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# HIGHLIGHTS



UNIVERSITAS  
FINANCIAL

# A WORD FROM MANAGEMENT

## Staying focused on education: that was our goal for 2018.

Without straying from the field of education savings—what we know and do best—we aspired to improve our service offer and really go the extra mile to promote school success. Yes, families who invest in our registered education savings plans (RESPs) are indeed preparing for the future post-secondary education of their young. But this decisive stage in a school career is played out well beforehand, both financially and in terms of learning.

It was with this mindset that we worked toward our goals and completed several innovative projects over the last year. Among other initiatives, we entered a new market sector through the creation of our subsidiary: Parentheses Financial Services, a firm that offers a wide array of insurance solutions. This offer allows us to provide the families we serve with the financial protection to face the unexpected and pursue their life projects with peace of mind.

It was also with the aim to promote school success that we launched our Stepping Stone Program, an exclusive service that provides our subscribers with free access to a network of education specialists to coach them through any roadblocks to their

children's schooling. Universitas Financial is more than proud to be the industry pioneer in offering this type of forward-looking program to its clients.

The year 2018 was also marked by the easing of the EAP qualification criteria under our group RESPs, a resolution approved by vote in the fall of 2017. Although this change was well-received by most, we were sensitive to the fact that some subscribers felt they did not have sufficient information to decide on this issue. Universitas thus held a second vote of subscribers which confirmed the will of our subscribers, as the majority voted in favour of maintaining the relaxed criteria allowing beneficiaries to **access all their RESP funds upon school enrolment in any post-secondary program of their choice.**

To conclude, in the last months of 2018, Isabelle Grenier and I worked in close collaboration to ensure a smooth leadership transition as she prepared to take up her duties as President and Chief Executive Officer of Universitas. For my part, I had the good fortune to plan a happy milestone in my life: retirement! Working alongside Isabelle for over 10 years, initially as an administrator of the organization and then as president and CEO, I can testify

to her visionary spirit and charisma, with which she rallies resources and inspires passion in others—the same passion she has for the organization.

As a natural leader, Isabelle will use her strategic insight to ensure the future of Universitas, backed by an outstanding team to make it happen!

*Gaston Roy*  
Proud Retiree



Isabelle Grenier and Gaston Roy

## A word from Isabelle Grenier

Taking the helm of Universitas Financial at this crucial stage is elating and I am very excited about this challenge. With the expertise acquired over the last 55 years, the organization enters a new era as it solidifies its status of major player in the field of education.

As I embark on this great adventure, I am happy to know I can count on a team that is deeply committed to the school success of the children we help pursue post-secondary education. I witness it every single day when I hear our customer service team give our clients information, guidance and advice to ensure they have a first-rate customer experience; when I talk to our scholarship plan representatives who speak with enthusiasm about the families they meet to help plan their children's future; or when I see the head office and sales network combine their know-how to accomplish promising projects that stem from and extend beyond our mission.

Many of these very projects were launched last year, and we are proud to share these with you throughout the following pages. And know that this is only the beginning; **Universitas is looking to the future more than ever!** We are determined to strengthen our role as the partner families turn to when it comes to the school success of their children; and we are determined

to enrich the academic experience of children, from their school debut to the post-secondary program of their choice.

Needless to say none of this could be achieved without the benevolence and dedication of our resources. I therefore take this opportunity to express my gratitude to the Universitas team, to its loyal Board of Directors, and to our long-standing partners, all of whom do their utmost to care for today's youth—the greatest asset to our society!

*Isabelle Grenier, LL.B.*  
President and CEO

# SOUND GOVERNANCE

Universitas officers and directors ensure the sound management of the organization, always in the best interest of our subscribers and beneficiaries.

## The Board of Directors of the Universitas Foundation of Canada



1. Albert Caponi\*
2. André Caron
3. François Grégoire
4. Isabelle Grenier\*
5. Pierre Hamel
6. **Yves Lacasse**, chairman\*
7. François Lavoie\*
8. Jean Marchand\*
9. Liette Monat\*
10. Jean-Bernard Robichaud
11. Gaston Roy\*
12. Jacques Topping\*

\* Are also members of the Board of Directors of Universitas Management Inc.

## Appointment of Isabelle Grenier

After being appointed officer of the Universitas Foundation and Universitas Management Inc. in May, Isabelle Grenier was also appointed President and Chief Executive Officer, a position she assumed on January 1, 2019.

