MANAGEMENT REPORT OF FUND PERFORMANCE

THE REFLEX 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 REFLEX 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 REFLEX Plan (hereinafter the "Plan"), the refund of your savings at any time and the refund of your sales charges at contract maturity. 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 six 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 BEFORE PLAN MATURITY 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 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 AFTER PLAN MATURITY

The contributions received from subscribers whose plans have reached maturity and the refundable sales charges (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 correspond to the portion of income on contributions earmarked for the sales charge refund obligation to the subscriber at plan maturity (fund No. 4), as well as the income earned on subscriber contributions (EAP account) (fund No. 5) and on grants (fund No. 6). 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., Fiera Capital Corporation and Montrusco Bolton Investments Inc. are responsible for the management of fixed-income securities, whereas the management of investments in Canadian equities is entrusted to Jarislowsky Fraser Ltd., State Street Global Advisors Ltd. and Montrusco Bolton Investments Inc.

Given the time horizon of an RESP, the general objective of the REFLEX 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 and low-volatility 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 consists in investing in undervalued Canadian equities, with a focus on large-capitalization companies distributing significant dividends. As for the low-volatility strategy, its objective is to provide competitive returns while maintaining low volatility relative to the benchmark on a long-term basis.

In 2018, the market indices used to assess the performance of 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 FTSE Mid-Term Provincial - Ontario FTSE Mid-Term Provincial - Quebec FTSE Short-Term Provincial - Ontario FTSE Short-Term Provincial - Quebec
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% S&P/TSX Dividend Aristocrats

* 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.

BOND MANAGEMENT: ACTIVE INVESTMENT STRATEGIES

Fiera Capital Corporation's strategy is based on thorough analyses of the economy and markets, integrated to scenarios that reflect the current and expected financial context. The investment philosophy of this portfolio manager is founded on a top-down analysis with emphasis on the macroeconomic environment. Specifically, the strategy focuses on interest rate anticipation, yield curve positioning, sector selection and active duration management.

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.

EQUITY MANAGEMENT STRATEGIES

The strategy of Jarislowsky Fraser Ltd. is based on fundamental analyses, capital growth and low-risk levels. Assets in the Canadian equity portfolio are divided into three risk categories: non-cyclical larger-capitalization securities, cyclical companies with operations on international markets and small-market capitalizations in a lesser proportion. The manager builds diversified portfolios, specifically designed to preserve capital and provide long-term returns.

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 following 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.

State Street Global Advisors Ltd. invests in companies listed in the S&P/TSX Dividend Aristocrats index. The manager uses an exclusive quantitative investment process to select portfolio securities expected to have a lower volatility than the index in the long term. In selecting securities for the strategy, the manager seeks to focus on securities with low exposure to risk factors. To achieve appropriate levels of diversification, State Street Global Advisors Ltd. implements risk constraints to weight levels in each stock, industry and size of business. As a result of this quantitative stock selection and portfolio diversification process, the manager expects limited exposure to absolute risk for the portfolio and therefore lower long-term volatility relative to the index.

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 REFLEX Plan's portfolio generated a gross return at market value of 1.17%. The total net return was -0.30%, after a 1.47% deduction for total administration and management fees. These fees include input taxes (GST/QST) on goods and services acquired to provide financial services.

In 2018, the administrative and management fees were 0.02% lower than those of 2017. This is mainly due to a decrease in portfolio management and brokerage fees, given that a lesser proportion of the portfolio's assets were invested in equities, for which management fees are generally higher.

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

FUNDS	ASSET CATEGORY	GROSS RETURN	MARKET INDEX	ADDED VALUE
Contributions before plan maturity and grants	Fixed-income securities guaranteed by a Canadian government and Canadian equities	1.64%	1.19%	**0.45%**
Contributions after plan maturity	Money market securities guaranteed by a Canadian government or cash and cash equivalents	1.79%	1.79%	**0.00%**
Other funds	Canadian equities and money market securities guaranteed by a Canadian government or cash and cash equivalents	-4.61%	-8.31%	**3.70%**

CONTRIBUTIONS BEFORE PLAN MATURITY 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. Five 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 strategies
Fiera Capital Corp.		Active strategy
Montrusco Bolton Investments Inc.		Indexing strategy
Montrusco Bolton Investments Inc.	Canadian equities	Value strategy
Jarislowsky Fraser Ltd.		Value strategy
State Street Global Advisors Ltd.		Low-volatility strategy

In 2018, the management of these funds achieved a gross return at market value of 1.64%, while that of the market benchmark totalled 1.19%. The value added of 0.45% is partially attributable to our bond portfolio's overweight allocation to municipal bonds—which outstripped provincial bonds—and efficient yield curve positioning. The added value is also the result of the low-volatility strategy implemented by State Street Global Advisors Ltd., which favours securities with low exposure to market risk factors. The manager thus invested little in Energy given the sector's higher volatility. Accordingly, the portfolio's allocation was underweight Energy, for which the Composite Index delivered a -18.28% return last year, and overweight Consumer Staples, a sector that went up over 5% during the same period.

