

PLAN SUMMARY

UNIVERSITAS PLAN

Type of plan: GROUP SCHOLARSHIP PLAN

Investment Fund Manager: UNIVERSITAS MANAGEMENT INC.

December 17, 2018

This summary tells you some key things about investing in the plan. You should read this Plan Summary and the Detailed Plan Disclosure carefully before you decide to invest.

If you change your mind

You have up to 60 days following a unit addition to get back the entire amount invested as a unit addition.

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

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| What is the group scholarship Plan? | <p>By decision of Universitas Management, the UNIVERSITAS Plan ceased to be distributed to new subscribers on or around November 20, 2013. The UNIVERSITAS Plan is now only intended for investors who already hold this plan and who wish to add units.</p> <p>The UNIVERSITAS Plan is a group scholarship plan designed to help you save for a beneficiary's post-secondary education. When you open a UNIVERSITAS plan, we will apply to the Canada Revenue Agency to register the plan as a Registered Education Savings Plan (RESP). This allows your savings to grow tax-free until the designated beneficiary of your plan enrolls in his or her studies. The Government of Canada and some provincial governments offer government grants to supplement your savings.</p> <p>In a group scholarship plan, you are part of a group of investors. Everyone's contributions are invested together. When the plan matures, each beneficiary in the group shares in the earnings on that money. Your share of those earnings, plus your government grant money, is paid to or on behalf of your beneficiary as Educational Assistance Payments (EAPs).</p> <p>There are two main exceptions. Your beneficiary will not receive EAPs and you could lose your earnings, government grants and grant contribution room if:</p> <ul style="list-style-type: none">▶ your beneficiary does not enrol in a school or program that qualifies under the <i>Income Tax Act</i> (Canada); or▶ you leave the plan before it matures. <p>If you leave the plan, your earnings go to the remaining members of the group. However, if you stay in the plan until it matures, you might share in the earnings of those who left early.</p> |
| Who is this plan for? | <p>A group scholarship plan can be a long-term commitment. It is for investors who are planning to save for a beneficiary's post-secondary education and are fairly sure that:</p> <ul style="list-style-type: none">▶ they can make all of their contributions on time;▶ they will stay in the plan until it matures;▶ their beneficiary will attend a school and program that qualify under the <i>Income Tax Act</i> (Canada). <p>If this does not describe you, you should consider another type of plan. For example, an INDIVIDUAL Plan has fewer restrictions. For more information, refer to the summary of our INDIVIDUAL Plan on pages 39 and following in the Detailed Plan Disclosure of the INDIVIDUAL Plan.</p> |
| What does the plan invest in? | <p>The plan mainly invests in fixed-income securities, such as Treasury bonds, bonds issued or guaranteed by the Government of Canada, a Canadian province, a municipality, a school board or a transport company established under a Quebec law. A portion of the income accumulated on your contributions is also invested in equity securities. The plan's investments have some risk. Returns will vary from year to year.</p> |
| How do I make contributions? | <p>The UNIVERSITAS Plan is only available to subscribers who want to add units or unit fractions. These units represent your share of the Plan. You can pay for them all at once, or increase your annual or monthly contributions.</p> <p>You may change the amount of your contribution as long as you make the minimum contribution permitted under the plan. You may also change your contribution option after you've opened your plan. All of the different contribution options for this plan are described in the Detailed Plan Disclosure, or you can ask your scholarship plan representative for more information.</p> <p>A minimum investment of \$50 is required to make unit additions.</p> |

