MANAGEMENT REPORT OF FUND PERFORMANCE

THE INDIVIDUAL PLAN

for the financial year ended December 31, 2018

UNIVERSITAS FINANCIAL

This annual management report of fund performance presents financial highlights but does not contain the complete annual financial statements of the investment fund. You can obtain a copy of the annual financial statements on request at no cost by calling us at 1 877 710-7377, or by writing to us at Centre d'affaires Henri-IV, 1035 Wilfrid-Pelletier Ave., Suite 500, Quebec (Quebec) G1W 0C5. You can also visit our website at www.universitas.ca or SEDAR at www.sedar.com. Subscribers may contact us using one of the above methods to also request a copy of the prior interim financial report.

Any decision relating to proxy voting of the INDIVIDUAL Plan's portfolio securities has been delegated to each of our portfolio managers as described in their respective investment management mandates.

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PERFORMANCE REVIEW

OBJECTIVES AND INVESTMENT STRATEGIES

The Universitas Foundation of Canada (hereinafter the "Foundation") guarantees you, on behalf of the INDIVIDUAL Plan (hereinafter the "Plan"), the refund of your savings at any time, less the sales charge. The earnings from subscribers' savings, the government grants—offered by the Canada Education Savings Program (CESP) and, if applicable, the *Agence du Revenu du Québec* (ARQ)—and their earnings make up the educational assistance payments (EAPs) paid to or on behalf of your beneficiary, if applicable. It is therefore important to ensure the protection and growth of these funds through low-risk investments.

To achieve this objective, three investment policies have been developed based on the source of the funds. The sums invested are divided into five funds to allow the Foundation to meet its obligations, that is, to ensure capital protection, prudent portfolio risk management, an advantageous long-term rate of return and greater latitude in the implementation of its investment strategies. The following summary presents the funds and their respective investment policies:

POLICY NO. 1 – CONTRIBUTIONS AND GOVERNMENT GRANTS

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

POLICY NO. 2 – CONTRIBUTIONS AND GOVERNMENT GRANTS AFTER PLAN MATURITY

The contributions received from subscribers, the government grants and the income on the grants originating from group plans having reached maturity and previously transferred to the INDIVIDUAL Plan (fund No. 3) are invested exclusively in money market securities guaranteed by a Canadian government or held as cash and cash equivalents to ensure investment liquidity, as these sums may be withdrawn at any time.

POLICY NO. 3 – OTHER FUNDS

The other funds include the portion of income earned on contributions (EAP account) (fund No. 4) and on grants (fund No. 5). The target asset allocation for these funds is 100% Canadian equities.

As investment fund manager, Universitas Management Inc. (hereinafter "Universitas Management") is responsible for mandating the portfolio managers and ensuring their compliance with the investment policies developed in the best interest of subscribers and beneficiaries.

The Investment Committee, for its part, is responsible for developing the investment policies and establishing the mandates of the portfolio managers in collaboration with Universitas Management, and for recommending the approval of these investment policies to Universitas Management's Board of Directors.

The management of assets is entrusted to the portfolio managers based on their area of expertise. Accordingly, AlphaFixe Capital Inc. is responsible for the management of fixed-income securities, whereas the management of investments in Canadian equities is entrusted to Montrusco Bolton Investments Inc.

Given the time horizon of an RESP, the general objective of the INDIVIDUAL Plan consists in achieving a maximum long-term rate of return while maintaining a degree of risk deemed appropriate. Investments must comply at all times with applicable legislation and with the Foundation's investment policies.

PORTFOLIO MANAGEMENT STRATEGIES

The favoured portfolio management strategies are passive (indexing) and active bond management, as well as value equity management.

Indexing aims to reproduce the performance of market benchmarks and offers the advantage of generally lower portfolio management fees. The portfolio managers are evaluated on their capacity to meet the market index. As for active management, performance-enhancement strategies are preferred and applied to create value-added returns over market indices. These strategies primarily include sector allocation, security selection, duration management, credit analysis, anticipation of interest rates, portfolio positioning on the yield curve, and fundamental analysis. The managers responsible for active management are evaluated based on the added value they generate over a benchmark.

