

AMENDMENTS TO PROSPECTUS

*No securities regulatory authority has expressed an opinion about these securities
and it is an offence to claim otherwise.*

Amendment No.1 dated June 8, 2018 made to the prospectus dated December 14, 2017



UNIVERSITAS
FOUNDATION

SCHOLARSHIP PLANS qualified to be registered as Registered Education Savings Plans subject of a continuous offering in an unlimited number, by:

UNIVERSITAS Plan

This investment fund is a scholarship plan that is
managed by Universitas Management Inc.

Quebec City, QC, June 8, 2018 – This amendment aims to adjust the terms and conditions for a transfer from the UNIVERSITAS Plan to the INDIVIDUAL Plan further to changes made to the INDIVIDUAL Plan as of the date hereof.

Thus, if you currently hold a UNIVERSITAS Plan, it is now possible to request a transfer to the INDIVIDUAL Plan if your plan holds a minimum balance of \$100—in contributions, government grants and/or investment income thereon—at the time of the transfer request; if your plan holds at least one unit; and if you have paid off the sales charges in full. In the past, a plan had to hold least \$500 to qualify for this transfer.

As a result of the foregoing, the prospectus of the UNIVERSITAS Plan is hereby amended as follows:

- On pages 27 and 33, and anywhere else (as applicable), transferring to an INDIVIDUAL Plan is possible if the RESP account holds a minimum of \$100 in accumulated contributions, government grants and/or investment income at the time of the transfer request.

YOUR RIGHTS AS AN INVESTOR

You have the right to withdraw from an agreement to buy scholarship plan securities and get back all of your money (including any fees or expenses paid), within 60 days of signing the agreement. If the plan is cancelled after 60 days, you will only get back your contributions, less fees and expenses.

Any government grants you've received will be returned to the government.

In several provinces and territories, securities legislation also gives you the right to withdraw from a purchase and get back all of your money, or to claim damages, if the prospectus and any amendment contain a misrepresentation or are not delivered to you. You must act within the time limit set by the securities legislation in your province.

You can find out more about these rights by referring to the securities legislation of your province or by consulting a lawyer.

DECLARATION OF THE PLAN

June 8, 2018

This Amendment No. 1 dated June 8, 2018, made to the Prospectus dated December 14, 2017, together with the documents incorporated herein by reference, constitutes a full, true and clear disclosure of all material facts relating to the securities offered by this Prospectus, as amended, as required by the securities legislation of Quebec and New Brunswick.

Universitas Management Inc.

On behalf of the plan, as Investment Fund Manager

(s) *Gaston Roy*

President and Chief Executive Officer

(s) *Josiane Rivard*

Vice-President, Finance and Administration

The Universitas Foundation of Canada

On behalf of the plan, as Promoter

(s) *Yves Lacasse*

Chairman of the Board of Directors

(s) *Jean Marchand*

Director

Trust Eterna

As Trustee of the plan

(s) *François Ricard*

Vice-President, Administration

(s) *Robert Archer*

Secretary

DECLARATION OF THE INVESTMENT FUND MANAGER

June 8, 2018

This Amendment No. 1 dated June 8, 2018, made to the Prospectus dated December 14, 2017, together with the documents incorporated herein by reference, constitutes a full, true and clear disclosure of all material facts relating to the securities offered by this Prospectus, as amended, as required by the securities legislation of Quebec and New Brunswick.

Universitas Management Inc.

In its capacity as Investment Fund Manager

(s) *Gaston Roy*

President and Chief Executive Officer

(s) *Josiane Rivard*

Vice-President, Finance and Administration

Board of Directors of Universitas Management Inc.

On behalf of the plan

(s) *Yves Lacasse*

Chairman of the Board of Directors

(s) *Jean Marchand*

Director

DECLARATION OF THE PRINCIPAL DISTRIBUTOR

June 8, 2018

This Amendment No. 1 dated June 8, 2018, made to the Prospectus dated December 14, 2017, together with the documents incorporated herein by reference, constitutes a full, true and clear disclosure of all material facts relating to the securities offered by this Prospectus, as amended, as required by the securities legislation of Quebec and New Brunswick.

Universitas Management Inc.

In its capacity as Distributor

(s) *Gaston Roy*

President and Chief Executive Officer

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

Detailed Plan Disclosure

PROSPECTUS

CONTINUOUS OFFERING

December 14, 2017

GROUP SCHOLARSHIP PLAN

UNIVERSITAS PLAN

Only available to current subscribers of the
UNIVERSITAS Plan for unit additions
Minimum additional contribution of \$50

This investment fund is a scholarship
plan managed and invested
by Universitas Management Inc.



UNIVERSITAS
FOUNDATION

IMPORTANT INFORMATION TO KNOW BEFORE INVESTING

The following is important information you should know if you are considering an investment in a scholarship plan.

PAYMENTS NOT GUARANTEED

We cannot tell you in advance if your beneficiary will qualify to receive educational assistance payments (EAPs) from the plan or how much your beneficiary will receive. We do not guarantee the amount of any payments or that they will cover the full cost of your beneficiary's post-secondary education.

PAYMENTS FROM GROUP PLANS DEPEND ON SEVERAL FACTORS

The amount of the EAPs from a group plan will depend on how much the plan earns and the number of beneficiaries in the same beneficiary group who qualify for EAPs.

UNDERSTAND THE RISKS

If you withdraw your contributions early or fail to meet the terms of the plan, you could lose some or all of your money. Before investing, make sure you understand the risks associated with this type of investment. Carefully read the information provided under "Risks of Investing in a Scholarship Plan" on page 22 and "Risks of Investing in this Scholarship Plan" on page 23 of this Detailed Plan Disclosure.

IF YOU CHANGE YOUR MIND

You have up to 60 days after signing your contract to withdraw from your plan and get back all of your money.

If you (or we) cancel your plan after 60 days, you will get back your contributions, less the sales charges already paid. You will lose the earnings on your money. Your government grants will be returned to the government. **Remember that you pay sales charges up front. If you cancel your plan in the first few years, you could end up with much less than you put in.**

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INTRODUCTION

INTRODUCTION

The Detailed Plan Disclosure contains information to help you make an informed decision about investing in our scholarship plan and to understand your rights as an investor. It describes the plan and how it works, including the fees you pay, the risks of investing and how to make changes to your plan. It also contains information about our organization. The prospectus consists of this Detailed Plan Disclosure and the Plan Summary delivered with it.

You can find additional information about the plan in the following documents:

- ▶ the plan's most recently filed (audited) annual financial statements;
- ▶ the interim financial reports (unaudited) filed after the annual financial statements;
- ▶ the most recently filed annual Management Report of Fund Performance for the UNIVERSITAS Plan.

These documents are incorporated by reference into the prospectus, meaning they legally form part of it, as if they were printed with it. They contain a wealth of information to help you understand how your plan works, such as past transactions, the current financial situation, future prospects and the risks inherent in the plan. The prospectus includes all documents filed by the plan between the date of the prospectus and the maturity date of the plan in question.

The annual audited financial statements and the interim unaudited financial statements comply with the applicable Canadian accounting standards, and were prepared in accordance with International Financial Reporting Standards (IFRS).

These statements present the statements of financial position, the statements of net and comprehensive income, the statements of changes in net assets attributable to contracts, the statements of cash flows and the accompanying notes. The notes provide additional information to help you better understand the financial statements and the management of the plan's assets.

The Management Report of Fund Performance for the UNIVERSITAS Plan, on the other hand, presents the financial highlights of the year that influenced plan performance. This report is produced by Universitas Management Inc.; it presents its economic outlook for the coming year and the company's investment objectives and strategies. It also provides a comprehensive analysis of the latest fund performance.

All these documents contribute to helping you make an informed decision. We encourage you to read them before investing in one of our scholarship plans.

You can get a free copy of these documents by calling 1-877-710-RESP (7377), by writing to us at Universitas Management Inc., 1035 Wilfrid-Pelletier Avenue, Quebec (Quebec) G1W 0C5 or by email at info@universitas.ca.

You can view these documents on our website (universitas.ca) and existing subscribers may access them by clicking on the "CLIENT SPACE" tab.

These documents and other information about our plans are also available at sedar.com

TERMS USED IN THIS PROSPECTUS

TERMS USED IN THIS PROSPECTUS

In this document, the words “we”, “us” and “our” refer to the Universitas Foundation of Canada (the Foundation), Universitas Management Inc. or to the scholarship plan. The words “you” and “your” refer to potential investors, subscribers and beneficiaries.

Here are the definitions of some key terms used in this prospectus:

Accumulated income payment (AIP): income generated by your contributions and government grants that you may receive from your plan if your beneficiary does not pursue eligible studies, provided conditions stipulated in the *Income Tax Act* (Canada) and the *Taxation Act* (Quebec) have been respected and the amount exceeds the fair market value of any contribution and government grant paid into the plan for refund of the amount.

AIP: see **Accumulated income payment**.

Application date: date on which you opened your plan, which is the date you signed your contract.

Attrition: under a group plan, a reduction in the number of beneficiaries in a beneficiary group who qualify for EAPs. See also **Pre-maturity attrition** and **Post-maturity attrition**.

Beneficiary: person designated to receive EAPs under the plan.

Beneficiary group: beneficiaries of the group plan with the same year of eligibility. They are born in the same year.

Contract: the scholarship plan agreement entered into by the subscriber and the Foundation when opening an education savings plan.

Contribution: the amount paid into the plan by the subscriber. The sales charges are deducted from your contributions and the remaining amount is invested in the plan.

A contribution to an education savings plan does not include an amount paid into the plan under or because of the *Canada Education Savings Act* or a designated provincial program, or any other program that has a purpose similar to a designated provincial program and that is funded, directly or indirectly, by a province (other than an amount paid into the plan by a public primary caregiver in his or her capacity as subscriber of the plan).

Designated post-secondary educational institution: Refers to:

- a) one of the following institutions located in Canada:
 - i. A university, college or other educational institution that is accredited by a provincial government pursuant to the *Canada Student Loans Act*, i.e., an authority having jurisdiction in application of the *Canada Student Financial Assistance Act*, or designated by the Quebec *Ministère de l'Éducation, de l'Enseignement Supérieur et de la Recherche* for the purposes of application of Quebec's *Act respecting financial assistance for education expenses*.
 - ii. An educational institution recognized by Human Resources and Skills Development Canada to offer courses intended to teach or enhance the skills needed

in the exercise of a professional activity, with the exception of courses used to obtain university credits.

- b) an educational institution located abroad that is a university, college or other institution offering post-secondary programs in which the beneficiary is enrolled for one or more courses having a minimum duration of 13 consecutive weeks, or a university where the beneficiary was enrolled full time for a course having a minimum duration of three consecutive weeks.

Designated provincial program:

- a) Any program administered under an agreement reached pursuant to Section 12 of the *Canada Education Savings Act*;
- b) A program established under the laws of a province to encourage the funding of a child's post-secondary education through savings in registered education savings plans.

EAP: see **Educational Assistance Payment**.

EAP account: the account that holds the income earned on contributions made by subscribers. There is a separate EAP account for each beneficiary group. This account also includes income earned on contributions from subscribers who cancelled their plan or whose plan we cancelled. These funds are redistributed to the remaining beneficiaries in the beneficiary group as part of their EAPs.

Earnings: the sum earned on your (i) contributions (excluding sales charges) and (ii) government grants, such as interest and capital gains. For the group plan, income earned after the maturity date is not included in the EAP account of the beneficiary group.

Educational assistance payment (EAP): an EAP is made to or on behalf of your beneficiary after the maturity date for eligible studies. The EAP consists of your income and your government grants. For group scholarship plans, the EAP consists of your government grants, the income earned on grants and your beneficiary's share in the EAP account. EAPs do not include the sales charges, which are refunded to the subscriber.

Eligible studies: a post-secondary educational program that meets the requirements of the *Income Tax Act* (Canada) for the beneficiary to receive EAPs. For more information, see “Eligible Studies” and “Summary of Eligible Studies” on pages 13 and 19 of this Detailed Plan Disclosure.

Government grant: a financial grant, a learning bond or financial incentive offered by the federal government (such as the Canada Education Savings Program or the Canada Learning Bond) or a provincial government to assist with saving for post-secondary education in an RESP.

Grant contribution room: amount of the government grant for which you qualify under a federal or provincial government grant program (also known as grant room).

Income: Has the same meaning as **Earnings**.

Maturity date: the date on which the plan matures. Generally, it falls in the year your beneficiary is expected to begin his or her first year of post-secondary education.

Plan: The UNIVERSITAS Plan is a scholarship plan that provides funding for the post-secondary education of a beneficiary.

Post-maturity attrition: under a group plan, a reduction in the number of beneficiaries who qualify for EAPs in a beneficiary group after the maturity date. See also **Attrition**.

Pre-maturity attrition: under a group plan, a reduction in the number of beneficiaries who qualify for EAPs in a beneficiary group before the maturity date. See also **Attrition**.

Public Primary Caregiver: the public curator in the province in which the beneficiary resides for whom a special allowance is paid pursuant to the *Children's Special Allowances Act* (Canada) or the department, agency or institution responsible for this beneficiary.

Qualifying educational program of study: a post-secondary educational program that lasts at least three weeks in a row, with a minimum of 10 hours of instruction or work per week.

Subscriber: the person who enters into a contract with the Universitas Foundation of Canada to make contributions under the terms of a plan.

Trust: the person who irrevocably holds assets as part of a registered education savings plan for one or other of the following purposes:

- a) the payment of educational assistance payments;
- b) the payment, since 1998, of accumulated income payments;
- c) the refund of contributions:
 - i. the repayment of the sums (and the payment of sums linked to this repayment) pursuant to the *Canada Education Savings Act* or a designated provincial program.
- d) payments made to designated Canadian educational institutions or to a trust in favour of such institutions under the *Income Tax Act* (Canada);
- e) the payment to a trust that irrevocably holds assets pursuant to a registered education savings plan for a purpose referred to in a) to d).

Unit: under a group plan, a unit is your beneficiary's proportionate share of the EAP account. The contribution amount per unit is determined by the terms of the contract you sign and the applicable contribution schedule.

Year of eligibility: year in which a beneficiary has the right to receive EAPs for the first time under the terms of a plan. For a group plan, it is usually the year the beneficiary undertakes his or her first academic year of eligible studies. In general, the year of eligibility is the same year as the maturity date.

For other types of plans, the year of eligibility occurs when the beneficiary enrolls in an eligible program of study.

GENERAL INFORMATION

OVERVIEW OF OUR SCHOLARSHIP PLAN

WHAT IS A SCHOLARSHIP PLAN?

A scholarship plan is an investment fund designed to help you save for a beneficiary's post-secondary education. To be eligible for government grants and tax benefits, your plan must be registered as a Registered Education Savings Plan ("RESP"). To do this, we need your Social Insurance Number ("SIN") and the SIN of the beneficiary.

You sign a contract when you open a plan with us. You then make contributions to your plan and we invest your contributions on your behalf, after deducting the applicable fees. You get back your contributions whether or not your beneficiary undertakes a post-secondary education. We will make educational assistance payments (EAPs) to or on behalf of your beneficiary if he or she enrolls in eligible studies and all the terms of the contract are met.

Before signing, please read the contract closely and make sure you understand it. If you or your beneficiary does not comply with the terms of the contract, a loss may ensue and your beneficiary may lose some or all of his or her EAPs.

If you are not the beneficiary's parent, we are under the legal obligation to inform, in writing, such beneficiary's guardian (or public primary caregiver) of the existence of the plan, and to disclose your name and address. This requirement must be carried out within 90 days following the application date.

TYPE OF PLAN OFFERED

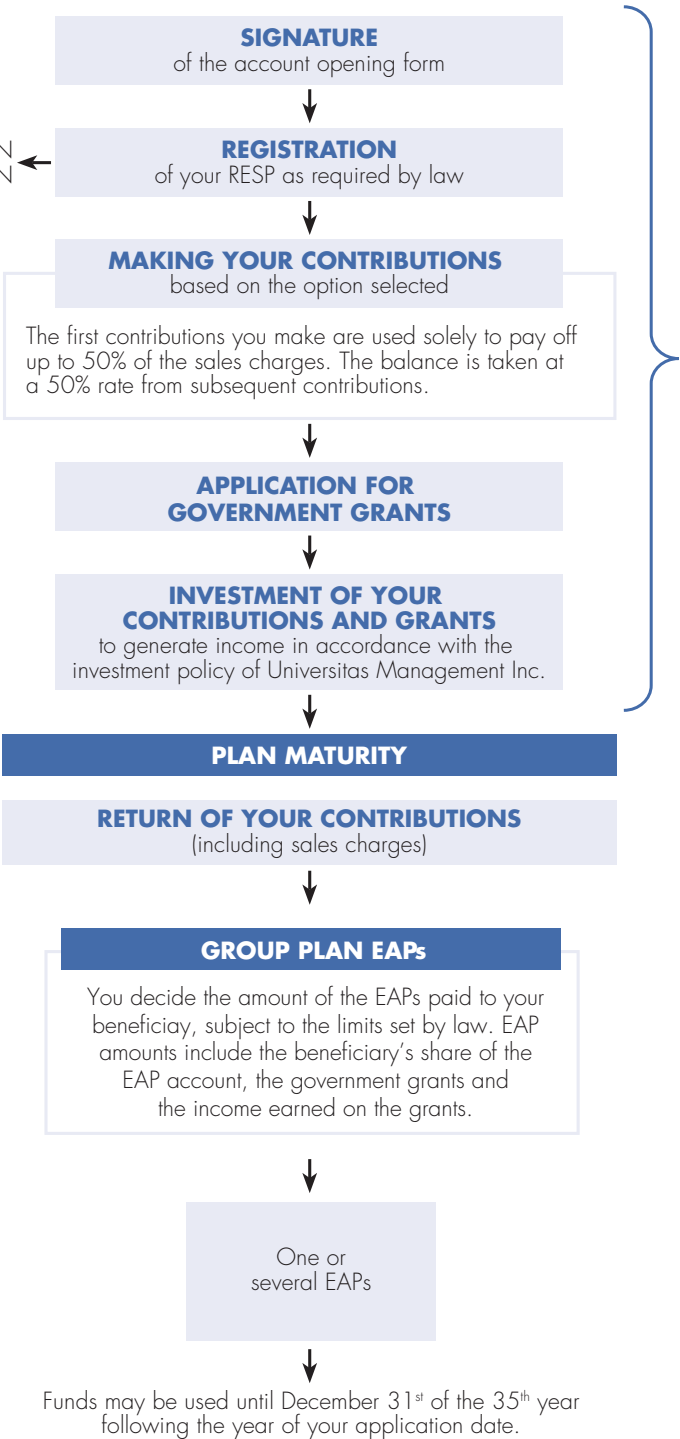
The UNIVERSITAS Plan is a group education savings plan that is solely offered and available to investors who subscribed to this plan prior to November 20, 2013. These subscribers are the only ones who may add units or fractional units. These additional units are issued by the UNIVERSITAS Plan.

