FINANCIAL STATEMENTS

For the years ended December 31, 2018 and 2017

INDIVIDUAL PLAN

UNIVERSITAS FINANCIAL

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INDIVIDUAL PLAN

The INDIVIDUAL Plan

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Independent Auditor's Report

To the subscribers of
The INDIVIDUAL Plan

Opinion

We have audited the financial statements of the INDIVIDUAL Plan (the "Plan"), which comprise the statements of financial position as at December 31, 2018 and 2017, and the statements of net income and comprehensive income, statements of changes in net assets attributable to contracts and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Plan's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Haik (Haig) Vanlian.

/s/ Deloitte LLP[1]

Quebec City, Quebec

March 22, 2019

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[1] CPA auditor, CA, public accountancy permit No. A123838

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Statements of financial position

(in thousands of Canadian $)

	Notes	**December 31, 2018**	December 31, 2017
Assets			
Cash	9	**483**	2,235
Sales pending settlement		**-**	25
Other accounts receivable	8	**1,462**	1,079
Dividends receivable		**24**	22
Interest receivable		**43**	32
Canada Education Savings Grant (CESG) receivable	11	**710**	382
Quebec Education Savings Incentive (QESI) receivable		**537**	342
Investments	5	**22,418**	19,770
		25,677	23,887
Liabilities			
Purchases pending settlement		**15**	24
Accounts payable and other liabilities	7	**70**	69
Quebec Education Savings Incentive (QESI) refundable		**207**	95
		292	188
Net assets attributable to contracts		**25,385**	23,699

The notes are an integral part of these financial statements.

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Statements of net income and comprehensive income

for the years ended December 31 (in thousands of Canadian $)	Notes	2018	2017
Revenues from ordinary activities			
Interest income for educational assistance payments		**384**	297
Dividends		**226**	210
Realized gain (loss) on disposal of investments		**(11)**	221
Change in unrealized gain (loss) on investments		**(655)**	84
		(56)	812
Operating expenses			
Brokerage fee		**5**	5
Portfolio management fees		**18**	17
Custodian fee		**16**	16
Administration fee	8	**270**	254
		309	292
Net income and comprehensive income attributable to contracts		**(365)**	520

Statements of changes in net assets attributable to contracts

for the years ended December 31
(in thousands of Canadian $)

	Subscribers' savings	EAP account	CESG	Accumulated income CESG	QESI	Accumulated income QESI	Total
Net assets as at December 31, 2017	10,965	677	6,915	2,617	2,138	387	23,699
Net income and comprehensive income	-	50	-	(339)	-	(76)	(365)
Increase							
Subscribers' savings	5,547	-	-	-	-	-	5,547
Transfers between plans	575	-	559	94	101	11	1,340
Grants received from the government	-	-	1,267	-	541	-	1,808
Transfers from other promoters	-	10	-	-	-	-	10
	6,122	10	1,826	94	642	11	8,705
Decrease							
Refund of savings at maturity	(4,859)	-	-	-	-	-	(4,859)
Grants returned to the government	-	-	-	-	(116)	-	(116)
Transfers to other promoters	-	-	(12)	(4)	(2)	(1)	(19)
Grants and income on grants	-	-	(973)	(218)	(338)	(30)	(1,559)
Outflow of accumulated income on grants for payments to a designated educational institution	-	(6)	-	(5)	-	3	(8)
Accumulated income payment (AIP)	-	(37)	-	-	-	-	(37)
Educational assistance payments (EAPs)	-	(56)	-	-	-	-	(56)
	(4,859)	(99)	(985)	(227)	(456)	(28)	(6,654)
Net assets as at December 31, 2018	12,228	638	7,756	2,145	2,324	294	25,385

Statements of changes in net assets attributable to contracts

for the years ended December 31
(in thousands of Canadian $)

	Subscribers' savings	EAP account	CESG	Accumulated income CESG	QESI	Accumulated income QESI	Total
Net assets as at December 31, 2016	12,704	709	6,879	2,347	2,168	317	25,124
Net income and comprehensive income	-	44	-	390	-	86	520
Increase							
Subscribers' savings	3,495	-	-	-	-	-	3,495
Transfers between plans	440	-	556	176	112	23	1,307
Grants received from the government	-	-	653	-	347	-	1,000
Transfers from other promoters	-	21	-	-	-	-	21
Other	-	-	2	2	-	-	4
	3,935	21	1,211	178	459	23	5,827
Decrease							
Refund of savings at maturity	(5,674)	-	-	-	-	-	(5,674)
Grants returned to the government	-	-	-	-	(86)	-	(86)
Transfers to other promoters	-	-	(7)	(2)	(1)	(1)	(11)
Grants and income on grants	-	-	(1,168)	(294)	(402)	(38)	(1,902)
Outflow of accumulated income on grants for payments to a designated educational institution	-	-	-	(2)	-	-	(2)
Accumulated income payment (AIP)		(29)	-	-	-	-	(29)
Educational assistance payments (EAPs)	-	(68)	-	-	-	-	(68)
	(5,674)	(97)	(1,175)	(298)	(489)	(39)	(7,772)
Net assets as at December 31, 2017	10,965	677	6,915	2,617	2,138	387	23,699