Since 2000, Isabelle has headed all of Universitas Financial's legal department and ensured the company's sound governance practices. She has held the positions of Corporate Secretary, Chief Compliance Officer and Executive Vice-President. She is also actively involved in Educaid's activities, the philanthropic arm of Universitas, since 2002.

The boards she joins have the privilege of being able to count on her expertise and her extensive knowledge of the industry.



# WE CARE ABOUT YOUR SAVINGS



## GROWTH OF ASSETS UNDER MANAGEMENT\*\*



Nearly  
**\$1.5 Billion**  
in assets  
under  
management

### REFLEX\*

### UNIVERSITAS\*

### INDIVIDUAL\*

Net return over  
10 YEARS

**3.23%**

**3.69%**

**1.76%**

Net return over  
5 YEARS

**2.48%**

**2.50%**

**0.65%**

## Gross portfolio returns

### FIXED-INCOME INVESTMENTS

over 5 YEARS

**3.43%**

### EQUITY INVESTMENTS

over 5 YEARS

**4.58%**

## EAPs & returned savings

### PAYMENTS ISSUED

**\$885 M**

## PROUD AMBASSADORS OF EDUCATION SAVINGS

Head office employees and  
scholarship plan representatives

**243**

## BENEFICIARIES WITH AN RESP IN FORCE

**Over  
229,000**

## ACTIVE SUBSCRIBERS

**Over  
172,000**

\* Net return at market value. As at December 31 of each year.

\*\* As at December 31 of each year.

# WE CARE ABOUT OUR CLIENTS

We care and listen to what our clients have to say to ensure our products meet their needs. In 2018, we led several undertakings to favour wider access to education.

## Simple and flexible withdrawals for school

Last January, our subscribers and their beneficiaries began to benefit from the relaxed terms and conditions of our group RESPs. This represents a remarkable step forward for our organization, but especially for our clients, who now enjoy more latitude when claiming their funds available for school!

It was at the end of 2017 that our group plan subscribers (REFLEX and UNIVERSITAS Plans) voted in favour of easing the qualification criteria for educational assistance payments (EAPs). In the fall of 2018, Universitas held a second vote that confirmed the relaxed criteria would be maintained, with a voter turnout significantly higher than the previous year.

Thanks to the easing of the EAP criteria, our beneficiaries have access to all their funds as soon as they enrol in a post-secondary program. They can enjoy 100% of the government grants to which they are entitled.\*

We are happy to report that over \$23 million in additional grant money and earnings thereon was redistributed in 2018 compared to the previous year.

\* According to the provisions of the *Income Tax Act* (Canada). Certain conditions apply; see our prospectus.

\*\* Data collection between August 6 and 26, 2018, by Leduc Marketing from a sample of 1,250 respondents.

### IN FAVOUR OF THE PROPOSED CHANGES

REFLEX



75%

UNIVERSITAS



64%

Based on an independent survey,\*\*  
**88% of our subscribers are satisfied** with the easing of the EAP qualification criteria.







## Parentheses Financial Services: Insurance solutions for the whole family

Since protecting the future of their loved ones is a priority for our clients, it became clear to us that we needed to provide families with financial security as well as education savings solutions.

In 2018, Universitas proudly introduced its new subsidiary **Parentheses Financial Services**.

With its wide array of insurance products, families benefit from the guidance to make their projects a reality, while enjoying peace of mind—they'll be covered whatever curve ball life throws at them!



## Universitas campaigning to promote the CLB

In 2018, we increased our efforts to promote the **Canada Learning Bond (CLB)**, a generous grant for lower-income families.

Universitas is proud to offer these families the opportunity to open an RESP to receive the CLB without having to contribute a single penny themselves. And this RESP has no sales charges!

**The Canada Learning Bond can reach \$2,000 per child,\*** offering a unique window of opportunity for families who don't always have the means to put money aside for school.

\* Certain conditions apply. See the prospectus.

## The Stepping Stone Program: A new initiative to go the extra mile

In our constant effort to exceed expectations, we surveyed our subscribers to find out about their family reality and their needs for academic success, beyond the financial outlook. Our conclusion: our clients were very interested in getting support and coaching to help their young throughout their school career.

### An exclusive and unique offer

The year 2018 was marked by the launch of the Stepping Stone Program, providing our subscribers with free access to a network of education specialists. The program is a support service specially designed for parents with children aged 4 to 12 years who experience difficulties in their learning, such as ADHD, learning and behavioral difficulties, bullying, dyslexia, etc.