The value strategy aims to invest in undervalued Canadian equities, with a focus on large-capitalization companies distributing significant dividends.

In 2018, the market indices used to assess the performance of the portfolio managers were as follows:

ASSET CATEGORY	MARKET INDEX
Fixed-income securities guaranteed by a Canadian government	FTSE Mid-Term Provincial FTSE Short-Term Provincial
Money market securities guaranteed by a Canadian government or held as cash and cash equivalents	91-Day Treasury Bills*
Canadian equities	S&P/TSX Capped at 10%

* The 91-day T-Bill index is used for money market investments. Otherwise, the performance index is adjusted to that of the high-interest bank account.

STRATEGIES OF THE PORTFOLIO MANAGERS

AlphaFixe Capital Inc.'s investment philosophy was partly inspired by the aftermath of the 2008 financial crisis and relies on a rigorous risk management process and capital preservation. As part of their approach, investment strategy decisions are based on fundamental analysis to reflect a long-term view, while making the most of short-term opportunities by executing tactical transactions.

Montrusco Bolton Investments Inc. uses two strategies with complementary approaches, namely, fundamental and quantitative management, allowing it to profit from market momentum, growth and greater diversification power from the combined strategies. Fundamental management is based on a four-step method. First, the manager conducts an in-depth analysis of the key elements: financial strength, industry dynamics and competitive differentiators, as well as track record of success, management, and business plan. The second step consists in applying several distinct valuation metrics to gain a perspective on how the company is valued and if it meets the minimum risk-adjusted return target. Third off, a risk projection analysis is performed on the entire portfolio to assess its potential return in relation to the inherent risk associated with individual securities. Finally, the manager exercises active and ongoing monitoring of the companies included in the portfolio.

RISK

The stock prices of the securities held by the Plan may fluctuate and affect the value of investments, thereby affecting the EAP amounts beneficiaries could receive. The investment strategy of the Plan remains focused on a long-term perspective and is intended for investors who wish to save for post-secondary education and generally have a low-risk tolerance. The risk factors are presented in the Plan's prospectus.

OPERATING RESULTS FOR 2018

An RESP is, by definition, a long-term investment vehicle. Consequently, any performance analysis of RESP investments should be carried out in this perspective. In 2018, the INDIVIDUAL Plan's portfolio generated a gross return at market value of -0.12%. The total net return was -1.58%, after a 1.46% deduction for total administration and management fees. These fees include input taxes (GST/QST) on inputs pertaining to the goods and services acquired to provide financial services.

In 2018, administration and management fees were 0.13% higher than in 2017 further to management's decision to bring the administration fee for the management of mature plans to the same rate as that which applies to plans before maturity. Universitas Management had reduced this fee in recent years given the lower returns from short-term investments, the asset category in which funds from mature plans are invested.

The chart below presents the gross return, market index and the added value of each investment policy as at December 31, 2018:

FUNDS	ASSET CATEGORY	GROSS RETURN	MARKET INDEX	ADDED VALUE
Contributions and government grants	Fixed-income securities guaranteed by a Canadian government and Canadian equities	-1.43%	-2.94%	**1.51%**
Contributions and government grants after plan maturity	Money market securities guaranteed by a Canadian government or held as cash and cash equivalents	1.87%	1.87%	**0.00%**
Other funds	Canadian equities	-6.13%	-8.89%	**2.76%**

CONTRIBUTIONS AND GOVERNMENT GRANTS

The contributions before plan maturity are invested exclusively in fixed-income securities guaranteed by a federal, provincial and/or municipal Canadian government, whereas the government grants are invested in Canadian equities and in fixed-income securities guaranteed by a Canadian government. Two portfolio managers oversee these investments using different strategies, as shown in the chart hereunder:

PORTFOLIO MANAGER	ASSET CATEGORY	INVESTMENT STRATEGY
AlphaFixe Capital Inc.	Fixed-income securities guaranteed by a Canadian government	Indexing and active strategy
Montrusco Bolton Investments Inc.	Canadian equities	Value strategy

In 2018, the management of these funds achieved a gross return at market value of -1.43%, while that of the market benchmark totalled -2.94%. The value added of 1.51% is mainly attributable to the fact our equity portfolio outperformed the market index, with a value strategy focused on investing in seemingly undervalued companies with high-dividend securities and low expected volatility relative to the index. This performance can be largely attributed to stock selection and underweight allocation to Energy, as the sector's S&P/TSX Composite Index delivered a -18.28% return in 2018.