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Statements of cash flows

for the years ended December 31 (in thousands of Canadian $)	Note	2018	2017
Cash flows from operational activities			
Income received			
Interest		**373**	296
Dividends		**224**	212
		597	508
Operating expenses paid			
Brokerage fee		**(5)**	(5)
Portfolio management fees		**(18)**	(16)
Custodian fee		**(16)**	(20)
Administration fee		**(269)**	(247)
		(308)	(288)
Other operational activities			
Disposal of investments		**10,091**	13,968
Acquisition of investments		**(13,389)**	(11,315)
		(3,298)	2,653
Net cash flows from (used in) operational activities		**(3,009)**	2,873
Cash flows from financing activities			
Savings received		**5,174**	3,617
Savings paid to other promoters		**(10)**	(13)
Refunds of savings to subscribers		**(4,858)**	(5,648)
CESG and income on CESG received		**923**	721
QESI and income on QESI received		**346**	339
QESI and income on QESI paid		**(7)**	(6)
Transfers between plans		**1,340**	1,307
Educational assistance payments (EAPs)		**(1,651)**	(2,003)
Net cash flows from (used in) financing activities		**1,257**	(1,686)
Net increase (decrease) in cash		**(1,752)**	1,187
Cash, beginning of year	9	**2,235**	1,048
Cash, end of year	9	**483**	2,235

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Schedule of investment portfolio

as at December 31, 2018

(in thousands of Canadian $)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Short-term investments					
10,943	Cash		-	10,943	10,943
400	Province of Quebec	1 Dec 2019	4.500	436	409
75	Government of Canada	21 Mar 2019	-	75	75
70	City of Saint-Bruno-de-Montarville	9 Sep 2019	2.250	70	70
50	City of Longueuil	9 Jul 2019	2.300	51	50
40	City of Chateauguay	7 Oct 2019	2.500	40	40
40	City of Sherbrooke	20 Feb 2019	2.450	40	40
40	City of Sainte-Julie	21 May 2019	2.350	39	40
40	City of Magog	9 Sep 2019	2.250	39	40
40	City of Drummondville	18 Dec 2019	2.250	39	40
30	City of Saint-Jean-sur-Richelieu	4 Jun 2019	2.300	30	30
20	City of Sorel-Tracy	17 Jun 2019	2.250	20	20
19	Cash sweep		-	19	19
Total - Short-term investments				11,841	11,816
Bonds					
Bonds issued or guaranteed by a Canadian province					
900	Province of Quebec	1 Dec 2021	4.250	967	951
700	Province of Ontario	2 Jun 2023	2.850	705	711
320	Province of Quebec	1 Sep 2023	3.000	321	328
315	Province of Ontario	2 Jun 2022	3.150	328	323
290	Province of Ontario	2 Jun 2024	3.500	303	304
260	Province of Quebec	1 Dec 2020	4.500	290	272
235	Province of Ontario	2 Jun 2020	4.200	257	242
230	Province of Ontario	2 Jun 2027	2.600	226	227
185	Province of Quebec	1 Dec 2022	3.500	193	193
150	Province of Ontario	2 Jun 2028	2.900	148	151
115	Province of Quebec	1 Sep 2026	2.500	114	114
100	Province of Quebec	1 Sep 2027	2.750	103	100
70	Province of Ontario	2 Jun 2026	2.400	70	69
55	Province of Quebec	1 Sep 2024	3.750	61	58
25	Province of Manitoba	2 Jun 2028	3.000	25	25
25	Province of Alberta	1 Sep 2022	1.600	25	24
				4,136	4,092
Bonds issued or guaranteed by a municipality					
75	City of Boucherville	28 Sep 2021	2.000	74	73
55	City of Laval	18 Jun 2024	3.300	56	55
53	City of Alma	23 Aug 2021	1.850	52	52
50	Société de transport de l'Outaouais	9 Nov 2021	3.850	53	52
50	City of Saint-Hyacinthe	17 Oct 2022	2.900	49	50
50	City of Magog	2 Oct 2022	2.750	49	50
50	City of Varennes	3 Aug 2021	1.800	49	49
50	City of Beaconsfield	26 Jul 2021	1.750	49	49
50	City of Saguenay	20 Apr 2022	1.850	49	48

Schedule of investment portfolio

as at December 31, 2018
(in thousands of Canadian $)

Par value	Security	Maturity	Rate (%)	Cost	Carrying amount
Bonds (continued)					
Bonds issued or guaranteed by a municipality					
43	City of Saint-Constant	23 Aug 2021	1.850	42	42
40	City of Montreal	1 Sep 2024	3.500	40	41
40	City of Quebec	8 Apr 2024	3.500	40	41
40	City of Brossard	25 Jul 2023	2.900	40	40
40	City of Saint-Jean-sur-Richelieu	22 Jun 2021	1.650	39	39
37	City of Kirkland	2 Feb 2021	2.050	36	37
30	City of Saint-Lambert	29 Jul 2020	2.100	30	30
30	City of Victoriaville	15 Jun 2020	1.900	30	30
25	City of Toronto	21 May 2024	3.400	25	26
25	City of Longueuil	15 Nov 2020	2.700	25	25
25	City of Magog	2 Oct 2020	2.500	25	25
25	City of Magog	2 Oct 2021	2.650	25	25
25	City of Longueuil	19 Jul 2023	2.800	25	25
25	City of Sherbrooke	29 Jun 2020	1.600	25	25
25	City of Granby	6 Jul 2021	1.750	25	24
25	Société de transport de l'Outaouais	9 Nov 2021	1.800	25	24
20	City of Longueuil	13 Jul 2021	1.850	20	20
19	Municipality of La Prairie	8 Sep 2021	1.850	19	19
15	City of Candiac	31 Jul 2023	2.750	15	15
15	City of Mirabel	21 Sep 2020	1.700	15	15
				1,046	1,046
Total - Bonds				5,182	5,138

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Schedule of investment portfolio

as at December 31, 2018
(in thousands of Canadian $)