HOW OUR PLAN WORKS

MAKE SURE YOUR CONTACT INFORMATION IS UP TO DATE!

It is important that you inform us of any changes to your address and contact information. We will need to send you important information **during the entire term of the plan**. We will also need to communicate with the beneficiary and you **at the maturity of the plan** to return your contributions and make payments to the beneficiary.

You must provide your SIN and the beneficiary's SIN



CANCELLATION OF YOUR PLAN

POSSIBLE AT ANY TIME.
We retain the sales charges unless the cancellation takes place within 60 days of signing the contract.

GENERAL INFORMATION

HOW TO SUBSCRIBE TO ADDITIONAL UNITS OR UNIT FRACTIONS FOR THE PLAN

You can subscribe for additional units or unit fractions by completing the unit addition form with the help of your representative. Your beneficiary must be a Canadian resident for the entire period that you contribute to the plan.

The sums invested as unit (or fractional unit) additions are recorded and maintained by the custodian. Accordingly, they represent a cash amount that you save until it is reimbursed to you.

Universitas Management Inc., as investment fund manager, receives your contributions and transfers them to the custodian, after deducting the applicable sales charges. The custodian deposits these amounts into your subscriber account and ensures their safekeeping and preservation. The contributions paid are part of the assets of the scholarship plan.

GOVERNMENT GRANTS

The Government of Canada and the Government of Quebec have both introduced measures to support education savings. The Canada Education Savings Grant (CESG) and Canada Learning Bond (CLB) are offered by the federal government. Quebec, meanwhile, has introduced the Quebec Education Savings Incentive (QESI) for beneficiaries who reside in the province of Quebec.

The government grants and their income are added to the income from your contributions for the calculation of the EAPs that a beneficiary may receive when he or she pursues eligible studies.

The government grants received belong exclusively to your beneficiary and are invested separately from your contributions. The grant amount is pooled with the grants of other beneficiaries under the group plan.

CANADA EDUCATION SAVINGS GRANT (CESG)

To be eligible for the basic CESG, your beneficiary must be a resident of Canada. The CESG is paid into the plan on the beneficiary's behalf until the end of the calendar year during which he or she reaches the age of 17. Regardless of your family income, the basic grant is equal to 20% on every dollar invested until your contributions reach \$2,500 per year. You can make contributions to your plan exceeding the amount eligible for the maximum annual amount in government grants. However, contributions exceeding \$2,500 will not attract CESG unless you have unused grant room.

The contributions you make to your RESP during the year in which your beneficiary turns 16 or 17 years old may be eligible for the CESG if:

- ▶ a minimum of \$2,000 was contributed to (and not withdrawn from) one or more RESPs on the beneficiary's behalf before the end of the calendar year in which he or she turned 16 years old; or

- ▶ a minimum annual contribution of \$100 was made to (and not withdrawn from) the beneficiary's RESP in any four years before the end of the calendar year in which he or she turned 16 years old.

Based on the adjusted family net income of the beneficiary's primary caregiver, your beneficiary could be eligible for the additional CESG and receive extra grants equal to 10% or 20% of the first \$500 contributed each year.

The lifetime CESG limit granted to a beneficiary may not exceed \$7,200 for all the beneficiary's plans combined, and for their entire duration.

CANADA LEARNING BOND (CLB)

The CLB grant offered by the federal government is equal to \$500 the first year of eligibility for this grant. Thereafter, your beneficiary could receive \$100 for each subsequent year until the year of his or her 15th birthday inclusive, for a maximum total of \$2,000.

To be eligible, the beneficiary's family must meet the financial criteria established by the federal government. In addition, the beneficiary must:

- ▶ be born after December 31, 2003;
- ▶ have a birth certificate;
- ▶ have a SIN;
- ▶ be the beneficiary of an RESP; and
- ▶ reside in Canada.

At the time the first CLB grant is paid into a plan, the federal government can add \$25 to cover part of the administration fees. This sum is paid directly to Universitas Management Inc.

QUEBEC EDUCATION SAVINGS INCENTIVE (QESI)

To be eligible for the basic QESI, your beneficiary must have a SIN, be a resident of Quebec on December 31st of the tax year, and be the beneficiary of an RESP. The QESI is available until the end of the calendar year during which the beneficiary reaches the age of 17.

Regardless of your family income, the basic QESI is equal to 10% of the first \$2,500 contributed into an RESP during a given tax year.

Contributions made after December 31, 2008 for a beneficiary 16 or 17 years of age may be eligible for the Quebec Education Savings Incentive if a Canada Education Savings Grant was paid into an RESP for the beneficiary the same year.

Based on the adjusted family net income of the beneficiary's primary caregiver, your beneficiary could be eligible for the additional QESI and receive extra grants equal to 5% or 10% of the first \$500 contributed each year.

The lifetime QESI limit granted to a beneficiary may not exceed \$3,600 for all the beneficiary's plans combined and for their entire duration.

REIMBURSEMENT OF GOVERNMENT GRANTS

There are various situations where the CESG must be returned to the government, including when:

- a) a partial or total withdrawal of contributions is made before the beneficiary is enrolled part-time or full-time in an eligible post-secondary program of study;
- b) you cancel your contract;
- c) the registered education savings plan is terminated or its registration is revoked;
- d) the beneficiary passes away or becomes totally and permanently disabled, and no other beneficiary is designated;
- e) an ineligible transfer is made;
- f) a payment to a designated post-secondary educational institution is made pursuant to the terms of the *Income Tax Act* (Canada);
- g) accumulated income payments (AIPs) are made.

The entire CESG and additional CESG must also be returned when a change of beneficiary is made and one of the following conditions is not met:

- ▶ an additional CESG amount (exceeding the basic 20% rate) was received for the former beneficiary, the new beneficiary is his or her sibling and the new beneficiary is younger than 21 years of age at the time of the change; or
- ▶ no additional CESG amount was received for the former beneficiary; and
 - ▶ the new and former beneficiaries are siblings and the new beneficiary had not reached the age of 21 at the time of the change; or
 - ▶ the new and former beneficiaries are related by blood to the original subscriber of the contract and neither of them had reached the age of 21 at the time of the change.

In situations where the CESG must be returned to the federal government, the same criteria apply to the QESI and we are under the obligation to refund such amounts to the Government of Quebec.

There are various situations where the CLB must be returned to the government, including when:

- a) you cancel your contract;
- b) the registered education savings plan is terminated or its registration is revoked;
- c) a change of beneficiary occurs;
- d) accumulated income payments (AIPs) are made;
- e) a payment is made to a designated post-secondary educational institution;
- f) an ineligible transfer is made;
- g) the beneficiary passes away.

Any CLB returned to the Government of Canada for one of the reasons previously stipulated can be paid again in favour of the same beneficiary if the CLB eligibility criteria are met once more.

To learn more about the CESG and the CLB, visit canada.ca/education-savings; for information about the QESI visit the "Other Information, Programs and Credits" section of revenuquebec.ca. You can also contact your sales representative or our customer service at any time regarding the grant applications Universitas Management Inc. submits on your behalf.

CONTRIBUTION LIMITS

The lifetime contribution limit for RESPs is set at \$50,000 per beneficiary for all plans opened on his or her behalf, in accordance with the *Income Tax Act* (Canada). Government grants are not included in the calculation of this limit. Should the contributions made exceed this limit, tax penalties will apply. Please refer to the section "How You Are Taxed," on page 14.

You can make contributions to your plan exceeding the amount eligible for the maximum annual grant amounts. However, these contributions will not attract government grants unless you have unused grant room. All contributions you make are invested in your plan the same way.

FEES AND EXPENSES

There are costs for joining and participating in our plan. You pay a portion of these fees and expenses directly from your contributions. The plan pays part of the fees and expenses, which are deducted from the plan's earnings. Refer to the "Costs of Investing in this Plan" on page 28 of this Detailed Plan Disclosure for a description of the fees and expenses. Fees and expenses reduce the plan's return, which reduces the amount available for EAPs.

The fees and expenses of the UNIVERSITAS Plan are not the same as those of the other plans promoted by the Foundation and your choice of plan will affect the compensation Universitas Management Inc. pays its representatives.

ELIGIBLE STUDIES

EAPs will be made to or on behalf of your beneficiary only if he or she pursues eligible studies within the meaning of the *Income Tax Act* (Canada). A summary of the programs of study that qualify for EAPs under the plan is presented under "Summary of Eligible Studies" on page 19 of this Detailed Plan Disclosure. We recommend that you carefully read the "Specific Information about Our Plan – The UNIVERSITAS Plan" on page 19.

GENERAL INFORMATION

PAYMENTS FROM THE PLAN

RETURN OF CONTRIBUTIONS

Your contributions, less the sales charges, are always refunded to you or paid to your beneficiary in one or more instalments, at your discretion. In addition, a sum equal to the sales charges paid under a UNIVERSITAS Plan is reimbursed to you in full at maturity. The income from the plan is usually paid to or on behalf of your beneficiary.

EDUCATIONAL ASSISTANCE PAYMENTS (EAPs)

Your beneficiary will receive EAPs if he or she qualifies and you meet the terms of the *Income Tax Act* (Canada). The amount of the EAPs depends on the type of plan chosen, the amount of your contributions, the government grants received and on the performance of the plan's investments.

You should know that the *Income Tax Act* (Canada) provides for restrictions on the EAP maximum amount that can be paid from an RESP.

The total EAPs a qualified beneficiary may receive is limited to the following:

- ▶ for studies in a qualifying educational program (full-time), the beneficiary can receive up to \$5,000, for the first 13 consecutive weeks. After the beneficiary has completed the 13 consecutive weeks, there is no limit on the amount of EAPs that can be made if the beneficiary continues to qualify to receive them. If, during a 12-month period, the beneficiary is not enrolled in an eligible program of study for 13 consecutive weeks, the \$5,000 limit will apply once again; or
- ▶ for studies in a specified educational program (part-time), the beneficiary can receive up to \$2,500 for each 13-week period of the program.

Under exceptional circumstances, the beneficiary can receive more than \$5,000 when the Minister responsible for enforcing the *Canada Education Savings Act* has approved such an amount, in writing, following an application for exemption.

Note that the federal government has established an annual maximum amount of EAPs that can be made to a beneficiary. For 2017, that amount was \$23,113 and it is indexed each year based on the consumer price index.

UNCLAIMED ACCOUNTS

If we are unable to contact you at your last known address on file and you have ceased to make your contributions and do not claim the refund of your contributions, we will switch your contribution option to a single contribution option, provided your accumulated contributions are sufficient to allow it and your plan has not reached maturity. If you are switched to a single contribution option, you are not required to make any additional contributions.

This approach allows us to maintain your beneficiary's right to EAPs, government grants and their earned income, which are always invested for his or her exclusive benefit.

It is understood that we will analyze each file before applying this measure. If this alternative is not possible, we will cancel your plan.

If necessary, you can obtain payment of unclaimed amounts by contacting us. However, three years after a plan expires, Universitas Management Inc. will dispose of the money in accordance with the requirements of the *Unclaimed Property Act* (Quebec). We will try to contact you by sending a notice of termination prior to such date.

RISKS OF INVESTING IN A SCHOLARSHIP PLAN

If you or your beneficiary does not meet the terms of the contract, a loss may ensue and your beneficiary could lose some or all of his or her EAPs. Please read the description of the risks under "Risks of Investing in this Scholarship Plan" in this Detailed Plan Disclosure.

INVESTMENT RISKS

The prices of the securities held by the scholarship plan may fluctuate. See "Risks of Investing in this Scholarship Plan" on page 23 of this Detailed Plan Disclosure.

HOW TAXES AFFECT YOUR PLAN

Here is a brief summary of the fiscal aspects pursuant to the *Income Tax Act* (Canada) and the *Taxation Act* (Quebec) for the following entities:

- ▶ the scholarship plans;
- ▶ the subscribers;
- ▶ the Registered Education Savings Plans promoted by the Foundation; and
- ▶ the beneficiaries.

In the opinion of Lavery, de Billy, LLP, external legal counsel for the plan, this summary is an adequate presentation, assuming that the contracts between subscribers and the Foundation and the current provisions of the *Income Tax Act* (Canada) and the regulations in force at the date of this prospectus are not amended.

This summary is of a general nature only; it does not represent a legal or tax opinion. The subscriber and the beneficiary would be well-advised to consult their own tax advisor regarding their personal situations in terms of income tax.

HOW THE PLAN IS TAXED

Contributions to a plan are not subject to income tax. Furthermore, the plan offered qualifies as an RESP after registration, and as long as this status is maintained, no tax is payable on the plan's income under Part I of the *Income Tax Act* (Canada).

HOW YOU ARE TAXED

Contributions to the plan

The contributions you make are not deductible for tax purposes.

Return of contributions at the maturity date

The contributions you make to your plan are not taxable when they are reimbursed to you since they did not entitle you to a tax deduction.

Withdrawal of contributions before the maturity date

Contributions withdrawn before the maturity date are not taxable income.

Refund of sales charges and other fees

The refund of sales charges or other fees is not taxable income.

Partial cancellation prior to the maturity date

The reimbursement of a portion of your contributions in the event of a partial cancellation is not taxable income.

Purchase of additional units to your plan

Contributions made to purchase additional units are not tax deductible for income tax purposes.

Transfer between scholarship plans

Amounts transferred between scholarship plans are not taxable income.

Additional contributions made to address backdating of a plan or to remedy defaults under a plan

The interest paid on additional contributions made to your plan to account for backdating or to remedy defaults under your plan is not tax deductible.

Any contribution exceeding the limits established by the *Income Tax Act* (Canada)

If the lifetime contribution limit of \$50,000 per beneficiary is exceeded, the subscriber must pay a penalty tax equal to 1% of the excess contributions every month, unless he or she withdraws this excess from the RESP before the end of a given month.

HOW YOUR BENEFICIARY IS TAXED

Based on current legislation, EAP amounts are taxable income in the beneficiary's hands and must be declared on the tax return corresponding to the year the EAP was made.

The *Income Tax Act* (Canada) stipulates that EAPs made to or on behalf of a beneficiary must be used to help such beneficiary pursue a post-secondary education.

WHO IS INVOLVED IN RUNNING THE PLAN

The Promoter	The Universitas Foundation of Canada Quebec (Quebec) <ul style="list-style-type: none"> ▶ Oversees the execution of its mission and vision, as well as the related activities and operations; ▶ Is responsible for promoting the scholarship plan and related RESPs; ▶ Acts on behalf of the plan to enter into contracts with subscribers; ▶ Oversees the direction and management of the plan by Universitas Management Inc.
The Investment Fund Manager	Universitas Management Inc. 1035 Wilfrid-Pelletier Avenue, Suite 500 Quebec (Quebec) G1W 0C5 <ul style="list-style-type: none"> ▶ Generally oversees the business, operations and affairs of the scholarship plan; ▶ After consultation with the Foundation, retains the services of the trustee, custodian, portfolio managers, auditors and external actuary; ▶ Receives contributions from each subscriber and the government grants, and promptly submits them for deposit to the relevant subscriber account; ▶ Through the Investment Committee, develops the investment policies; ▶ Mandates the portfolio managers and determines the proportion of assets they are respectively responsible for investing and managing; ▶ Oversees the investment decisions of the portfolio managers and, more specifically, ensures they comply with the investment policies; ▶ When the Foundation requests it, gives the custodian the appropriate instructions to make EAPs in accordance with the plan's provisions.
The Trustee	Eterna Trust Inc. Quebec (Quebec) <ul style="list-style-type: none"> ▶ Acts as trustee of the plan and, in this capacity, assumes the safeguarding and conservation of assets transferred, contributed or paid to it for payment into the assets of a plan, including contributions and government grants; ▶ Oversees the investment and asset management activities as instructed by Universitas Management Inc.; ▶ Assumes control and acts in place of Universitas Management Inc. and the Foundation, for which it undertakes the responsibilities with the necessary adjustments, should one or the other refuse or find itself unable to act.

The Custodian	<p>CIBC Mellon Global Security Services Company Toronto (Ontario)</p> <ul style="list-style-type: none"> ▶ Receives contributions for deposit to the subscriber accounts; ▶ Receives government grants and revenues from income earned on assets for deposit to the appropriate accounts; ▶ Interacts with the portfolio managers for the transfer of amounts to be invested originating from the subscriber accounts and the EAP account; ▶ Acts as custodian of securities and other types of investments in which these funds are invested by the portfolio managers; ▶ Offers portfolio security valuation services; ▶ At plan maturity, on the instructions of Universitas Management Inc., reimburses the subscriber the total amount of his or her contributions to the plan, including the refundable sales charges. When required by legislation, the custodian reimburses the government grants to the government.
The Distributor	<p>Universitas Management Inc. Quebec (Quebec)</p> <ul style="list-style-type: none"> ▶ By delegation of the Foundation, ensures the promotion of the plan; ▶ Is responsible for the offering and distribution of the plan through its duly authorized representatives; ▶ Agrees with the Foundation on its responsibilities and duties as the distributor of the plan to subscribers; ▶ Represents the Foundation (acting as promoter of the plan in question) for the conclusion of contracts with subscribers.
The Portfolio managers	<p>Fiera Capital Corporation Montreal (Quebec)</p> <p>AlphaFixe Capital Inc. Montreal (Quebec)</p> <p>Jarislowsky Fraser Limited Montreal (Quebec)</p> <p>Montrusco Bolton Investments Inc. Montreal (Quebec)</p> <p>State Street Global Advisors Ltd. Montreal (Quebec)</p> <ul style="list-style-type: none"> ▶ Invest and manage the assets of the plan for the portion determined by Universitas Management Inc. in compliance with the investment policies and the applicable legislation; ▶ By delegation of Universitas Management Inc. and on the instructions of the latter, as applicable, exercise the voting rights relating to the investments thus made.

WHO IS INVOLVED IN RUNNING THE PLAN

The Auditors	Deloitte, LLP Quebec (Quebec) <ul style="list-style-type: none">► Is responsible for auditing the plan's annual financial statements.
The External Actuary	Eckler Ltd. Montreal (Quebec) <ul style="list-style-type: none">► Verifies the methods and assumptions used in the preparation of the following four items:► The contribution schedules;► The annual breakdown of income and expenses between the group plan's beneficiary groups;► Calculation of the EAP unit amount to be paid out to or on behalf of beneficiaries;► The valuation of the sales charge refund obligation when the contract matures.
The Registrar	Universitas Management Inc. Quebec (Quebec) <ul style="list-style-type: none">► Provides administrative services, specifically with regard to the keeping of books and records of account, and the maintaining of files.► Keeps separate accounting of the subscribers' accounts and provides the custodian with access to this compiled data to enable reconciliation with the accounting of the subscribers' accounts maintained by the custodian.
The Independent Review Committee (IRC)	IRC Quebec (Quebec) <ul style="list-style-type: none">► The IRC reviews and takes position on conflict of interest issues that are submitted for decision and approval, and performs such other duties pursuant to securities legislation.