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| <p>What can I expect to receive from the plan?</p> | <p>You can recover all your contributions (net of sales charges) at any time even if the beneficiary does not pursue eligible studies. An amount equal to the sales charges is refunded to you at plan maturity. These sums can be paid to you or directly to your beneficiary in one or more instalments, at your discretion.</p> <p>You may request an EAP at any time on or after the eligibility date, which is January 15th of the year your beneficiary turns 17 years of age. The request must be submitted to us by the last day of the life of the plan and must be supported by proof that the beneficiary is enrolled for eligible studies.</p> <p>The EAP is then made to or on behalf of the beneficiary in one or more instalments, according to your request. However, the investment fund manager reserves the right to set a maximum number of EAPs per year.</p> <p>The <i>Income Tax Act</i> (Canada) limits the amount of an EAP that may be made from an RESP. These limits are associated with programs of various durations, as follows:</p> <ul style="list-style-type: none"> ▶ for studies in a qualifying educational program (full-time), the beneficiary can receive up to \$5,000, for the first 13 consecutive weeks in such a program. After the student has completed 13 consecutive weeks, there is no limit on the amount of EAPs that can be paid if the student continues to qualify to receive them. If there is a 12-month period in which the student is not enrolled in a qualifying educational program for 13 consecutive weeks, the \$5,000 maximum applies again; ▶ for studies in a specified educational program (part-time), the beneficiary can receive up to \$2,500 for each 13-week period of the program. <p>Note that the federal government has established an annual maximum amount in EAPs that can be made to a beneficiary. For 2018, this amount was \$23,460.</p> <p>EAPs are taxed in the beneficiary's hands.</p> |
| <p>What are the risks?</p> <p>Cancellation rate</p> <p>Of the last five beneficiary groups of the UNIVERSITAS Plan to reach maturity, an average of 22% of the plans in each group were cancelled before their maturity date*</p> <p><i>*Includes transfers to INDIVIDUAL Plan</i></p> | <p>If you do not meet the terms of the plan, you could lose some or all of your investment. Your beneficiary may not receive his or her EAPs.</p> <p>You should be aware of five (5) things that could result in a loss:</p> <ol style="list-style-type: none"> 1. You leave the plan before the maturity date. People leave the plan for many reasons. For example, if their financial situation changes and they can't afford their contributions. If your plan is cancelled more than 60 days <u>after</u> signing your contract, you'll lose part of your contributions to sales charges. You'll also lose the earnings on your investment and your government grants will be returned to the government unless the plan is transferred to another RESP. 2. You miss contributions. If you want to stay in the plan, you'll have to make up the contributions you missed. You will also have to pay interest at the annual rate of 4% on all late contributions. This can be costly. <p>If you have difficulty making contributions, you have options. You can defer, reduce or suspend your contributions, cease your contributions and reduce your financial commitment to the amount already accumulated in your account, transfer to another of our plans or to an RESP offered by a different provider, or cancel your plan. Restrictions and fees apply. Some options will result in the loss of earnings and government grants. If you miss a contribution and do not take any action within 60 days, we may cancel your plan.</p> |

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| | <p>3. You or your beneficiary misses a deadline. This can limit your options later on. You could also lose the earnings on your investment. Two of the key deadlines for this plan are:</p> <ul style="list-style-type: none">▶ Maturity date <p>You have until the maturity date to make changes to your plan and in some cases, even after this date. This includes switching the plan to a different beneficiary, changing the maturity date and transferring to another RESP. There are restrictions and possible fees.</p> <ul style="list-style-type: none">▶ The EAP application deadline (cut-off date) <p>If your beneficiary is eligible for EAPs, you must apply no later than December 31st of the 35th year following the year the plan took effect. This date constitutes the end of the life of an RESP under the <i>Income Tax Act</i> (Canada). Otherwise, he or she could lose this money. If your beneficiary is considered eligible, you may apply for EAPs at any time after the eligibility date via the Client Space on the Universitas Foundation website or, if you do not have Internet access, by calling us so that the appropriate form can be sent by mail.</p> <p>4. Your beneficiary doesn't go to a qualifying school or program. Under this Plan, programs that qualify under the government's rules for RESPs will qualify for EAPs. See the Detailed Plan Disclosure for more information. If your beneficiary will not be going to a school or program that qualifies for EAPs, you have the option to name another beneficiary, transfer to another of our Plans or to an RESP offered by a different provider, or cancel your plan. Restrictions apply and fees may be charged. Some options will result in a loss of earnings and government grants.</p> <p>5. Your beneficiary didn't receive all his or her EAPs before the cut-off date. If you do not claim all the EAPs for your beneficiary while it is still possible to do so, your beneficiary ceases to pursue eligible studies and does not undertake other studies before the plan expires (35 years), your beneficiary could lose the right to claim other EAPs to which he or she may be entitled under the plan which have not yet been made.</p> <p>If any of these situations arise with your plan, contact us or speak with your scholarship plan representative to better understand your options to reduce your risk of loss.</p> |
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| How much does it cost? | There are costs for joining and participating in the Plan. The following tables show the fees and expenses of the plan. The fees and expenses of this Plan are different than the other Plans we offer. | | | |
| Paying off the sales charges | Fees you pay | | | |
| For example, if you subscribed to one UNIVERSITAS Plan unit for a beneficiary age 3 and opted for monthly contributions until the maturity date, 100% of your first contributions will be used to pay off up to 50% of these sales charges; 50% of the following contributions will be used to pay the sales charges until full payment. In total, it will take 20 months to pay off the sales charges. During that period, 66% of your contributions will be used to pay sales charges and 37% will be invested in your plan. | These fees are deducted from the money you put in the plan. They reduce the amount that gets invested in your plan, which will reduce the amount available for EAPs. | | | |
| | Fee | What you pay | What the fee is for | Who the fee is paid to |
| | Sales charges <i>Note: A sum equal to the sales charges paid is refunded at maturity or in the event of cancellation within 60 days of signing the contract. After this 60-day period, the sales charges are not refunded, but may be credited under certain conditions.</i> | <ul style="list-style-type: none">▶ Flat fee of \$200 per whole unit▶ Per unit fraction: the amount is proportional to the fee for a whole unit▶ A sum equal to these sales charges is refunded at maturity <p>The exact percentage of sales charges depends on the contribution option selected and the age of the beneficiary at the time the Plan is opened. This percentage usually ranges from 0.9% to 17.8% of the contributions</p> <p>The first contributions you make are used only to pay off up to 50% of the total sales charges (equivalent to \$100 for a whole unit). The balance is taken at a 50% rate on subsequent contributions</p> | <ul style="list-style-type: none">▶ This is a commission for selling you the plan which is paid to your scholarship plan representative | The Distributor (Universitas Management Inc.) |