Number of shares	Security	Cost	Carrying amount
Equities			
Energy			
7,960	Parkland Fuel Corporation	222	280
5,082	Enbridge Inc.	221	215
2,557	TransCanada Corporation	156	124
		599	619
Materials			
3,565	Nutien Ltd.	219	227
4,897	Intertape Polymer Group Inc.	100	83
1,700	Pembina Pipeline Corporation	67	69
		386	379
Communication Services			
6,833	TELUS Corporation	293	309
Utilities			
15,387	Algonquin Power & Utilities Corp.	186	211
4,054	Fortis Inc.	174	184
3,854	Brookfield Infrastructure Finance Limited	193	181
4,564	Brookfield Renewable partners	181	161
2,443	Hydro One Limited	51	49
		785	786
Financials			
6,373	Toronto-Dominion Bank	409	432
4,132	Royal Bank of Canada	356	385
5,282	The Bank of Nova Scotia	382	359
5,693	Brookfield Asset Management Inc.	320	297
8,468	SmartCentres Real Estate Investment Trust	270	260
5,682	Sun Life Financial Inc.	291	257
4,508	Industrial Alliance, Insurance and Financial Services Inc.	229	196
9,655	Chartwell Retirement Residence	145	132
2,015	National Bank of Canada	117	113
2,394	Allied Properties Real Estate Investment Trust	82	106
1,869	Granite Real Estate Investment Trust	106	99
8,930	Brookfield Property Partners LP	236	196
		2,943	2,832
Consumer Staples			
1,111	Premium Brands Holdings Corporation	70	83

Schedule of investment portfolio

as at December 31, 2018
(in thousands of Canadian $)

Number of shares	Security	Cost	Carrying amount
	Equities (continued)		
	Consumer Discretionary		
5,704	NFI Group Inc.	229	194
604	Thomson Reuters Corporation	36	40
1,138	Cineplex Inc.	51	29
		316	263
	Industrials		
3,302	Groupe WSP Global Inc.	212	193
	Total - Equities	5,604	5,464
	Total - Schedule of investment portfolio	22,627	22,418

1. General information about the Plan

The INDIVIDUAL Plan (the “Plan”) is a trust maintained by declaration of trust pursuant to the Civil Code of Quebec. It is governed by a trust agreement (the “Agreement”) concluded on July 9, 2010, between the Universitas Foundation of Canada (the “Foundation”), Eterna Trust Inc. and Universitas Management Inc. The latter acts as the investment fund manager of the INDIVIDUAL Plan promoted by the Foundation. The Plan’s head office and principal place of business is located at 1035 Wilfrid-Pelletier Avenue, Suite 500, Quebec City (Quebec) G1W 0C5.

The INDIVIDUAL Plan is an individual scholarship plan intended for beneficiaries of all ages. Eligible studies that qualify for EAPs are general or technical, full-time or part-time (college, community college or university) post-secondary educational programs offered in Canada or the foreign equivalent. Programs offered in a post-secondary institution intended to provide a person with or improve the skills required in the exercise of a professional activity are also eligible. In all cases, these programs must have a minimum duration of three consecutive weeks, comprising at least 10 hours of courses or schoolwork per week. Specified educational programs are also eligible; they are postsecondary programs of study with a minimum duration of three consecutive weeks and to which a student must dedicate minimum of 12 hours per month on courses. When a beneficiary is registered in a distance learning program for such studies, they are also considered eligible. The EAPs that a beneficiary is eligible to receive are dependent on the revenues generated by the investments made by the portfolio managers. The Plan invests in equities of Canadian companies, debt securities issued or guaranteed by a Canadian government and Canadian treasury short-term debt securities.

The release of these financial statements was authorized by the Board of Directors on March 21, 2019.

2. Implementation of the new and revised standards

Standards and interpretations in effect during the annual reporting period

- **IFRS 15 Revenue from Contracts with Customers**

On May 28, 2014, the IASB and FASB jointly issued a standard that outlines a single general model to be used by entities to recognize revenue from contracts with customers. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts and the derived interpretations. The basic principle of the new standard is that a company must recognize revenue in such a way as to present transfers of the promised goods or services to the amount which corresponds to the sum the entity expects to receive in exchange for these goods or services. IFRS 15 is effective for annual reporting beginning on or after January 1, 2018. The Plan applied the new standard retrospectively, with adjustment to the net assets attributable to contracts as at January 1, 2018. The adoption of IFRS 15 had no impact on the Plan's statements of net income and comprehensive income or statements of financial position.

- **IFRS 9 Financial Instruments**

Through the publication of IFRS 9 Financial Instruments in July 2014, the IASB finalized its three-stage project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 addresses the classification and measurement of assets and financial liabilities and introduces a new expected-loss impairment model, as well as new requirements with regard to hedge accounting.

To determine whether a financial asset is measured at amortized cost or fair value, IFRS 9 uses a new approach. The latter is based on how an entity manages the financial asset and the contractual cash flow characteristics of such financial asset.

Most of the requirements in IAS 39 regarding classification and measurement of financial liabilities were carried forward in IFRS 9. However, when measuring a financial liability at fair value through profit or loss, the portion of the changes in fair value related to the entity's own credit risk is presented in the other comprehensive income rather than in the statement of income.

IFRS 9 introduces a new impairment model based on expected credit loss, which applies to debt instruments held, measured at amortized cost or fair-value-through-other-comprehensive-income (FVTOCI); lease receivables, trade receivables, and commitments to loan money and financial guarantee contracts. Specifically, entities are required to account for expected credit losses when financial instruments are first recognized, and to recognize full lifetime expected credit losses on a timelier basis.