YOUR RIGHTS AS AN INVESTOR

You have the right to withdraw from the agreement to purchase scholarship plan securities and recover the full amount invested (including the sales charges) within 60 days after signing the contract. After that, you will only recover your contributions, less the sales charges paid. You may be credited an amount equal to the sales charged under certain conditions. See "Default, Withdrawal or Cancellation".

Any government grants you've received will be returned to the government.

In many provinces and territories, the securities legislation also allows you to withdraw from a purchase and recover the full amount invested, or in some cases, to claim for damages if the prospectus or any amendment thereto contains false or misleading information, or is not delivered to you. These rights must be exercised within the time prescribed by the securities legislation of your province.

For more information on these rights, please refer to the securities legislation of your province or consult a lawyer.

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SPECIFIC INFORMATION ABOUT OUR PLAN – THE UNIVERSITAS PLAN

TYPE OF PLAN

Type of scholarship plan	Date of creation
Group scholarship plan	Successor to the group plan created in 1964 and subsequently called Select 2000

WHO THIS PLAN IS FOR

By decision of Universitas Management, the UNIVERSITAS Plan ceased to be distributed to new subscribers on or around November 20, 2013. The UNIVERSITAS Plan is only intended for investors who already subscribe to this plan and who wish to increase their contributions or add units.

The subscribers of this plan are fairly sure that the plan's designated beneficiary will pursue post-secondary studies in an eligible program under the *Income Tax Act* (Canada).

YOUR BENEFICIARY GROUP

A beneficiary group is a group of UNIVERSITAS plan beneficiaries who were born the same year. The beneficiary group's year of eligibility is the calendar year (January 1st to December 31st) during which the beneficiaries turn 17 years of age.

The maturity date is after the end of the contribution schedule and is determined at the time of contract signature. The maturity date may be changed with your consent for readjustment purposes in case of additional unit purchases.

Subject to the manager's approval, you may request to bring forward your plan's maturity date. In this case, interest at an annual rate of 4% will apply to offset the loss of earned income. This amount will be deducted from the contributions refunded at plan maturity. The remaining contributions under your contract will not attract government grants since you will not make these given your plan's earlier maturity date.

Beneficiaries in the same beneficiary group share the income earned by the contributions from all the subscribers contributing on their behalf. These subscribers waive the income earned on their contributions in favour of the UNIVERSITAS Plan and thus contribute to increasing the value of the EAPs that will be made directly to or on behalf of the qualified beneficiaries of the same group.

If you leave the plan before maturity, you will lose the income earned on your contributions until the cancellation of the plan; this sum will be paid into the EAP account and redistributed in the form of EAPs to the other qualified beneficiaries in the group.

If a beneficiary does not pursue eligible studies, the income earned on the subscriber's contributions will not be paid to the beneficiary. If beneficiaries are not entitled to a portion or all of

their EAPs, the amount available for payment of the EAPs will be distributed among a smaller number of beneficiaries in the group.

The table below can help you determine the beneficiary group of your beneficiary. As a general rule, beneficiary groups are determined based on the age of the beneficiary at the time the contract is signed.

Beneficiary's age as at December 31, 2017	Beneficiary Group
16	2018
15	2019
14	2020
13	2021
12	2022
11	2023
10	2024
9	2025
8	2026
7	2027
6	2028
5	2029
4	2030

SUMMARY OF ELIGIBLE STUDIES

The following is a description of the post-secondary educational programs that are eligible studies and qualify for EAPs under the UNIVERSITAS Plan.

Contact us or your representative to find out whether or not the program of study your beneficiary is interested in qualifies as eligible studies.

For more information about obtaining an EAP, refer to the section "Educational Assistance Payments (EAPs)" on page 34 of this Detailed Plan Disclosure.

WHAT'S ELIGIBLE

Eligible studies are full-time or part-time general or technical post-secondary studies (college or university) in Canada or the equivalent abroad. Programs offered by a post-secondary institution intended to provide or improve the specific skills required to exercise a profession are also eligible. In all cases, the studies are for at least three consecutive weeks with at least 10 hours of class or schoolwork per week.

Eligible studies also include specified educational programs, which are programs at the post-secondary level lasting at least 3 consecutive weeks involving at least 12 hours per month.

When a beneficiary is registered in a distance learning program for such studies, they are also considered eligible. To be sure an educational program or post-secondary educational institution is eligible, we recommend you contact us in advance.

Eligible studies do not necessarily require a high school diploma as a prerequisite.

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For your beneficiary to be eligible for EAPs, he or she should register for an eligible program of study. Refer to “Educational Assistance Payments (EAPs)” on page 34.

WHAT’S NOT ELIGIBLE

Beneficiaries not enrolled in an eligible program under the *Income Tax Act* (Canada) will not EAPs.

HOW WE INVEST YOUR MONEY

This section describes the investment objectives and strategies of the UNIVERSITAS Plan.

INVESTMENT OBJECTIVES

The main investment objectives of the UNIVERSITAS Plan are:

- ▶ to protect the contributions received from subscribers and the government grants;
- ▶ to maximize long-term returns and ensure investment liquidity to meet our short-term commitments;
- ▶ to offer a growth potential of investment value based on prudent risk tolerance.

Universitas Management Inc., as investment fund manager, gives the portfolio managers their mandates and ensures compliance with the investment policies for the benefit of subscribers and beneficiaries.

The Investment Committee is responsible for developing the investment policies and for the mandates of the portfolio managers in collaboration with these firms, and to recommend the approval of these investment policies to the Board of Directors of Universitas Management Inc. Any change to the investment objectives must be recommended by the Investment Committee and approved by the Board of Directors.

The management mandates are divided among five portfolio managers based on their respective areas of expertise. In the opinion of Universitas Management Inc., this sharing of mandates best accommodates asset growth and Universitas Management Inc.’s purpose to ensure a better risk diversification strategy. The portfolio managers are:

- ▶ Fiera Capital Corporation
- ▶ AlphaFixe Capital Inc.
- ▶ Jarislowsky Fraser Limited
- ▶ Montrusco Bolton Investments Inc.
- ▶ State Street Global Advisors Ltd.

The portfolio managers perform their duties and take measures to satisfy their mandates by maximizing returns while protecting the invested capital. Investments must comply at all times with the applicable laws and investment policies.

The investment policies are consistent with the provisions of securities legislation and the regulatory approvals in 2001 of the Quebec Securities Commission, now the *Autorité des marchés financiers* (Decision No. 2001-C-0383).

INVESTMENT STRATEGIES

To achieve the investment objectives, Universitas Management Inc., with the help of the portfolio managers, has adopted three distinct investment policies according to the source of the funds.

The sums invested are divided into six funds (numbered in the following sections) in order to facilitate compliance with the laws regarding the types of investments authorized, and to allow greater flexibility in the implementation of investment strategies.

It should be noted that funds with the same investment policy were grouped in order to simplify the following presentation.

Policy No. 1 – Contributions before plan maturity and government grants

The contributions received from subscribers before plan maturity (Fund No. 1) and the government grants (Fund No. 2) are invested entirely in fixed-income securities guaranteed by a Canadian government, in accordance with the applicable laws.

Three portfolio managers oversee these investments using different strategies, as shown in the chart hereunder:

Investment Policy		
Portfolio Manager	Asset Category	Investment Strategy
AlphaFixe Capital Inc.	Fixed-income securities guaranteed by a Canadian government	Indexing and active bond strategy
Fiera Capital Corporation		Active bond strategy
Montrusco Bolton Investments Inc.		Indexing

The sums are invested entirely in the following securities:

- ▶ Treasury bills; and/or
- ▶ Bonds issued or guaranteed by the Government of Canada or a Canadian province as well as investments with a debt instrument issued or guaranteed in accordance with paragraphs 1 and 2 of Section 41 of the *Securities Act* (Quebec).

The portfolio’s investment strategies are divided between indexing (passive management) and active management. Indexing aims to reproduce the performance of market benchmarks and offers the advantage of generally lower

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management fees. As for active management, some strategies are preferred by the portfolio manager to compensate for the risks inherent in the ownership of bonds. These strategies primarily include sector allocation, security selection, duration management, credit analysis, anticipation of interest rates, portfolio positioning on the curve and fundamental analysis. The portfolio management strategies used mainly focus on the protection of the invested capital.

Policy No. 2 – Contributions after plan maturity

The contributions of subscribers whose plans have reached maturity and the refundable sales charges (Fund No. 3) are invested in money market securities guaranteed by a Canadian government or held as cash and cash equivalents. This investment strategy protects the amounts that must be refunded at plan maturity, since the subscriber may withdraw these at any time after such date. By investing this way, we achieve our main goal of capital preservation, as money market securities guaranteed by a Canadian government, or held as cash and cash equivalents, are considered a highly liquid, low-risk investment.

Investment Policy		
Portfolio Manager	Asset Category	Investment Strategy
AlphaFixe Capital Inc.	Money market securities guaranteed by a Canadian government	Active strategy

Some active management strategies are preferred in order to generate added value, including the anticipation of interest rates based on fundamental analysis of the economic environment. The strategy aims to provide liquidity and preserve the invested capital through a prudent and disciplined approach.

Policy No. 3 – Other funds

The Other Funds comprise the portion of income from contributions earmarked for the refund of sales charges to the subscriber at maturity (Fund No. 4), as well as income earned on contributions (EAP account) (Fund No. 5) and grants (Fund No. 6) (Funds 4, 5 and 6 are hereinafter collectively referred to as the "Other Funds"). They are invested entirely in Canadian equities. Where appropriate, the balance is invested in bonds.

Three portfolio managers oversee these investments using different strategies, as shown in the chart hereunder:

Investment Policy		
Portfolio Manager	Asset Category	Investment Strategy
Montrusco Bolton Investments Inc.	Canadian equities	Value strategy
Jarislowsky Fraser Limited	Canadian equities	Value strategy
State Street Global Advisors Ltd.	Canadian equities	Indexing strategy with high dividend Canadian equities and low volatility

The sums must be invested in compliance with the following restrictions:

- ▶ Canadian equities must be in preferred or common shares pursuant to paragraphs 8 and 9 of Section 1339 of the *Civil Code of Québec*.
- ▶ The Other Funds are divided in diversified portfolios and the concentration limits in the same shares, as well as in the same sector, must be respected.

Two strategies have been adopted to manage the investment portfolio: indexing and value investing. The indexing strategy aims to provide exposure to high dividend securities and replicate the returns of the S&P/TSX Canadian Dividend Aristocrats Index, while reducing exposure to market volatility. This strategy also offers the advantage of lower administration fees for equity portfolios. The portfolio manager responsible for the indexing strategy will invest in securities with low-expected volatility listed in the S&P/TSX Canadian Dividend Aristocrats Index. More specifically, the selection of securities will follow a multiple factor risk model, which includes market sensitivity, short-term and long-term momentum, market capitalization and liquidity, the risk specific to holding a given security, and the correlation between the various risk factors. The value strategy, which uses the S&P/TSX Capped Index as a benchmark, aims to invest in undervalued Canadian equities, with a focus on large-capitalization companies distributing significant dividends.

Certain strategies are preferred to others so as to compensate for the risks inherent in owning equities. These strategies include sector allocation, security selection, and fundamental analysis. The Other Fund's investment portfolio will be managed using a strategy that aims 25% indexing and 75% value investing.

INVESTMENT RESTRICTIONS

All types of investments made in compliance with Universitas Management Inc.'s investment policies must also satisfy the criteria and conditions required to qualify as eligible RESP investments pursuant to tax legislation.

Investment activities and portfolio management conducted for Universitas Management Inc. are subject to restrictions, in accordance with the investment policy, to ensure that the assets of the funds are sufficiently diversified and liquid, namely:

- ▶ for the Other Funds, no more than 10% of the total market value of the Canadian equities portfolio may be invested in the same stock;
- ▶ for all six funds, non-negotiable shares on the stock market, derivatives, principal protected notes, stock market indices and investment funds are not permitted.

Decision No. 2001-C-0383 issued in 2001 by the Quebec Securities Commission (now the *Autorité des marchés financiers*) allows the UNIVERSITAS Plan to modify certain restrictions on investments provided for under *Regulation No. C-15 Respecting Conditions Precedent to Acceptance of Scholarship or Educational Plan Prospectuses*. The changes thus authorized specifically target the ability to invest up to 100% of accumulated

income (i.e., the Other Funds) in Canadian equities, subject to compliance with the investment policies and objectives. In 2018, Universitas Management Inc. will file an exemption application with the *Autorités des marchés financiers* in order to relax investment restrictions that apply to the REFLEX and INDIVIDUAL Plans. Such exemption would allow the plans to make more diversified investments.

Restrictions on investments may be changed without subscriber approval.

RISKS OF INVESTING IN A SCHOLARSHIP PLAN

If you or your beneficiary does not meet the terms of the contract, a loss may ensue and your beneficiary could lose some or all of his or her EAPs. Please read the description of plan-specific risks under the heading "Risks of Investing in this Scholarship Plan" of this Detailed Plan Disclosure.

INVESTMENT RISKS

The prices of investments held by the scholarship plan may fluctuate. See "Risks of Investing in this Scholarship Plan" on page 23 of this Detailed Plan Disclosure for a description of the risks that may affect the value of the scholarship plan's investments and thereby the amount of the EAPs available to beneficiaries. Unlike bank accounts or Guaranteed Investment Certificates (GICs), investments in scholarship plans are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

INTEREST RATE RISK

Investments in fixed-income securities are, for the most part, mainly affected by interest rate variations. Usually, an increase in interest rates will cause the value of fixed-income securities to fall. Conversely, a decrease in interest rates will generally increase the value of the securities held in the investment portfolio. Investments in fixed-income securities made by a portfolio manager will typically include securities from highly rated Crown corporations to enhance relative protection, a strategy that can reduce the risk of losses during periods of volatile interest rates.

CREDIT RISK

This risk corresponds to the possibility of incurring financial losses resulting from the inability of a company, an issuer or counterparty to meet its financial commitments to the plan. Universitas Management, through its investment policies, has established quantitative criteria for the selection of investments in order to limit this risk. For short-term investments and investments in bonds, only securities issued by the Government of Canada, a provincial government, organizations with a government guarantee or a municipality are selected when purchased for the EAP account, for guaranteed government grants, the accumulated income on them and for the obligation to refund sales charges. Only securities with a minimum rating of A are selected when purchased for the subscriber account.

RISKS OF EQUITY INVESTMENTS

Largely because the EAP account is mainly invested in equities, the investment policy of the assets of a plan corresponding to the balance of its EAP account has a slightly higher risk factor than the investment policy of the assets corresponding to subscriber contributions. The same is true of the fund or the income accumulated on government grants and the fund for the income earned on contributions earmarked for the sales charge refund obligation at maturity. The value of these investments may vary from day to day, depending on interest rate variations, financial and business markets, and the economy.

NO GUARANTEE OF ACHIEVING THE INVESTMENT OBJECTIVES

There is no guarantee that we will be able to achieve our investment objectives. The amounts of the EAPs available for distribution to beneficiaries may vary depending on, essentially, the interest and dividends earned by portfolio securities and the gain or loss in market value of those securities. There is no guarantee that a portfolio entrusted to portfolio managers will produce a positive return. There is no guarantee regarding the amount available for EAPs in future years.

AMENDMENT TO LEGISLATION

The provisions of a plan are established under the terms of the type of RESP it constitutes and the payment of government grants. The provisions incorporate these terms such as they may be defined from time to time pursuant to tax legislation for the duration of the plan. Nothing guarantees that the tax, securities or other legislation, or their official interpretations, will not be changed in a manner that could have an unfavourable effect on the plans promoted by the Foundation or on the Foundation itself, Universitas Management, or another participant in their administration or management.

NATURE OF THE PLAN

The plan is neither fixed-income nor a participating security such as corporate bonds and equities. Plan subscribers do not enjoy the rights normally associated with the ownership of such securities, including the right to file lawsuits "in case of abuse" or "indirect actions."

POTENTIAL CONFLICTS OF INTEREST

Any or all of the following persons or entities have the right to conduct promotional, administrative or portfolio management operations for other accounts, investment organizations or investment trusts that invest in securities held by the plan:

- ▶ a portfolio manager;
- ▶ a member of the portfolio manager's group in its capacity as investment fund manager or portfolio manager, or a person associated to both; and
- ▶ a director or officer of any of the above-mentioned entities.

Although a portfolio manager's officers, directors and staff will devote as much time as they deem appropriate to the exercise of their functions, the portfolio manager's staff may have conflicts in allocating their time and services between the Foundation and other portfolios managed for persons other than the Foundation.

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RISKS OF INVESTING IN THIS SCHOLARSHIP PLAN

PLAN RISKS

We recommend that you go over your contract closely before adding units to make sure that you fully understand all its terms. If you or your beneficiary does not meet the terms of the contract, a loss may ensue and your beneficiary could lose some or all of his or her EAPs.

Keep in mind that the payments made by the plan are not guaranteed. We cannot tell you in advance if your beneficiary will qualify to receive EAPs from the plan or how much your beneficiary will receive. We do not guarantee the amount of any payment or that the payments will cover the full cost of your beneficiary's post-secondary education.

In addition to the investment risks described under "Risks of investing in a Scholarship Plan" on page 22 of the prospectus, the following risks are associated with participation in the plan:

Eligible studies

To qualify for the EAPs under the UNIVERSITAS Plan, the beneficiary must pursue an eligible educational program. If you cancel your plan before maturity, or if the beneficiary does not pursue eligible studies within the prescribed period, the beneficiary will not be entitled to EAPs.

In this case, the income earned on your contributions is redistributed among the other qualified beneficiaries of the group to which your beneficiary belongs.

Attrition

There is a risk that a change in the attrition rate before or after maturity will have an impact on the amount of the EAP amounts that may be paid out to or on behalf of beneficiaries.

On one hand, if the proportion of the plans cancelled before maturity decreases, this will have a downward effect on the amount of the EAPs that may be made to or on behalf of beneficiaries. An increase in the proportion of plans cancelled before maturity will have the opposite effect.

On the other hand, if the proportion of beneficiaries who qualify for EAPs increases, this will also have a downward effect on the amount of the EAPs that may be made to or on behalf of beneficiaries. A decrease in the proportion of qualified beneficiaries will have the opposite effect.