CONTRIBUTIONS AND GOVERNMENT GRANTS AFTER PLAN MATURITY

Assets from mature group plans previously transferred to the INDIVIDUAL Plan constitute 40% of the Plan's assets. These are invested in guaranteed money market securities or held as cash and cash equivalents, offering the necessary liquidity and protection for subscriber withdrawals over the short-term, and for the payment of EAPs to beneficiaries.

The assets comprise contributions, government grants and income on the grants from group plans having reached maturity.

In 2018, the management of these funds achieved a gross return at market value of 1.87%. The funds were invested in high-interest bank accounts offering more attractive return prospects than the money market securities guaranteed by a Canadian government.

OTHER FUNDS

The other funds comprise a portion of accumulated income earned on subscribers' contributions (EAP account) and that earned on government grants. One portfolio manager is responsible for these investments using a specific strategy, shown in the chart hereunder:

PORTFOLIO MANAGER	ASSET CATEGORY	INVESTMENT STRATEGY
Montrusco Bolton Investments Inc.	Canadian equities	Value strategy

In 2018, the management of these funds achieved a gross return at market value of -6.13%, while that of the market benchmark totalled -8.89%. The added value of 2.76% can be explained by Montrusco Bolton Investments Inc.'s value strategy, which outperformed the benchmark. The portfolio's value strategy focused on investing in seemingly undervalued companies with high-dividend securities and low expected volatility relative to the index. This performance can be largely attributed to stock selection and underweight allocation to Energy. In fact, Energy stock selection alone accounts for 3.35% of the fund's performance over the benchmark.

Stock Market

Last year was marked by peaks and extreme lows. Increased risks from rising trade tensions between the two largest economies in the world, China and the United States, combined with tightening monetary conditions eventually drove investors to sell. Canadian equities declined sharply in the fourth quarter, ending 2018 in negative territory as a result of unease toward the tightening monetary conditions, the slowdown in global growth, and trade and political uncertainties. Only three of the eleven sectors[1] that make up the S&P/TSX Composite Index ended the year with gains, while the other eight ended the year with heavy losses. As a result, the index closed the year with an 8.89% decline.

The Energy sector lost 18% of its value following sharp drops in oil prices that pushed the price of the WTI (West Texas Intermediate) oil barrel below the $50 mark for the first time since June 2017. The price of the WCS (Western Canadian Select) barrel traded in a very wide range, going as high as $58 a barrel in May and as low as $13.50 in November. Only two out of 43 stocks in this sector posted gains, while the other 41 recorded losses.

The Consumer Discretionary, Financials and Materials sectors also experienced significant declines due to concerns about slower growth and lower interest rates.

In the United States, 2018 is a historic year that marks the end of a nine-year bull run. Thus, nearly a decade of prosperity comes to an end, but with a relatively weak decline. The bull run began on March 9, 2009, and continued until the end of September 2018, pushing up the value of the S&P 500 Index by 385%. A 13.5% decline in the fourth quarter tanked the US market, that closed the year with a 4.38% drop.

Eight of the eleven sectors[1] that make up the S&P 500 Index ended the year in the red, led by Energy, Materials, Industrials and Financials. While Energy was under downward pressure as a result of the sharp drop in oil prices, Industrials stocks declined due to concerns over slowing US and global economic growth. The Utilities sector, which benefited from lower interest rates and an influx of defensive stocks, was one of the few sectors that managed to close the year with a gain.

Bond Market

North American bond rates soared to record highs during the year, helped by four 0.25% hikes from the US Federal Reserve and two 0.25% hikes by the Bank of Canada earlier this year. In the fourth quarter, however, the rise in trade tensions, the slowdown in global economic growth, and the decline in stock prices had the effect of lowering North American bond rates for all maturities while investors were rushing toward the security provided by bonds in a tumultuous market environment. Yield curves flattened as a result of more pronounced declines in long-term rates. Fixed-income markets therefore recorded positive returns for 2018, with gains of 1.88% and 1.41% posted by the FTSE TMX Canada Mid-Term Provincial Index and the FTSE TMX Canada Universe Index, respectively.

