

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

Detailed Plan Disclosure

PROSPECTUS

CONTINUOUS OFFERING

December 17, 2018

GROUP AND INDIVIDUAL SCHOLARSHIP PLANS

REFLEX PLAN

(Group scholarship plan)
Minimum subscription of \$10.50 per month

INDIVIDUAL PLAN

(Individual scholarship plan)
Minimum subscription of \$25

These investment funds are scholarship plans managed and invested by Universitas Management Inc.



UNIVERSITAS
FOUNDATION

IMPORTANT INFORMATION TO KNOW BEFORE INVESTING

The following is important information you should know if you are considering an investment in a scholarship plan.

NO SOCIAL INSURANCE NUMBER = NO GOVERNMENT GRANTS, NO TAX BENEFITS

You must provide your social insurance number (SIN) and the SIN of each child named as a beneficiary under a plan before we can register your plan as a Registered Education Savings Plan (RESP). The *Income Tax Act* (Canada) does not allow us to register your plan as an RESP without these numbers. Your plan must be registered before it can:

- ▶ qualify for the tax benefits of an RESP; and
- ▶ receive any government grants.

You can provide the beneficiary's social insurance number after the plan is opened. If you do not provide it when signing the contract, your contributions will be paid into an unregistered education savings account. While your contributions are held in this account, we will deduct the sales charges listed under "Costs of Investing in this Plan" on pages 27 and 40 of the prospectus. No income or grants will accumulate in your plan until the missing information is provided.

If we receive the beneficiary's social insurance number within 24 months after your application date, we will transfer your contributions to your registered plan.

If we do not receive the beneficiary's social insurance number within 24 months after your application date, we will cancel your plan. Your contributions will be refunded less the sales charges already paid. Since you pay sales charges up front, you could end up with much less than you invested.

If you do not expect to get the social insurance number for your beneficiary within 24 months of your application date, you should not enrol or make contributions to the plan.

PAYMENTS NOT GUARANTEED

We cannot tell you in advance if your beneficiary will qualify to receive educational assistance payments (EAPs) from the plan or how much your beneficiary will receive. We do not guarantee the amount of any payments or that they will cover the full cost of your beneficiary's post-secondary education.

PAYMENTS FROM GROUP PLANS DEPEND ON SEVERAL FACTORS

The amount of the EAPs from a group plan will depend on how much the Plan earns and the number of beneficiaries in the same beneficiary group who qualify for EAPs.

UNDERSTAND THE RISKS

If you withdraw your contributions early or fail to meet the terms of a plan, you could lose some or all of your money. Before investing, make sure you understand the risks associated with this type of investment. Carefully read the information provided under "Risks of Investing in a Scholarship Plan" on page 16 and "Risks of Investing in this Scholarship Plan" on pages 22 and 39 in this Detailed Plan Disclosure.

IF YOU CHANGE YOUR MIND

You have up to 60 days after signing your contract to withdraw from your plan and get back all of your money.

If you (or we) cancel your plan after 60 days, you will 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. **Remember 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.**

TABLE OF CONTENTS

INTRODUCTION	7	AMENDMENT TO LEGISLATION	16
TERMS USED IN THIS PROSPECTUS	8	NATURE OF PLANS	17
OVERVIEW OF OUR SCHOLARSHIP PLANS	9	POTENTIAL CONFLICTS OF INTEREST	17
WHAT IS A SCHOLARSHIP PLAN?	9	HOW TAXES AFFECT YOUR PLAN	17
TYPES OF PLANS OFFERED	9	HOW THE PLAN IS TAXED	17
HOW OUR PLANS WORK	10	HOW YOU ARE TAXED	17
GENERAL INFORMATION	11	HOW YOUR BENEFICIARY IS TAXED	17
ENROLLING IN A PLAN	11	WHO IS INVOLVED IN RUNNING THE PLANS	18
IF YOUR BENEFICIARY DOES NOT HAVE A SOCIAL INSURANCE NUMBER	11	YOUR RIGHTS AS AN INVESTOR	20
GOVERNMENT GRANTS	11	SPECIFIC INFORMATION ABOUT OUR PLANS – THE REFLEX PLAN	21
CANADA EDUCATION SAVINGS GRANT (CESG)	11	TYPE OF PLAN	21
CANADA LEARNING BOND (CLB)	11	WHO THE PLAN IS FOR	21
QUEBEC EDUCATION SAVINGS INCENTIVE (QESI)	12	▶ Your beneficiary group	21
REIMBURSEMENT OF GOVERNMENT GRANTS	12	SUMMARY OF ELIGIBLE STUDIES	21
CONTRIBUTION LIMITS	12	▶ What's eligible	21
ADDITIONAL SERVICE	13	▶ What's not eligible	22
LIFE AND DISABILITY INSURANCE	13	RISKS OF INVESTING IN THIS SCHOLARSHIP PLAN	22
FEES AND EXPENSES	13	▶ Plan Risks	22
ELIGIBLE STUDIES	13	▶ Investment risks	22
PAYMENTS FROM THE PLAN	13	HOW THE PLAN HAS PERFORMED	22
RETURN OF CONTRIBUTIONS	13	MAKING CONTRIBUTIONS	22
EDUCATIONAL ASSISTANCE PAYMENTS (EAPs)	13	▶ What is a unit?	22
UNCLAIMED ACCOUNTS	14	▶ Your contribution options	23
HOW WE INVEST YOUR MONEY	14	CONTRIBUTION SCHEDULE	23
INVESTMENT OBJECTIVES	14	▶ Assumptions used	25
INVESTMENT STRATEGIES	14	IF YOU HAVE DIFFICULTY MAKING CONTRIBUTIONS	26
▶ Policy No. 1 – Contributions before plan maturity and government grants	14	▶ Your options	26
▶ Policy No. 2 – Contributions after plan maturity	15	WITHDRAWING YOUR CONTRIBUTIONS	26
▶ Policy No. 3 – Other funds	15	COSTS OF INVESTING IN THIS PLAN	27
INVESTMENT RESTRICTIONS	15	▶ Fees you pay	27
RISKS OF INVESTING IN A SCHOLARSHIP PLAN	16	▶ Fees the Plan pays	28
INVESTMENT RISKS	16	▶ Transaction fees	30
INTEREST RATE RISK	16	▶ Fees for additional services	30
CREDIT RISK	16	▶ Refund of sales charges	31
RISKS OF EQUITY INVESTMENTS	16	MAKING CHANGES TO YOUR PLAN	31
NO GUARANTEE OF ACHIEVING THE INVESTMENT OBJECTIVES	16	▶ Changing your contributions	31
		▶ Changing the maturity date	31
		▶ Changing the beneficiary's year of eligibility	31
		▶ Changing the subscriber	31
		▶ Changing your beneficiary	31
		▶ Death or disability of the beneficiary	32
		TRANSFERRING YOUR PLAN	32
		▶ Transferring to the INDIVIDUAL Plan	32
		▶ Transferring to another RESP provider	33
		▶ Transfer to this Plan from another RESP provider	33

DEFAULT, WITHDRAWAL OR CANCELLATION	33	TRANSFERRING YOUR PLAN	44
▶ If you withdraw from or cancel your plan	33	▶ Transferring to the REFLEX Plan	44
▶ If your plan goes into default	33	▶ Transferring to another RESP provider	44
▶ If we cancel your plan	34	▶ Transferring to this plan from another RESP provider	44
▶ Re-activating your plan	34	DEFAULT, WITHDRAWAL OR CANCELLATION	44
▶ If your plan expires	34	▶ If you withdraw from or cancel your plan	44
WHAT HAPPENS WHEN YOUR PLAN MATURES?	34	▶ If we cancel your plan	44
▶ If your beneficiary does not enrol in eligible studies ...	34	▶ If your plan expires	44
RECEIVING PAYMENTS FROM THE PLAN	34	WHAT HAPPENS WHEN YOUR PLAN MATURES?	44
▶ Return of contributions	34	▶ If your beneficiary does not pursue eligible studies ...	44
▶ Educational Assistance Payments (EAPs)	34	RECEIVING PAYMENTS FROM THE PLAN	45
▶ How we determine EAP amounts	35	▶ Return of contributions	45
▶ Payments from the EAP account	36	▶ Educational Assistance Payments (EAPs)	45
ATTRITION	37	▶ How we determine EAP amounts	45
▶ Pre-maturity attrition	37	▶ Accumulated Income Payments	45
▶ Post-maturity attrition	38	INFORMATION ON THE SCHOLARSHIP PLANS	46
SPECIFIC INFORMATION ABOUT OUR PLANS – THE INDIVIDUAL PLAN	39	AN OVERVIEW OF THE STRUCTURE OF OUR PLANS	46
TYPE OF PLAN	39	MANAGER OF THE PLANS	46
WHO THE PLAN IS FOR	39	▶ Duties and services to be provided by the manager	46
SUMMARY OF ELIGIBLE STUDIES	39	▶ Details of the management agreement	46
▶ What's eligible	39	▶ Officers and directors of the manager	47
RISKS OF INVESTING IN THIS SCHOLARSHIP PLAN	39	▶ Cease trade orders and bankruptcies	47
▶ Plan risks	39	TRUSTEE	47
▶ Investment risks	39	FOUNDATION	48
HOW THE PLAN HAS PERFORMED	40	▶ Directors and officers of the Foundation	48
MAKING CONTRIBUTIONS	40	▶ Independent Review Committee	49
▶ Your contribution options	40	▶ Governance Committee of the Foundation	49
WITHDRAWING YOUR CONTRIBUTIONS	40	▶ Audit and Risk Management Committee of the Foundation	49
COSTS OF INVESTING IN THIS PLAN	40	▶ Human Resources and Audit Committee of Universitas Management Inc.	50
▶ Fees you pay	40	▶ Investment Committee of Universitas Management Inc.	50
▶ Fees the plan pays	41	▶ Compensation of directors, officers, trustees and Independent Review Committee members	50
▶ Transaction fees	43	THE PORTFOLIO MANAGERS	50
▶ Refund of sales charges	43	▶ Fiera Capital Corporation	50
MAKING CHANGES TO YOUR PLAN	43	▶ AlphaFixe Capital Inc.	51
▶ Changing your contributions	43	▶ Jarislowsky Fraser Limited	51
▶ Changing the subscriber	43	▶ State Street Global Advisors Ltd.	52
▶ Changing your beneficiary	43	▶ Monrusco Bolton Investments Inc.	52
▶ Death or disability of the beneficiary	43	DETAILS OF THE PORTFOLIO MANAGEMENT CONTRACT	53
		PRINCIPAL DISTRIBUTOR	53

TABLE OF CONTENTS

- DEALER COMPENSATION 53
- CUSTODIAN 53
- AUDITOR 54
- TRANSFER AGENT AND REGISTRAR 54
- PROMOTER 54
- OTHER SERVICE PROVIDERS 54
- OWNERSHIP OF THE INVESTMENT FUND MANAGER
AND OTHER SERVICE PROVIDERS 54
- EXPERTS WHO CONTRIBUTED TO THIS PROSPECTUS 54**
- SUBSCRIBER MATTERS 54**
 - ▶ Meetings of subscribers 54
 - ▶ Matters requiring subscriber approval 55
 - ▶ Amendments to the trust agreement 55
- REPORTING TO SUBSCRIBERS AND BENEFICIARIES 55**
- BUSINESS PRACTICES 55**
 - ▶ Our policies 55
 - ▶ Valuation of portfolio investments 55
 - ▶ Proxy voting 56
- CONFLICTS OF INTEREST 56**
- KEY BUSINESS DOCUMENTS 56**
- LEGAL MATTERS 57**
 - ▶ Exemption and approval under securities laws 57
 - ▶ Legal and administrative proceedings 57
- CERTIFICATES 58**

INTRODUCTION

INTRODUCTION

The Detailed Plan Disclosure contains information to help you make an informed decision about investing in our scholarship plans and to understand your rights as an investor. It describes each of the Plans and how they work, including the fees you pay, the risks of investing and how to make changes to your plan. It also contains information about our organization. The prospectus consists of this Detailed Plan Disclosure and of each Plan Summary delivered with it.

You can find additional information about the Plan that interests you in the following documents:

- ▶ the most recently filed (audited) annual financial statements;
- ▶ the interim financial reports (unaudited) filed after the annual financial statements; and
- ▶ the most recently filed annual Management Report of Fund Performance for each Plan.

These documents are incorporated by reference into the prospectus, meaning they legally form part of it, as if they were printed with it. They contain a wealth of information to help you understand how our Plans work, such as past transactions, the current financial situation, future prospects and the risks inherent in each Plan. The prospectus includes all documents filed by the Plan between the date of the prospectus and the maturity date of the Plan in question.

The annual audited financial statements and the interim unaudited financial statements of each Plan comply with the applicable Canadian accounting standards, and were prepared in accordance with International Financial Reporting Standards (IFRS).

The statements present the statements of financial position, the statements of net and comprehensive income, the statements of changes in net assets attributable to contracts, the statements of cash flows and the accompanying notes. The notes provide additional information to help you understand the financial statements and the management of each Plan's assets.

The Management Report of Fund Performance, on the other hand, presents the financial highlights of the year that influenced Plan performance. This report is produced by Universitas Management Inc. and presents a detailed economic outlook for the coming year and the company's investment objectives and strategies. It also provides a comprehensive analysis of the latest fund performance.

All these documents contribute to assisting you in selecting the type of plan best suited to your situation. We encourage you to read them before investing in one of our scholarship plans.

You can get a free copy of these documents by calling 1-877-710-RESP (7377), by writing to us at Universitas Management Inc., 1035 Wilfrid-Pelletier Avenue, Suite 500, Quebec (Quebec) G1W 0C5 or by email at info@universitas.ca.

You can view these documents on our website (universitas.ca) and existing subscribers may access them via the Client Space.

These documents and other information about our Plans are also available at sedar.com

TERMS USED IN THIS PROSPECTUS

TERMS USED IN THIS PROSPECTUS

In this document, the words “we”, “us” and “our” refer to the Universitas Foundation of Canada (the Foundation), Universitas Management Inc. or to the scholarship plans. The words “you” and “your” refer to potential investors, subscribers and beneficiaries.

Here are the definitions of some key terms used in this prospectus:

Accumulated income payment (AIP): income generated by your contributions and government grants that you may receive from your plan if your beneficiary does not pursue eligible studies, provided the conditions stipulated in the *Income Tax Act* (Canada) and the *Taxation Act* (Quebec) have been respected and the amount exceeds the fair market value of any contribution and government grant paid into the plan for refund of the amount.

AIP: see **Accumulated income payment**.

Application date: date on which you opened your plan, which is the date you signed your contract.

Attrition: under a group plan, a reduction in the number of beneficiaries in a beneficiary group who qualify for EAPs. See also **Pre-maturity attrition** and **Post-maturity attrition**.

Beneficiary: person on behalf of whom one or several EAPs are paid under the Plan.

Beneficiary group: beneficiaries of a group plan with the same year of eligibility. They are born in the same year.

Contract: the scholarship plan agreement entered into by the subscriber and the Foundation when opening an education savings plan.

Contribution: the amount paid into the plan by the subscriber. The sales charges are deducted from your contributions and the remaining amount is invested in the plan.

A contribution to an education savings plan does not include an amount paid into the plan under or because of the *Canada Education Savings Act* or a designated provincial program, or any other program that has a purpose similar to a designated provincial program and that is funded, directly or indirectly, by a province (other than an amount paid into the plan by a public primary caregiver in his or her capacity as subscriber of the plan).

EAP: see **Educational Assistance Payment**.

EAP account: for the group plan, the account that holds the income earned on contributions made by subscribers. There is a separate EAP account for each beneficiary group. This account also includes income earned on contributions from subscribers who cancelled their plan or whose plan we cancelled. These funds are redistributed to the remaining beneficiaries in the beneficiary group as part of their EAPs. For the INDIVIDUAL Plan, the account holds the income from contributions made by subscribers and/or joint subscribers, if any.

Earnings: any money earned on your (i) contributions (excluding sales charges) and (ii) government grants, such as interest and capital gains. For the group plan, income earned after the

maturity date is not included in the EAP account of the beneficiary group.

Educational assistance payment (EAP): an EAP is made to or on behalf of your beneficiary after the maturity date for eligible studies. The EAP consists of your accumulated income and your government grants. For group scholarship plans, the EAP consists of your government grants, the income earned on grants and your beneficiary’s share in the EAP account. EAPs do not include the sales charges, which are refunded to the subscriber.

Eligible studies: a post-secondary educational program that qualifies under the *Income Tax Act* (Canada) for the beneficiary to receive EAPs. For more information, see “Eligible Studies” and “Summary of Eligible Studies” on pages 13, 21 and 39 of this Detailed Plan Disclosure.

Government grant: a financial grant, a learning bond or financial incentive offered by the federal government (such as the Canada Education Savings Program or the Canada Learning Bond) or a provincial government to assist with saving for post-secondary education in an RESP.

Grant contribution room: amount of the government grant for which you qualify under a federal or provincial government grant program (also known as grant room).

