,357.21	1,994,530	12,570	1,129	147,881
2024	3,403.11	1,899,522	14,411	1,057	94,124
2025	3,580.38	1,669,257	22,020	835	52,937
2026	2,557.36	966,296	11,092	274	21,430
2027	20.00	-	-	-	-
	<u>28,192.30</u>	<u>\$ 23,755,765</u>	<u>\$ 192,223</u>	<u>\$ 22,994</u>	<u>\$ 2,396,654</u>

STUDENTS TRUST INTERNATIONAL PLANS
Canadian \$ Students Trust International Plan
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008
(Expressed in Canadian dollars)

4. **SUMMARY OF SCHOLARSHIP UNITS AND SUBSCRIBER AND BENEFICIARY BALANCES** (continued)

2007					
Year of commencement	Number of outstanding units	Subscriber balances			Beneficiary pool interest
		Subscriber deposits	Guaranteed return of fees	Guaranteed return of fees interest	
2009	105.60	\$ 337,920	\$ -	\$ -	\$ 87,811
2010	89.43	248,668	-	-	55,952
2011	250.46	645,266	-	-	120,639
2012	174.33	453,095	2,200	324	52,149
2013	454.85	901,926	4,055	588	128,875
2014	568.18	1,083,131	1,800	264	112,228
2015	566.65	871,162	4,247	396	89,848
2016	721.50	1,012,240	12,760	1,360	88,341
2017	878.76	989,614	5,610	819	108,922
2018	1,012.61	995,888	8,320	730	100,448
2019	1,315.80	1,245,136	13,046	1,822	119,462
2020	1,544.00	1,229,686	6,343	589	139,163
2021	2,487.67	1,792,355	42,345	7,160	215,385
2022	2,803.46	1,825,667	21,296	1,989	182,183
2023	2,985.05	1,520,853	11,835	801	93,412
2024	2,702.58	1,324,058	11,400	683	43,895
2025	2,763.60	1,221,298	20,195	184	9,465
	<u>21,424.53</u>	<u>\$ 17,697,963</u>	<u>\$ 165,452</u>	<u>\$ 17,709</u>	<u>\$ 1,748,178</u>

STUDENTS TRUST INTERNATIONAL PLANS
Canadian \$ Students Trust International Plan
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008
(Expressed in Canadian dollars)

5. SUBSCRIBER DEPOSITS RECEIVABLE

Subscribers have the option to pay for their fraction in the interest pool ("units") in full or in installments. Subscriptions receivable represent future installments to be made by the subscribers. These amounts are determined based on contracts between the Plan and the subscriber and are due at a future date based on these individual contracts.

	<u>2008</u>	<u>2007</u>
Non-current portion	\$ 6,886,842	\$ 3,582,454
Current portion	2,328,660	2,654,154
Total subscriptions receivable	<u>\$ 9,215,502</u>	<u>\$ 6,236,608</u>

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS

The components of investments owned at September 30 are as follows:

	<u>2008</u>		<u>2007</u>	
	Amortised cost/Cost	Fair value	Amortised cost/Cost	Fair value
Available-for-sale				
<i>Fixed income securities</i>				
Canadian federal bonds	\$ -	\$ -	\$ 132,564	\$ 158,651
Canadian treasury bills	-	-	8,526,503	8,524,208
Canadian provincial bonds	7,958,276	8,074,734	4,603,340	4,874,349
Canadian provincial agency bonds	2,299,295	2,350,553	1,769,857	1,865,478
Total fixed income securities	<u>10,257,571</u>	<u>10,425,287</u>	<u>15,032,264</u>	<u>15,422,686</u>
<i>Exchange traded funds</i>	2,404,668	2,193,931	-	-
	<u>\$12,662,239</u>	<u>\$ 12,619,218</u>	<u>\$15,032,264</u>	<u>\$ 15,422,686</u>

The Plan's main investment strategy is to invest in fixed income securities. The move to invest in exchange traded funds was a planned strategy to counter a fall in yields of long term government bonds. These investment types are allowed by the Plan's offering memorandum and the main line of investments remains fixed income securities.