EAP Amounts

We cannot predict the EAP amounts that may be payable by the plan. We have no discretionary power in determining EAP amounts. Past performance is not a guarantee of future returns. The EAPs depend primarily on investment performance and on

the amount of accumulated income. They also depend on the amount of the contributions you make and on the number of qualified beneficiaries in the same beneficiary group.

HOW THE PLAN HAS PERFORMED

The table below shows the performance of investments in the UNIVERSITAS Plan over the past five years ended December 31st. The returns are presented after deduction of management and administrative fees. These expenses reduce the return on your investment.

It is important to note that the plan's past performance is not necessarily indicative of future returns.

	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
Annual return	5.60%	-0.77%	7.12%	3.98%	3.80%

MAKING CONTRIBUTIONS

WHAT IS A UNIT?

When you subscribed to your UNIVERSITAS Plan, you purchased one or more units or fractional units (expressed as thousandths of a unit) based on the amount to which you subscribed.

A unit represents the beneficiary's proportionate share of the EAP account of the beneficiary group to which such beneficiary belongs. The EAP amount paid to each qualified beneficiary is directly proportional to the number of units your plan holds.

Each whole unit enables the beneficiary to qualify for EAPs, depending on the eligible studies criteria, and entitles the beneficiary to EAPs of the same unit value as those of all qualified beneficiaries in the same group.

YOUR CONTRIBUTION OPTIONS

The only contribution option available for the UNIVERSITAS Plan consists of unit (or fractional unit) additions for investors who already hold a UNIVERSITAS Plan. The additions may be made as single contributions or by increasing the amount of monthly or annual contributions, as applicable.

The contributions must total at least \$50, but can be made in the form of an increase in your monthly or annual contributions, as applicable. Frequently, single contribution additions are made. The maximum period for contributions is 17 years.

Total contributions may not exceed the RESP lifetime limit set forth in the *Income Tax Act* (Canada) of \$50,000 per beneficiary.

If the beneficiary is eligible for the CLB, the corresponding amounts paid into your RESP are not included in the calculation of the minimum contributions required to keep your contract in effect.

The contributions you make at the end of the UNIVERSITAS Plan, less the sales charges, remain your property.

CONTRIBUTION SCHEDULE

The contribution schedule on the next two pages shows how much you have to contribute to purchase a unit. The amount you pay depends on the age of the beneficiary and on whether you pay for your units all at once (single contribution) or make periodic contributions to pay for these. Amounts are calculated so that each subscriber’s contributions generate the same income per unit upon maturity.

Some fees and expenses are deducted from your contributions. Refer to “Fees You Pay” on page 28 for more information.

The contribution schedule was established by Universitas Management Inc., as the investment fund manager.

How to use this table

For example, let’s assume your beneficiary is three years old. If you want to make monthly contributions until maturity, it will cost \$15.80 per month for each unit you purchase. You would have to make 168 contributions over the life of your plan, for a total investment of \$2,654.

If your beneficiary is five years old and you want to make annual contributions until maturity, it will cost \$240.10 per year for each unit you purchase. You would have to make 12 contributions over the life of your plan, for a total investment of \$2,881.20.

Contribution options for a whole unit*	3 years	4 years	5 years	6 years	7 years
Monthly contributions					
Amount of each contribution	\$15.80	\$18.40	\$21.80	\$26.00	\$31.70
Number of contributions	168	156	144	132	120
Total contribution	\$2,654.40	\$2,870.40	\$3,139.20	\$3,432.00	\$3,804.00
Monthly contributions over 10 years					
Amount of each contribution	\$17.00	\$19.40	\$22.40	\$26.30	\$31.70
Number of contributions	120	120	120	120	120
Total contribution	\$2,040.00	\$2,328.00	\$2,688.00	\$3,156.00	\$3,804.00
Monthly contributions over 5 years					
Amount of each contribution	\$25.20	\$28.10	\$31.60	\$36.00	\$41.50
Number of contributions	60	60	60	60	60
Total contribution	\$1,512.00	\$1,686.00	\$1,896.00	\$2,160.00	\$2,490.00
Annual contributions					
Amount of each contribution	\$176.00	\$204.50	\$240.10	\$286.20	\$346.70
Number of contributions	14	13	12	11	10
Total contribution	\$2,464.00	\$2,658.50	\$2,881.20	\$3,148.20	\$3,467.00
Annual contributions over 10 years					
Amount of each contribution	\$191.10	\$216.30	\$248.10	\$289.30	\$346.70
Number of contributions	10	10	10	10	10
Total contribution	\$1,911.00	\$2,163.00	\$2,481.00	\$2,893.00	\$3,467.00
Annual contributions over 5 years					
Amount of each contribution	\$286.80	\$318.50	\$356.50	\$403.30	\$462.60
Number of contributions	5	5	5	5	5
Total contribution	\$1,434.00	\$1,592.50	\$1,782.50	\$2,016.50	\$2,313.00
Annual contributions over 2 years					
Amount of each contribution	\$599.00	\$659.00	\$730.00	\$816.00	\$921.00
Number of contributions	2	2	2	2	2
Total contribution	\$1,198.00	\$1,318.00	\$1,460.00	\$1,632.00	\$1,842.00
Single contribution					
Amount of each contribution	\$1,121.00	\$1,230.00	\$1,358.00	\$1,511.00	\$1,699.00
Number of contributions	1	1	1	1	1
Total contribution	\$1,121.00	\$1,230.00	\$1,358.00	\$1,511.00	\$1,699.00

* Contributions for a unit fraction (1/1000) are proportional to the contributions for a whole unit.

UNIVERSITAS PLAN

Contribution options for a whole unit*	8 years	9 years	10 years	11 years	12 years	13 years	14 years	15 years	16 years**
Monthly contributions									
Amount of each contribution	\$39.50	\$50.50	\$66.70	\$92.00	\$134.50	\$213.80	\$387.80	\$888.60	
Number of contributions	108	96	84	72	60	48	36	24	
Total contribution	\$4,266.00	\$4,848.00	\$5,602.80	\$6,624.00	\$8,070.00	\$10,262.40	\$13,960.80	\$21,326.40	
Monthly contributions over 10 years									
Amount of each contribution									
Number of contributions									
Total contribution									
Monthly contributions over 5 years									
Amount of each contribution	\$48.70	\$58.60	\$72.90	\$95.20	\$134.50				
Number of contributions	60	60	60	60	60				
Total contribution	\$2,922.00	\$3,516.00	\$4,374.00	\$5,712.00	\$8,070.00				
Annual contributions									
Amount of each contribution	\$427.70	\$541.10	\$705.10	\$955.60	\$1,363.50	\$2,092.00	\$3,562.20	\$7,304.00	
Number of contributions	9	8	7	6	5	4	3	2	
Total contribution	\$3,849.30	\$4,328.80	\$4,935.70	\$5,733.60	\$6,817.50	\$8,368.00	\$10,686.60	\$14,608.00	
Annual contributions over 10 years									
Amount of each contribution									
Number of contributions									
Total contribution									
Annual contributions over 5 years									
Amount of each contribution	\$539.10	\$642.00	\$786.50	\$1,003.90	\$1,363.50				
Number of contributions	5	5	5	5	5				
Total contribution	\$2,695.50	\$3,210.00	\$3,932.50	\$5,019.50	\$6,817.50				
Annual contributions over 2 years									
Amount of each contribution	\$1,052.00	\$1,220.00	\$1,443.00	\$1,751.00	\$2,202.00	\$2,921.00	\$4,228.00	\$7,304.00	
Number of contributions	2	2	2	2	2	2	2	2	
Total contribution	\$2,104.00	\$2,440.00	\$2,886.00	\$3,502.00	\$4,404.00	\$5,842.00	\$8,456.00	\$14,608.00	
Single contribution									
Amount of each contribution	\$1,930.00	\$2,224.00	\$2,606.00	\$3,123.00	\$3,859.00	\$4,981.00	\$6,869.00	\$10,760.00	\$22,965.00
Number of contributions	1	1	1	1	1	1	1	1	1
Total contribution	\$1,930.00	\$2,224.00	\$2,606.00	\$3,123.00	\$3,859.00	\$4,981.00	\$6,869.00	\$10,760.00	\$22,965.00

* Contributions for a unit fraction (1/1000) are proportional to the contributions for a whole unit.

** The contributions you make to your RESP during the year in which your beneficiary turns 16 years old may be eligible for the CESG if one of the following conditions is met:

- a minimum annual contribution of \$100 was made to (and not withdrawn from) the beneficiary's RESP in any four years before the end of the calendar year in which he or she turned 16 years old;
- or
- a minimum of \$2,000 was contributed to (and not withdrawn from) one or more RESPs on the beneficiary's behalf before the end of the calendar year in which he or she turned 16 years old.

ASSUMPTION USED

The amount of income accumulated by a given beneficiary group depends on investment returns, fees and expenses, pre-maturity attrition and post-maturity attrition. The rates of return, net of all fees and expenses, considered are the following: 1.6% for bonds and 5.1% for equities. These assumptions are based and still correspond to current economic conditions and circumstances.

IF YOU HAVE DIFFICULTY MAKING CONTRIBUTIONS

If you miss one or more contributions, you may be in default of your plan. To stay in the plan, you will have to make up the contribution you missed. You will also have to pay an amount equal to the income that your contributions would have earned had they been made on time. This can be costly. The amount charged will correspond to interest at an annual rate of 4%, applicable to every late contribution.

If you fail to make a contribution on the date stated in your contract, a written notice will be sent to you within a period of two weeks. You then have a 45-day period following receipt of the said notice to make the late contributions or choose one of the options listed below.

For more information on the steps to take to stay in the plan after missing contributions, refer to "Default, Withdrawal or Cancellation" on page 33.

YOUR OPTIONS

1. Postpone your contributions

If your contribution schedule allows and under certain conditions, you can postpone your contributions for up to 11 months at the end of your schedule. The number of months for which you can postpone your contributions depends on certain factors, such as your beneficiary's date of birth.

2. Reduce the number of units

You can reduce your number of subscribed units at any time since reducing the contributions initially agreed will result in a partial cancellation. You can keep your plan in force as long as you maintain at least half a unit and undertake to pay the minimum monthly or annual contributions required. The sales charges applicable to the cancelled units will not be refunded.

3. Change your contribution schedule

Upon written request and if the accumulated amounts in your plan are sufficient, you may change your contribution schedule before plan maturity and switch to the single contribution option. This will allow your beneficiary to preserve his or her right to EAPs. In certain cases, this solution is similar to a partial plan cancellation and you will lose the sales charges proportional to the units considered as cancelled following the switch to the single contribution option.

4. Transfer to the INDIVIDUAL Plan

You may request, in writing, to transfer your plan to the INDIVIDUAL Plan under the conditions set forth in "Transferring to the INDIVIDUAL Plan" on page 33.

5. Suspend your contributions

Upon written request and under certain conditions, we may allow you to suspend your contributions for a maximum period of 24 months. During that period, the government grants received

do not have to be reimbursed. The suspended contributions may be brought current by paying the arrears and interest at an annual rate of 4% before the end of the 24-month period.

6. Cancel your plan

Any failure or delay of payment exceeding 60 days can result in cancellation of your contract. When we cancel your plan, the sales charges are not refunded.

You can also request, in writing, that your plan be cancelled under the conditions described under "Default, Withdrawal or Cancellation" on page 33.

WITHDRAWING YOUR CONTRIBUTIONS

You can withdraw all of your contributions at any time before your plan's maturity date, which will result in the full cancellation of your contract. See "Default, Withdrawal or Cancellation" on page 33.

A partial cancellation occurs when the contribution amount initially agreed is reduced, provided you keep at least half a unit in your plan and undertake to make the minimum monthly or annual contributions required. When the cancellation is partial, we only keep the amount of sales charges paid that is proportional to the number of cancelled units. In a case of full cancellation, we will keep all sales charges, unless the contract is cancelled within 60 days of signing; in which case the sales charges will be refunded in full. If the cancellation is partial, we will only keep part of the sales charges. This amount will be proportional to the number of units cancelled.

If the partial or full cancellation occurs after the 60-day period mentioned above, you may be credited an amount equal to the sales charges you paid if you subscribe to another of our plans or add units in one of your existing plans. The amount credited will depend on the number of new units subscribed. See "Default, Withdrawal or Cancellation".

Government grants will be reimbursed to the government and the income earned on those grants will be paid to a designated post-secondary educational institution or to a trust in favour of such an institution, as required by law.

If a plan is cancelled within 60 days of signing, the scholarship plan representative must refund all commissions received. However, if a plan is cancelled after 60 days of signing and the subscriber has not paid off all sales charges due under the contract, the representative must reimburse the distributor the excess commissions paid on the sales charges not refunded to the subscriber.

Moreover, instead of cancelling your plan, you can also request a transfer to the INDIVIDUAL Plan if at least \$500 has accumulated in your plan in contributions, government grants and income earned on the grant amounts at the time the transfer is requested. Your plan must also hold a minimum of one unit and the sales charges must be paid off.

UNIVERSITAS PLAN

COSTS OF INVESTING IN THIS PLAN

There are costs for joining and participating in the UNIVERSITAS Plan. The following tables present a list of the fees and expenses of this plan. You pay a portion of these fees directly from your contributions. The plan pays a portion of the fees which are deducted from the plan’s earnings.

FEES YOU PAY

These fees are deducted from your contributions. The fees decrease the amount that gets invested in your plan, which will reduce the amount available for EAPs.

Fee	What you pay	What the fee is for	Who the fee is paid to
Sales charges related to the added units <i>Note: A sum equal to the sales charges paid is refunded in full at maturity or in the event of cancellation within 60 days of signing the contract. After this 60-day period, the sales charges are not refunded, but may be credited under certain conditions. See “Default, Withdrawal or Cancellation”.</i>	<ul style="list-style-type: none">► Flat fee of \$200 per whole unit► Per unit fraction: fee is proportional to that of a whole unit► The exact percentage of sales charges depends on the contribution option selected and the age of the beneficiary at the time the plan is opened. This percentage usually ranges from 0.9% to 17.8% of the contributions	This is a commission for selling you the plan	The Distributor (Universitas Management)

* The fees listed in this table may be increased without subscriber approval.

Paying off the sales charges

For example, if you subscribed to one UNIVERSITAS Plan unit for newborn and opted for monthly contributions until the maturity date, 100% of your first contributions will be used to pay off up to 50% of these sales charges; 50% of the following contributions will be used to pay the sales charges until they are paid in full. In total, it will take 29 months to pay off the sales charges. During that period, 66% of your contributions will be used to pay sales charges and 34% will be invested in your plan.

UNIVERSITAS PLAN

FEES THE PLAN PAYS

The following fees are payable from the plan's earnings. You do not pay these fees directly. However, they affect you because they reduce the plan's returns and, consequently, the amount available for EAPs.

Fee	What the plan pays	What the fee is for	Who the fee is paid to
Administration fee	<p>The administration fee paid to the promoter and to the manager may not exceed 1.18% (excluding applicable taxes) of the assets under management</p> <p>Any proportion of this fee that is not required to maintain and develop the organization is deducted from any excess of revenues over the company's expenditures to bring pre-tax profit to zero and return any surplus to the plans by reducing the rate of the administration fee, if applicable</p> <p>Fee subject to applicable taxes</p>	Covers the administration expenses of the plan as well as the trailing commissions paid to the representatives of Universitas Management Inc.	The investment fund manager (Universitas Management Inc.)
Portfolio management fees	<p>A declining percentage established by the portfolio manager based on the average value of the total assets invested under its management;</p> <p>As at December 31, 2016, represented 0.13% of the average value of assets under management</p> <p>Fees subject to applicable taxes</p>	Covers the management of the plan's investments	<p>The portfolio managers:</p> <p>Fiera Capital Corporation</p> <p>AlphaFixe Capital Inc.</p> <p>Jarislowsky Fraser Limited</p> <p>Montrusco Bolton Investments Inc.</p> <p>State Street Global Advisors Ltd.</p>
Trustee fee	<p>Flat fee of \$27,500 per year for all plans promoted by the Foundation combined</p> <p>Fee subject to applicable taxes</p> <p>This fee is invoiced to the various plans and prorated to the average value of the assets under management in each plan. For the UNIVERSITAS plan, the fee represented \$18,244.70 including applicable taxes</p>	Covers the costs to hold the plan's investments in trust	The trustee (Eterna Trust Inc.)

UNIVERSITAS PLAN

Fee	What the plan pays	What the fee is for	Who the fee is paid to
Custodian fee	<ul style="list-style-type: none"> ▶ 0.009% of the average annual assets under management ▶ Flat fee of \$8 per transaction on Canadian securities ▶ Flat fee of \$15 per electronic transfer <p>Fee subject to applicable taxes</p>	Covers the costs to safeguard the securities and other plan investments	The Custodian (CIBC Mellon Global Securities Services Company)
Independent Review Committee fee	<p>The remuneration of the IRC members for meeting attendance and any other special assignment consists of the following:</p> <ul style="list-style-type: none"> ▶ Annual retainer of \$3,500 for members and \$6,000 for the chairman ▶ Set attendance fee of \$1,500 for members and \$1,750 for the chairman per meeting ▶ The reimbursement of housing, meals and transport expenses incurred to attend meetings <p>This fee is invoiced to the different plans and prorated based on the value of the assets under management in each plan, which represented \$21,724 for the UNIVERSITAS Plan for the last fiscal year, including applicable taxes</p>	Covers the services of the plan's IRC. The IRC reviews conflicts of interest matters between the investment fund manager and the plan	The IRC members

* The fees listed in this table may be increased without subscriber approval.

UNIVERSITAS PLAN

TRANSACTION FEES

We will charge you the following fees for the transactions listed below.

Fee	Amount	How the fee is paid	Who the fee is paid to
Contribution made by UNIVERSITAS Plan subscribers for 16 or 17-year-old beneficiaries	UNIVERSITAS plan subscribers who make a contribution to an INDIVIDUAL Plan only when the beneficiary is 16 or 17 years old: <ul style="list-style-type: none">► Flat fee of \$10 per contribution► Fee subject to applicable taxes	Payable by the subscriber directly	Universitas Management Inc.
Archive search request	<ul style="list-style-type: none">► Flat fee of \$50 per requestFee subject to applicable taxes	Payable by the subscriber directly	Universitas Management Inc.

REFUND OF SALES CHARGES

We will refund you a sum equal to the sales charges paid if you maintain your plan in effect until maturity. This reimbursement is paid from the income accumulated on subscriber contributions and on the government grants.

Every year, we calculate the current value of the sales charge refund obligation at maturity. To do this, we use the accumulated cost value. The net income generated by the contributions and grants is first used to refund sales charges. The surplus is then transferred to the beneficiary group's EAP account.