Income: has the same meaning as **Earnings**.

Maturity date: the date on which the plan matures. Generally, it falls after the end of the contribution schedule, in the year your beneficiary is expected to begin his or her first year of post-secondary education.

Plan: the REFLEX Plan and the INDIVIDUAL Plan are scholarship plans that provide funding for the post-secondary education of a beneficiary.

Post-maturity attrition: under a group plan, a reduction in the number of beneficiaries who qualify for EAPs in a beneficiary group after the maturity date. See also **Attrition**.

Pre-maturity attrition: under a group plan, a reduction in the number of beneficiaries who qualify for EAPs in a beneficiary group before the maturity date. See also **Attrition**.

Subscriber: the person who enters into a contract with the Universitas Foundation of Canada to make contributions under the terms of a plan.

Unit: under a group plan, a unit is your beneficiary’s proportionate share of the EAP account. The contribution amount per unit is determined by the terms of the contract you sign and the applicable contribution schedule.

Year of eligibility: year in which a beneficiary has the right to receive EAPs for the first time under the terms of a plan. For a group plan, it is usually the year the beneficiary undertakes his or her first academic year of eligible studies. In general, the year of eligibility is the same year as the maturity date.

For other types of plans, the year of eligibility occurs when the beneficiary enrolls in an eligible program of study.

OVERVIEW OF OUR SCHOLARSHIP PLANS

WHAT IS A SCHOLARSHIP PLAN?

A scholarship plan is an investment fund designed to help you save for a beneficiary's post-secondary education. To be eligible for government grants and tax benefits, your plan must be registered as a Registered Education Savings Plan ("RESP"). To do this, we need your Social Insurance Number ("SIN") and the SIN of the beneficiary.

You sign a contract when you open a plan with us. You then make contributions to your plan and we invest your contributions on your behalf, after deducting the applicable fees. You get back your contributions whether or not your beneficiary undertakes a post-secondary education. We will make educational assistance payments (EAPs) to or on behalf of your beneficiary if he or she enrolls in eligible studies and all the terms of the contract are met.

Before signing, please read the contract closely and make sure you understand it. If you or your beneficiary does not comply with the terms of the contract, a loss may ensue and your beneficiary may lose some or all of his or her EAPs.

If you are not the beneficiary's parent, we are under the legal obligation to inform, in writing, such beneficiary's guardian (or public primary caregiver) of the existence of the plan, and to disclose your name and address. This requirement must be carried out within 90 days following the application date.

TYPE OF PLANS OFFERED

The Foundation promotes two types of scholarship plans: the REFLEX Plan is a group education savings plan and the INDIVIDUAL Plan is an individual education savings plan.

Our plans have differences, specifically in terms of contribution requirements and options. Therefore, we encourage you to read the plan-specific disclosure for each plan in the sections "REFLEX Plan" on page 21 and "INDIVIDUAL Plan" on page 39. This will allow you to highlight their unique features regarding different aspects.

HOW OUR PLANS WORK

MAKE SURE YOUR CONTACT INFORMATION IS UP TO DATE!

It is important that you inform us of any changes to your address and contact details. We will need to send you important information throughout the life of your plan.

You must provide your SIN and the beneficiary's SIN



CANCELLATION OF YOUR PLAN

POSSIBLE AT ANY TIME
We retain the sales charges unless the cancellation takes place within 60 days of signing the contract.

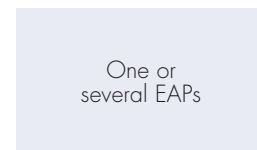
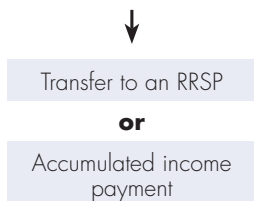
EAPs FROM THE INDIVIDUAL PLAN

You decide the amount of the EAPs paid to or on behalf of your beneficiary, subject to the limits set by law. EAP amounts include the beneficiary's share of the EAP account, the government grants and their earnings.

EAPs FROM THE GROUP PLAN

You decide the amount of the EAPs paid to or on behalf of your beneficiary, subject to the limits set by law. EAP amounts include the beneficiary's share of the EAP account, the government grants and their earnings.

IF YOUR CHILD DOES NOT PURSUE POST-SECONDARY STUDIES



Funds may be used until December 31st of the 35th year following the year of your application date.

GENERAL INFORMATION

ENROLLING IN A PLAN

To enrol in one of our plans, you must meet with one of our authorized representatives, who will explain to you the operation, advantages and disadvantages of each Plan promoted by the Foundation.

Thereafter, you can subscribe by completing the account opening form with the help of your representative. We recommend that you have your Social Insurance Number, the SIN of the beneficiary or beneficiaries for whom you wish to subscribe, as well as your banking information for the pre-authorized debits from your bank account.

Your beneficiary must be a Canadian resident for the entire period you contribute to the plan.

You will also need to complete the grant application form so that we can apply for these grants to the government for you.

Under the plan to which you subscribe, you agree to make a single payment or multiple periodic payments. These payments are your contributions. These contributions are recorded and maintained by the custodian. Accordingly, they represent a cash amount that you save until it is reimbursed to you.

If your beneficiary is eligible for the Canada Learning Bond (CLB), you can open an INDIVIDUAL Plan with no sales charge and no obligation to make contributions. Please refer to the terms and conditions set forth under “Your Contribution Options” on page 40.

If you are not the beneficiary’s parent, we are under the legal obligation to inform, in writing, such beneficiary’s guardian (or public primary caregiver) of the existence of the plan, and to disclose your name and address. This requirement must be carried out within 90 days following the application date.

As investment fund manager, Universitas Management Inc. receives your contributions and transfers them to the custodian after deducting the applicable sales charges. The custodian deposits these amounts into your subscriber account and ensures their safekeeping and preservation. The contributions are part of the assets of the scholarship Plans.

To obtain the registration of an Education Savings Plan (ESP) established by a Plan promoted by the Foundation, Section 146.1 of the *Income Tax Act* (Canada) requires the Social Insurance Number (SIN) of the designated beneficiary as well as the SIN of the subscriber. Obtaining this information is a prerequisite for the registration of the RESP and eligibility for government grants.

IF YOUR BENEFICIARY DOES NOT HAVE A SOCIAL INSURANCE NUMBER

You can make contributions on behalf of a beneficiary whose SIN has not yet been provided. However, pending our receipt of the missing SIN, these contributions are paid into an unregistered education savings account that does not entitle you to interest or government grants for your plan. If the missing SIN is not provided within 24 months of signing the contract, all contributions made to the suspense account are refunded to you, less the sales charges already paid. The contract is thus terminated and the plan closed. This refund of contributions is not taxable.

GOVERNMENT GRANTS

The Government of Canada and the Government of Quebec have both introduced measures to support education savings. The Canada Education Savings Grant (CESG) and Canada Learning Bond (CLB) are offered by the federal government. Quebec, meanwhile, has introduced the Quebec Education Savings Incentive (QESI) for beneficiaries who reside in the province of Quebec.

The government grants and the earnings on those government grants are added to the income from your contributions for the calculation of the EAPs that a beneficiary may receive when he or she pursues eligible studies.

The government grants received belong exclusively to your beneficiary and are invested separately from your contributions. The grant amount is pooled with the grants of other beneficiaries under the group plan.

CANADA EDUCATION SAVINGS GRANT (CESG)

To be eligible for the basic CESG, your beneficiary must be a resident of Canada. The CESG is paid into the plan on the beneficiary’s behalf until the end of the calendar year during which he or she reaches the age of 17. Regardless of your family income, the basic grant is equal to 20% for every dollar invested until your contributions reach \$2,500 per year. You can make contributions to your plan exceeding the amount eligible for the maximum annual amount in government grants. However, contributions exceeding \$2,500 will not attract CESG unless you have unused grant room.

The contributions you make to your RESP during the year in which your beneficiary turns 16 or 17 years old may be eligible for the CESG if:

- a minimum of \$2,000 was contributed to (and not withdrawn from) one or more RESPs on the beneficiary’s behalf before the end of the calendar year in which he or she turned 15 years old; or
- a minimum annual contribution of \$100 was made to (and not withdrawn from) the beneficiary’s RESP in any four years before the end of the calendar year in which he or she turned 15 years old.

Based on the adjusted family net income of the beneficiary’s primary caregiver, your beneficiary could be eligible for the additional CESG and receive extra grants equal to 10% or 20% of the first \$500 contributed each year.

The lifetime CESG amount granted to a beneficiary may not exceed \$7,200 for all the beneficiary’s plans combined, and for their entire duration.

CANADA LEARNING BOND (CLB)

The CLB grant offered by the federal government is equal to \$500 the first year of eligibility for this grant. Thereafter, your beneficiary could receive \$100 for each subsequent year until

GENERAL INFORMATION

the year of his or her 15th birthday inclusive, for a lifetime total of \$2,000.

To be eligible, the beneficiary's family must meet the financial criteria established by the federal government. In addition, the beneficiary must:

- ▶ be born after December 31, 2003;
- ▶ have a birth certificate;
- ▶ have a SIN;
- ▶ be the beneficiary of an RESP; and
- ▶ reside in Canada.

At the time the first CLB grant is paid into a plan, the federal government can add \$25 to cover part of the administration fees. This sum is paid directly to Universitas Management Inc.

QUEBEC EDUCATION SAVINGS INCENTIVE (QESI)

To be eligible for the basic QESI, your beneficiary must have a SIN, be a resident of Quebec on December 31st of the tax year and be the beneficiary of an RESP. The QESI is available until the end of the calendar year during which the beneficiary reaches the age of 17.

Regardless of your family income, the basic QESI is equal to 10% of the first \$2,500 contributed into an RESP during a given tax year.

Contributions made after December 31, 2008, for a beneficiary 16 or 17 years of age may be eligible for the Quebec Education Savings Incentive if a Canada Education Savings Grant was paid into an RESP for the beneficiary the same year.

Based on the adjusted family net income of the beneficiary's primary caregiver, your beneficiary could be eligible for the additional QESI and receive extra grants equal to 5% or 10% of the first \$500 contributed each year.

The lifetime QESI amount granted to a beneficiary may not exceed \$3,600 for all the beneficiary's plans combined, and for their entire duration.

REIMBURSEMENT OF GOVERNMENT GRANTS

There are various situations where the CESG must be returned to the government, including when:

- a) a partial or total withdrawal of contributions is made before the beneficiary is enrolled part-time or full-time in an eligible post-secondary program of study;
- b) you cancel your contract;
- c) the registered education savings plan is terminated or its registration is revoked;
- d) the beneficiary passes away or becomes totally and permanently disabled, and no other beneficiary is designated;
- e) an ineligible transfer is made;

- f) a payment to a designated educational institution is made pursuant to the terms of the *Income Tax Act* (Canada);
- g) accumulated income payments (AIPs) are made.

The entire CESG and additional CESG must also be returned when a change of beneficiary is made and one of the following conditions is not met:

- ▶ an additional CESG amount (exceeding the basic 20% rate) was received for the former beneficiary, and the new beneficiary is his or her sibling and younger than 21 years of age at the time of the change; or
- ▶ no additional CESG amount was received for the former beneficiary; and
 - ▶ the new and former beneficiaries are siblings and the new beneficiary had not reached the age of 21 at the time of the change; or
 - ▶ the new and former beneficiaries are related by blood to the original subscriber of the contract and neither of them had reached the age of 21 at the time of the change.

In situations where the CESG must be returned to the federal government, the same criteria apply to the QESI and we are under the obligation to refund such amounts to the Government of Quebec.

There are various situations where the CLB must be returned to the government, including when:

- a) you cancel your contract;
- b) the registered education savings plan is terminated or its registration is revoked;
- c) a change of beneficiary occurs;
- d) accumulated income payments (AIPs) are made;
- e) a payment is made to a designated educational institution;
- f) an ineligible transfer is made;
- g) the beneficiary passes away.

Any CLB returned to the Government of Canada for one of the reasons stipulated above can be paid again in favour of the same beneficiary if the CLB eligibility criteria are met once more.

To learn more about the CESG and the CLB, visit canada.ca/education-savings; for information about the QESI visit the "Other Information, Programs and Credits" section of the website revenuquebec.ca. You can also contact your representative or our customer service at any time regarding the grant applications Universitas Management Inc. submits on your behalf.

CONTRIBUTION LIMITS

The maximum lifetime contribution limit for RESPs is set at \$50,000 per beneficiary for all plans opened on his or her behalf, in accordance with the *Income Tax Act* (Canada). Government grants are not included in the calculation of this limit. Should the

contributions made exceed this limit, tax penalties will apply. Please refer to the section “How You Are Taxed,” on page 17.

You can make contributions to your plan exceeding the amount eligible for the maximum annual grant amounts. However, these contributions will not attract government grants, unless you have unused grant room. All contributions you make are invested in your plan the same way.

ADDITIONAL SERVICE

LIFE AND DISABILITY INSURANCE (ONLY AVAILABLE TO REFLEX PLAN SUBSCRIBERS)

As a subscriber, you can purchase the life and disability insurance offered by Humania Assurance Inc. if you are less than 60 years of age on the date the insurance comes into effect. To be eligible for this coverage, you must select a contribution option other than “single” or “annual over two years” for your contract.

Since the insurance offered is a combined product, you may not purchase the life insurance or disability insurance coverage separately. The insurance offered is optional.

If you die or become totally and permanently disabled before you finish paying the contributions under your plan, the remaining payments will be covered by Humania Assurance Inc. The total amount payable in case of death or total and permanent disability may not exceed \$60,000 regardless the number of plans in the subscriber’s name.

For more information about the life and disability insurance, see the Distribution Guide provided by your representative at the time the life and disability insurance product is offered to you, as well as the section “Fees for Additional Services” on page 30 of this Detailed Plan Disclosure.

FEES AND EXPENSES

There are costs for joining and participating in our plans. You pay a portion of these fees and expenses directly from your contributions. The Plan pays part of the fees and expenses, which are deducted from the Plan’s earnings. Refer to the “Costs of Investing In This Plan” on pages 27 and 40 of this Detailed Plan Disclosure for a description of the fees and expenses specific to each of our plans. Fees and expenses reduce the plan’s returns, which reduces the amount available for EAPs.

If your beneficiary is eligible for the Canada Learning Bond (CLB), you can open an INDIVIDUAL Plan with no sales charge and no obligation to make contributions. Please refer to the terms and conditions set forth under “Your Contribution Options” on page 40.

The fees and expenses of the REFLEX Plan and those of INDIVIDUAL Plan are not the same and your choice of plan will affect the compensation Universitas Management pays Inc. its representatives.

ELIGIBLE STUDIES

EAPs will be made to or on behalf of your beneficiary only if he or she pursues eligible studies within the meaning of the *Income Tax Act* (Canada). A summary of the educational programs that qualify for EAPs under our plans is presented under “Summary of Eligible Studies” on pages 21 and 39 of this Detailed Plan Disclosure. We recommend that you carefully read the “Specific Information about Our Plans” sections on pages 21 and 39 to better understand the differences between the plans.

PAYMENTS FROM THE PLAN

RETURN OF CONTRIBUTIONS

Your contributions, less the sales charges, are always returned to you or paid to your beneficiary in one or more instalments, at your discretion. In addition, a sum equal to the sales charges paid under a REFLEX Plan is reimbursed to you in full at maturity. The income from the Plan is usually paid to or on behalf of your beneficiary. If he or she is not entitled to it, you may receive a portion of the income in the form of an accumulated income payment (AIP) through a transfer to the INDIVIDUAL Plan. See the “Accumulated Income Payments” section on page 45 of this Detailed Plan Disclosure for more information.

EDUCATIONAL ASSISTANCE PAYMENTS (EAPs)

Your beneficiary will receive EAPs if he or she qualifies and meets the terms of the *Income Tax Act* (Canada). The amount of the EAPs depends on the type of plan chosen, the amount of your contributions, the government grants received and the performance of the Plan’s investments.

You should know that the *Income Tax Act* (Canada) provides for restrictions on the EAP maximum amount that can be paid from an RESP.

The total EAPs a qualified beneficiary may receive is limited to the following:

- ▶ for studies in a qualifying educational program (full-time), the beneficiary can receive up to \$5,000 for the first 13 consecutive weeks. After the beneficiary has completed the 13 consecutive weeks, there is no limit on the amount of EAPs that can be made if the beneficiary continues to qualify to receive them. If, during a 12-month period, the beneficiary is not enrolled in an eligible program of study for 13 consecutive weeks, the \$5,000 limit will apply once again; or
- ▶ 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.

Under exceptional circumstances, the beneficiary can receive more than \$5,000 when the Minister responsible for enforcing the *Canada Education Savings Act* has approved such an amount, in writing, following an application for exemption.

Note that the federal government has established an annual maximum amount of EAPs that can be made to a beneficiary. The 2018 amount was \$23,460; it is indexed each year based on the consumer price index.