2. Implementation of the new and revised standards (continued)

Standards and interpretations in effect during the annual reporting period (continued)

- **IFRS 9 Financial Instruments (continued)**

Lastly, IFRS 9 introduces a model for hedge accounting with enhanced disclosures about risk management activity. The new model represents a substantial overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements.

IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018, and shall apply retrospectively, subject to certain exemptions. The adoption of the new standard had no impact on the Plan's net income and comprehensive income, or its financial position.

However, application of this new standard had the effect of changing the classification of financial assets and financial liabilities. The following table shows these classification changes.

Financial instruments	Classification under IAS 39	Classification under IFRS 9
Financial assets		
Cash	Loans and receivables	Financial asset at amortized cost
Sales pending settlement	Loans and receivables	Financial asset at amortized cost
Other accounts receivable	Loans and receivables	Financial asset at amortized cost
Dividends receivable	Loans and receivables	Financial asset at amortized cost
Interest receivable	Loans and receivables	Financial asset at amortized cost
CESG receivable	Loans and receivables	Financial asset at amortized cost
QESI receivable	Loans and receivables	Financial asset at amortized cost
Investments	At fair value through profit or loss	At fair value through profit or loss
Financial liabilities		
Purchases pending settlement	Other liabilities	Financial liability at amortized cost
Accounts payable and other liabilities	Other liabilities	Financial liability at amortized cost
QESI refundable	Other liabilities	Financial liability at amortized cost

Application of IFRS 9 had no effect on the carrying amount of financial assets.

Application of this new standard also changed accounting policies; the accounting policies applied since January 1, 2018, are presented hereafter.

Classification and Measurement of Financial Assets
At initial recognition, all financial assets are recorded at fair value in the statement of financial position. After initial recognition, financial assets must be classified as measured at fair value through other comprehensive income, at amortized cost, or at fair value through profit or loss. The Plan determines the classification based on the contractual cash flow characteristics of the financial assets and on the business model it uses to manage these financial assets.

In addition, under the fair value option, a financial asset may be irrevocably designated at fair value through profit or loss at initial recognition if certain conditions are met. The Plan has not designated an asset under the fair value option.

Contractual Cash Flow Characteristics
For the purpose of classifying a financial asset, the Plan must determine whether the contractual cash flows associated with the financial asset are solely payments of principal and interest on the principal amount outstanding. The principal generally corresponds to the fair value of the financial asset at initial recognition. Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. If the Plan determines that the contractual cash flows associated with a financial asset are not solely payments of principal and interest, the financial assets must be classified as measured at fair value through profit or loss.

2. Implementation of the new and revised standards (continued)

Standards and interpretations in effect during the annual reporting period (continued)

- **IFRS 9 Financial Instruments (continued)**

Business Model
When classifying financial assets, the Plan determines the business model used for each portfolio of financial assets that are managed together to achieve a same business objective. The business model reflects how the Plan manages its financial assets and the extent to which the financial asset cash flows are generated by the collection of the contractual cash flows, the sale of the financial assets, or both. The Plan determines the business model using scenarios that it reasonably expects to occur. The business model determination is a matter of fact and requires the use of judgment and consideration of all the relevant evidence available at the date of determination.

A financial asset portfolio falls within a “hold to collect” business model when the Plan’s primary objective is to hold these financial assets in order to collect contractual cash flows from them and not to sell them. When the Plan’s objective is achieved both by collecting contractual cash flows and by selling the financial assets, the financial asset portfolio falls within a “hold to collect and sell” business model. In this type of business model, collecting contractual cash flows and selling financial assets are both integral components to achieving the Plan’s objective for this portfolio. Financial assets are measured at fair value through profit or loss if they do not fall within either a “hold to collect” business model or a “hold to collect and sell” business model.

The entire investment portfolio is now classified at fair value through profit or loss as the Plan's strategy described in the prospectus and the decisions are based on the fair value of assets. Although the Plan collects contractual cash flows during the ownership of these assets, they are considered incidental and not essential to achieving the objectives of the Plan's business model. Since this model corresponds to another business model in accordance with IFRS 9, these financial assets should be classified at fair value through profit or loss.

Cash and cash equivalents, sales pending settlement, other receivables, dividends receivable, interest receivable, CESG receivable and QESI receivable are recorded at amortized cost, since they are managed according to an economic model for which the objective is to collect contractual cash flows that correspond only to payments of principal and interest on the principal amount outstanding. At initial recognition, these assets are recorded at fair value and are subsequently measured at amortized cost using the effective interest method. The assets are presented net of provisions for credit losses (PCLs), if any, in the statements of financial position.

At the end of each reporting period, the Plan applies a three-stage impairment approach to measure the expected credit losses (ECLs) on all debt instruments measured at amortized cost. The ECL model is forward looking. Measurement of ECLs at each reporting period reflects reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. Any initial and subsequent impairment must be recognized in profit or loss.

The ECL three-stage impairment approach is based on the change in the credit quality of financial assets since initial recognition. If, at the reporting date, the credit risk of non-impaired financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and an allowance for credit losses is recorded and measured (at each reporting date) at an amount equal to 12-month expected credit losses. When there is a significant increase in credit risk since initial recognition, these non-impaired financial instruments are migrated to Stage 2, and an allowance for credit losses measured (for each reporting period) at an amount equal to lifetime expected losses is recorded. For debts that have no significant financing component, the Plan uses the simplified method, so the allowance for credit losses correspond to an amount equal to lifetime expected credit losses.

In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the ECL model requires reverting to Stage 1, i.e., recognition of 12-month expected credit losses. When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset have occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and an allowance for credit losses equal to lifetime expected losses continues to be recorded or the financial asset is written off. The interest income is calculated on the gross carrying amount for financial assets in Stages 1 and 2 and on the net carrying amount for financial assets in Stage 3.