The amount refunded will not be considered a contribution to the plan for tax purposes. The refund is not taxable for either the subscriber or the beneficiary.

MAKING CHANGES TO YOUR PLAN

CHANGING YOUR CONTRIBUTIONS

You can make changes to your contributions at any time. No fees will be charged to do so.

Changing the frequency of contributions

You can change the frequency of your contributions by contacting us. You can then switch, for example, from a monthly contribution option to an annual or even a single contribution option. In order to maintain the same number of units in your plan, you must match the amount of the contributions corresponding to the new option selected.

Making additional contributions

You can make additional contributions, add units or fractions of units, or increase your monthly or annual contributions, provided the additional amount totals at least \$50.

Reducing contributions and the number of units

You may reduce the amount of your contributions and the number of subscribed units at any time. However, by doing so, a partial cancellation occurs and you must maintain at least half a unit for your plan to remain in effect.

In the event of a partial cancellation, we will only keep part of the sales charges; these will be proportional to the number of units cancelled. This portion will therefore not be refunded to you.

CHANGING THE MATURITY DATE

The maximum period for contributing to this plan is 17 years; your contribution schedule comes to term at that time. This is when we refund, as applicable, your contributions and sales charges.

Subject to the manager's approval, you may request to bring forward your plan's maturity date. In this case, interest at an annual rate of 4% will apply to offset the loss of earned income. This amount will be deducted from the contributions refunded at plan maturity. The remaining contributions under your contract will not attract government grants since you will not make these given your plan's earlier maturity date.

CHANGING THE BENEFICIARY'S YEAR OF ELIGIBILITY

The beneficiary is eligible for EAPs on January 15th if he or she turns 17 years of age in 2018. Your beneficiary may then qualify for EAPs when he or she meets the criteria under the *Income Tax Act* (Canada).

Before plan maturity, Universitas Management Inc. may grant an EAP to a beneficiary before his or her year of eligibility (January 15th if he or she turns 17 years of age in 2018). The situation and file must first be analyzed by Universitas Management Inc. The EAP granted will be proportional to the contributions already made to the plan at the time of application or interest may have to be paid into the group's EAP account due to the beneficiary's situation.

If and as long as the beneficiary does not claim the 1st EAP, we will automatically defer his or her year of eligibility to the following year, provided it is still possible to make EAPs before the end of the plan's life, which is known as the "cut-off date." To receive EAPs, these sums must all be requested before the cut-off date. The law does not allow EAPs to be made after this date.

We change the year of eligibility, as applicable, on January 15th of each year. The income accumulated in your plan on this date is transferred to the next beneficiary group to reach its year of eligibility.

If the beneficiary is entitled to the CESG and you have not requested the withdrawal of your contributions, the CESG received is kept in the beneficiary's name until the cut-off date is reached. The CLB is also kept for the beneficiary. For beneficiaries who reside in the province of Quebec, the same principle applies to the QESI.

The cut-off date of a plan is December 31st of the 35th year following the year in which the RESP came into force.

CHANGING THE SUBSCRIBER

The *Income Tax Act* (Canada) stipulates that it is possible to change the subscriber of your plan in the following situations:

- ▶ In the event of separation or divorce, the subscriber may be replaced by his or her former spouse (or common-law partner) under a court order or decision, or a written agreement for the purpose of dividing property between the spouses (or common-law partners).
- ▶ If the subscriber dies, he or she may be replaced by the executor of the estate, the person who inherits the RESP, the individual who acquires the subscriber's rights, or the person who makes the contributions in the beneficiary's name.
- ▶ If the subscriber is a public primary caregiver, the latter can be replaced by an individual or by another public primary caregiver pursuant to a written agreement.

CHANGING YOUR BENEFICIARY

Beneficiary changes are permitted and there is no limit on the number of changes that may be made. There is no fee to exercise this option.

A change of beneficiary is possible as long as the initial and new beneficiaries are younger than 21 years at the time such change is made. However, in a case of death or total and permanent disability, it is possible to change the beneficiary at any time before the plan expires.

A change in beneficiary does not have the effect of extending the life of a plan, which cannot exceed the last day of the 35th year following the year in which the RESP took effect.

You must notify us in writing of any change of beneficiary.

Under the UNIVERSITAS Plan, a beneficiary who is less than 21 years of age can be replaced by another beneficiary who is also less than 21. If the new beneficiary is older than the former and contributions remain to be made according to the agreed schedule, your remaining contributions will be increased to offset

the difference in age. Interest at an annual rate of 4% applies to arrears.

If the former beneficiary is replaced by a new beneficiary, the contributions, the CESG and the QESI (if applicable) then paid on behalf of the former beneficiary and the income accumulated on the CESG, QESI (if applicable) and CLB are deemed to have been paid to the new beneficiary.

The entire CESG and the additional CESG must be returned when there is a change of beneficiary and one of the following conditions is not met:

- ▶ an additional CESG amount (exceeding the basic 20% rate) was received for the former beneficiary, the new and former beneficiaries are siblings and the new beneficiary is younger than 21 years of age at the time of the change; or
- ▶ no additional CESG was received for the former beneficiary and
 - ▶ the new and former beneficiaries are siblings and the new beneficiary is younger than 21 years of age at the time of the change; or
 - ▶ the new and former beneficiaries are blood relatives of the original subscriber of the contract and both of them were younger than 21 years of age at the time of the change.

The QESI must also be returned to the Government of Quebec if either of the two preceding conditions is not satisfied.

In all cases, a change of beneficiary will result in the CLB being returned to the Government of Canada.

A change in beneficiary may have income tax consequences for the cumulative contribution limit of the new beneficiary.

DEATH OR DISABILITY OF THE BENEFICIARY

In the event of the death or disability of your plan's designated beneficiary before he or she qualifies for an EAP, you must notify us in writing within 90 days after the event.

In such case, you may choose to either:

- ▶ keep your current contract and designate another beneficiary by informing us in writing; or
- ▶ cancel your contract and receive a refund of your contributions, including the sales charges.

Disability means a serious medical condition certified by a practicing physician which would prevent your beneficiary from pursuing eligible studies.

If you cancel your contract by withdrawing your contributions, the total government grants received for the beneficiary will be returned to the government. The income earned on the government grants may be paid as accumulated income payments (AIPs) if you transfer to the INDIVIDUAL Plan. If not, this amount will be paid to a designated post-secondary educational institution in Canada or to a trust established in favour of such institutions. As for the income earned on the contributions to your plan, you will lose this amount.

UNIVERSITAS PLAN

TRANSFERRING YOUR PLAN

TRANSFERRING TO THE INDIVIDUAL PLAN

Before plan maturity (17th year of the contract):

Transferring from a UNIVERSITAS Plan to an INDIVIDUAL Plan is possible before your contract reaches maturity if the sales charges have been paid off, if your plan holds at least one unit, and if a minimum of \$500 has accumulated in your plan in contributions, government grants and income earned on these sums. The income earned on your contributions will not be transferred and will remain in the UNIVERSITAS Plan for the other beneficiaries of the beneficiary group. The sales charges for the UNIVERSITAS Plan will not be refunded to you but there are no additional fees to open the INDIVIDUAL Plan.

As a result of the foregoing, your beneficiary will not be entitled to claim the EAPs from the group plan.

Once a UNIVERSITAS Plan is transferred to an INDIVIDUAL Plan, it is not possible to transfer back to the UNIVERSITAS Plan.

At plan maturity:

Once your UNIVERSITAS Plan reaches maturity, you can request to transfer to the INDIVIDUAL Plan. The transfer is possible as long as a first EAP has not been withdrawn from the UNIVERSITAS Plan. The transfer includes your contributions, the government grants and the income on the grant amounts.

There are no extra fees to process this transfer and the sales charges paid under the UNIVERSITAS Plan are also transferred in full.

Once the UNIVERSITAS Plan is transferred to the INDIVIDUAL Plan, transferring back to the group plan is impossible since we close it.

TRANSFERRING TO ANOTHER RESP PROVIDER

A transfer from the UNIVERSITAS Plan to another RESP provider is allowed, provided that only the contributions (net of sales charges), government grants and the income earned on the grants are transferred to the new RESP. Accordingly, the sales charges and the income earned on the contributions will not be transferred.

This transfer does not have the effect of extending the life of a plan or making it exceed its cut-off date.

DEFAULT, WITHDRAWAL OR CANCELLATION

IF YOU WITHDRAW FROM OR CANCEL YOUR PLAN

You can cancel your plan in full or in part by sending us a 30-day written notice. The withdrawal of your contributions, less the sales charges, is possible at any time before the maturity date and cancels your plan completely.

A partial cancellation occurs when the amount of the contributions initially agreed is reduced. However, you must maintain at least half a unit in effect and undertake to make the minimum monthly or annual contributions required, as indicated in the "Contribution Schedule" section on page 24, for the remaining duration of your contract.

In the event of a complete cancellation, we will keep all sales charges, unless the cancellation of the contract occurs within 60 days of signing, in which case the sales charges will be refunded in full. If the cancellation is partial, we will only keep the sales charges proportional to the number of cancelled units.

If the partial or full cancellation occurs after the 60-day period mentioned above, you may be credited an amount equal to the sales charges you paid if you subscribe to another of our plans or add units in one of your existing plans. The amount credited will depend on the number of new units subscribed.

When a contract is cancelled within 60 days after it is signed, the representative must refund all commissions received. However, if a contract is cancelled more than 60 days after it is signed, and the subscriber has not paid off all the sales charges owed under the plan, the representative must reimburse the distributor the commissions received in excess of the sales charges paid by the subscriber.

Moreover, instead of cancelling your plan, you may transfer to the INDIVIDUAL Plan according to the conditions set forth under "Transferring to the INDIVIDUAL Plan".

Your plan is automatically cancelled:

- ▶ if the beneficiary can no longer qualify under the conditions stipulated in the section "Educational Assistance Payments (EAPs)" on page 34;
- ▶ if you transfer from one RESPs promoted by the Foundation to another of its RESPs in accordance with the conditions set forth in "Transferring to the INDIVIDUAL Plan" on page 33;
- ▶ if you decide to withdraw all your contributions (e.g. in the event of your beneficiary's death or disability);
- ▶ if your SIN or the SIN of your beneficiary is not submitted within 24 months of signing of the contract.

IF YOUR PLAN GOES INTO DEFAULT

If you fail to make a contribution on the date established in the contribution schedule applicable to your plan, you will be sent a written notice within two weeks following the default. You will then have 30 days after receipt of the notice to make the late contributions or choose one the options listed under "If you have difficulty making contributions". Interest at the annual rate of 4% applies to any late contribution. Any default or late contribution exceeding 60 days late may result in the automatic cancellation of your plan.

IF WE CANCEL YOUR PLAN

If you are forced to cancel your plan because you have not sent your SIN or the SIN of the beneficiary, we will refund you your contributions, less the sales charges; for this purpose, please refer to section "Return of Contributions" on page 14.

UNIVERSITAS PLAN

RE-ACTIVATING YOUR PLAN

If you cancel your plan in full, you will not be able to re-activate it since the UNIVERSITAS Plan is now only offered to current subscribers for the purpose of adding units or fractional units. You will, however, be able to meet one of our authorized representatives who will advise you regarding the other plans promoted by the Foundation.

An amount equal to the sales charges retained may be credited to the sales charges owed for another of our plans, based on the number of units subscribed under the new plan.

IF YOUR PLAN EXPIRES

We are required to close your plan when the cut-off date is reached, i.e. when your plan expires.

The cut-off date is December 31st of the 35th year following the year the plan took effect. Accordingly, the beneficiary may no longer receive EAPs after this date.

The sums held in the scholarship plan at such time must be used for one of the following purposes:

- ▶ the return of contributions to the subscriber, if this hasn't already been done;
- ▶ the income from contributions will be distributed as EAPs to the other beneficiaries of the beneficiary group;
- ▶ the refund of the sales charges if this has not already been done;
- ▶ the refund of the government grants to the applicable government; or
- ▶ the income earned on government grants will be paid to a designated post-secondary educational institution in Canada covered under subparagraph a)(i) of the definition of this term in subsection 118.6(1) of the *Income Tax Act* (Canada), or to a trust in favour of such institutions.

In the event this situation arises, you may be credited a sum equal to the sales charges paid under certain conditions. See "Default, Withdrawal or Cancellation".

WHAT HAPPENS WHEN YOUR PLAN MATURES?

You will be notified well in advance of your plan maturity.

We recommend that you wait until your beneficiary is enrolled in eligible post-secondary studies before you request your refund of contributions and sales charges. You will thus avoid having to refund the government grants before your beneficiary can use them. Once the grants have been reimbursed, it may not be possible for your beneficiary to recover them.

IF YOUR BENEFICIARY DOES NOT ENROL IN ELIGIBLE STUDIES

If the beneficiary does not qualify for the EAPs, the income earned on the contributions in his or her name will then be redistributed among the qualified beneficiaries of his or her

beneficiary group. If the beneficiary does not pursue eligible studies, he or she will not receive EAPs. For more information, see "Changing Your Beneficiary" and "Transferring to the INDIVIDUAL Plan" on pages 32 and 33 of this Detailed Plan Disclosure.

The CESG and CLB received for beneficiaries who do not qualify for EAPs will be reimbursed to the federal government. The QESI, if applicable, will be returned to the Government of Quebec. The income earned on government grants will be paid to a designated post-secondary educational institution in Canada covered under subparagraph a)(i) of the definition of this term in subsection 118.6(1) of the *Income Tax Act* (Canada), or to a trust in favour of such institutions.

RECEIVING PAYMENTS FROM THE PLAN

RETURN OF CONTRIBUTIONS

You recover your contributions in full whether the beneficiary pursues eligible studies or not. The sales charges are refunded in full at contract maturity. These sums are paid in one or more instalments by direct deposit into the bank account you have indicated to us, according to your instructions.

When signing the contract, a date is established for the return of contributions. This date may be changed with your consent for readjustment purposes in case of additional unit purchases. As of this date, the refund may be made at any time at your request, in one or more instalments.

If your beneficiary is not yet enrolled in eligible studies, you can ask to keep your contributions in the plan until your beneficiary qualifies under the plan's criteria. You will thus avoid the grants being returned to the government immediately and the income earned on these grants being paid to a designated post-secondary educational institution or a trust established in favour of such institutions.

EDUCATIONAL ASSISTANCE PAYMENTS (EAPs)

You must submit an EAP request for your eligible beneficiary via Client Space on the Universitas Foundation website or, if you do not have Internet access, by contacting our customer service so the appropriate form can be sent to you.

You may request an EAP at any time on or after the eligibility date, which is January 15th if your eligible beneficiary turns 17 years of age in 2018. The request must be submitted to us by the last day of the life of the plan and must be supported by proof that the beneficiary is enrolled for eligible studies.

The EAP is then made to or on behalf of the beneficiary according to your request. However, the investment fund manager reserves the right to set a maximum number of EAPs per year.

The *Income Tax Act* (Canada) limits the amount of an EAP that may be made from an RESP. These limits are associated with programs of various durations, as follows:

- ▶ for studies in a qualifying educational program (full-time), the beneficiary can receive up to \$5,000, for the first 13 consecutive weeks in such a program. After the student has completed the 13 consecutive weeks, there is no limit on the amount of EAPs that can be made if the student continues to qualify to receive them. If there is a 12-month period in which the student is not enrolled in a qualifying educational program for 13 consecutive weeks, the \$5,000 maximum applies again;
- ▶ for studies in a specified educational program (part-time), the beneficiary can receive up to \$2,500 for each 13-week period of the program.

Note that the federal government has established an annual maximum amount of EAPs that can be made to a beneficiary. For 2017, that amount was \$23,113.

The beneficiary may claim EAPs provided he or she meets the requirements of the *Income Tax Act* (Canada). Studies need not take place in consecutive years, as long as the plan has not reached its cut-off date.

HOW WE DETERMINE EAP AMOUNTS

EAPs consist of government grants, of the income earned on those grants and of your beneficiary's share of the EAP account maintained for his or her beneficiary group.

The investment fund manager calculates the unit value of the EAP account that can be paid to the beneficiaries of the eligible beneficiary group.

This calculation is performed on January 15th for 2018. The amounts obtained are applied to the EAPs that will be made between January 15th of the current year and January 14th of the following year. The external actuary verifies and approves the calculation methodology and the assumptions used. The trustee has no discretion in the calculation, which is determined solely by application of the methodology approved by the external auditor.

At the end of each fiscal year ending December 31st, the net income generated during the period is divided among the beneficiary groups based on the value of the investments associated with each of these groups. The income from cancelled units is returned to the EAP account from which these cancelled units originated. Based on this accumulated income distributed by beneficiary group, the adjusted fair market value (AFMV) is calculated for each group by spreading investment gains and losses over a four-year period, which reduces the impact of significant market fluctuations on EAP levels.

In addition, the AFMV is distributed among the units held by the beneficiaries of the eligible beneficiary group who will potentially qualify for EAPs by applying claims assumptions. Accordingly, only a portion of these units is considered and not the totality, since some beneficiaries will not meet the requirements for EAPs. The income accumulated is therefore paid in the form of EAPs to a smaller number of beneficiaries.

When government grants have been received by Universitas Management Inc. for a beneficiary, these amounts and their earned income are added to the EAPs made to the beneficiary. Attrition does not apply to grant amounts and the income earned on them.

PAYMENTS FROM THE EAP ACCOUNT

A portion of each EAP represents the beneficiary’s share in the EAP account of his or her beneficiary group. The rest of the EAP consists of the beneficiary’s government grants and the income from those grants.

The EAP account is used to hold the income from subscriber contributions, including the contributions of subscribers who cancelled their plan or subscribers whose plan we cancelled. Each beneficiary group has its own EAP account.

Past Breakdown of income in the EAP account

The following table shows the breakdown of the income in the EAP account at the maturity date for the five beneficiary groups that most recently reached their year of eligibility.

The breakdown of income may vary from one beneficiary group to another. The amount of the income earned on contributions depends on the performance of the plan’s investments. The amount of the income from cancelled plans depends on how many plans were cancelled as well as the investment performance of these funds.

	Beneficiary Group				
	2017	2016	2015	2014	2013
Income from contributions	93.4%	93.5%	93.7%	90.3%	91.2%
Income from cancelled plans	6.6%	6.5%	6.3%	9.7%	8.8%
EAP account total	100%	100%	100%	100%	100%

Past payments from the EAP account

The table below shows how much was paid from the EAP account per unit for the five beneficiary groups that most recently reached their year of eligibility.

Keep in mind that scholarship plans are normally long-term investments. The payments shown are generally representative of the investments made in past years. It is important to note that the qualification criteria for EAPs which applied to beneficiaries in the past were made less stringent in 2017. The following tables should therefore not be considered indicative of the payments your beneficiary will receive. The new EAP unit value will be calculated on January 15th for 2018.