GENERAL INFORMATION

UNCLAIMED ACCOUNTS

If we are unable to contact you at your last known address on file and you have ceased to make your contributions and do not claim the refund of your contributions, we will carry out a partial cancellation provided the sums paid into the plan are sufficient to reduce your financial commitment to the amount already accumulated in your account. When you opened your plan, you agreed to pay a certain amount in contributions over an established time frame; this commitment entitled you to a given number of units. A partial cancellation implies we will reduce these units so you no longer need to contribute.

This approach allows your beneficiary to maintain his or her entitlement to EAPs, government grants and their earnings, which are always invested for a beneficiary's exclusive benefit. However, EAP funds will be lower than the original amounts to which your beneficiary would have been entitled had you made all the contributions under your contract, and you will lose the right to the refund, at plan maturity, of an amount equal to the sales charges paid on the cancelled units.

Note that this measure was formerly described as "switching" your plan's contribution option to the single contribution option. It is, however, the same operation.

It is understood that we will analyze each file before applying this measure. If this alternative is not possible, we will cancel your plan.

If necessary, you can obtain payment of unclaimed amounts by contacting us. However, three years after a plan expires, Universitas Management Inc. will dispose of the money in accordance with the requirements of the *Unclaimed Property Act* (Quebec). We will try to contact you by sending a notice of termination prior to such date.

HOW WE INVEST YOUR MONEY

This section describes the investment objectives and strategies of the REFLEX and INDIVIDUAL Plans.

INVESTMENT OBJECTIVES

The main investment objectives of the REFLEX and INDIVIDUAL Plans are:

- ▶ to protect the contributions received from subscribers and the government grants;
- ▶ to maximize long-term returns and ensure investment liquidity;
- ▶ to offer a growth potential of investment value based on prudent risk tolerance.

As investment fund manager, Universitas Management Inc. gives the portfolio managers their mandates and ensures compliance with the investment policies outlined in the "Investment Strategies" section, in the interest of subscribers and beneficiaries.

The Investment Committee is responsible for developing the investment policies and the mandates of the portfolio managers

in collaboration with these firms, and to recommend the approval of these investment policies to the Board of Directors of Universitas Management Inc. Any change to the investment objectives must be recommended by the Investment Committee and approved by the Board of Directors of Universitas Management Inc.

The management mandates are divided among five portfolio managers based on their respective areas of expertise. In the opinion of Universitas Management Inc., this sharing of mandates best accommodates asset growth and Universitas Management Inc.'s purpose to ensure a better risk diversification strategy. The portfolio managers are:

- ▶ Fiera Capital Corporation
- ▶ AlphaFixe Capital Inc.
- ▶ Jarislowsky Fraser Limited
- ▶ Montrusco Bolton Investments Inc.
- ▶ State Street Global Advisors Ltd.

The portfolio managers perform their duties and take measures to satisfy their mandates by maximizing returns while protecting the invested capital. Investments must comply at all times with the applicable laws and investment policies.

The investment policies are consistent with the provisions of securities legislation and the regulatory approvals in 2001 of the Quebec Securities Commission, now the *Autorité des marchés financiers* (Decision No. 2001-C-0383). Universitas Management Inc. only does business with portfolio managers that are signatories of the Principles for Responsible Investment (PRI), an initiative launched in partnership with the United Nations. Furthermore, all portfolio managers engaged in an active value investment strategy incorporate environmental, social and governance (ESG) factors into their asset selection decisions.

INVESTMENT STRATEGIES

To achieve the investment objectives, Universitas Management Inc., with the help of the portfolio managers, has adopted three distinct investment policies according to the source of the funds.

The sums invested are divided into six funds (hereinafter numbered in the following sections) in order to facilitate compliance with the laws regarding the types of investments authorized, and to allow greater flexibility in the implementation of investment strategies.

It should be noted that funds with the same investment policy were grouped in order to simplify the following presentation.

Policy No. 1 – Contributions before plan maturity and government grants

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

Three portfolio managers oversee these investments using different strategies, as shown in the chart hereunder:

Investment Policy		
Portfolio Manager	Asset Category	Investment Strategy
AlphaFixe Capital Inc.	Fixed-income securities guaranteed by a Canadian government	Indexing
Fiera Capital Corporation		Active bond strategy
Montrusco Bolton Investments Inc.		Indexing

The sums are invested entirely in the following securities:

- ▶ Treasury bills; and/or
- ▶ Bonds issued or guaranteed by the Government of Canada, a Canadian province or municipality, as well as investments with a debt instrument issued or guaranteed in accordance with paragraphs 1 and 2 of Section 41 of the *Securities Act* (Quebec).

The portfolio's investment strategies are divided between indexing (passive management) and active management. Indexing aims to reproduce the performance of market benchmarks and offers the advantage of generally lower management fees. As for active management, some strategies are preferred by the portfolio manager to compensate for the risks inherent in the ownership of bonds. These strategies primarily include sector allocation, security selection, duration management, credit analysis, anticipation of interest rates, portfolio positioning on the curve and fundamental analysis. The portfolio management strategies used mainly focus on the protection of the invested capital.

Policy No. 2 – Contributions after plan maturity

The contributions of subscribers whose plans have reached maturity and the refundable sales charges (Fund No. 3) are invested in money-market securities guaranteed by a Canadian government or held as cash and cash equivalents. This investment strategy protects the amounts that must be refunded at plan maturity, since the subscriber may withdraw these at any time after such date. By investing this way, we achieve our main goal to preserve capital, as money-market securities guaranteed by a Canadian government, or held as cash and cash equivalents, are considered a highly liquid, low-risk investment.

Some active management strategies are preferred in order to generate added value, including the anticipation of interest rates based on fundamental analysis of the economic environment. The strategy aims to provide liquidity and preserve the invested capital through a prudent and disciplined approach.

Policy No. 3 – Other funds

The Other Funds comprise the portion of income from the contributions and grants earmarked for the refund of sales charges to the subscriber at maturity (Fund No. 4), as well as income earned on contributions (EAP account) (Fund No. 5) and on grants (Fund No. 6) (Funds 4, 5, and 6 hereinafter collectively

referred to as the "Other Funds"). The target asset allocation for these funds is 100% equities. Where appropriate, the balance is invested in bonds.

Three portfolio managers oversee these investments using different strategies, as shown in the chart hereunder:

Investment Policy		
Portfolio Manager	Asset Category	Investment Strategy
Montrusco Bolton Investments Inc.	Canadian equities	Value strategy
Jarislowsky Fraser Limited	Canadian equities	Value strategy
State Street Global Advisors Ltd.	Canadian equities	Indexing strategy with high Canadian dividend equities and low volatility.

The sums must be invested in compliance with the following restrictions:

- ▶ Canadian equities must be in preferred or common shares pursuant to paragraphs 8 and 9 of Section 1339 of the *Civil Code of Québec*;
- ▶ The Other Funds are divided in diversified portfolios and the concentration limits in the same shares, as well as in the same sector, must be respected.

Two strategies have been adopted to manage the investment portfolio: low-volatility and value investing. The low-volatility strategy aims to provide exposure to high dividend securities and replicate the returns of the S&P/TSX Canadian Dividend Aristocrats Index, while reducing exposure to market volatility. This strategy also offers the advantage of lower administration fees for equity portfolios. The portfolio manager responsible for the indexing strategy will invest in securities with low-expected volatility listed in the S&P/TSX Canadian Dividend Aristocrats Index. More specifically, the selection of securities will follow a multiple factor risk model, which includes market sensitivity, short-term and long-term momentum, market capitalization and liquidity, the risk specific to holding a given security, and the correlation between the various risk factors. The value strategy, which uses the S&P/TSX Capped Index as a benchmark, aims to invest in undervalued Canadian equities, with a focus on large-capitalization companies distributing significant dividends.

Certain strategies are preferred to others so as to compensate for the risks inherent in holding equity investments. These strategies include sector allocation, security selection and fundamental analysis. The Other Funds' investment portfolio will be managed using a strategy that aims 25% low-volatility and 75% value investing.

INVESTMENT RESTRICTIONS

All types of investments made in compliance with Universitas Management Inc.'s investment policies must also satisfy the criteria and conditions required to qualify as eligible RESP investments pursuant to tax legislation.

GENERAL INFORMATION

Investment activities and portfolio management conducted for Universitas Management Inc. are subject to restrictions, in accordance with the investment policy, to ensure that the assets of the funds are sufficiently diversified and liquid, namely:

- ▶ for the Other Funds, no more than 10% of the total market value of the Canadian equities portfolio may be invested in the same stock;
- ▶ for all six funds, non-negotiable shares on the stock market, derivatives, principal protected notes, stock market indices and investment funds are not permitted.

Decision No. 2001-C-0383 issued in 2001 by the Quebec Securities Commission (now the *Autorité des marchés financiers*) allows the REFLEX and INDIVIDUAL Plans to modify certain restrictions on investments provided for under *Regulation No. C-15 Respecting Conditions Precedent to Acceptance of Scholarship or Educational Plan Prospectuses*. The changes thus authorized specifically target the ability to invest up to 100% of accumulated income (i.e., the Other Funds) in Canadian equities, subject to compliance with the investment policies and objectives. In 2019, Universitas Management Inc. will file an exemption application with the *Autorité des marchés financiers* in order to relax investment restrictions that apply to the REFLEX and INDIVIDUAL Plans. Such exemption would allow the Plans to make more diversified investments.

Restrictions on investments may be changed without subscriber approval.

RISKS OF INVESTING IN A SCHOLARSHIP PLAN

If you or your beneficiary does not meet the terms of your contract, a loss may ensue and your beneficiary could lose some or all of his or her EAPs. Please read the description of plan-specific risks under "Risks of Investing in this Scholarship Plan" in this Detailed Plan Disclosure.

INVESTMENT RISKS

The prices of investments held by the scholarship plan may fluctuate. See "Risks of Investing in this Scholarship Plan" on pages 22 and 39 of this Detailed Plan Disclosure for a description of the risks that may affect the value of the scholarship plan's investments, and thereby the amount of the EAPs available to beneficiaries. 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.

INTEREST RATE RISK

Investments in fixed-income securities are, for the most part, mainly affected by interest rate variations. Usually, an increase in interest rates will cause the value of fixed-income securities to drop. Conversely, a decrease in interest rates will generally increase the value of the securities held in the investment portfolio. Investments in fixed-income securities made by a portfolio manager will typically include securities from highly

rated Crown corporations to enhance relative protection, a strategy that can reduce the risk of losses during periods of volatile interest rates.

CREDIT RISK

This risk corresponds to the possibility of incurring financial losses resulting from the inability of a company, an issuer or counterparty to meet its financial commitments to the Plans. Through its investment policies, Universitas Management Inc. has established quantitative criteria for the selection of investments in order to limit this risk. For short-term investments and investments in bonds, only securities issued by the Government of Canada, a provincial government, organizations with a government guarantee or a municipality are selected when purchased for the EAP account, for the guaranteed government grants, for the accumulated income thereon and for the obligation to refund sales charges. Only securities with a minimum BBB rating are selected when purchased for the subscriber account.

RISKS OF EQUITY INVESTMENTS

Largely because the EAP account is invested mainly in equities, the investment policy of the assets of a Plan corresponding to the balance of its EAP account has a slightly higher risk factor than the investment policy of the assets corresponding to subscriber contributions. The same is true of the fund for the income accumulated on government grants and the fund for the income earned on contributions, earmarked for the sales charge refund obligation at maturity. The value of these investments may vary from day to day, depending on interest rate variations, financial and business markets, and the economy.

NO GUARANTEE OF ACHIEVING THE INVESTMENT OBJECTIVES

There is no guarantee that we will be able to achieve our investment objectives. The amounts of the EAPs available for distribution to beneficiaries may vary depending on, essentially, the interest and dividends earned by the portfolio securities and the gain or loss in market value of those securities. There is no guarantee that a portfolio entrusted to portfolio managers will produce a positive return. There is no guarantee regarding the amount available for EAPs in future years.

AMENDMENT TO LEGISLATION

The provisions of a Plan are established under the terms of the type of RESP it constitutes and the payment of government grants. The provisions incorporate these terms such as they may be defined from time to time pursuant to tax legislation for the duration of the plan. Nothing guarantees that the tax, securities or other legislation, or their official interpretations, will not be changed in a manner that could have an unfavourable effect on the plans promoted by the Foundation or on the Foundation itself, Universitas Management Inc., or another participant in their administration or management.

NATURE OF PLANS

The Plans are neither fixed-income nor participating securities such as corporate bonds and equities. Plan subscribers do not enjoy the rights normally associated with the ownership of such securities, including the right to file lawsuits “in case of abuse” or “indirect actions”.

POTENTIAL CONFLICTS OF INTEREST

Any or all of the following persons or entities have the right to conduct promotional, administrative or portfolio management operations for other accounts, investment organizations or investment trusts that invest in securities held by one or other of the plans:

- ▶ a portfolio manager;
- ▶ a member of the portfolio manager’s group in its capacity as investment fund manager or portfolio manager, or a person associated to both; and
- ▶ a director or officer of any of the above-mentioned entities.

Although a portfolio manager’s officers, directors and staff will devote as much time as they deem appropriate to the exercise of their functions, the portfolio manager’s staff may have conflicts in allocating their time and services between the Foundation and other portfolios managed for persons other than the Foundation.

HOW TAXES AFFECT YOUR PLAN

Here is a brief summary of the fiscal aspects pursuant to the *Income Tax Act* (Canada) and the *Taxation Act* (Quebec) for the following entities:

- ▶ the scholarship plans;
- ▶ the subscribers;
- ▶ the Registered Education Savings Plans promoted by the Foundation; and
- ▶ the beneficiaries.

In the opinion of Lavery, de Billy, LLP, external legal counsel for the Plans, this summary is an adequate presentation, assuming that the contracts between subscribers and the Foundation and the current provisions of the *Income Tax Act* (Canada) and the regulations in force at the date of this prospectus are not amended.

This summary is of a general nature only; it does not represent a legal or tax opinion. The subscriber and the beneficiary would be well-advised to consult their own tax advisor regarding their personal situations in terms of income tax.

HOW THE PLAN IS TAXED

Contributions to a Plan are not subject to income tax. Furthermore, the plans offered qualify as RESPs after registration, and as long as this status is maintained, no tax is payable on the plans’ income under Part I of the *Income Tax Act* (Canada).

HOW YOU ARE TAXED

Contributions to the plan

The contributions you make are not deductible for tax purposes.

Return of contributions at the maturity date

The contributions you make to your plan are not taxable when they are refunded to you since they did not entitle you to a tax deduction.

Withdrawal of contributions before the maturity date

Contributions withdrawn before the maturity date are not taxable income.

Refund of sales charges and other fees

The refund of sales charges or other fees is not taxable income.

Partial cancellation prior to the maturity date

The refund of a portion of your contributions in the event of a partial cancellation is not taxable income.

Purchase of additional units to your plan

Contributions made to purchase additional units are not tax deductible for income tax purposes.

Transfer between scholarship plans

Amounts transferred between scholarship plans are not taxable income.

Additional contributions made to address backdating of a plan or to remedy defaults under a plan

The interest paid on additional contributions made to your plan to account for backdating or to remedy defaults under your plan is not tax deductible.

Any contribution exceeding the limits established by the *Income Tax Act* (Canada)

If the lifetime contribution limit of \$50,000 per beneficiary is exceeded, the subscriber must pay a penalty tax equal to 1% of the excess contributions every month, unless he or she withdraws this excess from the RESP before the end of a given month.

If you receive an Accumulated Income Payment (AIP)

You must include in your income, for tax purposes, any AIP made to you. This payment will be subject to an additional 20% tax, unless it is transferred to an RRSP.

When transferred to an RRSP, the amount of accumulated income is tax deductible, like any other amount invested in this type of savings plan. You can transfer up to \$50,000 in AIPs to your RRSP if your unused contribution room allows it. The transfer can also be made to a spousal RRSP under certain conditions.

HOW YOUR BENEFICIARY IS TAXED

Based on current legislation, the EAP amounts made to or on behalf of a beneficiary are taxable income and must be declared on the tax return corresponding to the year the EAP was made.

The *Income Tax Act* (Canada) stipulates that the EAPs made to or on behalf of a beneficiary must be used to help such beneficiary pursue a post-secondary education.