2. Implementation of the new and revised standards (continued)

Standards and interpretations in effect during the annual reporting period (continued)

- **IFRS 9 Financial Instruments (continued)**

Business Model (continued)
Purchases pending settlement, accounts payable and other liabilities, as well as QESI refundable are classified as financial liabilities at amortized cost. Upon initial recognition, these liabilities are recorded at fair value and are subsequently measured at amortized cost using the effective interest method.

3. Significant accounting policies

Statement of compliance
These financial statements are prepared in accordance and compliance with International Financial Reporting Standards (IFRS) applicable as at December 31, 2018.

Basis of preparation

These financial statements are prepared on a going concern and historical cost basis, except for certain financial instruments that have been measured at fair value at the end of each reporting period, as explained in the accounting policies described hereafter.

Assets and liabilities in the statements of financial position are listed in order, from the most liquid to the least liquid.

The presentation currency of the financial statements is the Canadian dollar (CAN$), which is the Plan's functional currency.

Revenue recognition

- **Interest income for educational assistance payments**

The interest income is recognized when it is probable that future economic benefits will flow to the Plan and the amount of revenue can be measured reliably. The interest income is accrued on a time basis, with reference to the outstanding principal and the nominal interest rate.

- **Dividends**

Dividends income is recognized when the Plan's right to receive payment is established, i.e. the dividend declaration date.

Recognition of expenses

- **Brokerage fee**

The brokerage fee paid to the dealer is a commission established by the dealer and usually ranges from $0.01 to $0.05 per share purchased or sold.

- **Portfolio management fees**

The fees paid to the portfolio managers correspond to a declining percentage established by the managers based on the average total assets invested under their respective management.

- **Trustee fee**

The trustee's fee is a fixed annual amount established under an agreement with the trustee.

- **Custodian fee**

The custodian's fee represents 0.009% (0.009% in 2017) of the average total assets under management. Transaction fees for the purchase and sale of securities are also charged.

3. Significant accounting policies (continued)

Recognition of expenses (continued)

- **Administration fee**

The administration fee paid to the investment fund manager cannot exceed 1.18% (1.18% in 2017) of the total assets under management. Any portion of the administration fee that is not required to maintain and develop Universitas Management Inc. is deducted from any excess in revenue over company expenditures., and any surplus is returned to the Plan by reducing the rate of the administration fee.

- **Independent Review Committee fee**

The Independent Review Committee fee comprises the compensation paid to the IRC members in the form of attendance fees for their meetings and an annual retainer, as well as the reimbursement of any expenses incurred to attend these meetings.

Financial instruments

The following methods apply only to the comparative year ending December 31, 2017. Note 2 describes the new accounting policies applied as of January 1, 2018, in accordance with IFRS 9.

- **Classification**

The Plan's management has classified the entire investment portfolio at fair value through profit or loss, as this classification provides reliable and more relevant information about the effects of transactions, the financial position and the Plan's cash flows. This classification is in line with the Plan's investment strategy described in the continuous offering prospectus. The Plan's activity consists of investing in financial assets with a view to profit from their total return in the form of interest, dividends and changes in fair value. Information about the Plan is provided internally on that basis.

Cash, sales pending settlement, dividends receivable, interest receivable, CESG receivable, QESI receivable and other accounts receivable are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. These are classified as "loans and receivables".

Purchases pending settlement, accounts payable and other liabilities, QESI refundable, as well as net assets attributable to contracts are classified as "other liabilities".

- **Initial recognition and measurement**

Financial assets and liabilities are recognized when the Plan becomes a party to the contractual provisions of the instruments, and are initially measured at fair value. Investments are recorded on the basis of the trade date.

Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recorded immediately in profit or loss. Transaction costs directly attributable to the acquisition of financial assets classified as "loans and receivables" or of financial liabilities classified as "other liabilities" are added to or deducted from (as applicable) the fair value of financial assets and liabilities upon initial recognition.

- **Subsequent measurement**

Financial assets at fair value through profit or loss are measured at fair value. Gains or losses due to the revaluation are recorded in net income for the year in which they arise. The net gain or loss recognized in profit or loss incorporates the interest or dividends earned on the financial asset, as described in the accounting policy pertaining to revenue recognition.

The fair values of investments are determined based on the bid prices and correspond to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. A quoted market price, if one exists, is the most reliable evidence. The method used to determine the fair value is described in Note 11. Changes in gains and losses on investments are included in the statements of comprehensive income under the item "Change in unrealized gain (loss) on investments." The average cost method is used to determine the investment cost.

Financial assets classified as "loans and receivables" and financial liabilities classified as "other liabilities" are measured at their amortized cost using the effective interest method.

3. Significant accounting policies (continued)

Financial instruments (continued)

- **Subsequent measurement (continued)**

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts the future cash inflows over the expected life of the financial instrument to obtain its net carrying amount upon initial recognition.

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired if there is objective evidence that the estimated future cash flows of the instrument have been affected as a result of one or more events.

- **Derecognition**

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or when the Plan has transferred all or substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

- **Offsetting**

The Plan offsets financial assets and financial liabilities when it has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. When there is offsetting, the net amount is reported in the statements of financial position. Note 11 presents the amounts of financial assets and liabilities which are offset in the statements of financial position.

Cash

Cash consists of bank deposits made in other financial institutions.