1. Source: Global Industry Classification Standard (GICS)

North American Economy

The trade stalemate between the United States and China, which dominated the markets for much of 2018, peaked in December. The two countries further strengthened their respective positions, significantly undermining corporate confidence and prompting companies to reduce their planned capital expenditures in 2019. On the other hand, the Federal Reserve raised rates by 0.25% for the fourth time in 2018. The Federal Reserve's intervention coincided with the announcement of the European Central Bank ending its quantitative easing program and stating that it would likely increase rates as early as the second half of 2019. At home, the Bank of Canada decided to leave its benchmark interest rate untouched in December after two hikes earlier in 2018. The bank factored in the risks of the sharp drop in oil prices and the global economy's loss of momentum to justify its year-end decision.

The environment is characterized by moderate, but decelerating growth, meaning the North American economy will continue to grow, but at a slower pace. Central banks' reduction of accommodative monetary policies impacts real estate markets and car sales. Nevertheless, US consumer confidence remains high, supported by good employment conditions and healthier balance sheets for households compared to a decade ago. Inflation (wage inflation, input costs, transportation prices, etc.) in North America has tended to increase, but expectations have moderated mainly due to the plunge in oil prices.

Central banks may want to continue to reduce their accommodative monetary policies, as they have recently said, but the bond markets have reduced forecasts of further tightening. The potential risks in 2019 are linked to political events (trade war and tariffs, Brexit, etc.) and the Canadian federal election in the fall of 2019 could lead to accommodative fiscal policies.

RECENT EVENTS

Important Changes to the Plan

In June 2018, the minimum contribution required to open an INDIVIDUAL Plan was reduced to $25 (formerly $500). Subsequent contributions must also total at least $25. The purpose of this amendment was to allow a maximum number of families to benefit from the Canada Education Savings Program, as well as the Quebec Education Savings Incentive in the case of Quebec residents.

Investment Strategies

In March 2018, the Investment Committee decided to reduce the proportion of bond investments with an active management strategy and rather invested them using a passive bond strategy in order to reduce management fees.

The Foundation has confirmed its commitment to only retain the services of portfolio managers that have signed the internationally-recognised Principles for Responsible Investment. Managers will need to incorporate environmental, social and governance (ESG) factors into their investment decisions.

New Appointments

On April 18, 2018, Pierre Lapointe was appointed to the Independent Review Committee (IRC) for a three-year term (until April 2021). He replaces André Gauthier, former Chair of the IRC who resigned in the normal course of business. The chairmanship of the IRC has been assumed by Roger Demers since October 18, 2017.

Accounting Standards and Interpretations Issued but Not Yet Effective

No accounting standards and interpretations issued but not yet effective apply to the INDIVIDUAL Plan.

TRANSACTIONS BETWEEN RELATED PARTIES

Universitas Management, the wholly-owned subsidiary of the Foundation, is the distributor of the products promoted by the Foundation and the Plan's investment fund manager. It is authorized, with the assistance of its Investment Committee, to define the investment policies and strategies of the Plan, which is the definition of related parties for accounting purposes. Transactions with Universitas Management during the year correspond to the administrative fee that the Plan pays the company for its services as investment fund manager, and to the Foundation as the Plan's promoter. At the end of the fiscal year, any surplus in these fees which is not required for the preservation or development of the organization is returned in full to the Plan account (as an administration fee reduction) for the benefit of the Plan's beneficiaries. These transactions are carried out during the course of normal operating activities and are measured based on their exchange amount, i.e. the amount established between the parties to the agreement.

Furthermore, the sales charges the Foundation collects from subscribers are transferred over to Universitas Management, as well as the fees for the management of the Canada Learning Bond the Foundation collects from the Government of Canada. These transactions are carried out during the course of normal operating activities and are measured based on their exchange amount.