WHO IS INVOLVED IN RUNNING THE PLANS

The Promoter	The Universitas Foundation of Canada Quebec (Quebec) <ul style="list-style-type: none">▶ Oversees the execution of its mission and vision, as well as the related activities and operations;▶ Is responsible for promoting the scholarship plans and related RESPs;▶ Acts on behalf of the Plans to enter into contracts with subscribers;▶ Oversees the direction and management of the Plans by Universitas Management Inc.
The Investment Fund Manager	Universitas Management Inc. 1035 Wilfrid-Pelletier Avenue, Suite 500 Quebec (Quebec) G1W 0C5 <ul style="list-style-type: none">▶ Generally oversees the business, operations and affairs of the scholarship plans;▶ After consultation with the Foundation, retains the services of the trustee, custodian, portfolio managers, auditors and external actuary;▶ Receives contributions from each subscriber and the government grants, and promptly submits them for deposit to the relevant subscriber account;▶ Through the Investment Committee, develops the investment policies;▶ Mandates the portfolio managers and determines the proportion of assets they are respectively responsible for investing and managing;▶ Oversees the investment decisions of the portfolio managers and, more specifically, ensures they comply with the investment policies;▶ When the Foundation requests it, gives the custodian the appropriate instructions to make EAPs in accordance with the plan's provisions.
The Trustee	Eterna Trust Inc. Quebec (Quebec) <ul style="list-style-type: none">▶ Acts as trustee of the Plans and, in this capacity, assumes the safeguarding and conservation of assets transferred, contributed or paid to it for payment into the assets of a Plan, including contributions and government grants;▶ Oversees the investment and asset management activities as instructed by Universitas Management Inc.;▶ Assumes control and acts in place of Universitas Management Inc. and the Foundation, for which it undertakes the responsibilities with the necessary adjustments, should one or the other refuse or find itself unable to act.

<p>The Custodian</p>	<p>CIBC Mellon Trust Company Toronto, (Ontario)</p> <ul style="list-style-type: none"> ▶ Receives contributions for deposit to the subscriber accounts; ▶ Receives government grants and revenues from earnings on assets for deposit to the appropriate accounts; ▶ Interacts with the portfolio managers for the transfer of amounts to be invested originating from the subscriber accounts and the EAP account; ▶ Acts as custodian of securities and other types of investments in which these funds are invested by the portfolio managers; ▶ Offers portfolio security valuation services; ▶ At plan maturity, on the instructions of Universitas Management Inc., reimburses the subscriber the total amount of his or her contributions to the plan, including a sum equal to the sales charges. When required by legislation, the custodian reimburses the government grants to the government.
<p>The Distributor</p>	<p>Universitas Management Inc. Quebec, (Quebec)</p> <ul style="list-style-type: none"> ▶ By delegation of the Foundation, ensures the promotion of the Plans; ▶ Is responsible for the offering and distribution of Plans through its duly authorized representatives; ▶ Agrees with the Foundation on its responsibilities and duties as the distributor of plans to subscribers; ▶ Represents the Foundation (acting as promoter of the Plans in question) for the conclusion of contracts with subscribers.
<p>The Portfolio managers</p>	<p>Fiera Capital Corporation Montreal (Quebec)</p> <p>AlphaFixe Capital Inc. Montreal (Quebec)</p> <p>Jarislowsky Fraser Limited Montreal (Quebec)</p> <p>Montrusco Bolton Investments Inc. Montreal (Quebec)</p> <p>State Street Global Advisors Ltd. Montreal (Quebec)</p> <ul style="list-style-type: none"> ▶ Invest and manage the assets of the Plans for the portion determined by Universitas Management Inc. in compliance with the investment policies and the applicable legislation; ▶ By delegation of Universitas Management Inc. and on the instructions of the latter, as applicable, exercise the voting rights relating to the investments thus made.

WHO IS INVOLVED IN RUNNING THE PLANS

The Auditors	Deloitte LLP Quebec (Quebec) <ul style="list-style-type: none">▶ Is responsible for auditing the annual financial statements of each Plan.
The External actuary	Eckler Ltd. Montreal (Quebec) <ul style="list-style-type: none">▶ Verifies the methods and assumptions used for the group plans in the preparation of the following four items:<ul style="list-style-type: none">▶ the contribution schedules;▶ the annual breakdown of income and expenses between the beneficiary groups of the group plan;▶ calculation of EAP value per unit payable to or on behalf of beneficiaries;▶ the valuation of the sales charge refund obligation when the contract matures.
The Registrar	Universitas Management Inc. Quebec (Quebec) <ul style="list-style-type: none">▶ Provides administrative services, specifically with regard to the keeping of books and records of account, and the maintaining of files;▶ Keeps separate accounting of the subscribers' accounts and provides the custodian with access to this compiled data to enable reconciliation with the accounting of the subscribers' accounts maintained by the custodian.
The Independent Review Committee (IRC)	IRC Quebec (Quebec) <ul style="list-style-type: none">▶ The IRC reviews and takes position on conflict of interest issues that are submitted for decision and approval, and performs such other duties pursuant to securities legislation.

YOUR RIGHTS AS AN INVESTOR

You have the right to withdraw from an agreement to purchase scholarship plan securities and recover the full amount invested (including the sales charges) within 60 days after signing the contract. After that, you will only recover your contributions, less the sales charges paid. You may be credited an amount equal to the sales charges under certain conditions. See "Default, Withdrawal and Cancellation."

Any government grants you've received will be returned to the government.

In many provinces and territories, securities legislation also allows you to withdraw from a purchase and recover the full amount invested, or in some cases, to claim for damages if the prospectus or any amendment thereto contains false or misleading information, or is not delivered to you. These rights must be exercised within the time prescribed by the securities legislation of your province.

For more information on these rights, please refer to the securities legislation of your province or consult a lawyer.

REFLEX PLAN

SPECIFIC INFORMATION ABOUT OUR PLANS – THE REFLEX PLAN

TYPE OF PLAN

Type of scholarship plan	Date of creation
Group scholarship plan	1998

WHO THIS PLAN IS FOR

The REFLEX Plan is for beneficiaries aged 0 to 16 years inclusive who are Canadian residents within the meaning of the *Income Tax Act* (Canada).

This plan is recommended if you want to discipline yourself into saving and you are ready to make a long-term commitment and pay the contributions as described in your contract. The contribution options available to subscribe to a REFLEX Plan (single, monthly, annual) are described under “Your Contribution Options.”

When you choose to invest in the REFLEX Plan, you reasonably expect that your designated beneficiary will pursue post-secondary studies in an program that qualifies under the *Income Tax Act* (Canada).

If this description does not apply to your case, you should consider another type of plan. For example, our INDIVIDUAL Plan has fewer restrictions. For more information, see “Specific Information About our Plans – INDIVIDUAL Plan” on page 39.

YOUR BENEFICIARY GROUP

A beneficiary group is a group of REFLEX Plan beneficiaries who were born the same year. The beneficiary group’s year of eligibility is the calendar year (January 1st to December 31st) during which the beneficiaries turn 17 years of age.

The maturity date is after the end of the contribution schedule and is determined at the time of contract signature. The maturity date may be changed with your consent for readjustment purposes in case of additional unit purchases.

Subject to the manager’s approval, you may request to bring forward your plan’s maturity date. In this case, interest at an annual rate of 4% will apply to offset the loss of earned income. This amount will be deducted from the contributions refunded at plan maturity. The remaining contributions under your contract will not attract government grants since you will not make these given your plan’s earlier maturity date.

Beneficiaries in the same beneficiary group share the income earned on the contributions of all the subscribers contributing on their behalf. These subscribers waive the earnings on their contributions in favour of the REFLEX Plan and thus contribute to increasing the value of the EAPs that will be made to or on behalf of the qualified beneficiaries of the same group.

If you leave the plan before maturity, you will lose the income earned on your contributions until the cancellation of the plan; this sum will be paid into the EAP account and redistributed in the form of EAPs to the other qualified beneficiaries in the group.

If a beneficiary does not pursue or does not complete eligible studies, the income earned on the subscriber’s contributions will not be paid to the beneficiary. If beneficiaries are not entitled to some or all of their EAPs, the amount available for payment of the EAPs will be divided among a smaller number of beneficiaries in the group.

The table below can help you determine the beneficiary group of your beneficiary. As a general rule, beneficiary groups are determined based on the age of the beneficiary at the time the contract is signed.

Beneficiary’s age as at December 31, 2018	Beneficiary Group
16	2019
15	2020
14	2021
13	2022
12	2023
11	2024
10	2025
9	2026
8	2027
7	2028
6	2029
5	2030
4	2031
3	2032
2	2033
1	2034
Newborn	2035

SUMMARY OF ELIGIBLE STUDIES

The following is a description of post-secondary educational programs that are eligible studies and qualify for EAPs under the REFLEX Plan.

Contact us or your representative to find out if the program of study your beneficiary is interested in qualifies as eligible studies.

For more information about obtaining an EAP, see “Educational Assistance Payments (EAPs)” on page 34 of this Detailed Plan Disclosure.

WHAT’S ELIGIBLE

Eligible studies are general or technical, full-time or part-time (college, community college or university) post-secondary educational programs offered in Canada or the foreign equivalent. Programs offered in a post-secondary institution intended to provide a person with or improving the skills required in the exercise of a professional activity are also eligible. In all cases, these programs must have a minimum duration of three consecutive weeks, comprising at least 10 hours of courses or schoolwork per week.

REFLEX PLAN

Specified educational programs are also eligible; they are post-secondary programs of study with a minimum duration of three consecutive weeks and to which a student must dedicate a minimum of 12 hours per month on courses.

When a beneficiary is registered in a distance learning program for such studies, they are also considered eligible. To be sure an educational program or post-secondary educational institution is eligible, we recommend you contact us in advance.

Eligible studies do not necessarily require a high school diploma as a prerequisite. For your beneficiary to qualify for EAPs, he or she must enrol in an eligible program of study. See "Educational Assistance Payments (EAPs)" on page 34.

WHAT'S NOT ELIGIBLE

Beneficiaries not enrolled in an eligible program under the *Income Tax Act* (Canada) will not receive EAPs.

RISKS OF INVESTING IN THIS SCHOLARSHIP PLAN

PLAN RISKS

You sign a contract when you open a plan with us. Before signing, please read it closely and make sure you understand it. If you or your beneficiary does not meet the terms of the contract, a loss may ensue and your beneficiary could lose some or all of his or her EAPs.

Keep in mind that the payments made by the Plan are not guaranteed. We cannot tell you in advance if your beneficiary will qualify to receive EAPs from the plan or how much he or she will receive. We do not guarantee the amount of any payment or that the payments will cover the full cost of your beneficiary's post-secondary education.

In addition to the investment risks described under "Investment Risks" on page 16 of the prospectus, the following is a list of the risks of participating in this plan:

Eligible studies

To qualify for EAPs payable by the REFLEX Plan, the beneficiary must pursue eligible studies. If you cancel your plan before maturity or if the beneficiary does not pursue eligible studies within the prescribed period, the beneficiary will not be entitled to any EAPs.

In this case, the income earned on your contributions is redistributed among the other qualified beneficiaries of the group to which your beneficiary belongs.

Attrition

There is a risk that a change in the rate of attrition before or after maturity will have an impact on the EAP amounts that may be paid to or on behalf of beneficiaries.

On one hand, if the proportion of plans cancelled before maturity decreases, this will have a downward effect on the amount of the EAPs that may be paid to or on behalf of the beneficiaries. An increase in the proportion of plans cancelled before maturity will have the opposite effect.

On the other hand, if the proportion of beneficiaries who qualify for EAPs increases, this will also have a downward effect on the amount of the EAPs that may be paid to or on behalf of the beneficiaries. A decrease in the proportion of qualified beneficiaries will have the opposite effect.

EAP Amounts

We cannot predict the EAP amounts that may be payable by the Plan. We have no discretionary power in determining the EAP amounts. Past performance is not a guarantee of future returns. The EAP amounts depend primarily on investment performance, on the amount of your contributions and on the number of qualified beneficiaries in the same beneficiary group.

INVESTMENT RISKS

The prices of the securities held by the scholarship Plan may fluctuate. The risks that could trigger variations in the value of the plan's investments are presented under "Investment risks" on page 16 of the Detailed Plan Disclosure.

HOW THE PLAN HAS PERFORMED

The table below shows the performance of investments in the REFLEX Plan over the past five years ended December 31st. The returns are presented after deduction of management and administrative fees. These expenses reduce the return on your investment.

It is important to note that the Plan's past performance is not indicative of future returns.

	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Annual net return	0.90%	3.28%	0.68%	8.04%	-0.52%

MAKING CONTRIBUTIONS

WHAT IS A UNIT?

When you subscribe to a REFLEX Plan, you purchase one or more units or fractional units (expressed as thousandths of a unit) based on the subscribed amount.

A unit represents the beneficiary's proportionate share of the EAP account of the beneficiary group to which he or she belongs. The EAP amount paid to each qualified beneficiary is directly proportional to the number of units your plan holds.

REFLEX PLAN

Each whole unit enables the beneficiary to qualify for EAPs depending on the eligible studies criteria, and entitles the beneficiary to EAPs of the same unit value as those of all qualified beneficiaries in the same group.

YOUR CONTRIBUTION OPTIONS

The REFLEX Plan offers the following contribution options:

- ▶ Monthly contributions
- ▶ Monthly contributions over 10 years
- ▶ Monthly contributions over 5 years
- ▶ Annual contributions
- ▶ Annual contributions over 10 years
- ▶ Annual contributions over 5 years
- ▶ Annual contributions over 2 years
- ▶ Single contribution

To open a REFLEX Plan, you must subscribe for at least half a unit and make:

- a) a minimum contribution of \$10.50 per month when you opt for the monthly contribution option;
- b) a minimum contribution of \$118.40 per year when you opt for the annual contribution option; or
- c) a minimum contribution of \$250 (unit minimum does not apply) when you opt for the single contribution option.

Thereafter, any additional contribution agreed in your contract must total at least \$50.

Contributions may be made for no more than 17 years.

Total contributions may not exceed the RESP lifetime limit set forth in the *Income Tax Act* (Canada) of \$50,000 per beneficiary.

When the beneficiary is eligible for the CLB, the grant amounts received are not included in the calculation of the minimum RESP contributions required to keep a plan in force.

The contributions you make under the Plan, excluding the sales charges, remain your property.

CONTRIBUTION SCHEDULE

The contribution schedule on the next two pages shows how much you have to contribute to purchase a unit. The amount you pay depends on the age of the beneficiary at the time your plan is opened and on whether you pay for your units all at once (single contribution) or make periodic contributions. Amounts are calculated so that each subscriber's contributions generate the same income per unit at maturity.

Some fees and expenses are deducted from your contributions. Refer to "Fees You Pay" on page 27 for more information.

The contribution schedule was established by Universitas Management Inc., in its capacity as investment fund manager.

How to use this table

For example, let's assume your beneficiary is a newborn. If you want to make monthly contributions until maturity, it will cost \$10.50 per month for each unit you purchase. You would have to make 204 contributions over the life of your plan, for a total investment of \$2,142.

If your beneficiary is five years old and you want to make annual contributions until maturity, it will cost \$240.10 per year for each unit you purchase. You would have to make 12 contributions over the life of your plan, for a total investment of \$2,881.20.

REFLEX PLAN

Contribution options for a whole unit*	Newborn	1 year	2 years	3 years	4 years	5 years	6 years	7 years
Monthly contributions								
Amount of each contribution	\$10.50	\$11.90	\$13.60	\$15.80	\$18.40	\$21.80	\$26.00	\$31.70
Number of contributions	204	192	180	168	156	144	132	120
Total contribution	\$2,142.00	\$2,284.80	\$2,448.00	\$2,654.40	\$2,870.40	\$3,139.20	\$3,432.00	\$3,804.00
Monthly contributions over 10 years								
Amount of each contribution	\$12.20	\$13.50	\$15.10	\$17.00	\$19.40	\$22.40	\$26.30	\$31.70
Number of contributions	120	120	120	120	120	120	120	120
Total contribution	1,464.00	\$1,620.00	\$1,812.00	\$2,040.00	\$2,328.00	\$2,688.00	\$3,156.00	\$3,804.00
Monthly contributions over 5 years								
Amount of each contribution	\$19.00	\$20.80	\$22.80	\$25.20	\$28.10	\$31.60	\$36.00	\$41.50
Number of contributions	60	60	60	60	60	60	60	60
Total contribution	\$1,140.00	\$1,248.00	\$1,368.00	\$1,512.00	\$1,686.00	\$1,896.00	\$2,160.00	\$2,490.00
Annual contributions								
Amount of each contribution	\$118.40	\$134.10	\$153.00	\$176.00	\$204.50	\$240.10	\$286.20	\$346.70
Number of contributions	17	16	15	14	13	12	11	10
Total contribution	\$2,012.80	\$2,145.60	\$2,295.00	\$2,464.00	\$2,658.50	\$2,881.20	\$3,148.20	\$3,467.00
Annual contributions over 10 years								
Amount of each contribution	\$139.30	\$153.60	\$170.50	\$191.10	\$216.30	\$248.10	\$289.30	\$346.70
Number of contributions	10	10	10	10	10	10	10	10
Total contribution	\$1,393.00	\$1,536.00	\$1,705.00	\$1,911.00	\$2,163.00	\$2,481.00	\$2,893.00	\$3,467.00
Annual contributions over 5 years								
Amount of each contribution	\$217.60	\$237.20	\$259.90	\$286.80	\$318.50	\$356.50	\$403.30	\$462.60
Number of contributions	5	5	5	5	5	5	5	5
Total contribution	\$1,088.00	\$1,186.00	\$1,299.50	\$1,434.00	\$1,592.50	\$1,782.50	\$2,016.50	\$2,313.00
Annual contributions over 2 years								
Amount of each contribution	\$465.00	\$504.00	\$548.00	\$599.00	\$659.00	\$730.00	\$816.00	\$921.00
Number of contributions	2	2	2	2	2	2	2	2
Total contribution	\$930.00	\$1,008.00	\$1,096.00	\$1,198.00	\$1,318.00	\$1,460.00	\$1,632.00	\$1,842.00
Single contribution								
Amount of each contribution	\$875.00	\$946.00	\$1,027.00	\$1,121.00	\$1,230.00	\$1,358.00	\$1,511.00	\$1,699.00
Number of contributions	1	1	1	1	1	1	1	1
Total contribution	\$875.00	\$946.00	\$1,027.00	\$1,121.00	\$1,230.00	\$1,358.00	\$1,511.00	\$1,699.00

* Contributions for a unit fraction (1/1000) are proportional to the contributions for a whole unit.