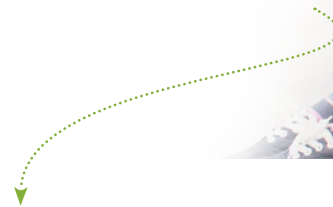
The factors that contribute to a student's prospects for success go beyond the school environment itself. By offering six free hours of consultation annually per family, we are contributing to a better school experience for these children. This type of access to specialized resources is scarce in the education network, and can be costly if parents turn to the private sector.

The Stepping Stone Program reflects our commitment to giving families the support needed to help their children reach their full potential.



## Keeping pace with our clients

To improve customer experience, we have **optimized the process for contribution refunds** at plan maturity for all of our group RESP clients.



Subscribers with mature plans can now withdraw their refund of contributions in one or several instalments, simply by providing proof of their beneficiary's post-secondary school enrolment.

By offering a competitive investment return on the money left in the RESP after plan maturity, Universitas clients can continue to enjoy the tax-free growth of their savings!

## RESPs for all budgets

By reducing the minimum contribution to open an INDIVIDUAL Plan, Universitas promotes access to education savings for all families, regardless of their budget!

It's now only \$25 to open an RESP and offer a child a promising future.\*

\* Certain conditions apply. See the prospectus.



# WE CARE ABOUT STAYING CONNECTED



Our presence online gives us the opportunity to create lasting connections with our clients, to answer questions instantly and to know the real concerns of today's parents. This proximity that we develop through our various platforms is valuable as it allows us to connect with people on their turf.

## AN INTERACTIVE ZONE TO EXCHANGE WITH THE PUBLIC

In June 2018, we launched the **"Your Questions, Our Answers"** interactive zone. This extension of the main website offers the ideal setting for exchanges with clients and the general public.

This initiative allows the public to submit their questions about Universitas Financial and its products to a team of experts, who in turn posts the answer openly. Thanks to a convenient search bar, visitors wanting to learn more about RESPs can access published questions in just a few clicks to find the information they need.

The "Your Questions, Our Answers" zone offers a simple, user-friendly means to getting answers while still offering the same level of interaction as social media.

**Newsletter**  
Number of subscribers

Over  
**166,000**

**Website**  
Number of visits

Over  
**383,000**

**Blog**  
Number of views

Over  
**127,000**

**Client Space**  
Number of subscribers and beneficiaries who registered

Nearly  
**127,000**

**Birthday Wishes**  
Number of beneficiaries who received birthday wishes by email

Nearly  
**74,000**

## Your Questions... Our Answers

Page views Over  
**19,000**

2018 Questions **52**

## Followers

 **438**

 **17,025**

 **265**

 **1,170**



# WE CARE ABOUT OUR TEAM

At Universitas, we make it our business to promote healthy living and professional growth through training, advancement opportunities, skills development and recognition activities. Keeping our team healthy and happy is a priority, one that translates into engaged employees.

The general environment, sense of family and working conditions are all factors that make me happy to still be working for Universitas after over 40 years.

Gaétane Grondin  
Customer Service Agent

## Performance enhancement tools

Our sales network enjoyed numerous recognition and training activities throughout the year.

We also introduced a new, modern and intuitive intranet to centralize communications and the transmission of documents essential to the successful business growth of our team on the field. After a few months in use, our scholarship plan representatives reported they are delighted with this new tool!

## Equal opportunity for all

At Universitas, 8 out of 14 management positions are held by women. The organization is proud to encourage the professional development of women.

### The first woman to lead Universitas

The announcement of Isabelle Grenier's appointment as President and Chief Executive Officer closed the year 2018 on a strong note. Isabelle becomes the first woman to assume this role since the creation of the organization back in 1964. Jean Marchand, co-founder of Universitas, is extremely proud to witness this historic event.

## Healthy living takes centre stage

Since its creation in February 2018, the Health and Wellness Committee has developed a multitude of projects aimed at improving the physical and psychological health of employees, encouraging them to do more exercise, eat better, participate in team sporting events, etc.

We are proud to report these initiatives are already bearing fruit, with 69% of our employees having changed at least one lifestyle habit for the better!

## Engagement from a dedicated team

With competitive working conditions and a slew of measures to promote work-life balance, Universitas really is an employer of choice! We can boast having a turnover rate under the average industry rate.

Our employees grow and thrive with us... and they return it in kind!

The best evidence of this loyalty is certainly some of the impressive career anniversaries we had the honour of celebrating last year. For several of our valued resources, 2018 marked a major milestone in their careers as they celebrated 15, 20, 35 and even 40 years of service!