CONTRIBUTIONS AFTER PLAN MATURITY

The contributions of subscribers whose plans have reached maturity and their refundable sales charges are invested exclusively in money market securities guaranteed by a Canadian government, or held as cash and cash equivalents.

In 2018, the management of these funds achieved a gross return at market value of 1.79%. The investment policy for contributions after plan maturity protects sums within the REFLEX Plan. In 2018, the funds were invested in high-interest bank accounts offering more attractive return prospects than the money market guaranteed by a Canadian government.

OTHER FUNDS

The other funds comprise the portion of accumulated income on contributions earmarked for the sales charge refund obligation to subscribers at plan maturity, as well as the other earnings on subscriber contributions (EAP account) and on government grants. Three portfolio managers oversee these investments using different strategies, as shown in the chart hereunder:

PORTFOLIO MANAGER	ASSET CATEGORY	INVESTMENT STRATEGY
Montrusco Bolton Investments Inc.	Canadian equities	Value strategy
Jarislowsky Fraser Ltd.	Canadian equities	Value strategy
State Street Global Advisors Ltd.	Canadian equities	Low-volatility strategy

In 2018, the management of these funds achieved a gross return at market value of -4.61%, while that of the market benchmark totalled -8.31%. The added value of 3.70% mainly results from our portfolio manager's low-volatility strategy, which favours securities with low exposure to market risk factors. The manager thus invested little in Energy given the sector's higher volatility. Accordingly, the portfolio's allocation was underweight Energy, for which the Composite Index delivered a -18.28% return last year, and overweight Consumer Staples, a sector that went up over 5% during the same period.

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

Since March 2018, subscribers can withdraw their refund of contributions at plan maturity in one or several instalments according to their needs and objectives.

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.

In December 2018, the Foundation filed an application with the *Autorité des marchés financiers* for relief—under section 263 of the *Securities Act*—from part of the requirements set out in *Regulation No. 15 respecting Conditions Precedent to Acceptance of Scholarship or Educational Plan Prospectuses.* Essentially, the application requested that the Foundation be authorized, under certain conditions, to invest the Plan's assets in a wider array of securities than permitted by current regulatory restrictions. Obtaining such an exemption would offer more attractive return prospects and improve portfolio risk diversification.

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 REFLEX 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 0.1% 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 chart presents key financial data concerning the REFLEX Plan; it is intended to help you better understand the Plan's financial results:

	REFLEX 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	$785,782	$695,584	$595,262	$489,154	$407,158
Net assets attributable to contracts	$781,281	$691,543	$592,425	$486,810	$403,385
Changes in net assets (%)	12.98%	16.73%	21.70%	20.68%	31.36%
STATEMENTS OF NET AND COMPREHENSIVE INCOME					
Net investment income	$11,842	$9,305	$8,183	$7,199	$5,584
Realized and unrealized gains on investments	-$13,630	-$4,071	$8,442	-$5,023	$21,168
Net income attributable to contracts	-$1,788	$5,234	$16,625	$2,176	$26,752
STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACTS					
Educational Assistance Payments (EAPs)	- $5,903	-$2,395	-$1,591	-$860	-$524
Net CESG received	$23,680	$25,414	$24,251	$22,346	$18,594
Net QESI received	$9,161	$9,194	$8,513	$7,914	$6,534
OTHERS					
Number of units (in thousands)	541.4	521.9	481.7	429.4	374.7
Variation (%)	3.74%	8.35%	12.18%	14.60%	16.15%

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 $9,703,594 or 1.35% of the Plan's assets under management.

TRUSTEE AND CUSTODIAN FEE

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 $17,009 which represents 0.002% 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 $120,993 or 0.02% of the Plan's assets under management.

INDEPENDENT REVIEW COMMITTEE FEE

In 2018, the fee paid to the Independent Review Committee totalled $17,989 or 0.003% of the Plan's assets under management.

PORTFOLIO MANAGEMENT FEES

AlphaFixe Capital Inc., Montrusco Bolton Investments Inc. and Fiera Capital Corp. are responsible for the management of fixed-income securities, whereas the management of investments in Canadian equities is entrusted to Jarislowsky Fraser Ltd., State Street Global Advisors Ltd. and Montrusco Bolton Investments Inc. In 2018, the fees paid to these managers totalled $688,185 or 0.09% of the Plan's assets under management.