REFLEX PLAN

Contribution options for a whole unit*	8 years	9 years	10 years	11 years	12 years	13 years	14 years	15 years	16 years**
Monthly contributions									
Amount of each contribution	\$39.50	\$50.50	\$66.70	\$92.00	\$134.50	\$213.80	\$387.80	\$888.60	
Number of contributions	108	96	84	72	60	48	36	24	
Total contribution	\$4,266.00	\$4,848.00	\$5,602.80	\$6,624.00	\$8,070.00	\$10,262.40	\$13,960.80	\$21,326.40	
Monthly contributions over 10 years									
Amount of each contribution									
Number of contributions									
Total contribution									
Monthly contributions over 5 years									
Amount of each contribution	\$48.70	\$58.60	\$72.90	\$95.20	\$134.50				
Number of contributions	60	60	60	60	60				
Total contribution	\$2,922.00	\$3,516.00	\$4,374.00	\$5,712.00	\$8,070.00				
Annual contributions									
Amount of each contribution	\$427.70	\$541.10	\$705.10	\$955.60	\$1,363.50	\$2,092.00	\$3,562.20	\$7,304.00	
Number of contributions	9	8	7	6	5	4	3	2	
Total contribution	\$3,849.30	\$4,328.80	\$4,935.70	\$5,733.60	\$6,817.50	\$8,368.00	\$10,686.60	\$14,608.00	
Annual contributions over 10 years									
Amount of each contribution									
Number of contributions									
Total contribution									
Annual contributions over 5 years									
Amount of each contribution	\$539.10	\$642.00	\$786.50	\$1,003.90	\$1,363.50				
Number of contributions	5	5	5	5	5				
Total contribution	\$2,695.50	\$3,210.00	\$3,932.50	\$5,019.50	\$6,817.50				
Annual contributions over 2 years									
Amount of each contribution	\$1,052.00	\$1,220.00	\$1,443.00	\$1,751.00	\$2,202.00	\$2,921.00	\$4,228.00	\$7,304.00	
Number of contributions	2	2	2	2	2	2	2	2	
Total contribution	\$2,104.00	\$2,440.00	\$2,886.00	\$3,502.00	\$4,404.00	\$5,842.00	\$8,456.00	\$14,608.00	
Single contribution									
Amount of each contribution	\$1,930.00	\$2,224.00	\$2,606.00	\$3,123.00	\$3,859.00	\$4,981.00	\$6,869.00	\$10,760.00	\$22,965.00
Number of contributions	1	1	1	1	1	1	1	1	1
Total contribution	\$1,930.00	\$2,224.00	\$2,606.00	\$3,123.00	\$3,859.00	\$4,981.00	\$6,869.00	\$10,760.00	\$22,965.00

* Contributions for a unit fraction (1/1000) are proportional to the contributions for a whole unit.

** The contributions you make to your RESP during the year in which your beneficiary turns 16 years old may be eligible for the CESG if one of the following conditions is met:

- a minimum annual contribution of \$100 was made to (and not withdrawn from) the beneficiary's RESP in any four years before the end of the calendar year in which he or she turned 15 years old;
- or
- a minimum of \$2,000 was contributed to (and not withdrawn from) one or more RESPs on the beneficiary's behalf before the end of the calendar year in which he or she turned 15 years old.

ASSUMPTIONS USED

The amount of income accumulated by a given beneficiary group depends on investment returns, fees and expenses, pre-maturity attrition and post-maturity attrition. The interest rates, net of all fees and expenses, considered are the following: 1.6% for bonds and 5.1% for equities. These assumptions are based on and always correspond to current economic conditions and circumstances.

REFLEX PLAN

IF YOU HAVE DIFFICULTY MAKING CONTRIBUTIONS

If you miss one or more contributions, you may be in default of your plan. To stay in the plan, you will have to make up the contributions you missed. You will also have to pay an amount equal to the income that your contributions would have earned had they been made on time. This can be costly. The amount charged will correspond to interest at an annual rate of 4%, applicable to every late contribution.

If you fail to make a contribution on the date stated in your contract, a written notice will be sent to you within a period of two weeks. You then have a 45-day period following receipt of the said notice to make the late contributions or choose one of the options listed below.

For more information on the steps to take to stay in the plan after missing contributions, refer to “Default, Withdrawal or Cancellation” on page 33.

YOUR OPTIONS

1. Postpone your contributions

If your contribution schedule allows and under certain conditions, you can postpone your contributions for up to 11 months at the end of your schedule. The number of months for which you can postpone your contributions depends on certain factors, such as your beneficiary’s date of birth.

2. Reduce the number of units

You can reduce your number of subscribed units at any time. However, reducing the contributions initially agreed will result in a partial cancellation. You can keep your plan in force as long as you maintain at least half a unit and undertake to make the minimum monthly or annual contributions required. The sales charges applicable to the cancelled units will not be refunded.

3. Stop your contributions and only use the amount already accumulated in your plan

Upon written request, you can stop your contributions if the sums paid into your plan are sufficient to reduce your financial commitment to the amount already accumulated in your account. This change will allow your beneficiary to retain his or her entitlement to EAPs and no further contributions will be required from you. However, this amendment also implies that interest will have to be paid to offset the income that your contributions would have earned if your financial commitment had not been changed. If you do not wish to pay an amount in interest, we will proceed to a partial cancellation. When you opened your plan, you agreed to pay a certain amount in contributions over an established period of time; this commitment entitled you to a given number of units. A partial cancellation implies we will reduce these units so you no longer need to contribute. However, you will lose the right to the refund, at plan maturity, of an amount equal to the sales charges paid on the cancelled units.

4. Suspend your contributions

Upon written request and under certain conditions, we may allow you to suspend your contributions for a maximum period of 24 months. During that period, government grants received do not have to be reimbursed. The suspended contributions may be brought current by paying the arrears and interest at an annual rate of 4% before the end of the 24-month period.

5. Transfer to an INDIVIDUAL Plan

You may request, in writing, to transfer your plan to the INDIVIDUAL Plan under the conditions set forth in “Transferring to the INDIVIDUAL Plan” on page 32.

6. Cancel your plan

Any failure or delay of payment exceeding 60 days may result in the cancellation of your contract. When we cancel your plan, the sales charges are not refunded.

You can also request, in writing, that your plan be cancelled under the conditions set forth in “Default, Withdrawal or Cancellation” on page 33.

WITHDRAWING YOUR CONTRIBUTIONS

You can withdraw all of your contributions at any time before your plan’s maturity date, which will result in the full cancellation of your contract. See “Default, Withdrawal or Cancellation” on page 33.

A partial cancellation occurs when the contribution amount initially agreed is reduced, provided you maintain at least half a unit in your plan and undertake to pay the minimum monthly or annual contributions required. When the cancellation is partial, we only keep the amount of sales charges paid that is proportional to the number of cancelled units.

In case of a full cancellation, we will keep all sales charges, unless the contract is cancelled within 60 days of signing, in which case the sales charges will be refunded in full.

If the partial or full cancellation occurs after the 60-day period mentioned above, you may be credited an amount equal to the sales charges you paid if you subscribe to another of our plans or add units in one of your existing plans. The amount credited will depend on the number of new units subscribed.

Government grants will be reimbursed to the government and income earned on the grants will be paid to a designated educational institution in Canada or to a trust in favour of such an institution, as required by law.

If a plan is cancelled within 60 days of signing, the scholarship plan representative must refund all commissions received. However, if a plan is cancelled after 60 days of signing and the subscriber has not paid off all the sales charges owed under the contract, the representative must return the excess commissions paid on the sales charges not refunded to the subscriber.

Moreover, instead of cancelling your plan, you can also request a transfer to the INDIVIDUAL Plan if at least \$100 has accumulated in your plan in contributions, government grants and income earned on the grant amounts at the time the transfer is requested. Your plan must also hold a minimum of one unit and the sales charges must be paid off.

REFLEX PLAN

COSTS OF INVESTING IN THIS PLAN

There are costs for joining and participating in the REFLEX Plan. The following tables present a list of the fees and expenses of this plan. You pay a portion of these fees directly from your contributions. The Plan pays a portion of the fees, which are deducted from the Plan's earnings.

FEES YOU PAY

These fees and expenses are deducted from your contributions. 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 in full 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. See "Default, Withdrawal and Cancellation"</i>	Flat fee of \$200 per whole unit Per unit fraction: fee is proportional to that of a whole unit 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 22.9% of the contributions	This is a commission for selling you the plan	The Distributor (Universitas Management Inc.)

* The fees listed in this table may be increased without subscriber approval.

Paying off the sales charges

For example, if you subscribe to a REFLEX Plan unit for a newborn and opted for monthly contributions until the maturity date, 100% of your initial contributions are used to pay sales charges until 50% of these are paid off; 50% of the subsequent contributions are used to pay the remaining sales charges until payment in full. In total, it will take 29 months to pay off the sales charges. During that period, 66% of your contributions will be used to pay sales charges and 34% will be invested in your plan.

REFLEX PLAN

FEES THE PLAN PAYS

The following fees are payable from the Plan's earnings. You do not pay these fees directly. 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	<p>The administration fee paid to the promoter and to the manager may not exceed 1.18% (excluding applicable taxes) of the assets under management</p> <p>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</p> <p>Fee subject to applicable taxes</p>	Covers the administration expenses of the Plan as well as the trailing commissions paid to the representatives of Universitas Management Inc.	The investment fund manager (Universitas Management Inc.)
Portfolio management fees	<p>A declining percentage established by the portfolio manager based on total assets invested under its management</p> <p>As at December 31, 2017, these fees represented 0.10% of the average value of assets under management</p> <p>Fees subject to applicable taxes</p>	Covers the management of the Plan's investments	<p>The portfolio managers:</p> <p>Fiera Capital Corporation AlphaFixe Capital Inc. Jarislowsky Fraser Limited Montrusco Bolton Investments Inc. State Street Global Advisors Ltd.</p>
Trustee fee	<p>Flat fee of \$27,500 per year for all Plans promoted by the Foundation combined</p> <p>Fee subject to applicable taxes</p> <p>This fee is invoiced to the different Plans and prorated to the average value of each Plan's assets under management. For the year ended December 31, 2017, the fee for the REFLEX Plan was \$15,242 (including applicable taxes)</p>	Covers the costs to hold the Plan's investments in trust	The trustee (Eterna Trust Inc.)

REFLEX PLAN

Fee	What the Plan pays	What the fee is for	Who the fee is paid to
Custodian fee	<ul style="list-style-type: none"> ▶ 0.009% of average annual assets under management ▶ Flat fee of \$8 per transaction on Canadian securities ▶ Flat fee of \$15 per electronic transfer <p>Fees subject to applicable taxes</p>	This is for the safeguard of the securities and other forms of investment in the Plan	The Custodian (CIBC Mellon Trust Company)
Independent Review Committee fee	<p>The remuneration of the IRC members for meeting attendance and any special assignment consists of the following:</p> <ul style="list-style-type: none"> ▶ Annual retainer of \$3,500 for members and \$6,000 for the chairman ▶ Set attendance fee of \$1,500 for members and \$1,750 for the chairman per meeting <p>The reimbursement of housing, meals and transport expenses incurred to attend meetings.</p> <p>This fee is invoiced to the different plans and prorated to the average value of each Plan's assets under management. For the year ended December 31, 2017, the fee for the REFLEX Plan, was \$18,571 (including applicable taxes)</p>	Covers the services of the Plan's IRC. The IRC reviews conflict of interest issues between the investment fund manager and the Plan	IRC members

* The fees listed in this table may be increased without subscriber approval.

REFLEX PLAN

TRANSACTION FEES

We will charge you the following fees for the transactions listed below.

Fee	Amount	How the fee is paid	Who the fee is paid to
Contributions made by REFLEX Plan subscribers for beneficiaries 16 or 17 years old	REFLEX Plan subscribers who make a contribution to an INDIVIDUAL Plan only when the beneficiary is 16 or 17 years old ► Flat fee of \$10 per contribution Fee subject to applicable taxes	Payable by the subscriber directly	Universitas Management Inc.
Archive search request	► Flat fee of \$50 per request Fee subject to applicable taxes	Payable by the subscriber directly	Universitas Management Inc.

FEES FOR ADDITIONAL SERVICES

The following fees are payable for the additional services listed below.

Fee	What you pay	How the fee is paid	Who the fees is paid to
Optional life and disability insurance	Premiums per whole unit varying according to the beneficiary's age and the contribution option. Between \$0.35 and \$14.77 per contribution Premiums subject to applicable taxes	Premiums are added to the contributions made by the subscriber, in accordance with the contribution schedule	Humania Assurance Inc.

REFLEX PLAN

REFUND OF SALES CHARGES

We will refund you a sum equal to the sales charges paid if you maintain your plan in effect until maturity. This refund is paid from the income accumulated on subscriber contributions and on the government grants.

Every year, we calculate the current value of the sales charge refund obligation at maturity. To do this, we use the total value of the sales charges as our basis. The net earnings from contributions and grants are first used to refund sales charges. The net surplus earnings generated by the contributions are then transferred to the beneficiary group's EAP account.

The amount refunded will not be considered a contribution to the plan for tax purposes. The refund is not taxable for either the subscriber or the beneficiary.

MAKING CHANGES TO YOUR PLAN

CHANGING YOUR CONTRIBUTIONS

You can make changes to your contributions at any time. No fees will be charged to do this.

Changing the frequency of contributions

You can change the frequency of your contributions by contacting us. We will then inform you of the options available. In order to maintain the same number of units in your plan, you must match the amount of the contributions corresponding to the new option selected.

Making additional contributions

You can make additional contributions or add units or fractional units, provided the additional amount totals at least \$50.

Reducing contributions and the number of units

You may reduce the amount of your contributions and the number of subscribed units at any time. However, by doing so, a partial cancellation occurs and you must maintain at least half a unit for your plan to remain in effect.

In the event of a partial cancellation, we will only keep part of the sales charges; these will be proportional to the number of units cancelled. This portion will therefore not be refunded to you.

CHANGING THE MATURITY DATE

The maximum period for contributing to this plan is 17 years; your contribution schedule comes to term at that time. This is when we refund, if applicable, your contributions and a sum matching the sales charges paid.

Subject to the manager's approval, you may request to bring forward your plan's maturity date. In this case, interest at an annual rate of 4% will apply to offset the loss of earned income. This amount will be deducted from the contributions refunded at plan maturity. The remaining contributions under your contract will not attract government grants since you will not make these given your plan's earlier maturity date.

CHANGING THE BENEFICIARY'S YEAR OF ELIGIBILITY

The beneficiary is eligible for an EAP on January 15th of the calendar year he or she turns 17 years of age. Your beneficiary may then qualify for EAPs when he or she meets the criteria established under the *Income Tax Act* (Canada).

Before plan maturity, Universitas Management Inc. may grant an EAP to a beneficiary before his or her year of eligibility (January 15th of the year he or she turns 17 years of age). The situation and file must first be analyzed by Universitas Management Inc. The EAP granted will be proportional to the contributions already made to the plan at the time of application or, depending on the beneficiary's situation, interest might have to be paid into the group's EAP account.

If and as long as the beneficiary does not claim an EAP, we will automatically defer his or her year of eligibility to the following year, provided it is still possible to make EAPs before the plan expires, which is known as the cut-off date. To receive all EAPs, these sums must all be requested before the cut-off date. The law does not allow EAPs to be made after this date.

We change the year of eligibility, as applicable, on January 15th of each year. The income accumulated in your plan on this date is transferred to the next beneficiary group to reach its year of eligibility.

If the beneficiary is entitled to the CESG and you have not requested the withdrawal of your contributions, the CESG received is kept in the beneficiary's name until the cut-off date is reached. The CLB is also kept for the beneficiary. For beneficiaries who reside in the province of Quebec, the same principle applies to the QESI.

The cut-off date of a plan is December 31st of the 35th year following the year in which the RESP came into force.