The Plan's assets are invested and managed—pursuant to the investment policies adopted by Universitas Management's Board of Directors—by five portfolio managers with the mandate to ensure their growth. Annual portfolio management fees represent a declining percentage calculated on the total value of assets under management. These management fees totalled 0.08% in 2018. Eterna Trust Inc. is responsible for the safeguard and preservation of the Plan's assets, and oversees their investment and management activities. For these services, the Plan pays Eterna Trust Inc. a fixed annual fee determined by contract. No director or officer of Universitas Management or of the Foundation has any interest in this company.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

The following table presents key financial data concerning the INDIVIDUAL Plan and is intended to help you better understand the Plan's financial results:

	INDIVIDUAL PLAN				
(in thousands of $)	December 31, **2018**	December 31, **2017**	December 31, **2016**	December 31, **2015**	December 31, **2014**
STATEMENTS OF FINANCIAL POSITION					
Total assets	$25,677	$23,887	$25,198	$28,917	$36,428
Net assets attributable to contracts	$25,385	$23,699	$25,124	$28,857	$36,332
Changes in net assets (%)	7.11%	-5.67%	-12.94%	-20.57%	-6.33%
STATEMENTS OF NET AND COMPREHENSIVE INCOME					
Net investment income	$301	$215	$140	$202	$405
Realized and unrealized gains on investments	-$666	$305	$390	-$461	$79
Net income attributable to contracts	-$365	$520	$530	-$259	$484
STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACTS					
Educational Assistance Payments (EAPs)	-$1,615	-$1,970	-$2,029	-$2,439	-$6,497
Net CESG received	$1,899	$1,378	$1,406	$568	$5,435
Net QESI received	$537	$394	$622	$224	$1,208
OTHERS					
Number of units (in thousands)	6.3	5.6	5.7	6.1	6.9
Variation (%)	12.50%	-1.75%	-6.56%	-11.59%	-9.21%

ADMINISTRATION FEE

The Plan pays an administration fee to the Foundation as the Plan's promotor, and to Universitas Management as the investment fund manager. The latter is responsible for managing the Plan's operations and activities. Furthermore, Universitas Management is responsible for establishing the investment policies and strategies with the guidance of its Investment Committee.

As at December 31, 2018, the annual administration fee totalled $269,616 or 1.28% of the Plan's assets under management.

TRUSTEE AND CUSTODIAN FEES

The Plan pays an annual fee to Eterna Trust Inc. as the Plan's trustee. The latter assumes the safeguarding and conservation of the Plan's assets and oversees its investment and management activities. The fee paid to this trustee in 2018 totalled $292 which represents 0.001% of the Plan's assets under management. As the custodian, CIBC Mellon receives in trust the subscribers' savings and all other amounts to which the latter are entitled. The custodian acts as the guardian of securities and other instruments in which these amounts are invested, and as a third-party record keeper for the Plan. In 2018, the custodian's fee totalled $16,271 or 0.08% of the Plan's assets under management.

INDEPENDENT REVIEW COMMITTEE FEE

In 2018, the fee paid to the Independent Review Committee totalled $351 or 0.002% of the Plan's assets under management.

PORTFOLIO MANAGEMENT FEES

AlphaFixe Capital Inc. is responsible for the management of fixed-income securities, whereas the management of Canadian equity investments is entrusted to Montrusco Bolton Investments Inc. In 2018, the fees paid to these managers totalled $17,555 or 0.08% of the Plan's assets under management.