Payroll invested  
**Continuous Training**

**1.92%**

# WE CARE ABOUT COMMUNITY

The causes and organizations we choose to support share our philosophy that education is key to social prosperity.



As a founding partner of Educaid, Universitas is proud to see the scope of this organization's efforts.

In 2018, Educaid awarded \$205,500 to more than 420 teens from 91 schools across Quebec in less privileged communities!

Since it was founded in 2002, Educaid has awarded more than \$2M in scholarships to support over 1,500 students!

When we know that **89% of Educaid's scholarship recipients get their first diploma**—that's nearly 20% higher\* than the graduation rate for underprivileged teens—we can be proud of contributing to this success!

\* According to the *Ministère de l'Éducation et de l'Enseignement supérieur* - MEES (2017)



For over 10 years now Universitas has been partnering with Alloprof, an organization dedicated to helping students persevere in their learning by offering homework help.

With an impressive 400,000 students active on this platform, Alloprof services were used 22 million times for homework help in 2018 alone... wow!



Reading and writing are the two pillars of education. It is therefore important for us to support this organization that distributed over 65,000 new books last year to children from underprivileged backgrounds as part of its *Gift of Reading* program.

In 2018, Universitas was the presenting partner for the *Cabaret* benefit show that fetched over \$105,000!



Forces AVENIR aims to recognize, honour and promote student commitment and perseverance, which is a natural extension of Universitas Financial's own mission.

For the last 13 years, we have witnessed the motivation and ingenuity shown by inspiring students who compete in the annual Forces AVENIR gala.

Their projects contribute to the development of economic life and aim to improve the well-being of their community; they may translate in humanitarian aid, the environmental protection or the respect of human rights. All these impressive initiatives testify to the wealth these young people represent for our society.

# THE EDUCATION SAVINGS BAROMETER



## Compelling economic indicators

For the second year in a row, the results of the **Universitas Barometer** caught the eye of the general public and the media. The purpose of this survey is to learn more about the reality of parents and students in Quebec in terms of education costs, student debt and the financial strategies that offer solutions.

## The RESP: An asset to school success

The Universitas mission takes on its full meaning when the numbers show a majority of students surveyed consider the **RESP as a determining factor in their motivation to pursue their education.**

Among the indicators that draw attention, the cost of education remains a major concern for a large majority of young people, and the main barrier to the pursuit of post-secondary studies. This means that having an RESP relieves financial strain, so students can concentrate fully on their studies!

**43%**

OF YOUNG PEOPLE  
CONCERNED ABOUT FUNDING  
THEIR EDUCATION

consider the main  
**roadblock to post-  
secondary education  
is the cost**

**65%**

OF YOUNG PEOPLE

say the **RESP was a  
motivator** to pursue  
their education

**58%**

OF YOUNG PEOPLE  
WITHOUT AN RESP

are **concerned  
by the cost**  
of education

## Investing responsibly

Universitas is proud to only partner with portfolio managers who are signatories of the United Nations Principles for Responsible Investment (PRI). This commitment translates into proper consideration of environmental, social and governance (ESG) risk factors when making investment decisions.

In 2018, all of our portfolio managers engaged in active management strategies confirmed that our positions met ESG standards. **Investing responsibly is another way to care about our children's future!**

## Understanding ESG factors



**E**

### Environmental Factors

- ✓ Climate change
- ✓ Water scarcity
- ✓ Sustainability
- ✓ Air and Water Pollution
- ✓ Biodiversity and habitat protection

**S**

### Social Factors

- ✓ Respect for human rights
- ✓ Employment standards
- ✓ Fight against discrimination
- ✓ Respect for communities

**G**

### Governance Factors

- ✓ Tax liability
- ✓ Transparency and right to information
- ✓ Anti-corruption measures
- ✓ Cybersecurity