CHANGING THE SUBSCRIBER

The *Income Tax Act* (Canada) stipulates that it is possible to replace the subscriber of your plan in the following situations:

- ▶ In the event of separation or divorce, the subscriber may be replaced by his or her former spouse (or common-law partner) under a court order or decision, or a written agreement for the purpose of dividing property between the spouses (or common-law partners).
- ▶ In the event of the subscriber's death, he or she may be replaced by the estate trustee, the person who inherits the RESP, the individual who acquires the subscriber's rights, or the person who makes the contributions in the beneficiary's name.
- ▶ If the subscriber is a public primary caregiver, the latter can be replaced by an individual or by another public primary caregiver pursuant to a written agreement.

CHANGING YOUR BENEFICIARY

Beneficiary changes are permitted and there is no limit on the number of changes that may be made. There is no fee to exercise this option.

REFLEX PLAN

A change of beneficiary is possible as long as the initial and new beneficiaries are younger than 21 years at the time such change is made. However, in a case of death or total and permanent disability, it is possible to change the beneficiary at any time before the plan expires.

A change of beneficiary does not have the effect of extending the life of a plan, which cannot exceed the last day of the 35th year following the year in which the RESP took effect.

You must notify us in writing of any change of beneficiary.

Under the REFLEX Plan, a beneficiary who is less than 21 years of age can be replaced by another beneficiary also younger than 21 years. If the new beneficiary is older than the former beneficiary and contributions remain to be made according to the agreed schedule, your remaining contributions will be increased to offset the difference in age, in accordance with the amount and manner determined by Universitas Management Inc. Interest at an annual rate of 4% applies to arrears.

When changing beneficiaries, the contributions, the CESG and the QESI (if applicable) received for the former beneficiary are deemed to have been paid in favour of the new beneficiary; the income from the CESG, QESI (if applicable) and CLB are also transferred to the new beneficiary. However, if the new beneficiary is not a family member of the former beneficiary, the CESG must be returned to the federal government in full.

The entire CESG and the additional CESG must be returned when there is a change of beneficiary and one of the following conditions is not met:

- ▶ an additional CESG amount (exceeding the basic 20% rate) was received for the former beneficiary, the new and former beneficiaries are siblings and the new beneficiary is younger than 21 years of age at the time of the change; or
- ▶ no additional CESG was received for the former beneficiary and
 - ▶ the new and former beneficiaries are siblings and the new beneficiary is younger than 21 years of age at the time of the change; or
 - ▶ the new and former beneficiaries are blood relatives of the original subscriber of the contract and both of them were younger than 21 years of age at the time of the change.

If either of the two preceding conditions is not satisfied, the QESI must also be returned to the government.

In all cases, a change of beneficiary will result in the CLB being reimbursed to the Government of Canada.

A change of beneficiary may have tax consequences in terms of the cumulative contribution limit for the new beneficiary.

DEATH OR DISABILITY OF THE BENEFICIARY

In the event of the death or disability of your plan's designated beneficiary, you must notify us in writing within 90 days following the event.

In such case, you may choose to either:

- ▶ keep your current contract and designate another beneficiary by informing us in writing; or
- ▶ cancel your contract and receive a refund of your contributions, including the sales charges.

Disability refers to a serious medical condition certified by a practicing physician which would prevent your beneficiary from pursuing eligible studies.

If you cancel your contract by withdrawing your contributions, the total government grants received for the beneficiary will be refunded to the government. The income earned on the government grants may be paid as accumulated income payments (AIPs) if you transfer to the INDIVIDUAL Plan. If not, this amount will be paid to a designated educational institution in Canada or to a trust established in favour of such institutions. As for the income earned on the contributions to your plan, you will lose this amount.

TRANSFERRING YOUR PLAN

TRANSFERRING TO THE INDIVIDUAL PLAN

Before plan maturity:

Transferring from a REFLEX Plan to an INDIVIDUAL Plan is possible before your contract reaches maturity.

The request must be made after a minimum period of three years following the opening of your plan. You can then transfer your contributions, the government grants and the income earned on all of these amounts.

It will then be impossible for your beneficiary to exercise his or her right to EAPs from the REFLEX Plan because of the transfer of the earnings to the INDIVIDUAL Plan and the closing of the REFLEX Plan.

The sales charges applicable to the REFLEX Plan will not be reimbursed, but no additional sales charges will apply to open the INDIVIDUAL Plan.

The amount transferred as accumulated income on the contributions will be established according to which Plan had the lower investment returns, the INDIVIDUAL Plan or the REFLEX Plan during the period income accumulated under the latter.

The transfer from the REFLEX Plan to the INDIVIDUAL Plan before a three-year period following the opening of your REFLEX Plan is possible if the sales charges are paid off in full, and if your plan holds at least one unit and a minimum amount of \$100 (in contributions, government grants and income on these sums). The income earned on the contributions will not be transferred and will be kept in the REFLEX Plan for the other beneficiaries of the beneficiary group.

At plan maturity:

Once your REFLEX Plan reaches maturity, you can request to transfer to the INDIVIDUAL Plan. This is possible as long as no EAPs have been paid. This transfer includes the contributions, the

REFLEX PLAN

accumulated income on contributions, the government grants and the income on the grants amounts.

There are no extra fees to process this transfer and the sales charges paid under the REFLEX Plan are also transferred.

The amount transferred as accumulated income on the contributions will be established according to which Plan had the lower investment returns, the INDIVIDUAL Plan or the REFLEX Plan during the period income accumulated under the latter.

Once the REFLEX Plan is transferred to the INDIVIDUAL Plan, transferring back to the group plan is impossible and we close it.

TRANSFERRING TO ANOTHER RESP PROVIDER

The transfer of the REFLEX Plan to another RESP provider is permitted, provided that only contributions (net of sales charges) government grants and income earned on the grants are transferred to the new RESP. Accordingly, the sales charges and the income earned on the contributions will not be transferred.

In the event of a transfer, rest assured that we will provide your new RESP provider with sufficient information to ensure the continued administration of the transferred funds.

This transfer does not have the effect of extending the life of the RESP, which cannot exceed its cut-off date.

TRANSFER TO THIS PLAN FROM ANOTHER RESP PROVIDER

You can transfer an RESP you have with another provider to a REFLEX Plan. However, your beneficiary must be under 17 years of age and no EAPs may have been made to or on his or her behalf.

You need to consider that sales charges will apply to the units purchased and it is possible that you will have to pay penalties to your former RESP provider, which could hold, at the time of transfer, the sales charges you paid as well as the income earned on your contributions. We strongly recommend that you consult your current RESP provider to understand the consequences before making a transfer.

This transfer does not have the effect of extending the life of the RESP, which cannot exceed its cut-off date.

DEFAULT, WITHDRAWAL OR CANCELLATION

IF YOU WITHDRAW FROM OR CANCEL YOUR PLAN

You can cancel your plan in full or in part by sending us a 30-day written notice. The withdrawal of your contributions, less the sales charges, is possible at any time before the maturity date and cancels your plan completely.

A partial cancellation occurs when the amount of the contributions initially agreed is reduced. However, you must maintain at least half a unit in effect and undertake to make the minimum monthly or annual contributions required, as indicated in the "Contribution Schedule" section on page 23, for the remaining duration of your contract.

In the event of a complete cancellation, we will keep all sales charges, unless the cancellation of the contract takes place within 60 days of signing, in which case the sales charges will be refunded in full. If the cancellation is partial, we will only keep the sales charges proportional to the number of cancelled units.

If the partial or full cancellation occurs after the 60-day period mentioned above, you may be credited an amount equal to the sales charges you paid if you subscribe to another of our plans or add units to one of your existing plans. The amount credited will depend on the number of new units subscribed.

When a contract is cancelled within 60 days after it is signed, the representative must refund all commissions received. However, when a contract is cancelled more than 60 days after it is signed, and if the subscriber has not paid off all of the sales charges owed under the Plan, the representative must refund to the distributor the surplus commissions received on the sales charges paid by the subscriber.

Moreover, instead of cancelling your plan, you may transfer to the INDIVIDUAL Plan according to the conditions set forth under "Transferring to the INDIVIDUAL Plan" on page 32.

Your plan is automatically cancelled:

- ▶ if the beneficiary can no longer qualify under the conditions stipulated in the section "Educational Assistance Payments (EAPs)" on page 34;
- ▶ if you make a transfer between two RESPs promoted by the Foundation in accordance with the conditions set forth in "Transferring to the INDIVIDUAL Plan" on page 32;
- ▶ if you decide to withdraw all your contributions (e.g., in the event of your beneficiary's death or disability);
- ▶ if your SIN or the SIN of the beneficiary is not submitted within 24 months of signing the contract.

Unless converted or transferred to another plan, the total CESG and the CLB amounts received must be returned to the Government of Canada in the event of a total cancellation. The QESI, if applicable, will be reimbursed to the Government of Quebec. Income earned on the grants are then paid to a designated educational institution in Canada or to a trust established for such institutions in accordance with the law.

Income earned on the contributions remains in the Plan and will be paid to the other qualified beneficiaries in the beneficiary group.

IF YOUR PLAN GOES INTO DEFAULT

If you fail to make a contribution on the date established in the contribution schedule applicable to your plan, you will be sent a written notice within two weeks following the default. You will then have 45 days following receipt of this notice to make the late contributions or choose one of the options listed under "If You Have Difficulty Making Contributions". Interest at the annual rate of 4% applies to any late contribution. Any default or late contribution exceeding 60 days may result in the cancellation of your plan.

REFLEX PLAN

IF WE CANCEL YOUR PLAN

If we are forced to cancel your plan because you have not sent us your SIN or the beneficiary's SIN, we will refund your contributions, less the sales charges. See "Return of Contributions" on page 34.

RE-ACTIVATING YOUR PLAN

If you open a new REFLEX Plan after a cancellation and designate a beneficiary less than 17 years of age, an amount equal to the sales charges already paid is credited to you for sales charges to be paid, depending on the number of new units purchased. The terms of the new Plan determine the payments to which you and your beneficiary are entitled.

However, this option only applies if the cancellation takes place more than 60 days following the signing of the contract, since sales charges are refunded when a withdrawal occurs within this time frame.

IF YOUR PLAN EXPIRES

We are required to close your plan when the cut-off date is reached, i.e. when your plan expires.

The cut-off date is December 31st of the 35th year following the year the plan took effect. Accordingly, the beneficiary may no longer receive EAPs after this date.

The sums held in the scholarship plan at such time must be used for one of the following purposes:

- ▶ the return of contributions to the subscriber if this hasn't already been done;
- ▶ the distribution of income from contributions as EAPs to the other beneficiaries of the beneficiary group;
- ▶ the refund of a sum equal to the sales charges to the subscriber, if this has not already been done;
- ▶ the refund of the government grants to the applicable government; or
- ▶ the income earned on government grants will be paid to a designated educational institution in Canada covered under paragraph a)(i) of the definition of this term in subsection 118.6(1) of the *Income Tax Act* (Canada), or to a trust in favour of such institutions.

WHAT HAPPENS WHEN YOUR PLAN MATURES?

We recommend that you wait until your beneficiary is enrolled in eligible post-secondary studies before you request your refund of contributions and sales charges. You will thus avoid having to refund the government grants before your beneficiary can use them. Once the grants have been reimbursed, it may not be possible for your beneficiary to recover these.

IF YOUR BENEFICIARY DOES NOT ENROL IN ELIGIBLE STUDIES

If the beneficiary does not qualify for the EAPs, the income earned on contributions made on his or her behalf are then redistributed among the qualified beneficiaries of his or her

beneficiary group. If the beneficiary does not pursue eligible studies, he or she will not receive EAPs. For more information, see "Changing Your Beneficiary" and "Transferring to the INDIVIDUAL Plan" on pages 31 and 32 of this Detailed Plan Disclosure.

The CESG and CLB received for beneficiaries who do not qualify for an EAP will be returned to the government. The QESI, if applicable, will be returned to the Government of Quebec. The income earned on government grants will be paid to a designated educational institution in Canada covered under paragraph a)(i) of the definition of this term in subsection 118.6(1) of the *Income Tax Act* (Canada), or to a trust in favour of such institutions.

RECEIVING PAYMENTS FROM THE PLAN

RETURN OF CONTRIBUTIONS

You recover your contributions in full whether the beneficiary pursues eligible studies or not. An amount equal to the sales charges is also refunded in full to you at contract maturity. These sums are paid by direct deposit into the bank account you provide, in one or more instalments as per your instructions.

When signing the contract, a date is established for the return of contributions. This date may be changed with your consent for readjustment purposes in case of additional unit purchases. As of this date, the refund may be made at any time at your request, in one or more instalments. Your plan will not be closed as long as your account holds a minimum balance of \$100 (excluding sales charges), regardless of whether this amount is a combination of contributions, government grants or accumulated income on all these sums.

If your beneficiary is not yet enrolled in eligible studies, you can ask to keep your contributions in the plan until your beneficiary qualifies under the plan's criteria. You will thus avoid the grants being returned to the government immediately and the income earned on these grants being paid to a designated educational institution or a trust established in favour of such institutions.

EDUCATIONAL ASSISTANCE PAYMENTS (EAPs)

You must submit an EAP request for your eligible beneficiary via the Client Space on the Universitas Foundation of Canada website or, if you do not have Internet access, by contacting our customer service so the appropriate form can be sent to you.

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.

The EAP is then made to or on behalf of the beneficiary according to your request. However, the investment fund manager reserves the right to set a maximum number of EAPs per year.

REFLEX PLAN

The *Income Tax Act (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:

- ▶ 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 the 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.

Note that the federal government has established an annual maximum amount of EAPs that can be made to a beneficiary. For 2018, that amount was \$23,460.

The beneficiary can claim EAPs provided he or she meets the requirements of the *Income Tax Act (Canada)*. Studies need not take place in consecutive years, as long as the plan has not reached its cut-off date.

HOW WE DETERMINE EAP AMOUNTS

EAPs consist of government grants, of the income on those grants and of your beneficiary's share of the EAP account maintained for his or her beneficiary group.

Universitas Management Inc. calculates the unit amounts of the EAPs that can be paid to or on behalf of the beneficiaries in the eligible beneficiary group.

This calculation is made on January 15th. The amounts obtained are applied to the EAPs that will be made between January 15th of the current year and January 14th of the following year. The external actuary verifies and approves the calculation methodology and the assumptions used. The trustee has no discretion in the calculation, which is determined solely by application of the methodology approved by the external actuary.

At the end of each fiscal year ending December 31st, the net income generated during the period is divided among beneficiary groups based on the value of the investments associated with each of these groups. The income from cancelled units is returned to the EAP account from which these cancelled units originated. Based on this accumulated income distributed by beneficiary group, the adjusted fair market value (AFMV) is calculated for each group by spreading investment gains and losses over a six-year period, which reduces the impact of significant market fluctuations on EAP unit values.

In addition, the AFMV is distributed among the units held by the beneficiaries of the eligible beneficiary group who will potentially qualify for EAPs by applying claims assumptions. Accordingly, only a portion of the eligible units is considered and not the totality, since some beneficiaries will not meet the requirements for EAPs to be made. The accumulated income is therefore paid in the form of EAPs to a smaller number of beneficiaries.

REFLEX PLAN

When government grants have been received by Universitas Management Inc. for a beneficiary, these amounts and their earned income are added to the EAPs made to the beneficiary. Attrition does not apply to grant amounts and their earnings.

PAYMENTS FROM THE EAP ACCOUNT

A portion of each EAP represents the beneficiary's share of the EAP account of his or her beneficiary group. The rest of the EAP consists of the beneficiary's government grants and the earnings on those grants.

The EAP account is used to hold the income generated by subscriber contributions, including those of subscribers who have cancelled their plan or from subscribers whose plan we cancelled. Each beneficiary group has its own EAP account.

	Beneficiary Group				
	2018	2017	2016	2015	2014
Income from contributions	91.2%	91.2%	92.9%	93.1%	92.3%
Income from cancelled plans	8.8%	8.8%	7.1%	6.9%	7.7%
Total of the EAP account	100%	100%	100%	100%	100%

Past payments from the EAP account

The table below shows how much was paid from the EAP account per unit for the five beneficiary groups that most recently reached their year of eligibility.

Keep in mind that scholarship plans are normally long-term investments. The payments shown are generally representative of the investments made in past years. It is important to note that

Past breakdown of the income in the EAP account

The following table shows the breakdown of the income in the EAP account at the maturity date for the five beneficiary groups that most recently reached their year of eligibility.

The breakdown of income may vary from one beneficiary group to another. The amount of the income earned on contributions depends on the performance of the Plan's investments. The amount of the income from cancelled plans depends on how many plans were cancelled as well as the investment performance of these funds.

the qualification criteria for EAPs which applied to beneficiaries in the past were relaxed in 2017. The following tables should therefore not be considered indicative of the payments your beneficiary will receive. The new EAP unit value is calculated on January 15th each year. However, as the three-payment structure for EAPs was abolished further to the aforementioned easing of criteria, the unit value is no longer calculated for 2nd and 3rd EAPs.