BROKERAGE FEES

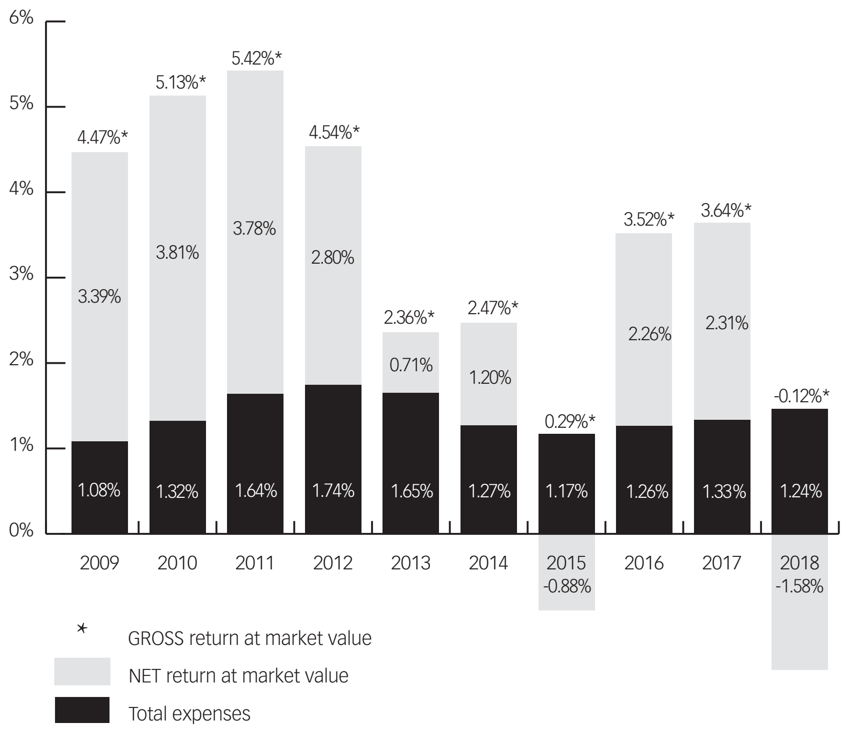
Brokerage fees paid to brokers represent a commission calculated on the purchase or sale of securities. Fees are determined by the broker and totalled $4,542 in 2018 or 0.02% of the Plan's assets under management.

PAST PERFORMANCE

ANNUAL RETURNS

The Foundation's investment policies reflect the great care management takes in deciding how the funds entrusted to the organization are invested. For over 50 years, the Foundation's investment strategy has been based on the balance between security and performance.

The bar graph below presents the annual returns of the INDIVIDUAL Plan's total assets under management for each of the last ten (10) years, i.e. 2009 to 2018. The variation in the investment fund's total performance from one year to the next is also presented.



NOTES ON RETURNS

The calculated performance of the Plan is based on the market value of securities and cash flows weighted during the fiscal year. Performance assumes that all income earned, interest and capital gains are reinvested in the Plan. Global expenses incurred by the Plan are presented and consist of administration and management fees, including the fees paid to the custodian, trustee, portfolio managers and the Independent Review Committee. Past fund performance is not a guarantee for future results.

COMPOUND ANNUAL RETURNS

	RETURNS AS AT DECEMBER 31, 2018, FOR A PERIOD OF			
	1 year	3 years	5 years	10 years
Net Return	-1.58%	0.98%	0.65%	1.76%
Market Indices[1]	-1.33%	2.12%	1.82%	1.96%

1) It should be noted that benchmarks exclude management fees incurred by an investor and the administration fee of a scholarship plan.

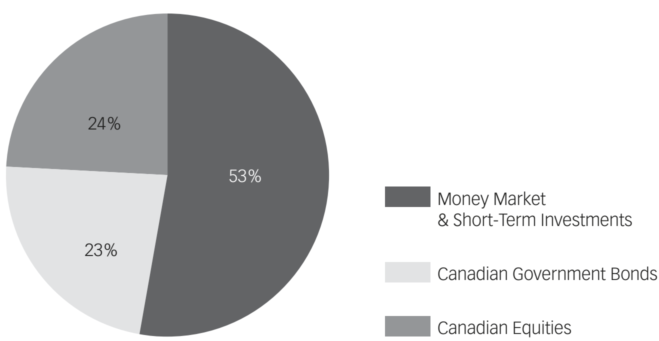
The relevant market benchmarks used for comparison purposes are described in the section "Performance Review" and take into account current and past investment policies. A comparison between the returns achieved by the Plan's various funds and those of the market indices is presented in the "Operating Results" section.

PORTFOLIO OVERVIEW

BREAKDOWN OF THE PORTFOLIO INTO SUBGROUPS

The Plan's investment portfolio comprises three distinct groups as illustrated in the following pie chart. The chart also presents the percentage of the portfolio's total value invested in each of these groups.