## Portfolio Management

AlphaFixe  
Capital

FIERA  
CAPITAL

JARISLOWSKY FRASER  
GLOBAL INVESTMENT MANAGEMENT

MONTRUSCO  
BOLTON

STATE STREET  
GLOBAL ADVISORS



# WE CARE ABOUT YOUR JOURNEY

Universitas is there for you every step of the way



## RESP Loan

A convenient option maximize government grants



Support program for parents

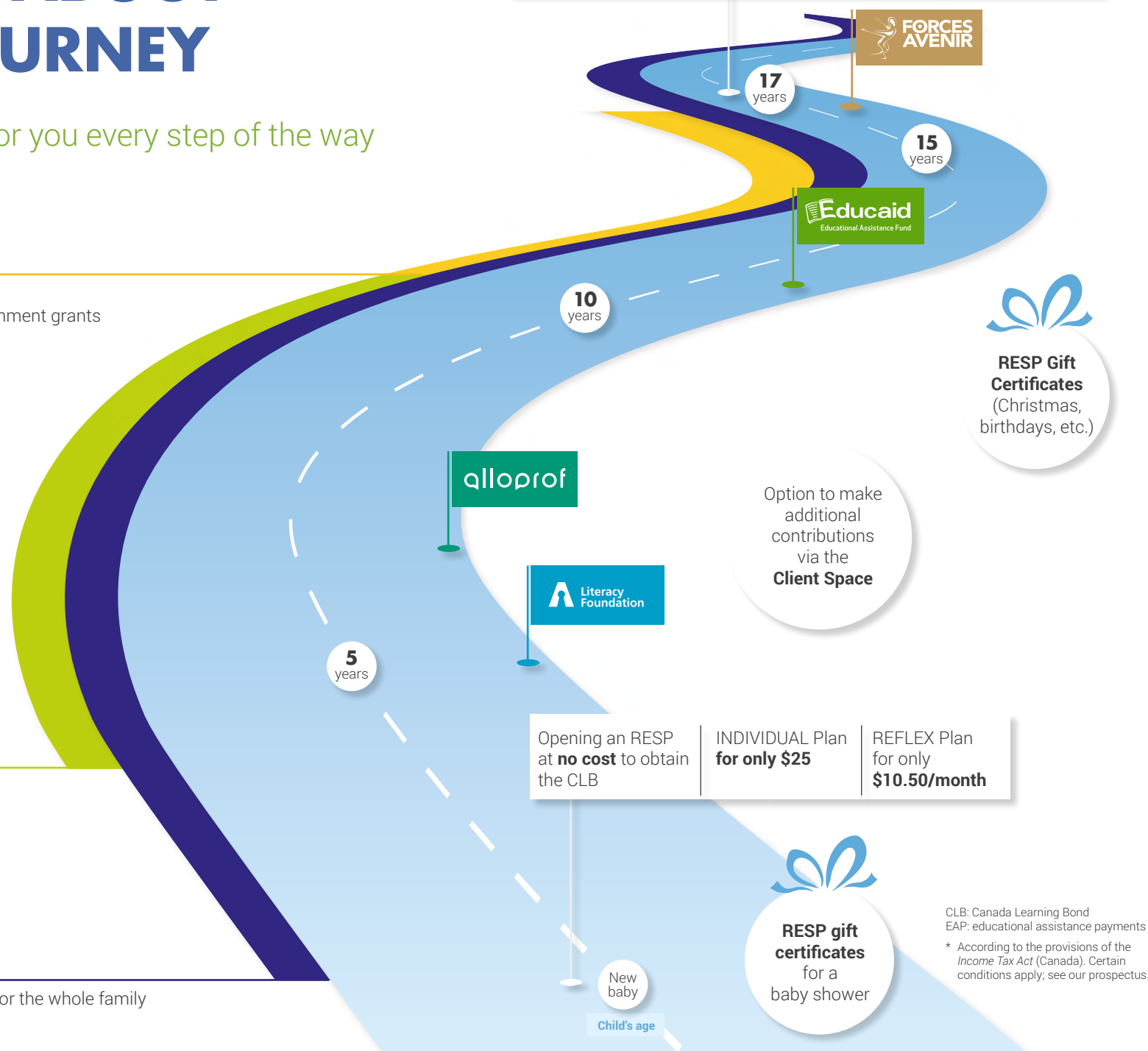


A wide array of insurance solutions for the whole family

Option to **withdraw** savings after plan maturity **as needed**

**Investment growth** after plan maturity stays **tax-free**

**Upon school enrolment**, beneficiaries have access to **EAPs in 24-48 hours** after an online application\*



# WE OFFER THE STEPPING STONE TO A BRIGHT FUTURE FOR THOSE WHO DARE TO DREAM!



**UNIVERSITAS**  
FINANCIAL



Centre d'affaires Henri-IV  
1035 Wilfrid-Pelletier Avenue  
Suite 500  
Quebec QC G1W 0C5  
Canada

Phone: 1 877 710-RESP (7377)  
Fax: 418 651-8030  
[info@universitas.ca](mailto:info@universitas.ca)  
[universitas.ca](http://universitas.ca)