Year of studies	Payments from EAP Account by Beneficiary Group				
	2017	2016	2015	2014	2013
1 st EAP	\$398	\$390	\$400	\$398	\$490
2 nd EAP	Note 1	\$396	\$400	\$402	\$490
3 rd EAP	Note 1	Note 1	\$406	\$402	\$495
Total			\$1,206	\$1,202	\$1,475
1 st insurance experience refund ^{Note 2}	\$35	\$35	\$35	\$35	\$–
2 nd insurance experience refund ^{Note 2}	Note 1	\$35	\$35	\$35	\$–
3 rd insurance experience refund ^{Note 2}	Note 1	Note 1	\$35	\$35	\$–
Total insurance experience refund ^{Note 2}			\$105	\$105	\$–
1 st payment with experience refund	\$428	\$425	\$435	\$433	\$490
2 nd payment with experience refund	Note 1	\$431	\$435	\$437	\$490
3 rd payment with experience refund	Note 1	Note 1	\$441	\$437	\$495
Total of the payments with experience refund			\$1,311	\$1,307	\$1,475

Note 1: No amount is presented given that, in theory, the beneficiaries in this beneficiary group are not yet enrolled in a year of studies eligible to receive an EAP.

Note 2: The experience refund is only payable for units purchased before December 8, 2009, for which the subscriber contributed to the mandatory life and disability insurance.

ATTRITION

You and your beneficiary must meet the terms of the plan for the beneficiary to be entitled to the EAPs under the plan. If beneficiaries are not entitled to EAPs, the amount available for the EAPs will be divided among a smaller number of beneficiaries in the beneficiary group. This is “attrition”.

Your beneficiary may not qualify for the EAPs if:

- ▶ before the plan maturity date, you cancel your plan or transfer to another RESP, or if we cancel your plan because you failed to make your contributions on time and have not taken action to maintain your plan. This is a case of “pre-maturity attrition”;
- ▶ after the plan maturity date, your beneficiary decides not to pursue post-secondary studies or is not enrolled in an eligible educational institution or program during the maximum period prescribed by the *Income Tax Act* (Canada). This is a case of “post-maturity attrition.”

PRE-MATURITY ATTRITION

If you leave the plan before maturity, you will get back your contributions, less the sales charges. You will not receive the income earned by your contributions up to the plan’s cancellation. It will be kept in the EAP account and distributed in the form of EAPs to the remaining beneficiaries in your beneficiary group.

UNIVERSITAS PLAN

Income from cancelled units

The following table shows the current value of the income from cancelled units by beneficiary group. The amount of the income from cancelled plans available to the beneficiaries after maturity depends on the number of subscribers who cancel their plans, the number of beneficiaries entitled to EAPs and the investment performance of the scholarship plan.

Beneficiary group	Percentage of units that have been cancelled ¹	Total income from cancelled units available to remaining units	Income from cancelled units available to each remaining unit
2018	21.5%	\$791,659	\$39
2019	19.9%	\$544,782	\$30
2020	19.9%	\$497,124	\$26
2021	20.0%	\$426,775	\$22
2022	20.7%	\$390,321	\$18
2023	20.7%	\$420,876	\$17
2024	22.0%	\$390,858	\$15
2025	19.0%	\$236,944	\$9
2026	15.2%	\$89,581	\$5
2027	11.9%	\$21,037	\$2
2028	9.1%	\$8,935	\$2
2029	4.3%	\$1,601	\$1
2030	5.0%	\$241	\$0

Note 1: This calculation does not take into account cancelled units that accumulated income to be shared among the remaining beneficiaries of the beneficiary group.

Plans that did not reach maturity

The following table shows the percentage of plans that did not reach maturity for each of the five beneficiary groups indicated below. The most common reasons why plans did not reach maturity were: the subscriber cancelled the plan, we cancelled the plan due to a default, the subscriber transferred to another

plan we offer, or the subscriber transferred to another RESP provider.

For the last five beneficiary groups of the UNIVERSITAS Plan, an average of 23.3% of the plans in each beneficiary group was cancelled before the maturity date.

Maturity date of beneficiary group	Percentage of plans that did not reach maturity
2017	22.8%
2016	22.0%
2015	21.1%
2014	22.5%
2013	28.2%

POST-MATURITY ATTRITION

If your beneficiary does not pursue eligible studies, your contributions will be returned to you. You will not receive your earnings. The beneficiary may lose one or more EAPs if he or she does not qualify under the *Income Tax Act* (Canada).

Past Payments of EAPs

The table below shows the percentage of beneficiaries who received the maximum three EAPs under the former terms of the plan, and those who received some or no EAPs, for each of the five beneficiary groups that have most recently completed their eligible studies. It is important to note that this table refers to EAPs that were made under the plan's former terms and conditions, which were amended in 2017. It is therefore not indicative of the percentage of beneficiaries who will receive the full amount of EAPs to which they may be entitled in the future.

	Beneficiary group				
	2010	2009	2008	2007	2006
Beneficiaries who received all 3 EAPs	37.0%	41.2%	42.6%	42.3%	46.8%
Beneficiaries who received only 2 of 3 EAPs	15.4%	16.1%	16.9%	15.3%	15.6%
Beneficiaries who received only 1 of 3 EAPs	17.0%	14.5%	13.6%	11.1%	9.1%
Beneficiaries who received no EAPs	30.6%	28.2%	26.9%	31.3%	28.5%
Total	100%	100%	100%	100%	100%

Note: The calculation assumption is based on beneficiaries who have reached the age of 25, since several beneficiaries do not claim their EAPs at the ages of 17, 18 and 19, and the information may therefore be incomplete. We allow our beneficiaries to claim their EAPs without limit until the plan expires (December 31st of the 35th year following the year the contract is signed).

INFORMATION ON THE SCHOLARSHIP PLAN

AN OVERVIEW OF THE STRUCTURE OF OUR PLAN

The UNIVERSITAS Plan is a Trust maintained on July 9, 2010, by a trust declaration under an agreement between the Foundation, Eterna Trust Inc. (the “trustee”) and Universitas Management Inc. (either the “manager” or the “distributor” depending on the context).

The signing of this trust agreement was an important change because it marked the creation a separate trust for the plan, whereas the latter was previously integrated into the structure of the Foundation. The primary purpose of this change was to improve the segregation of duties and accounting tracking of contributions, and to make certain modifications to the management process to better ensure compliance with the rules.

An amendment to the provisions of the trust agreement changing the name of the trust to “UNIVERSITAS Plan,” came into effect on November 12, 2013.

The assets in each trust are separate from those of the Foundation, the Trustee and the individuals who benefit from the Trust, i.e. the plan subscribers. The assets may only be disposed of in accordance with the provisions of the trust agreement, the plan, the related registered education savings plans and applicable laws. Therefore, from this standpoint, the structure of the trust offers transparency and security for the custody, conservation and use of subscribers’ contributions in the performance of the contracts’ provisions.

Under the terms of the trust agreement and separate agreements with the Foundation and Universitas Management Inc., several participants are involved in the management or execution of the plan, as well as in activities related to the distribution and implementation of the plan described in this prospectus.

These participants are the trustee, the Foundation, the manager, the distributor, the portfolio managers, the custodian, the external actuary and the auditors.

Over the past five years, the majority of the directors have held the same position. However, the main functions of certain directors changed, including Gaston Roy, who formerly served as Vice-President, Commercial Financial Services with the RBC Royal Bank of Quebec; Albert Caponi, who held the position of Vice-President, Finance and Administration and Chief Financial Officer, Aéroports de Montréal; and France Bilodeau, who was Senior Partner at Aon Hewitt.

Directors of the Foundation receive no remuneration other than an annual retainer, meeting attendance fees, and reimbursement of meeting expenses.

MANAGER OF THE PLAN

Universitas Management Inc.
1035 Wilfrid-Pelletier Avenue
Suite 500
Quebec (Quebec) G1W 0C5
(418) 651-8975
Email: info@universitas.ca
Website: universitas.ca

Universitas Management Inc. acts as the investment fund manager and plan distributor. Since 1997, Universitas Management Inc. has been a wholly-owned subsidiary of the Foundation. Universitas Management Inc. is registered as an investment fund manager and scholarship plan dealer pursuant to applicable securities legislation.

Universitas Management Inc. is a resulting joint stock company governed by the *Business Corporations Act* (Quebec).

DUTIES AND SERVICES TO BE PROVIDED BY THE MANAGER

In its capacity as manager, the main responsibility of Universitas Management Inc. is to manage the activities, operations and business of the plans. Specifically, Universitas Management Inc., under the supervision of the Foundation, selects and retains the services of most of the other participants involved in the plan’s management and operational structure, i.e. the trustee, custodian, portfolio managers, external actuary and auditors.

DETAILS OF THE MANAGEMENT AGREEMENT

As manager, Universitas Management Inc. provides the administrative services necessary for the Foundation’s activities. The manager is also responsible for accounting operations, establishing internal controls, and for keeping subscriber records.

Universitas Management Inc. keeps separate accounting records for each account held by a subscriber who has signed a contract. It keeps the subscribers’ files up-to-date and records therein the subscribers’ personal information, such as name and address. These records are kept at the manager’s head office and the custodian may access them at any time in order to reconcile the subscribers’ accounting data with the transactions kept in its own books.

The manager is responsible for the plan’s cash management operations and the inherent banking transactions. Among other things, the manager receives the contributions from subscribers and deposits them in trust. It sends the net contributions (after deduction of the sales charges) to the custodian as quickly as possible so these can be credited to the subscriber accounts and to ensure they are invested promptly by the portfolio managers.

Universitas Management Inc. is responsible for appointing and mandating the plan’s portfolio managers. Specifically, the manager ensures, under the supervision of the Investment Committee, that the decisions made in the performance of their duties comply with provisions of the investment policies.

It is responsible for giving instructions to the custodian and to the portfolio managers so that EAPs are made pursuant to the plan.

OFFICERS AND DIRECTORS OF THE MANAGER

The members of the manager's Board of Directors are also directors of the Foundation. Their remuneration is paid exclusively by Universitas Management. Please refer to the table of directors in section "Directors and Officers of the Foundation" on page 42 for the names of the members of the Board of Directors.

Officers of Universitas Management Inc.

Name and city of residence	Primary office
Gaston Roy Quebec (Quebec)	President and CEO Universitas Management Inc. Director of the Foundation since 2009 Ultimate Designated Person
Isabelle Grenier, LL.B. Saint-Augustin-de-Desmaures (Quebec)	Vice-President, Corporate Affairs Chief Compliance Officer
Josiane Rivard, CPA, CA Levis (Quebec)	Vice-President, Finance and Administration

CEASE TRADE ORDERS AND BANKRUPTCIES

To the knowledge of Universitas Management Inc., no director or senior executive of Universitas Management Inc., the Foundation or the plan is, as of the date of this prospectus, or has been, during the ten years prior to the date of this prospectus, a board member, executive or head of the finance department of another issuer which, (i) while this person held that position, was the subject of a ban on transactions or a similar order or was refused the right to claim any exemption stipulated by the laws on securities for more than 30 consecutive days, or, (ii) after leaving such a position as a result of an event that occurred when he or she held office, was subject to a ban on transactions or a similar order or was refused the right to claim an exemption provided for by the laws on securities for more than 30 consecutive days.

To the knowledge of Universitas Management Inc., no board member or senior executive of Universitas Management Inc., the Foundation or the plan is, on the date of this prospectus, or has been during the ten years prior to the date of this prospectus, a director or executive of an issuer which, when this person held this office or during the year after this person left office, declared bankruptcy, issued a settlement proposal under bankruptcy or insolvency laws, was the target of or initiated a legal proceeding, an arrangement with creditors, or a settlement with creditors, or for which a receiver, a managing receiver or a bankruptcy trustee was appointed in order to hold the assets.

Moreover, to the knowledge of Universitas Management Inc., no director or senior executive of Universitas Management Inc., the Foundation or the plan, during the ten years prior to the date of this prospectus, filed for bankruptcy, issued a settlement proposal under bankruptcy or insolvency laws, was the target of or initiated a legal proceeding, an arrangement with creditors or a

settlement with creditors, or for which a receiver, a receivership manager or a bankruptcy trustee was named in order to hold the assets.

TRUSTEE

Eterna Trust Inc.
801 Grande Allée Ouest
Suite 210
Quebec (Quebec) G1S 1C1

Under the terms of the Trust Agreement, it is normally the responsibility of Universitas Management Inc. to select the trustee. However, this choice must be made in the best interest of subscribers and beneficiaries, while acting in line with the Foundation's mission and its general strategy. Furthermore, the trustee selected must reside in Canada and hold a permit authorizing it, pursuant to Canadian or Quebec laws, to offer its services to the public.

Under the terms and conditions of an agreement signed on July 9, 2010, between Universitas Management Inc., the Foundation and Eterna Trust Inc. The latter has been given the responsibility to act as trustee of the plan. Eterna Trust Inc. is a trust company holding a permit pursuant to the *Trust and Savings Company Act* (Quebec).

In its capacity and for the benefit of the persons with rights thereto under plans currently in effect, the trustee safeguards and keeps in trust the plan's assets, transferred, contributed, paid or entrusted thereto, to constitute the issuing plan's assets to be invested and managed, including the contributions and the income on the contributions, until these amounts are reimbursed or paid to those entitled thereto in compliance with the terms governing the plan and RESP. In addition, the trustee oversees the asset investment and management activities of the plan, according to the instructions of Universitas Management Inc. Some of these functions may be delegated to Universitas Management Inc. and to the custodian.

In the event that Universitas Management Inc. refuses or is unable to act under an applicable law or regulation or pursuant to an order, judgment, decision, decree or directive issued by a court or a government, or an administrative, judicial, quasi-administrative or quasi-judicial authority, the trustee has agreed to act on behalf of the manager. It then fulfills the responsibilities of the stakeholder it replaces and, in this regard, the provisions of the plan and the related RESPs governing the replaced participant then apply to the trustee, with the necessary adjustments.

Pursuant to the terms of the Trust Agreement, the trustee receives an annual fee of \$27,500 for the performance of its duties for the plans, which is paid from the investment income on the plans' assets corresponding to the accumulated balances in their subscriber accounts. The trustee may resign and the manager may relieve the trustee of its duties by giving the other party a 90-day written notice.

Whenever it deems it timely to do so and in the best interest of the subscribers, beneficiaries, or the Foundation's mission and general strategy, Universitas Management may, by separate agreement with the trustee, replace the trustee or add one or more additional trustees for the plan without having to obtain prior consent from the subscribers.

INFORMATION ON THE SCHOLARSHIP PLAN

FOUNDATION

The Universitas Foundation of Canada
1035 Wilfrid-Pelletier Avenue
Suite 500
Quebec (Quebec) G1W 0C5

The Universitas Foundation of Canada (the “Foundation”) is a non-profit organization constituted in 1964. The Foundation’s mission statement is: “We offer the stepping stone to a bright future for those who dare to dream!”

The Foundation oversees the administration and management of the plan by Universitas Management Inc. This oversight can be exercised under the authority of the Trust Agreement and separate agreements reached for this purpose by the Foundation and Universitas Management. It may, for example, take the form of consultations prior to retaining the services of the trustee, custodian, portfolio managers, auditors and external actuary of the plan, or the Foundation exercising its right to require that Universitas Management give appropriate instructions to the custodian to ensure that it makes the payments required at maturity of the plan, including EAPs.

DIRECTORS AND OFFICERS OF THE FOUNDATION

The directors and officers of the Foundation are the following (in alphabetical order by surname):

Name and city of residence	Primary office
France Bilodeau, FICA, CFA, ASC ^{(2) (3) (5)} Quebec (Quebec) Director of the Foundation since 1998	Corporate director
Albert Caponi, CPA, CA ⁽¹⁾ Montreal (Quebec) Director of the Foundation since 2011	Businessman
André Caron ⁽⁴⁾ Quebec (Quebec) Director of the Foundation since 2009	Businessman
François Grégoire Saint-Augustin-de-Desmaures (Quebec) Director of the Foundation since 2007	President and CEO Forces AVENIR (Not-for-profit organization that promotes student involvement)
Pierre Hamel, B.Sc., ASA, ACIA, ASC ^{(3) (5)} Boucherville (Quebec) Director of the Foundation since 2017	Corporate director
Jacques Jobin, LL.B., ASC ^{(1) (3) (5)} Quebec (Quebec) Director of the Foundation since 2017	President, Médiato
Yves Lacasse, LL.B., LL.B. (Common Law), MBA ^{(1) (4) (5)} Quebec (Quebec) Chairman of the Board, Director of the Foundation since 2003	Associate lawyer Joli-Cœur Lacasse, attorneys (Law firm)
François Lavoie, B.A.A., B.A., Adm.A., PL.Fin. ^{(2) (3) (5)} Quebec (Quebec) Director of the Foundation since 2016	Senior Vice-President, Wealth Management Professionals’ Financial
Jean Marchand, B.A.A., M.Sc. ^{(2) (5)} Quebec (Quebec) Former Chairman of the Board, director of the Foundation since 1964	Founder and Director Universitas Foundation of Canada

Name and city of residence	Primary office
Liette Monat, MBA, Ph.D. ^{(4) (5)} Montreal (Quebec) Director of the Foundation since 1994	President Liette Monat Business Strategies Inc. (Professional services marketing)
Jean-Bernard Robichaud Ph.D. ⁽⁴⁾ Gatineau (Quebec) Director of the Foundation since 1995	Special advisor Department of Program Development Association of Universities and Colleges of Canada (Not-for-profit organization that promotes the interests of higher education and academic research)
Gaston Roy ⁽⁵⁾ Quebec (Quebec) Director of the Foundation since 2009	President and CEO Universitas Management Inc. (Investment fund manager and scholarship plan dealer)
Jacques Topping, CPA, CA, MBA, ASC ⁽⁵⁾ Quebec (Quebec) Director of the Foundation since 2013	President MissionBis Inc. (Holding company)

1. Audit and Risk Management Committee of the Universitas Foundation
2. Audit and Human Resources Committee of Universitas Management Inc.
3. Investment Committee of Universitas Management Inc.
4. Governance Committee of the Universitas Foundation
5. Board of Directors of Universitas Management Inc.

INDEPENDENT REVIEW COMMITTEE

Pursuant to the requirements of *Regulation 81-107 on the Independent Review Committee for Investment Funds*, the manager has appointed an Independent Review Committee (hereinafter the “IRC”) composed of three persons who have no significant relationship with the Foundation, Universitas Management Inc. or any entity affiliated to them. The IRC acts for each of the plans promoted by the foundation.