COMPOSITION OF THE INVESTMENT PORTFOLIO AS AT DECEMBER 31, 2018



DID YOU KNOW THAT...

An RESP, by definition, is a long-term investment vehicle. The performance of your plan should therefore be measured over a period of approximately ten years.

TOP HOLDINGS OF THE INDIVIDUAL PLAN PORTFOLIO

The chart below presents the main securities of the portfolio as at December 31, 2018. It should be noted that these are all presented from a long position. Indeed, our investment policy does not permit margin buying and short sales.

Also note that the portfolio overview can change further to operations carried out by the fund, and it is therefore recommended you consult our interim financial statements.

SECURITIES	MATURITY	RATE (%)	MARKET VALUE ($)	PORTFOLIO ASSETS (%)
Fixed-Income Securities				
Province of Quebec	1-Dec-21	4.250	951,164	4.24%
Province of Ontario	2-Jun-23	2.850	711,290	3.17%
Province of Quebec	1-Dec-19	4.500	409,195	1.83%
Province of Quebec	1-Sep-23	3.000	327,793	1.46%
Province of Ontario	2-Jun-22	3.150	323,317	1.44%
Province of Ontario	2-Jun-24	3.500	303,822	1.36%
Province of Quebec	1-Dec-20	4.500	271,788	1.21%
Province of Ontario	2-Jun-20	4.200	242,032	1.08%
Province of Ontario	2-Jun-27	2.600	226,782	1.01%
Province of Quebec	1-Dec-22	3.500	192,871	0.86%
Canadian Equities				
Toronto-Dominion Bank			432,089	1.93%
Royal Bank of Canada			385,392	1.72%
The Bank of Nova Scotia			358,859	1.60%
TELUS Corporation			308,988	1.38%
Brookfield Asset Management Inc.			297,175	1.33%
Parkland Fuel Corporation			280,192	1.25%
SmartCentres Real Estate Investment Trust			260,137	1.16%
Sun Life Financial Inc.			256,542	1.14%
Nutien Ltd.			227,483	1.01%
Enbridge Inc.			215,223	0.96%
Algonquin Power & Utilities Corp.			210,802	0.94%
Brookfield Property Partners LP			196,014	0.87%
Industrial Alliance, Insurance and Financial Services Inc.			195,873	0.87%
NFI Group Inc.			194,164	0.87%
Groupe WSP Global Inc.			192,870	0.86%
Top 25 long positions as a percentage of the total value of securities			7,971,854	35.55%

Eckler
CONSULTANTS + ACTUARIES

Actuarial Certificate

For Subscribers Holding a plan with the Universitas Foundation of Canada

An audit was performed for the four following elements:

1. **Contribution schedule in the 2018-2019 prospectus:**
   These schedules must be established so that the contributions of each subscriber provide roughly the same income per unit of the beneficiary group's EAP (Educational assistance payments) account.
   The contributions must take into account the age of the beneficiary at the time of subscription and the contribution option by the subscriber.

2. **Distribution of income and expenditures for year 2017 and 2018:**
   The distribution of the income and expenditures of the group plans UNIVERSITAS and REFLEX, by beneficiary group, must be fair and equitable.

3. **Calculation of EAP unit amounts whose payment is made between January 15, 2019 and December 31, 2019:**
   The EAP unit amounts paid to beneficiaries must be calculated so that, as of their payment dates, these EAPs represent a fair and equitable share of the income accumulated in the beneficiary group's EAP account.

4. **Valuation of the reimbursement obligation of sales charges at maturity as at December 31, 2017 and 2018:**
   The valuation of the reimbursement obligation of sales charges at maturity represent the actual value of the obligation to pay to group plan subscribers, upon the maturity of the EAP agreement, an amount equal to the sales charges paid, without regard to the revenue generated on the subscriber's savings.

It is our opinion that the methodologies used, as well as the assumptions made by the Universitas Foundation of Canada regarding these four elements are proper and fair, and well documented.

Our audit was carried out in compliance with the general standard of the Canadian Institute of Actuaries (CIA) and generally accepted actuarial principles.

Luc Farmer

Luc Farmer, F.S.A., F.I.C.A

Montreal, February 4, 2019

Head Office
Universitas
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