Quebec Education Savings Incentive (QESI) receivable

The QESI is generally received in May following the tax year the contributions were made by subscribers. As at the reporting date of the financial statements, the QESI amount receivable is estimated based on all subscriber contributions made during the annual reporting period ended December 31, 2018. This amount is estimated by first applying the methodology of the basic grant. If a subscriber is eligible for the additional grant, a supplementary grant amount receivable is then estimated in accordance with the applicable methodology. The total basic grant and the total additional grant are subject to the annual and lifetime limits, which are also factored into the estimated QESI receivable as at the reporting date.

Net assets attributable to contracts

The net assets attributable to contracts are a financial liability resulting from a unique contract and the Plan details the composition of this liability, according to its use, i.e. subscribers' savings, EAP account, CESG, QESI or accumulated income on the CESG and QESI.

- **Subscribers' savings**

The subscribers' savings account consists of the contributions received, excluding sales charges. The Plan guarantees the refund of savings to subscribers at all times.

- **EAP account**

The educational assistance payment (EAP) account consists of the Plan’s net investment income accumulated on subscribers’ savings over time, after deduction of the EAPs made to beneficiaries. This account may only be used to issue EAPs and these cannot exceed the EAP account of the contract.

(in thousands of Canadian $)

3. Significant accounting policies (continued)

Net assets attributable to contracts (continued)

- **Canada Education Savings Grant (CESG)**

Since January 1, 1998, the Government of Canada adds 20% to each dollar invested in a Registered Education Savings Plan (RESP) by a subscriber who meets all the Canada Education Savings Program (CESP) requirements and submits the necessary information. The annual CESG limit is set at $500 per beneficiary (i.e. $2,500 x 20% = $500). Moreover, since January 1, 2005, the CESG rate that applies to the first $500 of the annual RESP contribution increased from 20% to 40% for beneficiaries whose adjusted family net income in 2018 does not exceed $46,605 and to 30% for beneficiaries whose adjusted family net income in 2018 falls between $46,606 and $93,209. These amounts are indexed every year. Beneficiaries born on or after January 1, 2004, from families who meet the financial criteria established by the federal government also qualify for the Canada Learning Bond (CLB), which consists of an initial payment of $500 into the beneficiary's RESP. Subsequently, this beneficiary can also qualify for additional CLB payments of $100 each year of eligibility, for a maximum of 15 years.The grants is paid as part of the EAPs made to the beneficiary.

- **Quebec Education Savings Incentive (QESI)**

On February 20, 2007, the Government of Quebec introduced the Quebec Education Savings Incentive (QESI), a program to encourage education savings which took the form of a refundable tax credit paid directly in the RESP opened with a provider offering the QESI. The grant’s annual limit is set at $250 per beneficiary (i.e., $2,500 x 10% = $250). Moreover, the QESI rate on the first $500 contributed annually to an RESP is 20% for beneficiaries whose adjusted family net income in 2018 does not exceed $43,055. The rate is 15% for beneficiaries whose 2018 adjusted family net income falls between $43,056 and $86,105. These amounts are indexed each year. The credit applies as of the 2007 taxation year to contributions to RESPs after February 20, 2007, for a calendar year after 2006. The cumulative QESI lifetime limit per beneficiary is set at $3,600. The grant is paid as part of the EAPs made to the beneficiary.

Taxation

The Plan is a trust under a registered education savings plan (RESP) and is exempted from filing a Trust Income Tax Return. Therefore, the Plan does not recognize income tax expenses.

4. Significant accounting judgements, estimates and assumptions

In the application of the Plan's accounting policies, as described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized the year during which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if said revision affects both current and future years.

Management exercised judgment and made estimates and underlying assumptions regarding the Quebec education savings incentive (QESI) receivable.

5. Investments

	December 31, 2018	December 31, 2017
Short-term investments	**11,816**	9,648
Bonds	**5,138**	4,857
Equities	**5,464**	5,265
	22,418	19,770

(in thousands of Canadian $)

6. Current assets and liabilities

The Plan expects to recover the amounts relating to the sales pending settlement, dividends receivable, interest receivable, Canada Education Savings Grant (CESG) receivable, Quebec Education Savings Incentive (QESI) receivable and other accounts receivable no later than 12 months following the end date of the reporting period. In addition, the Plan expects to settle the sums for the sales pending settlement, QESI refundable as well as accounts payable and other liabilities no later than 12 months following the end date of the reporting period.

7. Accounts payable and other liabilities

	Notes	**December 31, 2018**	December 31, 2017
Amount payable to Universitas Management Inc.	8	**23**	22
Accumulated income on grants for payment to a designated educational institution		**39**	31
Other		**8**	16
		70	69

8. Related party transactions

Universitas Management Inc.

Universitas Management Inc., a wholly-owned subsidiary of the Foundation, is the distributor of the products promoted by the Foundation and serves as the Plan's distributor and investment fund manager.

Universitas Foundation of Canada

The Foundation is the promoter of the INDIVIDUAL Plan. The Plan and the Foundation report to the same Board of Directors.

Administration fee	**2018**	2017
Universitas Management Inc.	**266**	251
Universitas Foundation of Canada	**4**	3
	270	254

Amount receivable (payable)	**December 31, 2018**	December 31, 2017
Universitas Management Inc.	**(23)**	(22)
Universitas Foundation of Canada	**1,462**	1,079

(in thousands of Canadian $)

9. Additional information relating to the statements of cash flows

For the purposes of the statements of cash flows, cash includes cash on hand with financial institutions. Cash, at the end of the annual reporting period and as presented in the statements of cash flows, may be reconciled to the items in the statements of financial position as follows:

Cash	**December 31, 2018**	December 31, 2017
Cash	**483**	2,235

10. Capital management

The Plan's capital corresponds to the net assets attributable to contracts. Capital management objectives are as follows:

- Preserving the value of the subscriber's savings and government grants;
- Achieving a maximum net investment return while maintaining an appropriate degree of risk to reach satisfactory EAP values.