Payments until December 31, 2017

Year of studies	Payments from EAP Account by Beneficiary Group				
	2017	2016	2015	2014	2013
1 st EAP	\$174	\$170	\$160	\$137	\$343
2 nd EAP	Note 1	\$173	\$160	\$138	\$343
3 rd EAP	Note 1	Note 1	\$163	\$138	\$347
Total EAPs			\$483	\$413	\$1,033
1 st insurance experience refund ^{Note 2}	\$25	\$25	\$25	\$25	\$-
2 nd insurance experience refund ^{Note 2}	Note 1	\$25	\$25	\$25	\$-
3 rd insurance experience refund ^{Note 2}	Note 1	Note 1	\$25	\$25	\$-
Total insurance experience refund^{Note 2}	\$-	\$-	\$75	\$75	\$-
Conversion factor ^{Note 3}	1.6	1.6	1.6	1.6	1.0
1 st payment with experience refund	\$318	\$312	\$296	\$259	\$343
2 nd payment with experience refund	Note 1	\$317	\$296	\$261	\$343
3 rd payment with experience refund	Note 1	Note 1	\$301	\$261	\$347
Total of the payments with experience refund			\$893	\$781	\$1,033

REFLEX PLAN

Payments as of January 15, 2018

	2018
EAP	\$359
Insurance experience refund ^{Note 2}	\$65.6
Conversion factor ^{Note 3}	1.6
Converted EAP with experience refund	\$679

Note 1: No amount is presented given that, following the easing of EAP qualification criteria in 2017, the three-payment structure for educational assistance payments was abolished.

Note 2: The experience refund is only payable for units purchased before December 8, 2009, for which the subscriber contributed to the mandatory life and disability insurance.

Note 3: The conversion factor only applies to units purchased before December 8, 2009.

ATTRITION

You and your beneficiary must meet the terms of the plan for the beneficiary to be entitled to EAPs under the plan. If beneficiaries are not entitled to their EAPs, the amount available for payment of the EAPs will be divided among a smaller number of beneficiaries in the beneficiary group. This is "attrition".

Your beneficiary may not qualify for EAPs if:

- ▶ before the plan's maturity date, you cancel your plan or transfer to another RESP, or if we cancel your plan because you failed to make your contributions on time and have not taken action to maintain your plan. This is a case of "pre-maturity attrition";
- ▶ after the plan maturity date, your beneficiary decides not to pursue post-secondary studies or is not enrolled in an eligible educational institution or program during the maximum period prescribed by the *Income Tax Act* (Canada). This is a case of "post-maturity attrition."

PRE-MATURITY ATTRITION

If you leave the plan before maturity, you will get back your contributions, less the sales charges. You will not receive the income earned by your contributions up to the plan's cancellation. It will be kept in the EAP account and distributed as part of the EAPs to the remaining beneficiaries in your beneficiary group.

Income from cancelled units

The following table shows the current value of income from cancelled units by beneficiary group. The amount of the income from cancelled plans available to the beneficiaries after maturity depends on the number of subscribers who cancel their plans, the number of beneficiaries entitled to EAPs, and the investment performance of the scholarship plan.

Beneficiary group	Percentage of units that have been cancelled ¹	Total income (or losses) from cancelled units available to remaining units	Income from cancelled units available to each remaining unit
2019	24.8%	\$355,843	\$57
2020	25.1%	\$378,787	\$45
2021	25.3%	\$445,550	\$39
2022	24.9%	\$513,940	\$35
2023	24.3%	\$574,137	\$30
2024	23.8%	\$527,649	\$22
2025	22.1%	\$427,558	\$15
2026	19.0%	\$231,579	\$7
2027	16.1%	\$86,322	\$2
2028	14.9%	\$68,189	\$1
2029	12.8%	\$27,573	\$1
2030	10.3%	\$13,713	\$0
2031	8.4%	\$3,355	\$0
2032	6.7%	\$1,660	\$0
2033	3.9%	\$2,483	\$0
2034	0.0%	\$ -	\$ -

Note 1: This calculation does not take into account cancelled units that accumulated income to be shared among the remaining beneficiaries of the beneficiary group.

REFLEX PLAN

Plans that did not reach maturity

The following table shows the percentage of plans that did not reach maturity for each of the five beneficiary groups indicated below. The most common reasons why plans did not reach maturity were: the subscriber cancelled the plan, we cancelled the plan due to a default, the subscriber transferred to another

Plan we offer, or the subscriber transferred to another RESP provider.

For the five most recent beneficiary groups of the REFLEX Plan, an average of 24.7% of plans for each beneficiary group were cancelled before their maturity date.

Maturity date of beneficiary group	Percentage of plans that did not reach maturity
2018	25.0%
2017	25.8%
2016	25.4%
2015	24.8%
2014	22.7%

POST-MATURITY ATTRITION

If your beneficiary does not pursue eligible studies, your contributions will be returned to you in full at plan maturity, as well as a sum equal to the sales charges paid. You will not receive the earnings on your contributions. The beneficiary may lose EAPs if he or she does not qualify under the *Income Tax Act* (Canada).

Past EAPs

The table below shows the percentage of beneficiaries who received the maximum three EAPs under the plan's former terms and conditions, and those who received some or no EAPs, for each of the five beneficiary groups that have most recently completed their eligible studies. It is important to note that this table refers to EAPs that were made under the Plan's former qualification criteria—requiring that the beneficiary qualify for each of his or her EAPs—that were amended in 2017. The table is therefore not indicative of the percentage of beneficiaries who will receive the full amount of EAPs they could be entitled to in the future.

	Beneficiary Group				
	2011	2010	2009	2008	2007
Beneficiaries who received EAPs	85.5%	86.2%	90.9%	86.7%	83.3%
Beneficiaries who received no EAPs	14.5%	13.8%	9.1%	13.3%	16.7%
Total	100%	100%	100%	100%	100%

Note: The calculation assumption is based on beneficiaries who have reached the age of 25, since several beneficiaries don't claim their EAPs at the ages of 17, 18 and 19, and the information would therefore be incomplete. We allow our beneficiaries to claim their EAPs without limit until the plan expires (December 31st of the 35th year following the year the contract is signed).

THE INDIVIDUAL PLAN

SPECIFIC INFORMATION ABOUT OUR PLANS – THE INDIVIDUAL PLAN

TYPE OF PLAN

Type of scholarship plan	Date of creation
Individual scholarship plan	1998

WHO THE PLAN IS FOR

The INDIVIDUAL Plan is intended for beneficiaries of all ages.

This plan is recommended if you do not want to create a savings discipline and/or you are not ready to make a long-term commitment. When you choose to invest in the INDIVIDUAL Plan, you reasonably expect that your designated beneficiary will pursue post-secondary studies in a program that qualifies under the *Income Tax Act* (Canada).

This plan can also be for investors who wish to open a plan for a beneficiary born after December 31, 2003, who is eligible for the Canada Learning Bond (CLB). In this case a plan can be opened with no obligation to make contributions and the \$200 sales charge does not apply.

SUMMARY OF ELIGIBLE STUDIES

The following is a description of post-secondary educational programs that are eligible studies and qualify for EAPs under the INDIVIDUAL Plan.

Contact us or your representative to find out if the program of study your beneficiary is interested in qualifies as eligible studies.

For more information about obtaining an EAP, refer to the section “Educational Assistance Payments (EAPs)” on page 45 of this Detailed Plan Disclosure.

WHAT’S ELIGIBLE

Eligible studies are general or technical, full-time or part-time (college, community college or university) post-secondary educational programs offered in Canada or the foreign equivalent. Programs offered in a post-secondary institution intended to provide a person with or improving the skills required in the exercise of a professional activity are also eligible. In all cases, these programs must have a minimum duration of three consecutive weeks, comprising at least 10 hours of courses or schoolwork per week.

Specified educational programs are also eligible; they are post-secondary programs of study with a minimum duration of three consecutive weeks and to which a student must dedicate a minimum of 12 hours per month on courses.

When a beneficiary is enrolled in a distance learning program for such studies, the latter are also considered eligible. To ensure the eligibility of a program of study or an educational institution, we recommend that you contact us in advance.

Eligible studies do not necessarily require a high school diploma as a prerequisite.

RISKS OF INVESTING IN THIS SCHOLARSHIP PLAN

PLAN RISKS

You sign a contract when you open a plan with us. Before signing, please read it closely and make sure you understand it. If you or your beneficiary does not meet the terms of the contract, a loss may ensue and your beneficiary could lose some or all of his or her EAPs.

Keep in mind that the payments made by the Plan are not guaranteed. We cannot tell you in advance if your beneficiary will qualify to receive EAPs from the plan or how much your beneficiary will receive. We do not guarantee the amount of any payment or that the payments will cover the full cost of your beneficiary’s post-secondary education.

In addition to the investment risks described under “Investment Risks” on page 16 of the prospectus, the following is a list of risks of participating in this plan:

EAP Amounts

We cannot predict the amount of the EAPs that may be payable by the plan. We have no discretionary power in determining the EAP amounts. Past performance is not a guarantee of future returns. The EAP amounts mainly depend on investment performance and the amount of your contributions.

Eligible studies

If your beneficiary does not pursue eligible studies within the prescribed time frame, he or she may not be entitled to any EAPs. In such cases, you could receive an accumulated income payment (AIP) if the applicable criteria are met. You may also, subject to certain conditions, request a transfer to an RRSP. However, we will be obligated to refund your government grants in this case.

INVESTMENT RISKS

The prices of the securities held by the scholarship plan may fluctuate. The risks that may trigger variations in the value of the Plan’s investments are presented under “Investment Risks” on page 16 of the prospectus.

THE INDIVIDUAL PLAN

HOW THE PLAN HAS PERFORMED

The table below shows the performance of investments in the INDIVIDUAL Plan over the past five years ended December 31st. The returns are indicated after deduction of management and administration fees. These expenses will reduce the return on your investment.

It is important to note that the Plan's past performance is not indicative of future returns.

	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Annual net return	2.31%	2.26%	-0.88%	1.20%	0.71%

MAKING CONTRIBUTIONS

YOUR CONTRIBUTION OPTIONS

You must pay an initial contribution of \$25. The applicable sales charge will be taken at a 40% rate from contributions, up to the total maximum of \$200. This sales charge is included in the RESP lifetime limit set by your plan and is eligible for government grants. Subsequently, you determine the amount of the contributions you make, provided these total at least \$25. You can make single or periodic payments. These contributions can be debited automatically from your bank account.

You can no longer make contributions after December 31st of the 31st year following the year in which your plan took effect. Total contributions may not exceed the RESP lifetime limit set forth in the *Income Tax Act* (Canada) of \$50,000 per beneficiary.

An INDIVIDUAL Plan with no sales charge can be opened for a beneficiary eligible for the Canada Learning Bond (CLB). In this

case, the you are not required to make an initial \$25 contribution or pay the sales charge described above. The sales charge will only apply to additional contributions to the plan, if applicable, and be paid off according to the above-mentioned terms.

You and your spouse can be joint subscribers of the same contract. Your spouse can subscribe at the start of the contract or choose to become a subscriber later on.

WITHDRAWING YOUR CONTRIBUTIONS

The contributions you make, less the sales charges, remain your property.

You can withdraw some or all of your contributions without cancelling your contract, provided that there is a minimum balance of \$100 (excluding sales charges) accumulated in your plan, whether it consists of contributions, government grants or of income earned on all these sums.

COSTS OF INVESTING IN THIS PLAN

There are costs for joining and participating in the INDIVIDUAL Plan. The following tables list the fees and expenses of this plan. You pay a portion of these fees directly from your contributions, if applicable. The Plan pays part of the fees, which are deducted from the Plan's earnings.

FEES YOU PAY

These fees are deducted from your contributions. 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 paid is to
Sales charge <i>Note: Sales charges are refunded to the subscriber in the event of cancellation within 60 days of signing the contract. After this 60-day period, the sales charges are not refunded. However, they can be credited to you under certain conditions. See "Default, Withdrawal and Cancellation"</i>	Flat non-refundable fee of \$200 per plan or No sales charge if the plan's beneficiary qualifies for the CLB, unless additional contributions are made to the plan. In this case, the applicable sales charge will be taken at a 40% rate from contributions, up to the total maximum of \$200 per plan	This is the commission for selling you the plan	The Distributor (Universitas Management Inc.)

* These fees may be increased without subscriber approval.

THE INDIVIDUAL PLAN

FEES THE PLAN PAYS

The following fees are payable from the Plan's earnings. You do not pay these fees directly. 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	<p>The administration fee paid to the promoter and to the manager may not exceed 1.18% (excluding applicable taxes) of the assets under management</p> <p>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</p> <p>Fee subject to applicable taxes</p>	Covers the administration expenses of the Plan as well as the trailing commissions paid to the representatives of Universitas Management Inc.	The investment fund manager (Universitas Management Inc.)
Portfolio management fees	<p>A declining percentage established by the portfolio manager based on the average total assets invested under its management</p> <p>As at December 31, 2017, represented 0.08% of the average value of assets under management</p> <p>Fees subject to applicable taxes</p>	Covers the management of the Plan's investments	The portfolio managers: Alphafixe Capital Inc. Montrusco Bolton Investments Inc.
Trustee fee	<p>Flat fee of \$27,500 per year for all the Plans promoted by the Foundation combined</p> <p>Fee subject to the applicable taxes</p> <p>This fee is invoiced to the different Plans and prorated to the average value of each Plan's assets under management. For the year ended December 31, 2017, the fee for the INDIVIDUAL Plan was \$198 (including applicable taxes)</p>	Covers the costs to hold the Plan's investments in trust	The trustee (Eterna Trust Inc.)

THE INDIVIDUAL PLAN

Fee	What the Plan pays	What the fee is for	Who the fee is paid to
Custodian fee	<ul style="list-style-type: none"> ▶ 0.009% of the average annual assets under management ▶ Flat fee of \$8 per transaction on Canadian securities ▶ Flat fee of \$15 per electronic transfer <p>Fee subject to the applicable taxes</p>	This is for holding the securities and other investments of the Plan	The custodian (CIBC Mellon Trust Company)
Independent Review Committee fee	<p>The remuneration of the IRC members for meeting attendance and any special assignment consists of the following:</p> <ul style="list-style-type: none"> ▶ Annual retainer of \$2,000 for members and \$4,000 for the chairman ▶ Set attendance fee of \$1,500 for members and \$1,750 for the chairman per meeting <p>The reimbursement of housing, meals and transport expenses incurred to attend meetings</p> <p>This fee is invoiced to the different Plans and prorated to the average value of each Plan's assets under management. For the year ended December 31, 2017, the fee for the INDIVIDUAL Plan was \$355 (including applicable taxes)</p>	This is for the services of the Plan's IRC. The IRC reviews conflicts of interest issues between the investment fund manager and the Plan	The IRC members

* The fees listed in this table may be increased without subscriber approval.

THE INDIVIDUAL PLAN

TRANSACTION FEES

We will charge the following fees for the transactions listed below.

Fee	Amount	How the fee is paid	Who the fee is paid to
Archive search request	Flat fee of \$50 per request Fee subject to the applicable taxes	Payable by the subscriber directly	The investment fund manager (Universitas Management Inc.)

REFUND OF SALES CHARGES

The sales charge to open an INDIVIDUAL Plan will not be refunded to you unless you cancel your contract within 60 days of signing it (this does not apply to a plan with no sales charge opened for the sole purpose of receiving the CLB).

MAKING CHANGES TO YOUR PLAN

CHANGING YOUR CONTRIBUTIONS

You can contribute to your INDIVIDUAL Plan at any time and determine the frequency and amount of these contributions, provided they total at least \$25. No fee will be charged to do so.

When an INDIVIDUAL Plan with no sales charge is opened for the sole purpose of receiving CLB amounts and the subscriber wishes to contribute to the plan subsequently, a new INDIVIDUAL Plan or REFLEX Plan must be opened.

CHANGING THE SUBSCRIBER

The *Income Tax Act* (Canada) stipulates that it is possible to replace the subscriber to your plan:

- ▶ in the event of separation or divorce, the subscriber may be replaced by his or her former spouse (or common-law partner) in accordance with a court order or decision, or a written agreement for the purpose of dividing property between the spouses (or common-law partners);
- ▶ if the subscriber dies, he or she may be replaced by the executor of the estate, the person who inherits the RESP, the individual who acquires the subscriber's rights, or the person who makes the contributions in the beneficiary's name;
- ▶ if the subscriber is a public primary caregiver, the latter can be replaced by an individual or by another public primary caregiver pursuant to a written agreement.

CHANGING YOUR BENEFICIARY

Beneficiary changes are permitted at any time on written request, but the changes may not have the effect of extending the life of the plan, which may not exceed the cut-off date, i.e. December 31st of the 35th year after it took effect. There is no fee to exercise this option.

When changing beneficiaries, the contributions, the CESG and the QESI (if applicable) received for the former beneficiary are deemed to have been paid in favour of the new beneficiary; the income from the CESG, QESI (if applicable) and CLB are also

transferred to the new beneficiary. However, if the new beneficiary is not a member of the former beneficiary's family, the CESG must be returned to the federal government in full.