STUDENTS TRUST INTERNATIONAL PLANS

Canadian \$ Students Trust International Plan

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

(Expressed in Canadian dollars)

6. AVAILABLE FOR SALE FINANCIAL ASSETS (continued)

Fixed income securities held by the Plan by calendar year of maturity are as follows:

Year of maturity	2008		2007	
	Fair value	Maturity value	Fair value	Maturity value
2007	\$ -	\$ -	\$ 8,524,208	\$ 8,556,000
2009	1,027,544	1,050,000	-	-
2010	264,721	280,000	-	-
2011	-	-	361,222	424,000
2012	392,369	460,000	728,264	913,000
2013	124,915	152,000	116,946	152,000
2014	666,434	856,000	623,321	856,000
2015	883,283	1,195,000	483,305	695,000
2016	1,454,937	2,042,000	361,481	542,000
2017	803,916	1,208,000	446,434	708,000
2018	1,481,071	2,350,524	807,788	1,350,524
2019	199,645	340,000	191,542	340,000
2020	481,062	868,000	518,036	968,000
2021	540,341	1,035,000	439,648	855,000
2022	638,194	1,307,600	408,947	832,600
2023	490,165	1,065,000	299,899	645,000
2024	622,482	1,400,000	707,430	1,610,000
2025	354,208	850,000	321,044	770,000
2026	-	-	83,171	210,000
	<u>\$ 10,425,287</u>	<u>\$ 16,459,124</u>	<u>\$ 15,422,686</u>	<u>\$ 20,427,124</u>

The yield on these investments for the current year is 4.58% (2007 – 5.14%). The overall yield on Plan assets, including donations from OEF and expenses is 4.39% (2007 – 4.01%).

7. RELATED PARTY TRANSACTIONS AND BALANCES

	2008	2007
Due from Bermuda Plan	\$ 250,989	\$ -
Due from US\$ Plan	8,305	-
Due from OEF	-	34,742
Total due from related parties	<u>\$ 259,294</u>	<u>\$ 34,742</u>
Due to OEF	<u>\$ 224,078</u>	<u>\$ -</u>

STUDENTS TRUST INTERNATIONAL PLANS

Canadian \$ Students Trust International Plan

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

(Expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

The amounts due from related parties represent subscriptions into the Canadian \$ Plan received by the other Plans, on its behalf. The amounts due from and to related parties and are unsecured, interest free and have no fixed repayment terms.

Enrolment fees

In purchasing units in the Plan (Note 8), enrolment fees of \$ 200 per unit are deducted from the subscribers' deposits and paid to OEF to cover the costs of distribution of the Plan.

For the year ended September 30, 2008, enrolment fees of \$1,289,368 (2007 – \$1,445,293) were deducted.

Donations received

For the year ended September 30, 2008, OEF made a donation to the Plan totaling \$225,000 (2007 – \$30,000) which was allocated as follows: \$50,000 to beneficiary pool interest, \$75,000 to return of enrolment fee reserve and \$100,000 to the enhancement account, (Note 9).

Trustee fee

The annual Trustee fee, plus its costs, expenses, out-of-pocket charges and investment counsel fees as agreed to between OEF and the Trustee are expressed in United States dollars and are as follows:

Plan assets under \$75 Million	0.15% of total plan assets
Plan assets over \$75 Million	0.10% of total plan assets
Subject to a minimum annual fee of \$7,000	

For the year ended September 30, 2008, trustee fees of \$29,980 (2007 – \$21,390) were incurred.

Administration fee

An annual administration fee of 1% of all amounts held in subscriber accounts, deducted from interest earned monthly at a rate of 1/12 of 1% of the month end balance is charged by OEF, the Administrator.

During the year ended September 30, 2008 administration fees of \$232,264 (2007 – \$166,642) were incurred.

STUDENTS TRUST INTERNATIONAL PLANS

Canadian \$ Students Trust International Plan

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

(Expressed in Canadian dollars)

8. SUBSCRIBER BALANCES

Subscriptions for units

A subscriber agrees to purchase units or fraction of units in the Plan, which will entitle the subscriber's child or beneficiary under the age of 13 to a share of a pool of income that is earned by the Plan. The subscriber may acquire additional units or fraction of units until the beneficiary is 13 years old, by increasing the amount of the deposits in accordance with the deposit schedule set out in the offering memorandum in respect of the Plan, using the current age of the beneficiary to determine the amount of the increase. The maximum deposit for any single beneficiary is \$50,000, unless written authorisation is received from the Trustee and OEF prior to submission of the application.

Withdrawals by subscriber

A subscriber is entitled to withdraw from the Plan at any time by written notice to OEF. If withdrawal from the Plan is within 60 days from the date that the subscriber signed the application, the subscriber is entitled to a complete refund of all deposits made less any expenses incurred. If withdrawal is 61 days or more after the subscriber signed the application, OEF shall pay expenses of the Trustee, return the principal to the subscriber and transfer the interest earned on principal and interest to the education payment fund for the benefit of beneficiaries who will qualify in the same maturity year. Upon the death of the subscriber, where arrangements have not been made to continue payments of deposits, that subscriber will be deemed to have withdrawn and subject to the above terms of withdrawal.