In order to meet these objectives, the portfolio managers have a mandate to optimize total returns through high-quality investments, diversification and strategic asset allocation, security selection, duration management and credit analysis. The Plan reviews and revises its policies and procedures regularly.

For the year ended December 31, 2018, the following policies and procedures were applied:

- Subscribers' savings: The Plan commits to refund subscribers' savings and to invest the savings solely in fixed-income securities guaranteed by a Canadian government before plan maturity. After plan maturity, the Plan invests exclusively in money-market securities guaranteed by a Canadian government or held as cash or cash equivalents to ensure the liquidity of investments, as these sums may be withdrawn at any time.
- Government grants: Grants received before April 20, 2012, are currently invested entirely in Canadian equities. The government grants received on or after April 20, 2012, are invested entirely in government bonds guaranteed by a Canadian government.
- Grants earnings and EAP account: The target asset allocation for these funds is 100% Canadian equities.
- For individual plans established following a transfer from a group plan at maturity, the sums held as part of the contract are invested in cash or cash equivalents, as these sums may be withdrawn at any time.

During the year ended December 31, 2018, the Plan maintained the same strategy of prudent portfolio management as that of previous reporting periods by maintaining the investment philosophy adopted by the Investment Committee and portfolio managers.

These policies and procedures must comply with the provisions of the *Securities Act* (Quebec) and meet the requirements of Paragraph 146.1 (1) of the *Income Tax Act* (Canada). The Plan is not subject to any other external requirement concerning its capital.

11. Financial instruments

Fair value

- **Establishing fair value**

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

(in thousands of Canadian $)

12. Financial instruments (continued)

Fair value (continued)

- **Establishing fair value (continued)**

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.

The fair value of equity investments is established from the bid price values. If quoted prices in active markets are unavailable, the fair value of investments in short-term investments and bonds is 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 into account current observable data on the market for financial instruments with a similar risk profile and comparable terms. The important data used in these models include, but are not limited to, yield curves and credit risks.

- **Fair value hierarchy**

For financial reporting, fair value measurements are classified in accordance with a hierarchy (levels 1-2-3). This classification is based on the level at which input data concerning fair value measurements are observable, as well as on the significance of a particular input to the fair value measurement in its entirety. The fair value hierarchy consists of the following levels:

- Level 1 - Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities (for example, prices observable on the TSX) and for which the entity can have access at the measurement date.
- Level 2 - Valuation based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). For example, inputs such as yield curves and indices.
- Level 3 - Valuation using inputs for assets or liabilities that are not based on observable market data (unobservable inputs). For example, private investment valuations by investment fund managers.

The hierarchy that applies as part of the determination of fair value requires the use of observable market inputs whenever such inputs exist. Fair values are classified as Level 1 when the security is traded on an active market and a quoted price is available. If a financial instrument classified as Level 1 ceases to trade in an active market, it is transferred to the next level (Level 2). If valuation of its fair value requires significant use of unobservable market inputs, then it is classified as Level 3.

The following tables present the financial instruments recorded at fair value in the statements of financial position, classified using the fair value hierarchy:

As at December 31, 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Short-term investments	**10,962**	**854**	**-**	**11,816**
Bonds	**-**	**5,138**	**-**	**5,138**
Equities	**5,464**	**-**	**-**	**5,464**
	16,426	**5,992**	**-**	**22,418**

As at December 31, 2017	Level 1	Level 2	Level 3	Total
Short-term investments	9,078	570	-	9,648
Bonds	-	4,857	-	4,857
Equities	5,265	-	-	5,265
	14,343	5,427	-	19,770

Over the course of the years ended December 31, 2018 and 2017, there was no significant transfer between Levels 1 and 2.

(in thousands of Canadian $)

12. Financial instruments (continued)

Risk management related to financial instruments

Due to the nature of its business activities, the Plan is exposed to a variety of financial risks arising from financial instruments, such as credit risk, liquidity risk and market risk, including other price risk, currency risk and interest rate risk. The Plan's overall risk management program seeks to maximize the returns achieved without exposing subscribers' savings to undue risks and by minimizing potential adverse impacts on financial performance. All investments present a risk of loss of capital. The main risks stemming from financial instruments to which the Plan is exposed and the main actions taken to manage these are the following:

- **Credit risk**

The Plan is exposed to credit risk, which is 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. The Plan's exposure to the credit risk arises from its investments in debt securities. The Plan has established qualitative selection criteria for investments to limit this risk. As for investments related to subscribers' savings and a portion of the government grants received prior to April 20, 2012, the Plan only selects securities issued by the Government of Canada, a provincial government, a municipality or a corporation guaranteed by a government. The other amounts making up the net assets attributable to contracts may also be invested in securities issued by corporations.

Quantitative restrictions have also been established to reduce credit risk. Securities from all borrowers, except a government, are limited to 10% of the total fair value of the fixed-income securities entrusted to the portfolio manager. A minimum BBB rating is required when purchasing.

As at December 31, 2018, and as at December 31, 2017, the Plan invested in fixed-income securities that are neither past due nor impaired, and presented the following credit rating:

	Percentage of total debt securities*	
Credit rating	**December 31, 2018**	December 31, 2017
	%	%
AAA	**0.1**	13.1
AA	**78.4**	64.4
A	**21.5**	22.5

*Excludes short-term investments

The Plan’s maximum exposure to credit risk is the carrying amount of the financial instruments presented in the statements of financial position.