With regard to conflict of interest issues, the provisions of *Regulation 81-107* stipulate that, as an investment fund manager, and based on its obligations under securities legislation, the manager of each plan must perform the following for each issue it is required to submit to the IRC:

- establish written policies and procedures, either to oversee the management of such an issue or to prevent potentially damaging effects for subscribers;
- submit these policies and procedures to the IRC.

The IRC is an independent body integrated to the governance structure of the plan, with the mandate to improve the quality of management through the supervision of conflict of interest issues that may arise in the administration, asset management or operations of the plan.

In this context, a “conflict of interest issue” is:

- a situation in which a reasonable person would consider that Universitas Management Inc. or an entity affiliated to Universitas, has an interest that might conflict with its ability to act in good faith in the interest of the plan; or
- a provision relating to conflicts of interest or related operations that prohibits a plan, Universitas Management Inc., or an entity related to the latter, from executing a planned transaction or which imposes a restriction in this respect.

The primary role of the IRC is to review and take a position on the conflict of interest issues submitted to it by Universitas Management Inc. for decision or approval, as applicable, and to perform other functions prescribed by securities legislation, the IRC Charter or the policies and procedures of the Foundation.

The IRC members are:

André Gauthier, CPA, CA	Chairman of the committee and member since 2009
Luc Paradis, LL.L.	Member since 2013
Roger Demers, ASC, FCPA, FCA	Member since 2013

The IRC is required to prepare, for each fiscal year of the plan, and no later than the date on which the annual financial statements are filed, a report to subscribers describing the IRC’s composition and activities. This report is available on the Foundation’s website at universitas.ca. You can also obtain it on request, free of charge, by contacting us at info@universitas.ca.

GOVERNANCE COMMITTEE OF THE FOUNDATION

The Governance Committee is a committee of the Board of Directors of the Universitas Foundation. Its mandate is to ensure the quality of the governance structures and mechanisms of the Foundation and its subsidiary, Universitas Management Inc., and to make appropriate recommendations in terms of governance, if applicable. The Committee keeps watch of governance and is knowledgeable of the latest developments regarding the best industry practices. It handles ethical cases that may be submitted to it, as well as conflict of interest issues that are not under the IRC’s responsibility.

This Committee is currently comprised of four independent, unrelated directors: André Caron, Yves Lacasse, Liette Monat and Jean-Bernard Robichaud.

AUDIT AND RISK MANAGEMENT COMMITTEE OF THE FOUNDATION

The Audit and Risk Management Committee is a committee of the Foundation’s Board of Directors. Its mandate is to ensure the quality of the financial reporting of the Foundation and the plans, to represent the Foundation in matters with the external auditors, and to oversee the organization’s risk management.

This committee is currently comprised of four independent, unrelated directors: Albert Caponi, Jacques Jobin, Yves Lacasse and Jacques Topping.

INFORMATION ON THE SCHOLARSHIP PLAN

HUMAN RESOURCES AND AUDIT COMMITTEE OF UNIVERSITAS MANAGEMENT INC.

The Human Resources and Audit Committee is a committee of Board of Directors of Universitas Management Inc. Its mandate is to examine the policies, practices and organisational structures in terms of human resources and remuneration, and to ensure the integrity of Universitas Management Inc.'s financial reporting.

This committee is currently comprised of four independent, unrelated directors: France Bilodeau, Albert Caponi, François Lavoie and Jean Marchand.

INVESTMENT COMMITTEE OF UNIVERSITAS MANAGEMENT INC.

The Investment Committee is a committee of the Board of Directors of Universitas Management. Its mandate is to develop and adopt investment policies relevant to the plans promoted by the Foundation. It is responsible for making recommendations to Universitas Management regarding the appointing or, if necessary, dismissal of portfolio managers, as well as for their performance review. The Investment Committee also ensures compliance with its policies in the interest of plan's subscribers and beneficiaries.

This committee is currently comprised of four independent, unrelated directors and one outside member: France Bilodeau, Pierre Hamel, Jacques Jobin, François Lavoie and Gilles Bernier (outside member).

COMPENSATION OF DIRECTORS, OFFICERS, TRUSTEES AND INDEPENDENT REVIEW COMMITTEE MEMBERS

The plan has no Board of Directors, officers or employees.

The Foundation directors receive an attendance fee for Board meetings or for any other committee meeting, as well as an annual retainer. In 2016, the fees for Foundation meetings totalled \$181,250. This amount was paid from the administration fee.

The remuneration of the IRC members for attending meetings or for any other special assignment is paid by the plans promoted by the Foundation. Regular IRC members each receive an attendance fee of \$1,500 per meeting and an annual retainer of \$3,500. The chairman of the committee receives an attendance fee of \$1,750 per meeting, as well as an annual retainer of \$6,000.

Eterna Trust acts as the trustee of the scholarship plans promoted by the Foundation. It receives a flat fee of \$27,500 per year for its services for all plans combined. This fee is invoiced to the plans and prorated to the average value of the assets under management in each plan.

THE PORTFOLIO MANAGERS

To implement the investment policies for the plans' assets and manage the resulting investment portfolios, Universitas Management Inc. has retained the services of securities advisors registered as portfolio managers pursuant to securities legislation. These are Fiera Capital Corporation, AlphaFixe Capital Inc., Jarislowsky Fraser Limited, Montrusco Bolton Investments Inc., and State Street Global Advisors Ltd.

Management of fixed-income securities is entrusted to Fiera Capital Corporation, AlphaFixe Capital Inc. and Montrusco Bolton Investments Inc. The management of investments in Canadian equities is entrusted to Jarislowsky Fraser Limited, Montrusco Bolton Investments Inc., and State Street Global Advisors Ltd.

The portfolio managers are responsible for conducting research and making investment decisions, and for purchasing and selling securities in compliance with the qualitative and quantitative limits established under the investment policies. By delegation of Universitas Management Inc. and in compliance with its instructions, as applicable, they exercise the voting rights on the investments thus made within their respective mandate, in accordance with the objectives of the Foundation's investment policies. The proxy voting reports prepared by the portfolio managers are available on our website at universitas.ca.

However, Universitas Management Inc., on recommendation of its investment committee, reserves the right to exercise the voting rights in whole or in part by communicating its intent to do so to the securities advisors within a reasonable period.

Fiera Capital Corporation

Fiera Capital Corporation, a leading independent asset management firms, is rapidly acquiring a global presence and reputation. With more than \$125 billion in assets under management as at June 30, 2017, the firm offers to institutional, private wealth and retail markets full-service, integrated portfolio-management solutions that span a broad array of traditional and alternative asset classes. Clients stand to benefit from Fiera Capital's depth of expertise, diversified offerings, and performance-driven entrepreneurial culture. The firm provides its best-in-class investment and asset allocation teams the necessary scope to responsibly pursue their particular strategies as boutique investment managers, backed by the substantial organizational and distribution resources befitting an industry leader.

Headquartered in Montreal, Fiera Capital also has offices in Toronto, Calgary, Vancouver, and Halifax, as well as New York, Boston, Los Angeles and Dayton (Ohio) in the United States, London and the Isle of Man in the United Kingdom and Frankfurt, Germany. The firm has more than 600 employees, including some 160 investment professionals, dedicated to meeting the needs of a diverse clientele that includes pension funds, endowments, foundations, religious and charitable organizations, family offices, high-net-worth individuals, financial institutions, retail investors, mutual funds and managed-asset platforms. Fiera Capital trades under the ticker FSZ on the Toronto Stock Exchange.

Its mandate is to invest the assets of the plans in fixed-income securities in accordance with the directives it receives from Universitas Management Inc. in line with its investment policies.

The firm's investment philosophy is based on a multi-strategy style in which active duration management, portfolio positioning on the yield curve, sector selection and active management of corporate securities are the means used to add value over the benchmark. Investment decisions are made by the senior portfolio managers, who have ultimate responsibility for the portfolios after analysis and consultation with other members of the bond management team. Decisions are not subject to the approval of a committee, except in the case of asset allocation.

The individuals in this firm primarily responsible for providing portfolio management services for the plan are:

Name and position	Length of service with the portfolio advisor	Experience in the business sector
Christopher Laurie, MBA, CFA Vice-President and Senior Portfolio Manager, Fixed Income	23 years	30 years
Jane-Marie Rocca Senior Portfolio Manager, Fixed Income	33 years	33 years

The services rendered are provided mainly in Montreal, Quebec and Toronto, Ontario.

AlphaFixe Capital Inc.

Founded in 2008 by seasoned managers, AlphaFixe Capital is an investment management firm specializing in fixed income. From its office in Montreal, AlphaFixe Capital primarily serves institutional clients which consist of pension funds, insurance companies, religious communities and foundations. AlphaFixe Capital offers a full range of strategies specific to the bond market.

Its mandate is to invest the assets of the plans in fixed income securities under its mandate from Universitas Management Inc. in accordance with the investment policies. The investment philosophy is based on a rigorous risk management process. The concepts of capital preservation and flexibility in implementing different strategies are transposed into the company's internal models that are both sophisticated and accessible. Bond investment strategy decisions are team-based and reflect a fundamental long-term view.

AlphaFixe Capital's mission is to create consistent added value by recommending a fundamental approach based on the intrinsic value of the assets and a limited risk tolerance model. To achieve this, AlphaFixe Capital uses five distinct sources of added value, which can be deployed according to different market opportunities. In addition, an internal bond model of bond issuers incorporates non-financial risks (environmental, social and governance).

The individuals in this firm primarily responsible for providing portfolio management services for the plan are:

Name and position	Length of service with the portfolio advisor	Experience in the business sector
Stéphane Corriveau, ASA President and Managing Director	9 years	26 years
Sébastien Rhéaume, CA, CFA Managing Director	9 years	26 years

The services rendered are provided exclusively in Montreal, Quebec.

Jarislowsky Fraser Limited

Jarislowsky Fraser Limited is a registered investment consulting firm, managing pension funds, endowment funds and corporate and private portfolios for clients in North America and overseas. The company was founded in 1955 as an investment research firm. In the early 1960s, the firm began to use its research material to counsel private investors and, shortly after, pension funds. Today the firm offers portfolio management services to governments, corporations, universities, labour unions and individuals. Jarislowsky Fraser Limited is an independent firm with no affiliates. The company has offices in Montreal, Toronto, Calgary, Vancouver and New York (through its subsidiary, Jarislowsky, Fraser U.S.A. Inc.)

The firm's primary objective is the growth of its clients' capital while maintaining a low level of risk. The firm's philosophy is founded on time-proven conservative principles of investment management based on fundamental research. The firm constructs diversified high-quality portfolios that are designed to protect existing investments and achieve long-term growth for its clients.

INFORMATION ON THE SCHOLARSHIP PLAN

Its mandate is to invest the assets of the plans in Canadian equities in accordance with the directives of Universitas Management Inc. and in line with its investment policies. The decision-making process is based on a team approach and a disciplined investment process. Its investment strategy committee, comprised of experienced investment professionals, is a central oversight group responsible for ensuring that all portfolios follow the firm's philosophy and fundamental investment process. Although this committee sets the investment boundaries and framework, the portfolio managers are directly responsible for investing all the securities in each client's portfolio and for continuous monitoring and rebalancing of the asset allocation and the weighting of sectors and individual securities, to ensure that each account is in compliance with its specific investment policy.

The individuals in this firm primarily responsible for providing the portfolio management services for the plan are:

Name and position	Length of service with the portfolio advisor	Experience in the business sector
Jacques Nolin, B.Sc., MBA Portfolio Manager and Senior Partner	29 years	31 years
G. Pierre Lapointe, CFA Portfolio Manager, Chairman of Executive Committee and Director	32 years	34 years

The services rendered are provided mainly in Montreal, Quebec.

State Street Global Advisors

State Street Global Advisors (SSGA) is the asset management business of State Street Corporation, one of the world's leading providers of financial services to institutional investors. SSGA strives to be the premier global asset manager that clients trust for investment insight, solutions and results. SSGA has the ability to combine a disciplined, precise investment process with a global investment platform that provides clients access to every major asset class, capitalisation range and style. The firm is recognized for its indexing leadership and for its capacity to generate added value over the benchmark.

State Street Global Advisors, Ltd. (SSGA Canada), the Canadian office of State Street Global Advisors (SSGA), was established in 1991, with offices in Montreal and Toronto. SSGA Canada ranks as one of the major investment managers in Canada. The firm has a diverse client base that includes defined benefit and defined contribution pension funds, insurance companies, official institutions, foundations, charities, local authorities, family offices and intermediaries.

Its mandate is to invest the assets of the plans in Canadian Equity public securities in accordance with the directives it receives from

Universitas Management Inc., and in line with its investment policies. The investment philosophy is based on a systematic approach seeking to provide exposure to high dividend securities and low expected volatility relative to the S&P/TSX Composite Index.

The individual in this firm primarily responsible for providing the portfolio management services for the plan is:

Name and position	Length of service with the portfolio advisor	Experience in the business sector
Emiliano Rabinovich, CFA Vice-President and Senior Portfolio Manager	11 years	14 years

The services rendered are provided mainly in Montreal, Quebec.

Montrusco Bolton Investments Inc.

Montrusco Bolton Investments Inc. ("MBII") is a portfolio management firm that serves institutional clients, including pension funds, foundations, insurance companies and mutual funds. The firm dates back to 1946. Its corporate offices are in Montreal, where all assets are managed, and other offices are in Montreal and Toronto. MBII is a private company whose shares are owned by key employees and two strategic partners: Affiliated Managers Group Inc. and the *Fonds de solidarité* FTQ (labour-sponsored fund).

MBII's investment philosophy is to achieve long-term growth of assets while preserving capital.

The firm's bond management philosophy is based on prudence, income and capital protection. The bond portion of a balanced portfolio must not put capital at risk and, therefore, must be managed with prudence and discipline. Furthermore, in the context of the investment process and an optimal strategic management, MBII analyzes the following: management of weightings by asset class, credit quality analysis, management of sector weightings, and management of the term and yield curve.

Its mandate is to invest the assets of the plans in Canadian equities in accordance with the directives of Universitas Management Inc., and in line with its investment policies.

For equities, MBII's strategy focuses on Canadian companies with a combination of high dividend yield and high dividend growth emphasizing downside risk protection. The net result is an equity strategy with lower beta and lower volatility than the benchmark and good downside protection in market corrections.

The individuals in this firm primarily responsible for providing the portfolio management services for the plan are:

Name and position	Length of service with the portfolio advisor	Experience in the business sector
Richard Guay, MBA, CFA Senior Vice-President	17 years	24 years
Christian N. Godin, M.Sc. Senior Vice-President Head of equities	16 years	24 years
John Goldsmith, MBA, CFA Vice-President Deputy Head of Equities	13 years	20 years
Ismaël Chiadmi, M.Sc. Senior Vice-President, Risk and Quantitative Products Manager	20 years	30 years

The services rendered are provided mainly in Montreal, Quebec.

DETAILS OF THE PORTFOLIO MANAGEMENT CONTRACTS

The portfolio advisors manage the plan assets pursuant to the mandates they have signed with the Foundation and Universitas Management Inc. and in accordance with the specific mandates they have received. The mandates include the obligation to comply with the investment policies and the limits established by those policies, and the obligation to comply with the legal requirements imposed by securities legislation. The managers have a duty to analyze, recommend and make investment decisions. The portfolio management contracts may be terminated at any time with a written notice to the other party.

PRINCIPAL DISTRIBUTOR

Universitas Management Inc.
1035 Wilfrid-Pelletier Avenue
Suite 500
Quebec (Quebec) G1W 0C5

Through its sales force of nearly 200 scholarship plan representatives and its administrative personnel, Universitas Management Inc. also acts as principal distributor of the plans, in compliance with current securities legislation and tax laws. Universitas Management has been involved in this type of activity since March 2, 1964, and has done so for the plans pursuant to an agreement dated July 9, 2010.

Since Universitas Management Inc. acts as distributor and manager of the plan, it is considered “a connected issuer” with respect to Universitas Management as defined by *Regulation 33-105 respecting conflicts of interest for distributors*.

The Foundation may terminate the contract it has for the sale and distribution of scholarship plans with Universitas Management Inc. in the event of the latter’s serious failure to meet its obligations.

DEALER COMPENSATION

The plan pays an annual administration fee to the Foundation, as the plan promoter, and to Universitas Management Inc., which acts as scholarship plan dealer, investment fund manager and distributor. These fees are drawn from the assets of each plan, and are used to pay for the duties executed by the Foundation and Universitas Management.

This annual administration fee corresponds to 1.18% (excluding all applicable taxes) of the assets under management, and is used to pay for the administration costs of each plan, with the exception of the fees for the IRC which are taken directly from the plans’ assets pursuant to securities legislation.

Moreover, any portion of administration fee that is not required for the maintenance or development of the organization is returned to the plans promoted by the Foundation for the educational assistance payments.

Universitas Management Inc. is compensated on the basis of the number or the value of the educational assistance plans subscribed. The sales charges paid by the subscriber pursuant to the plan subscribed are paid to Universitas Management Inc. in order to pay the commissions of the representatives and other distribution costs. The representatives are remunerated through commissions calculated according to the number of units sold and the savings invested. They may also receive, as applicable, an additional remuneration based on the retention rate of the subscribed plans with each representative. As applicable, the representatives’ compensation is paid by Universitas Management Inc. primarily from the sales charges received from the Foundation with part of their compensation being paid from the administration fee. In 2018, it is expected that approximately 3.25% of the administration fee received from the plans will be paid to representatives as trailing commissions.

As remuneration, representatives may also win prizes, participate in contests, receive awards during the annual convention, or participate in a trip organized every year. All the expenses paid by Universitas Management Inc. for these incentives are taken from its own funds and are not charged to subscribers, beneficiaries, or the plan.

CUSTODIAN

CIBC Mellon Global Security Services Company
320 Bay Street, P.O. Box 1
Toronto (Ontario) M5H 4A6

Under the terms of the trust agreement, Universitas Management Inc. may retain the services of the custodian it deems competent, at its discretion.

Pursuant to the terms and conditions of an agreement entered into on October 17, 2016 between Eterna Trust Inc., Universitas and CIBC Mellon Global Security Services Company, CIBC Mellon acts as custodian for each plan.

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In this capacity, the custodian receives the contributions for crediting to subscriber accounts as well as the government grants, income earned on the plan's assets and the net gains transferred to Universitas Management Inc. by subscribers to be deposited to their account.

The custodian acts as custodian of securities and other forms of investments in which these sums are invested, and as agent for the registers of the plan in question.

At maturity of a plan or when it expires, the custodian reimburses the subscriber, from the assets of this plan, the full amount of his or her contributions, including the sales charges that must be refunded to him, according to the instructions given by Universitas Management Inc. on behalf of the trustee. It also reimburses from the assets of the relevant plan, the government grants paid by the government of Canada or Quebec, as applicable, under the conditions stipulated by the tax laws governing the plan in question.