Return of principal

A subscriber may choose to have the entire principal deposited under the contract repaid when the beneficiary has qualified for an education payment. The principal, less any expenses incurred, can also be returned on withdrawal from the Plan.

Guaranteed return of fees

The Plan provides subscribers the option to participate in the Guaranteed Return of Fees ("GRF") program. Under the GRF program, subscribers can guarantee the return of fees by contributing the required GRF deposit at the time of enrolment. With this program, the Plan provides for an amount equal to the enrolment fees to be paid when a child qualifies for education payments, however, no enrolment fees are paid if the child does not qualify.

GRF deposits are invested in exactly the same way as the Plan's assets; and income earned is segregated and accumulated to satisfy subscriber claims under the GRF Program.

For the year ended September 30, 2008, GRF deposits of \$35,658 (2007 – \$47,382) were received and \$5,285 (2007 – \$4,782) interest was earned and segregated.

STUDENTS TRUST INTERNATIONAL PLANS

Canadian \$ Students Trust International Plan

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

(Expressed in Canadian dollars)

9. BENEFICIARY BALANCES

Beneficiary pool interest and education payments

An education payment is a distribution of income from the Plan's pool of income that is paid to a beneficiary who qualifies by attending an eligible institution with a qualifying education program. A beneficiary who qualifies is eligible for up to four education payments during the four-year period starting in the year maturity occurs (when beneficiary reaches 18 or 19 years). In each year that the beneficiary is eligible, OEF shall pay to the beneficiary the education payment determined in accordance with the Plan. Payments may be deferred by notice to OEF, provided that all payments are made before the earliest of the beneficiary turning 26 years of age, 60 days prior to the end of the 25th year following the year in which the subscriber entered into one of the Plan, or such date as otherwise required by applicable legislation.

Return of enrolment fee reserve

Upon payment of each education payment to the beneficiary, OEF shall pay out of the Plan to the beneficiary an amount equivalent to one quarter of the aggregate enrolment fee paid by the subscriber excluding any enrolment fees in respect of cancelled units.

Funds in this account are invested on the same basis as the subscriber deposits and interest earned is added to the return of enrolment fees account balance.

Enhancement account

The enhancement account held in trust by the Trustee has the sole purpose of accumulating funds which are used at the discretion of OEF to supplement education payments, pay for education payments in full and fund the repayment of enrolment fees to beneficiaries. The sources of the funds are from donations, grants or bequests received from various parties and interest earned.

Funds in this account are invested on the same basis as the subscriber deposits and interest earned is added to the return of the enhancement account.

10. INVESTMENT REVALUATION RESERVE

	<u>2008</u>	<u>2007</u>
Balance at beginning of year	\$ 390,422	\$ 648,540
Unrealised losses on available for sale financial assets	(433,443)	(258,118)
Balance at end of year	<u>\$ (43,021)</u>	<u>\$ 390,422</u>

STUDENTS TRUST INTERNATIONAL PLANS

Canadian \$ Students Trust International Plan

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

(Expressed in Canadian dollars)

11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Plan's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

An investment in the Plan is speculative and involves some degree of risk due to the nature of the portfolio of investments and the strategies employed. There can be no assurance that the investment objectives of the Plan will be achieved.

The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed by the Plan are discussed below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of market prices. Market risk comprise three types of risk: foreign currency risk, interest rate risk and other price risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Plan holds small amounts of cash denominated in currencies other than the functional currency. It is therefore exposed to currency risk as the value of the financial instruments denominated in other currencies will fluctuate due to changes in exchange rates.

A summary of the currency exposure is as follows:

	<u>2008</u>	<u>2007</u>
Hong Kong dollars	110,369	-
United States dollars	18,714	17,542
Japanese yen	12,449,383	-

At the reporting dates, if the exchange rate between the currencies above and the functional currency increased or decreased by 5% with all other variables held constant, the increase or decrease in profit or loss would not be material. The percentage used represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes all monetary assets and monetary liabilities. The sensitivity analysis above was prepared only for significant foreign currencies. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign currency risk as the year end exposure does not reflect the exposure during the year. Management's assumptions were identical for 2007.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Plan's financial assets and liabilities are non-interest bearing with the exception of the available-for-sale financial assets and cash and cash equivalents. As a result, the Plan is exposed to the interest rate risk with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

Since the strategy is to buy and hold available-for-sale financial assets to maturity, changes in interest levels from year to year do not affect the future cash flow of the investments.