- **Liquidity risk**

This risk pertains to the Plan's ability to meet its commitments in terms of financial liabilities and therefore, its capacity to carry out payments as required. The Plan is exposed to daily refunds to subscribers, who are entitled to request the refund of their savings at any time. However, the majority of subscribers hold their investment until the contract's maturity date. The liquidity risk is noticeably reduced by the fact that the subscribers' savings are invested only in fixed-income securities on liquid markets. The Plan carefully manages its cash position daily and ensures the minimum cash level required to meet its liquidity needs is maintained.

The following table presents the Plan's contractual maturities of financial liabilities as at December 31, 2018, assuming the subscribers claim their savings at contract maturity (they are also entitled to claim these in full by cancelling part or all of their units):

Maturity	Purchases pending settlement	Accounts payable and other liabilities	QESI refundable	Net assets attributable to contracts	Total
2018	**15**	70	207	25,385	25,677

(in thousands of Canadian $)

12. Financial instruments (continued)

Risk management related to financial instruments (continued)

- **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Certain parameter changes in financial markets influence the Plan's statements of financial position and comprehensive income. The Plan considers these risks when deciding on the global distribution of its assets. More specifically, market risk is reduced through portfolio diversification, meaning the Plan holds a portfolio that includes several asset categories (money market, bond and stock exchange), diverse products with varying risk profiles (participative or fixed-income securities) and multiple market sectors (government, municipal, energy, materials, communication services, utilities, financials, consumer staples, consumer discretionary and industrials).

- **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Plan no longer carries out transactions denominated in foreign currencies and is therefore no longer exposed to currency risk.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Changes in interest rates have a direct impact on the value of the investment portfolio's fixed-maturity securities. This risk is mitigated by a duration range for the active portion of the bond portfolio, and by developing a target duration correlated to the economic outlook for the passive portion of the bond portfolio. Maturity allocation of bonds is regularly adjusted based on the anticipated movement of interest rates, in compliance with the established maturities under the Plan's investment policy. The target duration is based on an analysis of the economic situation, future prospects and risk based on the very nature of the Plan.

As at December 31, 2018, a change of 100 basis points in the interest rates on the market, assuming a parallel shift in the yield curve with all other variables remaining constant, would cause the fair value of the bonds held in the Plan's investment portfolio, the net income, the comprehensive income and the net assets attributable to contracts to change by approximately $0.2M ($0.2M as at December 31, 2017). In practice, actual results may differ materially.

The Plan's bond portfolio by maturity date is distributed as follows:

	December 31, 2018	December 31, 2017
	%	%
Maturing in less than one year	**69.7**	66.5
Maturing in one to five years	**23.2**	26.1
Maturing after five years	**7.1**	7.4

- **Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The stock exchange market volatility mostly influences the value of the equities held by the Plan. It should be noted, however, that this exposure is spread in various market sectors, especially in Canadian large-cap securities, which reduces risk. The market index related to equities is the S&P/TSX. A 10% variation in the market index, with all other variables held constant, would create a change of approximately $0.5M as at December 31, 2018 ($0.5M as at December 31, 2017), in the fair value of the Plan's equity holdings, net income, comprehensive income and net assets attributable to contracts. In practice, actual results may differ materially. Sensitivity analysis on the fair value of bonds and Treasury bills is described in the "Interest rate risk" section.

(in thousands of Canadian $)

12. Financial instruments (continued)

Risk management related to financial instruments (continued)

- **Concentration risk**

The concentration risk arises from the concentration of positions within a given category, whether a geographical location, a product type, an market sector or a type of counterparty. The following table summarizes the Plan's concentration risk in relation to the total carrying amount of equity investments:

Market sectors	December 31, 2018	December 31, 2017
	%	%
Energy	**11.3**	8.6
Materials	**7.0**	4.1
Communication Services	**5.7**	4.9
Utilities	**14.4**	17.4
Financials	**51.8**	53.0
Consumer Staples	**1.5**	4.3
Consumer Discretionary	**4.8**	7.0
Industrials	**3.5**	0.7

- **Offsetting**

The following table outlines the financial instruments that have been offset in the Plan's financial statements:

Canada Education Savings Grant (CESG) receivable	December 31, 2018	December 31, 2017
Gross financial assets	**752**	416
Financial liabilities offset	**(42)**	(34)
	710	382

The Plan has no other financial instrument subject to an enforceable master netting agreement or similar agreement.

The Plan does not hold assets that can be used as a guarantee for the CESG receivable.

UNIVERSITAS
INDIVIDUAL PLAN

Scholarship Agreements (unaudited)
as at December 31, 2018

(in thousands of Canadian $)

Number of units as at Dec. 31, 2017	Number of subscribed units	Number of cancelled or expired units	Number of units as at Dec. 31, 2018	Subscrivers' Savings	EAP Account	CESG and Accumulated Income on CESG	QESI and Accumulated Income on QESI
5,577.3	**1,533.0**	**(811.3)**	**6,299**	**12,228**	**638**	**9,901**	**2,618**

UNIVERSITAS
INDIVIDUAL PLAN

Educational assistance payments (unaudited)

for the years ended December 31, 2018 and 2017

(in thousands of Canadian $)

EAP Issued	**December 31, 2018**	December 31, 2017
EAPs excluding government grants and income accrued on them	**68**	99

Head Office
Centre d'affaires Henri-IV
1035 Wilfrid-Pelletier Ave., Suite 500
Quebec QC G1W 0C5

Phone: 1 888 651-8975
Customer Service: 1 877 710-RESP (7377)
Fax: 418 651-8030
Email: info@universitas.ca