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| Other fees Other fees apply if you make changes to your plan. See page 29 of the Detailed Plan Disclosure for details. | Fees the plan pays You do not pay these fees directly. They are paid from the plan's earnings. However, they affect you because they reduce the plan's returns and, consequently, the amount available for EAPs. | | | |
| | Fee | What the plan pays | What the fee is for | Who the fee is paid to |
| | Administration fee | The administration fee may not exceed 1.18% (excluding applicable taxes) of the assets under management Any proportion of this fee that is not required to maintain and develop Universitas Management Inc. is deducted from any excess revenues over the company's expenditures in order to return any surplus to the plans by reducing the rate of the administration fee, if applicable Fee subject to applicable taxes | Covers the administration expenses of the plan as well as the trailing commissions paid to the scholarship plan representatives of Universitas Management Inc. | The investment fund manager (Universitas Management Inc.) |
| | Portfolio management fees | A decreasing percentage established by the portfolio manager based on the total average assets invested under its management As at December 31, 2017, this fee represented 0.12% of the average value of assets under management Fee subject to applicable taxes | Covers the management of the Plan's investments | The portfolio managers: Fiera Capital Corporation AlphaFixe Capital inc. Jarislowsky Fraser Limited Montrusco Bolton Investments Inc. State Street Global Advisors Inc. |
| | Trustee fee | ► Flat fee of \$27,500 per year for all plans promoted by the Foundation ► This fee is invoiced in proportion to the average value of assets under management of each of the plans Fee subject to applicable taxes | Covers the costs to hold the plan's investments in trust | The trustee (Eterna Trust Inc.) |
| | Custodian fee | ► 0.009% of the average annual assets under management ► Flat fee of \$8 per transaction on Canadian securities ► Flat fee of \$15 per wire transfer Fee subject to applicable taxes | It is used to safeguard the securities and other investments of the Plan | The custodian (CIBC Mellon Trust Company) |
| | Independent Review Committee (IRC) fee | This fee is invoiced to the different Plans promoted by the Foundation and prorated to the average value of each Plan's assets under management. For the year ended December 31, 2017, the fee for the UNIVERSITAS Plan was \$20,585 (including applicable taxes) | Covers the services of the Plan's IRC. The committee reviews conflict of interest issues between the investment fund manager and the Plan | The IRC members |
| Are there any guarantees? | We cannot tell you in advance if your beneficiary will qualify to receive any payments from the Plan or how much your beneficiary will receive, where applicable. We do not guarantee the amount of any payments or that the payments will cover the full cost of your beneficiary's post-secondary education. Unlike bank accounts or guaranteed investment certificates (GICs), investments in scholarship plans are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. | | | |
| Information | The Detailed Plan Disclosure delivered with this Plan Summary contains further information about this plan. We therefore recommend that you read it. For additional information, you can also contact our Customer Service or scholarship plan representative. Universitas Management Inc. 1035 Wilfrid-Pelletier Avenue, Suite 500 Quebec (Quebec) G1W 0C5 Phone: 1-877-710-RESP (7377) Fax: 418-651-8030 Email: info@universitas.ca Website: www.universitas.ca | | | |