The custodian's fee is paid directly from the investment income on assets in the Subscriber Accounts. It has been established by applying the following fee: 0.009% of the average annual assets under management and \$15 per electronic transfer.

The services agreement between Universitas Management Inc. and the custodian is currently in effect for one year, but either party may terminate it at an earlier date by giving a 90-day written notice to the other party.

AUDITOR

Deloitte, LLP
925 Grande Allée Ouest
Quebec (Quebec)
G1S 4Z4

TRANSFER AGENT AND REGISTRAR

Universitas Management Inc.
1035 Wilfrid-Pelletier Avenue
Suite 500
Quebec (Quebec) G1W 0C5

Universitas Management Inc. provides administrative services, specifically with regard to the keeping of books and records of account, and the maintaining of files. It keeps separate accounting records of the subscriber accounts and provides the custodian with access to this accounting data it compiles to allow reconciliation with the accounting of subscribers' accounts maintained by the custodian.

PROMOTER

Universitas Foundation of Canada
1035 Wilfrid-Pelletier Avenue
Suite 500
Quebec (Quebec) G1W 0C5

The Foundation promotes the plans issued by the UNIVERSITAS Plan.

OTHER SERVICE PROVIDERS

Eckler Ltd.
800 René-Lévesque Boulevard West, Suite 2200
Montreal (Quebec) H3B 1X9

Eckler Ltd. acts in the capacity of external actuary of the plan. The actuary assists in determining the contribution amount payable per whole unit purchased under the contract. For this purpose, it validates the valuations used to establish this measurement unit.

Another of its responsibilities is to approve the methodology used to calculate and determine the unit value of the EAPs payable to qualified beneficiaries. This methodology is described in the accompanying notes of the plan's annual financial statements, incorporated by reference in this prospectus.

In addition, Universitas Management Inc. annually calculates the current value of its obligation to refund sales charges at maturity. To do so, it uses the cash flow projections made by the external actuary.

OWNERSHIP OF THE INVESTMENT FUND MANAGER AND OTHER SERVICE PROVIDERS

Universitas Management Inc. is a wholly-owned subsidiary of the Universitas Foundation of Canada.

EXPERTS WHO CONTRIBUTED TO THIS PROSPECTUS

The contribution schedules presented in this prospectus were prepared in collaboration with the external actuary of the plans.

The issues addressed in "How Taxes Affect your Plan" on page 14 and certain other legal issues concerning the plans have been reviewed by Lavery, de Billy, LLP

The plan's financial statements were audited by Deloitte, LLP.

The personnel associated with these experts hold an interest of less than 1% in the plans and no stake in Universitas Management Inc.

SUBSCRIBER MATTERS

MEETINGS OF SUBSCRIBERS

Any request for a change to the contract must be signed by the subscriber and sent in writing to Universitas Management.

Universitas Management Inc. and the trustee may also agree, without consulting the beneficiary or the subscriber, to modify or amend the provisions of the contract if, in the opinion of Universitas Management Inc. and the trustee, such modification or amendment:

- ▶ is made for the purpose of complying with a federal law or law of a Canadian province or an order, rule or regulation adopted pursuant to such law; or
- ▶ is necessary to overcome administrative difficulties to the extent that they do not adversely affect the subscribers and beneficiaries.

Other changes affecting the rights of subscribers or beneficiaries may be made only with the consent of Universitas Management Inc., the trustee and the subscribers. This is also true for changes that might cause a drop in the unit value of the EAPs and which, in the opinion of the external actuary, prevent the issuance of the actuary's certificate. This certificate, issued on an annual basis and placed on our website, certifies the fair and accurate nature of the distribution of the income and expenses (by beneficiary group and by plan) and the calculation of the unit value of the EAPs.

As necessary, Universitas Management Inc. or the trustee calls a meeting of subscribers with a notice of at least 21 days in order to review and approve all other changes. A resolution of the subscribers may be adopted by simple majority of the votes cast by the subscribers at a meeting or represented by proxy. Each subscriber is entitled to one vote per type of plan held, regardless the number of contracts in his or her name or the number of units held. For the purposes of this paragraph, it is possible to subscribe to three types of plans: the REFLEX Plan, the INDIVIDUAL Plan and the UNIVERSITAS Plan.

MATTERS REQUIRING SUBSCRIBER APPROVAL

No matters other than changes to the trust agreement and the contracts require the subscriber's approval.

Any change made to the contracts by Universitas Management Inc. and the trustee must first be recommended by a committee appointed specifically for this purpose. Such recommendation is then submitted for approval to the Board of Directors and, as necessary, to the external actuary for the issuance of a certificate.

AMENDMENTS TO THE TRUST AGREEMENT

The Foundation and the trustee may act jointly, without requiring approval from the subscribers, to make any amendment to the trust agreement and the trust declarations covering:

- ▶ the management of the plans or any administrative change, provided that such changes are not likely to affect subscribers and beneficiaries adversely;
- ▶ the addition of a protection or an additional benefit to subscribers or beneficiaries; and
- ▶ the maintenance of the status of the plan pursuant to tax laws.

However, amendments to the provisions of the trust agreement or trust declaration intended to resolve a reasonably important issue for subscribers and beneficiaries other than a question described in the preceding paragraph, may be made only with the consent of subscribers in the form of a resolution obtained in a meeting in accordance with the procedure stipulated in the trust agreement. For example, a modification to the components of a plan would require the approval of subscribers in the form of a resolution.

REPORTING TO SUBSCRIBERS AND BENEFICIARIES

In March of each year, the Management Report of Fund Performance and the annual audited financial statements as at December 31st are sent to subscribers who request these in

writing, along with their account statements. The interim financial statements as at June 30th are also sent to any subscriber on written request.

For this purpose, we send a letter each year to all subscribers asking them to confirm if they wish to receive the printed annual and interim financial statements. These financial statements are available on the website of the Canadian Securities Authority at sedar.com and on our website at universitas.ca.

BUSINESS PRACTICES

OUR POLICIES

We have implemented policies and procedures to ensure the sound management of the plans promoted by the Foundation pursuant to securities regulations and the applicable laws.

We have developed a manual of practices and procedures in order to monitor business practices and the compliance of all sectors of the organization, including the sales sector.

Moreover, in collaboration with the IRC and the Audit and Risk Management Committee, we conduct regular verification of the correct application of the policies, procedures and restrictions on the investment policies.

VALUATION OF PORTFOLIO INVESTMENTS

The Plan qualifies under IFRS as an investment entity since it oversees the management of the funds from investors (subscribers) with the aim of achieving returns by way of capital appreciation and investment income. Additionally, the Plan assesses the performance of these investments on the basis of fair value. The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability for a transaction carried out between market participants at the measurement date, regardless of whether this price is directly observable or estimated using a valuation technique. When the Plan estimates the fair value of a financial asset or a financial liability, it takes into account the characteristics of the assets and liabilities if such is what market participants would do to determine the price of an asset or liability as at the measurement date.

The fair value of cash, sales pending settlement, dividends receivable, interest receivable, CESG receivable, QESI receivable, experience refunds receivable, other accounts receivable, bank overdraft, purchases pending settlement, QESI refundable and accounts payable and related approximates their carrying amounts, due to their short-term maturities.

The fair value of security investments is established from the bid price values. If quoted prices in active markets are unavailable, the fair value of investment in Treasury bills and short-term investments as well as bonds is, for its part, determined through the use of current industry-specific valuation methods, such as a model whose application is based on discounting the expected future cash flows or similar techniques. These methods take account of current observable data on the market for financial instruments with a similar risk profile and comparable terms. The

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important data used in these models include, but are not limited to, yield curves, credit risks and issuer spreads. The custodian confirms that it takes on the responsibility to provide valuation of the portfolio's assets since 2008, and has not altered the valuation methods described herein.

The fair value of the net assets attributable to contracts corresponds to its carrying amount, given that it is the residual amount allocated to contract holders and beneficiaries as at the reporting date.

PROXY VOTING

The exercise of proxy voting rights on portfolio securities is delegated to portfolio managers, who perform this responsibility in compliance with the objectives of the investment policies.

Upon request, you may obtain (at no cost) the proxy voting materials of the plan for the most recent period (ended on June 30th) after August 31st of the same year on the Foundation's website at universitas.ca.

Fiera Capital Corporation and AlphaFixe Capital Inc. do not manage any investment for the plans that carries a voting right. Jarislowsky Fraser Limited, Montrusco Bolton Investments Inc. and State Street Global Advisors Ltd. implement policies and procedures for proxy voting, designed to create or increase the economic value of their client's portfolio. This implies voting with members of the Board of Directors of the companies seeking the proxies who, as representatives of the plans, must act in the best interest of the plans.

On the other hand, if the portfolio managers believe that a proposal will unduly increase the risk or reduce the economic value of the plan, or that it is not in the interest of the plan, their vote will go against that of the Board of Directors.

They may also refuse to participate in a vote if they believe it is in the best interest of the plans.

However, Universitas Management Inc., on recommendation from the Investment Committee, reserves the right to exercise its voting rights by giving the portfolio managers reasonable notice of its intention to do so.

It is possible to obtain on request, free of charge, the policies and procedures followed by the scholarship plan in the exercise of the voting rights granted by proxy with respect to the portfolio securities by calling toll-free 1-877-710-RESP (7377) or by writing to Universitas Management Inc. at 1035 Wilfrid-Pelletier Avenue, Suite 500, Quebec (Quebec) G1W 0C5.

CONFLICTS OF INTEREST

Universitas Management Inc. is a wholly-owned subsidiary of the Foundation, which acts as plan promoter and whose mission is to supervise the administration and management of the plans. It is therefore possible that situations may arise in which conflicts of interest exist in the relations between the Foundation and Universitas Management. For more detailed information on this subject, see "Manager of the Plan" on page 40 and "Independent Review Committee" on page 43.

KEY BUSINESS DOCUMENTS

The Foundation and Universitas Management Inc. are parties to the following key contracts:

- 1) Scholarship Plan Agreement between the subscriber and the Foundation dated December 14, 2017. It defines all the terms of the plan, as well as the duties and responsibilities of the parties when an education savings plan is opened.
- 2) Agreement between the Foundation and Universitas Management Inc., Manager-Distributor, dated January 20, 1998. This agreement defines the responsibilities of Universitas Management Inc. for the plans that it issues, which has been delegated certain tasks and responsibilities as investment fund manager for the Foundation and as exclusive distributor. This contract was extended and split in two on December 23, 2010, so as to clearly define the two roles of Universitas Management Inc. An amendment to one of the above contracts, i.e., that which pertains to the exclusive management of business, was signed on April 9, 2014. A second amendment to this same contract was signed on September 7, 2017.
- 3) Agreement between the Foundation and the trustee dated July 8, 2010, and restated on December 23, 2010. This agreement defines the responsibilities of Eterna Trust Inc. in the administration of the plans promoted by the Foundation. Amendments to this agreement were made on November 12, 2013, January 1, 2016 and May 17, 2017.
- 4) Agreement between the Foundation and the custodian dated October 17, 2017. This agreement defined the responsibilities of the custodian charged with keeping the registers, the Global Securities Services Company CIBC Mellon, in the management of the assets of the plans.
- 5) Agreement between Universitas Management Inc. and Fiera Capital Corporation on April 1, 2011. The agreement sets forth the powers and responsibilities of this portfolio manager. An amendment to this agreement was signed on March 19, 2014.
- 6) Agreement between Universitas Management Inc. and AlphaFixe Capital Inc. dated July 1, 2011. The agreement sets forth the powers and responsibilities of this portfolio manager. An amendment to this agreement was signed on August 31, 2015.
- 7) Agreement between the Foundation and Jarislowsky Fraser Limited dated May 25, 2001. The agreement defines the powers and responsibilities of this portfolio manager. An addendum to this agreement was signed on December 20, 2011, to set forth the role of Universitas Management as investment fund manager.
- 8) Agreement between the Foundation and Montrusco Bolton Investments Inc. on September 1, 2008. The agreement stipulates the powers and responsibilities of this portfolio manager. An addendum to this agreement was signed on January 1, 2011 to set forth the role of Universitas Management Inc. as investment fund manager.

- 9) Agreement between Universitas Management Inc. and State Street Global Advisors Ltd., dated August 30, 2016. The agreement sets forth the powers and responsibilities of this portfolio manager. A first amendment to this agreement was signed on February 10, 2017, and a second on June 16, 2017.
- 10) Administration agreement between Trust Eterna Inc., the UNIVERSITAS, REFLEX and INDIVIDUAL Plans, the Foundation and Universitas Management Inc. on December 23, 2010. This contract establishes the service rendered by the Foundation to the plans. A renewed agreement was signed by the parties and will come into force December 23, 2015.
- 11) The group insurance policy agreement between the Foundation and Humania Assurance Inc. dated September 29, 2017, regarding the optional life and disability insurance offered to subscribers pursuant to the conditions described in the Distribution Guide. This agreement came into effect on October 1, 2017.
- 12) Agreement between Universitas Management Inc. and Human Resources and Social Development Canada dated February 12, 2016. This agreement defines the conditions governing receipt and administration of the Canadian Educational Savings Grant or the Canadian Learning Bond, or both, as applicable.
- 13) Agreement between the Foundation and the Quebec Revenue Ministry (QESI) dated June 30, 2008. This agreement defines the conditions for the implementation and administration of the Quebec Educational Savings Incentive.

You may consult copies of the aforesaid documents during our business hours at 1035 Wilfrid-Pelletier, Suite 500, Quebec (Quebec) G1W 0C5.

LEGAL MATTERS

EXEMPTION AND APPROVAL UNDER SECURITIES LAWS

In 2001, pursuant to Decision No. 2001-C-0383 of the *Autorité des marchés financiers* (previously the Quebec Securities Commission), the Foundation obtained an exemption from application of Article 4 of the *General Instruction C-15 – Conditions Precedent to Acceptance of the prospectus of university educational plan foundations* in order to allow the Foundation to invest the assets in its account in shares of common stock in companies. For more details on the investment terms and conditions stipulated in Decision No. 2001-C-0383, see the “Investment Objectives, Strategies and Restrictions” section.

In 2017, pursuant to Decision No. 2017- SACD-0007 of the *Autorité des marchés financiers*, Universitas Management Inc. was granted relief from Article 4.1(1)(a) under *Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations*. The exemption allows the registration of François Lavoie as a director of Universitas Management Inc., as a dealing representative of Professionals’ Financial – Private Management Inc., and as a senior officer of Professionals’ Financial – Mutual Funds Inc.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

On August 20, 2012, the *Autorité des marchés financiers* submitted a petition to the Office of Decision and Audit seeking an administrative penalty of \$15,000 against the Universitas Foundation. The facts in the case date back to 2010 and refer primarily to investments that not authorized by regulation.

In 2010, the Foundation made the corrections required by the *Autorité des marchés financiers*. Moreover, the decision specifies that the Universitas Foundation reacted quickly and that the situation did not occur again.

The elements of non-compliance raised concerning the investments and the related administrative penalty have not had and will not have any impact or effect for subscribers or beneficiaries.

During the period ending December 31, 2012, Universitas Management Inc. ended the employment contract of one of its officers. This officer, alleging unjustified dismissal, brought suit against Universitas Management Inc. which was filed and served on November 30, 2012. A judgement in favour of Universitas Management Inc. was rendered on October 7, 2016, dismissing all the plaintiff’s claims. On November 4, 2016, the plaintiff filed a notice of appeal. Universitas Management Inc. is vigorously contesting this notice of appeal in court. Universitas Management Inc. will absorb in its operating budget the expenses related to this dispute and no additional fees will be charged to subscribers, beneficiaries or the plans.

On July 19, 2016, a request seeking authorization to institute a class action against certain RESP providers, including the Universitas Foundation of Canada and Universitas Management, was presented before the Superior Court of Quebec (the “Request”). The proceeding has not yet been certified as a class action and a certification hearing has been scheduled for May 16 and 17, 2018. At this stage, the request is of a procedural nature only and does not create or alter any rights. We cannot predict the final outcome or timing of this pending proceeding, nor can we predict its potential financial impact, on the Universitas Foundation of Canada or Universitas Management Inc., if applicable.

Certificates

DECLARATION OF PLANS

December 14, 2017

This prospectus, together with the documents incorporated herein by reference, constitutes a full, true and clear disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Quebec and New Brunswick.

Universitas Management Inc.

On behalf of the plans, as Investment Fund Manager

(s) *Gaston Roy*
President and Chief Executive Officer

(s) *Josiane Rivard*
Vice-President, Finance and Administration

The Universitas Foundation of Canada

On behalf of the plans, as Promoter

(s) *Yves Lacasse*
Chairman of the Board of Directors

(s) *Jean Marchand*
Director

Trust Eterna

As plan trustee

(s) *François Ricard*
Vice-President, Administration

(s) *Robert Archer*
Secretary

DECLARATION OF THE INVESTMENT FUND MANAGER

December 14, 2017

This prospectus, together with the documents incorporated herein by reference, constitutes a full, true and clear disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Quebec and New Brunswick.

Universitas Management Inc.

In its capacity as Investment Fund Manager

(s) *Gaston Roy*
President and Chief Executive Officer

(s) *Josiane Rivard*
Vice-President, Finance and Administration

Board of Directors of Universitas Management Inc.

On behalf of the plans

(s) *Yves Lacasse*
Chairman of the Board of Directors

(s) *Jean Marchand*
Director

DECLARATION OF THE PRINCIPAL DISTRIBUTOR

December 14, 2017

This prospectus, together with the documents incorporated herein by reference, constitutes a full, true and clear disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Quebec and New Brunswick.

Universitas Management Inc.

In its capacity as Distributor

(s) *Gaston Roy*

President and Chief Executive Officer

NOTES

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UNIVERSITAS PLAN



Universitas Management Inc.
1035 Wilfrid-Pelletier Avenue, Suite 500
Quebec (Quebec) G1W 0C5

You can find additional information about the plan in the following documents:

- ▶ the plan's most recently audited annual financial statements;
- ▶ the interim financial reports (unaudited) filed after the annual financial statements; and
- ▶ the most recently filed annual Management Report of Fund Performance.

These documents are incorporated by reference into the prospectus, meaning they legally form part of it, as if they were printed as part of it.

You can get a free copy of these documents by dialing 1-877-710-RESP (7377) or writing to us at info@universitas.ca. You can also view these documents on our website at universitas.ca.

These documents and other information about our plan are also available at sedar.com.

Universitas Management Inc. is a wholly-owned subsidiary of the Universitas Foundation of Canada.



UNIVERSITAS
FOUNDATION