BROKERAGE FEES

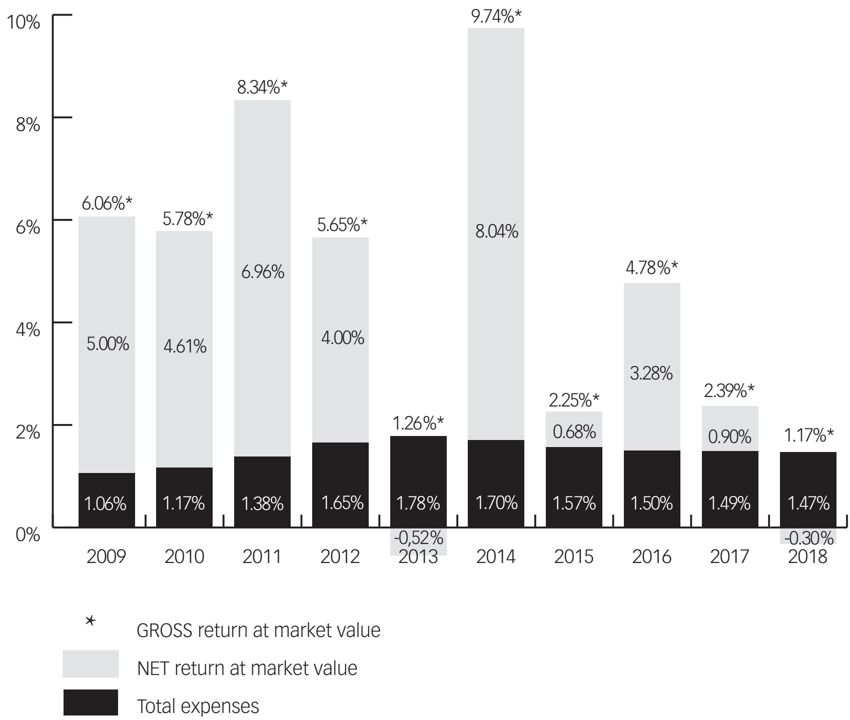
Brokerage fees paid to brokers represent a commission calculated as a percentage of the purchase or sale of securities. Fees are determined by the broker and totalled $39,711 in 2018, or 0.005% of the Plan's assets under management.

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 REFLEX 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. Furthermore, these returns exclude the group plan advantage of income redistribution within beneficiary groups (attrition). 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	-0.30%	1.28%	2.48%	3.23%
Market Indices[1]	0.34%	2.52%	3.93%	4.33%

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

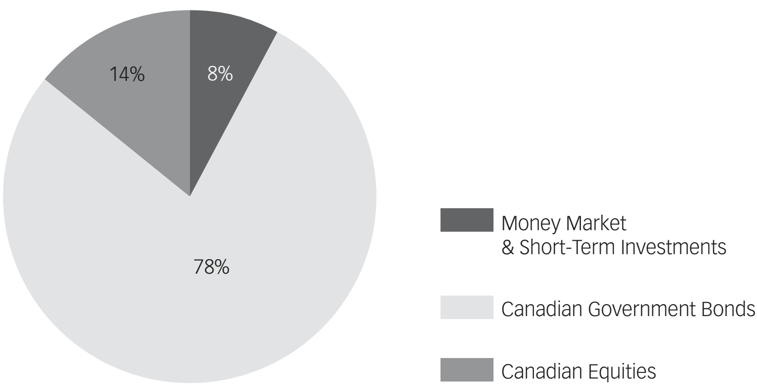
The relevant market benchmarks used for comparison purposes are described in the section "Performance Review" and take into account current and past investment policies. A comparison between the returns achieved by the Plan's various funds and those of the market indices is presented in the "Operating 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 is, by definition, 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 REFLEX 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. 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 Ontario	2-Jun-24	3.500	43,718,985	5.73%
Province of Ontario	2-Jun-22	3.150	36,825,247	4.83%
Province of Ontario	2-Jun-23	2.850	35,683,409	4.68%
Province of Quebec	1-Sep-24	3.750	32,020,917	4.20%
Province of Quebec	1-Dec-21	4.250	31,000,549	4.06%
Province of Quebec	1-Sep-23	3.000	29,837,324	3.91%
Province of Ontario	2-Jun-27	2.600	28,229,374	3.70%
Province of Ontario	2-Jun-28	2.900	26,354,308	3.46%
Province of Quebec	1-Dec-20	4.500	23,935,074	3.14%
Province of Ontario	2-Jun-25	2.600	22,673,184	2.97%
Province of Quebec	1-Sep-26	2.500	20,813,412	2.73%
Province of Quebec	1-Sep-25	2.750	17,252,965	2.26%
Province of Ontario	2-Jun-26	2.400	17,084,618	2.24%
Province of Quebec	1-Dec-22	3.500	14,846,909	1.95%
Province of Quebec	1-Sep-27	2.750	11,868,374	1.56%
Province of Ontario	2-Jun-21	4.000	9,349,274	1.23%
Province of Ontario	2-Jun-20	4.200	8,820,257	1.16%
Province of Quebec	1-Sep-28	2.750	7,840,101	1.03%
Government of Canada	1-Jun-28	2.000	6,238,338	0.82%
Province of Alberta	1-Jun-27	2.550	5,966,070	0.78%
Province of Manitoba	21-Nov-19	1.150	5,707,916	0.75%
Société de transport de l’Outaouais	9-Nov-21	1.800	5,221,119	0.68%
City of Montreal	1-Sep-24	3.500	4,857,546	0.64%
Canadian Equities				
Toronto-Dominion Bank			6,927,058	0.91%
The Bank of Nova Scotia			6,103,228	0.80%
Top 25 long positions as a percentage of the total value of securities			459,175,555	60.22%

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