STUDENTS TRUST INTERNATIONAL PLANS

Canadian \$ Students Trust International Plan

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

(Expressed in Canadian dollars)

11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Market risk (continued)

Interest rate risk (continued)

At September 30, 2008 the Plan had cash and cash equivalents of \$13,960,466 (2007 – \$4,727,411). If the spread between long-term and short-term interest rates had been 75 basis points higher or lower and all other variables were held constant, the Plan net investment income would decrease/increase by \$104,703 (2007 – \$35,456). The Plan's assumptions have not changed from the prior year.

Other price risk

Other price risk is the risk that the value of the equity securities and related derivatives will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all.

The Plan's exposure to other price risk is limited as the main line of investments are fixed income securities. A small percentage of the Plan investments are affected by market volatility.

The table below summarises the Plan's exposure to other price risk by type of investments.

	<u>2008</u>		<u>2007</u>	
	<u>Fair value</u>	<u>% of net assets</u>	<u>Fair value</u>	<u>% of net assets</u>
Available-for-sale				
Exchange traded funds	<u>\$ 2,193,931</u>	<u>6.13%</u>	<u>\$ -</u>	<u>-</u>

All investments present a risk of loss of capital. The maximum risk resulting from the investments is determined by their fair value. Possible losses from financial liabilities at FVTPL can be unlimited.

At the reporting dates, had the prices of the exchange traded funds increased/decreased by 5%, with all other variables held constant, the effect on the fair value of the Plan's investments would not be material.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

All transactions in fixed income securities and exchange traded funds are settled upon delivery using approved brokers. The risk of credit default is considered minimal, as delivery of fixed income securities and exchange traded funds sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. Risk relating to unsettled transactions is considered small due to the short settlement period involved.

The Plan seeks to mitigate the credit risk on fixed income securities by the fact that, in accordance with the Plan's Offering Memorandum, all debt investments are with government or government guaranteed issuers of G-7 countries. As of September 30, 2008 all debt holdings had credit ratings of at least AA or better as determined by Moody's Investor Service.

STUDENTS TRUST INTERNATIONAL PLANS

Canadian \$ Students Trust International Plan

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

(Expressed in Canadian dollars)

11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Credit risk (continued)

Concentration

In accordance with the Plan's offering memorandum, the Plan may only invest in bonds, coupons and other instruments of, or guaranteed by, the governments of the United States and Canada or; bonds, coupons and other instruments of, or guaranteed, governments of the States of the United States and Provinces of Canada or; government of United States and Canada treasury bills or; first mortgages insured under National Housing Act (Canada) or; mutual funds, index linked funds or professionally managed investment accounts that invest primarily in the Canadian instruments noted above, or are based upon a stock market index replication and provide protection against foreign currency fluctuations. The management mitigates the risk by constantly monitoring the portfolio to ensure the above investment type restrictions are respected.

Liquidity risk

Liquidity risk is the risk that the Plan will encounter difficulty in meeting obligations associated with its financial liabilities.

The Plan's offering memorandum provides for the on demand cancellation of subscriptions / agreements and it is therefore exposed to the liquidity risk of meeting subscriber withdrawals from the Plan. All other financial liabilities have a contractual repayment or maturity dates ranging from on demand to three months.

The Plan mitigates its risk by requesting from the subscribers to the Plan to provide withdrawal written notices of at least 60 days which gives time to the Plan to gather the necessary amounts by selling investments. All investments are actively traded and the Plan can quickly liquidate a position on demand.

The Plan does not anticipate any significant liquidity concerns in funding withdrawal requests or other liabilities.

Capital risk management

Management considers the Plan's capital to consist of the subscriber balances attributable to unit subscriptions in the Plan. Management monitors the capital of the Plan to ensure compliance with the Plan's investment objectives, policies and restrictions, as outlined in the Plan's offering memorandum, while maintaining sufficient liquidity to present obligations. The Plan does not have externally imposed capital requirements.

12. EVENTS AFTER THE REPORTING PERIOD

Subsequent to year end OEF has initiated a subscriber vote to re-domicile the Plan from the British Virgin Islands to Bermuda. When a positive result is obtained, OEF will apply to the Bermuda Monetary Authority to approve the transfer and register the Plan in Bermuda.