The entire CESG and additional CESG must be returned when a change of beneficiary is made and one of the following conditions is not met:

- ▶ an additional CESG amount (exceeding the basic 20% rate) was received for the former beneficiary, and the new beneficiary is his or her sibling and younger than 21 years of age at the time of the change; or
- ▶ no additional CESG amount was received for the former beneficiary; and
- ▶ the new and former beneficiaries are siblings and the new beneficiary had not reached the age of 21 at the time of the change; or
- ▶ the new and former beneficiaries are related by blood to the original subscriber of the contract and neither of them had reached the age of 21 at the time of the change.

When either of the two preceding conditions is not satisfied, the QESI must also be returned to the government.

In all cases, a change of beneficiary will result in the CLB being returned to the Government of Canada.

A change of beneficiary may have income tax consequences in terms of the cumulative contribution limit for the new beneficiary.

DEATH OR DISABILITY OF THE BENEFICIARY

If the beneficiary dies or becomes disabled before she or he qualifies for an EAP, you must notify us in writing within 90 days following the event.

In such case, you may choose to either:

- ▶ keep your current contract and designate another beneficiary; or
- ▶ cancel your contract by withdrawing your contributions and the accumulated income under the conditions set forth in the "Accumulated Income Payments" section.

If you cancel your contract by withdrawing your contributions and the accumulated income, the total government grants received for the beneficiary will be returned to the government. The income earned on the government grants may be paid as accumulated income payments (AIPs) or, as applicable, paid to a designated educational institution in Canada or to a trust established in favour of such institutions.

THE INDIVIDUAL PLAN

TRANSFERRING YOUR PLAN

TRANSFERRING TO THE REFLEX PLAN

You can transfer the money from an INDIVIDUAL Plan to a REFLEX Plan before your beneficiary reaches the age of 17. In such case, you must meet the requirements of the REFLEX Plan set forth on pages 21 and following.

At the time of the transfer, the contributions, the government grants received, if any, as well as the income earned on all these amounts may be transferred to the new plan.

The sales charge already paid (if applicable) will be credited to the new plan if the latter holds at least one unit. If the contributions equal less than one whole unit, the sales charges will be credited to the new plan in proportion to the unit fraction.

TRANSFERRING TO ANOTHER RESP PROVIDER

Transferring to another RESP provider is possible. At the time of this transfer, the contributions (net of sales charges), the government grants received, if any, and the accumulated income may be transferred to the new plan.

The sales charge paid, if applicable, will not be reimbursed.

In the event of a transfer, rest assured that we will provide your new RESP provider with sufficient information to ensure the continued administration of the transferred funds.

This transfer does not have the effect of extending the life of an RESP, which cannot exceed its cut-off date.

TRANSFERRING TO THIS PLAN FROM ANOTHER RESP PROVIDER

You can transfer an RESP that you have with another provider to an INDIVIDUAL Plan. EAPs cannot have been paid on behalf of the beneficiary, and the subscriber cannot have received an AIP from the plan with the former provider before making the transfer.

However, you must consider that it is possible you will have to pay penalties to your former RESP provider, which could hold, at the time of the transfer, the sales charges you paid as well as the income earned on your contributions. We recommend that you consider this information and consult your current RESP provider to understand the consequences before making a transfer.

This transfer does not have the effect of extending the life of the plan, which cannot exceed its cut-off date.

DEFAULT, WITHDRAWAL OR CANCELLATION

IF YOU WITHDRAW FROM OR CANCEL YOUR PLAN

You can cancel your plan and recover the entire amount invested (if applicable) within 60 days following the signing of your contract.

You can also cancel your plan in full or in part by sending us a 30-day written notice. You retain the right to withdraw your contributions (net of sales charge, if applicable) and the accumulated income under the conditions stipulated below.

It is possible to withdraw part or all of your contributions without ending your contract, provided that there is a minimum balance of \$100 (excluding sales charges) accumulated in your plan, whether it consists of contributions, government grants or of income earned on all these sums.

IF WE CANCEL YOUR PLAN

If we are forced to cancel your plan because you have not sent us your SIN or the beneficiary's SIN, we will refund your contributions, less the sales charge. Please refer to section "If Your Beneficiary Does Not Have a Social Insurance Number" on page 11.

IF YOUR PLAN EXPIRES

We are required to close your plan when the cut-off date is reached, i.e. when the plan expires.

The cut-off date is December 31st of the 35th year following the year in which the plan took effect. The beneficiary may no longer receive EAPs after this date.

The sums held at such time in the scholarship plan must be used for one of the following purposes:

- ▶ the return of contributions to the subscriber;
- ▶ the refund of the government grants to the government;
- ▶ the payment of accumulated income to the subscriber in the form of an AIP if the subscriber meets the requirements. See "Accumulated Income Payments" on page 45 of this Detailed Plan Disclosure;
- ▶ a payment to a designated educational institution in Canada and covered under paragraph a)(i) of the definition of this term in subsection 118.6(1) of the *Income Tax Act* (Canada), or to a trust in favour of such institutions.

In the event this situation arises, you may be credited a sum equal to the sales charges paid if you subscribe to another of our Plans or make an additional contribution to another of your existing plans. The amount credited will depend on the number of new units purchased.

WHAT HAPPENS WHEN YOUR PLAN MATURES?

You will find all the information you need in your account statement, which you will receive annually, on the options available to you regarding the management of your INDIVIDUAL Plan.

IF YOUR BENEFICIARY DOES NOT PURSUE ELIGIBLE STUDIES

An EAP may only be paid to a qualified beneficiary. If the beneficiary does not qualify by the cut-off date, we must return

THE INDIVIDUAL PLAN

the government grants received for your beneficiary to the government. You may, however, receive the income earned on your contributions and the income earned on the government grants under the conditions set forth in section “Accumulated Income Payments” on page 45.

RECEIVING PAYMENTS FROM THE PLAN

RETURN OF CONTRIBUTIONS

The contributions that you pay, less the sales charge, remain your property (this does not apply to a plan with no sales charge opened for the sole purpose of receiving the CLB).

Your contributions may be reimbursed to you at any time without ending your plan, provided that there is a minimum balance of \$100 (excluding sales charges) accumulated in your plan, whether it consists of contributions, government grants or of income earned on all these sums. However, your beneficiary must be enrolled in an eligible educational program before the withdrawal of contributions to maintain his or her entitlement to the government grants.

EDUCATIONAL ASSISTANCE PAYMENTS (EAPs)

You must submit an EAP request for your eligible beneficiary via the Client Space on the Universitas Foundation of Canada website or, if you do not have Internet access, by contacting our customer service so the appropriate form can be sent to you.

Any EAP application must be submitted to us no later than the last day of the plan’s life since we are required to close the plan at this time. See “If Your Plan Expires” on page 44 of this Detailed Plan Disclosure.

All EAP requests must be supported by evidence that the beneficiary qualifies for these.

The EAPs are then made to or on behalf of the beneficiary under the terms of your request. However, the investment fund manager reserves the right to set a maximum number of EAPs per year.

HOW WE DETERMINE EAP AMOUNTS

You decide the amount of the EAP made to or on behalf of the beneficiary, subject to the limits described in “Educational Assistance Payments (EAPs)” on page 13.

The EAPs that the beneficiary will receive depend on the income earned on the contributions (if applicable) and government grants invested by the portfolio managers.

ACCUMULATED INCOME PAYMENTS

You may obtain payment of some or all of the income accumulated in your INDIVIDUAL Plan if the payment is made before or during the 35th year following the year your plan took effect.

You can also obtain the accumulated income when:

- ▶ the request is made after the ninth year following the year the plan was opened and that the beneficiary (past or current) has reached 21 years of age and he or she is not entitled to an EAP (at the time the AIP is made) under the terms of the plan; or
- ▶ the beneficiary has passed away.

However, it is possible to waive these conditions with permission granted by the Minister responsible for enforcing the *Income Tax Act (ITA)* if your beneficiary suffers from severe and prolonged mental impairment which prevents or will likely prevent him or her from pursuing eligible studies.

An accumulated income payment (AIP) from an INDIVIDUAL Plan can only be made to one person, namely, the subscriber or the joint subscriber. In all cases, you must be a Canadian resident to receive an AIP.

The INDIVIDUAL Plan must end before March of the year following this payment.

To learn more about the tax implications of an accumulated income payment, please refer to “How You Are Taxed” on page 17.

You can transfer up to \$50,000 in accumulated income from an RESP to your registered retirement savings plan (RRSP) or to a spousal RRSP under certain conditions, up to the amount of unused contribution room in the RRSP at the time of the transfer. The total amount of the AIP requested must be invested in an RRSP.

INFORMATION ON THE SCHOLARSHIP PLANS

AN OVERVIEW OF THE STRUCTURE OF OUR PLANS

The REFLEX Plan and the INDIVIDUAL Plan are trusts maintained on July 9, 2010, by declarations of trust under an agreement between the Foundation, Eterna Trust Inc. (the “trustee”) and Universitas Management Inc. (either the “manager” or the “distributor” depending on the context).

The signing of this trust agreement was an important change because it marked the creation of two separate trusts for each of the Plans, whereas the latter were previously integrated into the structure of the Foundation. The primary purpose of this change was to improve the segregation of duties and accounting tracking of contributions, and to make certain modifications to the management process to better ensure compliance with the rules.

An amendment to the trust agreement came into effect on November 12, 2013, changing the names of the trusts to “REFLEX Plan” and “INDIVIDUAL Plan”.

The assets in each trust are separate from those of the Foundation, the trustee and the individuals who benefit from the Trust, i.e. the plan subscribers. The assets may only be disposed of in accordance with the provisions of the trust agreement, the Plans, the related registered education savings plans and applicable laws. Therefore, from this standpoint, the structure of the trust offers transparency and security for the custody, conservation and use of subscribers’ contributions in the performance of the contracts’ provisions.

Under the terms of the trust agreement and separate agreements with the Foundation and Universitas Management Inc., several participants are involved in the management or execution of the plans, as well as in activities related to the distribution and implementation of the plans described in this prospectus.

These participants are the trustee, the Foundation, the manager, the distributor, the portfolio managers, the custodian, the external actuary and the auditors.

Over the past five years, the majority of the directors have held the same position. However, the main functions of certain directors changed, including Gaston Roy, who formerly served as Vice-President, Commercial Financial Services with the RBC Royal Bank of Quebec; Albert Caponi, who held the position of Vice-President, Finance and Administration and Chief Financial Officer, Aéroports de Montréal; and France Bilodeau, who was Senior Partner at Aon Hewitt.

Directors of the Foundation receive no remuneration other than an annual retainer, meeting attendance fees, and reimbursement of meeting expenses.

MANAGER OF THE PLANS

Universitas Management Inc.
1035 Wilfrid-Pelletier Avenue
Suite 500
Quebec (Quebec) G1W 0C5
(418) 651-8975
Email: info@universitas.ca
Website: universitas.ca

Universitas Management Inc. acts as the investment fund manager and plan distributor. Since 1997, Universitas Management Inc. has been a wholly-owned subsidiary of the Foundation. Universitas Management Inc. is registered as an investment fund manager and scholarship plan dealer pursuant to applicable securities legislation.

Universitas Management Inc. is a resulting joint stock company governed by the *Business Corporations Act* (Quebec).

DUTIES AND SERVICES TO BE PROVIDED BY THE MANAGER

In its capacity as manager, the main responsibility of Universitas Management Inc. is to manage the activities, operations and business of the Plans. Specifically, Universitas Management Inc., under the supervision of the Foundation, selects and retains the services of most of the other participants involved in the Plans’ management and operational structure, i.e. the trustee, custodian, portfolio managers, external actuary and auditors.

DETAILS OF THE MANAGEMENT AGREEMENT

As manager, Universitas Management Inc. provides the administrative services necessary for the Foundation’s activities. The manager is also responsible for accounting operations, establishing internal controls, and for keeping subscriber records.

Universitas Management Inc. keeps separate accounting records for each account held by a subscriber who signed a contract. It keeps the subscribers’ files up-to-date and records therein the subscribers’ personal information, such as name and address. These records are kept at the manager’s head office and the custodian may access them at any time in order to reconcile the subscribers’ accounting data with the transactions kept in its own books.

The manager is responsible for the Plans’ cash management operations and the inherent banking transactions. Among other things, the manager receives the contributions from subscribers and deposits them in trust. It sends the net contributions (after deduction of the sales charges) to the custodian as quickly as possible so these can be credited to the subscriber accounts and to ensure they are invested promptly by the portfolio managers.

Universitas Management Inc. is responsible for appointing and mandating the Plans' portfolio managers. Specifically, the manager ensures, under the supervision of the Investment Committee, that the decisions made in the performance of their duties comply with provisions of the investment policies.

It is responsible for giving instructions to the custodian and to the portfolio managers so that EAPs are made pursuant to the applicable Plans.

OFFICERS AND DIRECTORS OF THE MANAGER

The members of the manager's Board of Directors are also directors of the Foundation. Their remuneration is paid exclusively by Universitas Management Inc. Please refer to the table of directors in section "Directors and Officers of the Foundation" on page 48 for the names of the members of the Board of Directors.

Officers of Universitas Management Inc.

Name and city of residence	Primary office
Gaston Roy Quebec (Quebec)	President and CEO Universitas Management Inc. Director of the Foundation since 2009 Ultimate Designated Person
Isabelle Grenier, LL.B. Saint-Augustin-de-Desmaures (Quebec)	Executive Vice-President
Josiane Rivard, CPA, CA Quebec (Quebec)	Vice-President, Finance and Administration Chief Compliance Officer

CEASE TRADE ORDERS AND BANKRUPTCIES

To the knowledge of Universitas Management Inc., no director or senior executive of Universitas Management Inc., the Foundation or the Plans is, as of the date of this prospectus, or has been, during the ten years prior to the date of this prospectus, a board member, executive or head of the finance department of another issuer which, (i) while this person held that position, was the subject of a ban on transactions or a similar order or was refused the right to claim any exemption stipulated by the laws on securities for more than 30 consecutive days, or, (ii) after leaving such a position as a result of an event that occurred when he or she held office, was subject to a ban on transactions or a similar order or was refused the right to claim an exemption provided for by the laws on securities for more than 30 consecutive days.

To the knowledge of Universitas Management Inc., no board member or senior executive of Universitas Management Inc., the Foundation or the Plans is, on the date of this prospectus, or has been during the ten years prior to the date of this prospectus, a director or executive of an issuer which, when this person held this office or during the year after this person left office, declared bankruptcy, issued a settlement proposal under bankruptcy or insolvency laws, was the target of or initiated a legal proceeding, an arrangement with creditors, or a settlement with creditors, or for which a receiver, a managing receiver or a bankruptcy trustee was appointed in order to hold the assets.

Moreover, to the knowledge of Universitas Management Inc., no director or senior executive of Universitas Management Inc., the Foundation or the Plans, during the ten years prior to the date of this prospectus, filed for bankruptcy, issued a settlement proposal under bankruptcy or insolvency laws, was the target of or initiated a legal proceeding, an arrangement with creditors or a settlement with creditors, or for which a receiver, a receivership manager or a bankruptcy trustee was named in order to hold the assets.

TRUSTEE

Eterna Trust Inc.
801 Grande Allée Ouest
Suite 210
Quebec (Quebec) G1S 1C1

Under the terms of the Trust Agreement, it is normally the responsibility of Universitas Management Inc. to select the trustee. However, this choice must be made in the best interest of subscribers and beneficiaries, while acting in line with the Foundation's mission and its general strategy. Furthermore, the trustee selected must reside in Canada and hold a permit authorizing it, pursuant to Canadian or Quebec laws, to offer its services to the public.

Under the terms and conditions of an agreement signed on July 9, 2010, between Universitas Management Inc., the Foundation and Eterna Trust Inc., the latter has been given the responsibility to act as trustee for each of the Plans. Eterna Trust Inc. is a trust company holding a permit pursuant to the *Trust and Savings Company Act* (Quebec).

In its capacity and for the benefit of the persons with rights thereto under the Plans, the trustee safeguards and keeps in trust the Plan's assets, transferred, contributed, paid or entrusted thereto, to constitute the issuing Plan's assets to be invested and managed, including the contributions and the income on the contributions, until these amounts are reimbursed or paid to those entitled thereto in compliance with the terms governing these Plans and RESPs. In addition, the trustee oversees the asset investment and management activities of the Plans, according to the instructions of Universitas Management Inc. Some of these functions may be delegated to Universitas Management Inc. and to the custodian.

INFORMATION ON THE SCHOLARSHIP PLANS

In the event that Universitas Management Inc. refuses or is unable to act under an applicable law or regulation or pursuant to an order, judgment, decision, decree or directive issued by a court or a government, or an administrative, judicial, quasi-administrative or quasi-judicial authority, the trustee has agreed to act on behalf of the manager. It then fulfills the responsibilities of the stakeholder it replaces and, in this regard, the provisions of the Plans (and the RESPs they constitute) governing the replaced participant then apply to the trustee, with the necessary adjustments.

Pursuant to the terms of the Trust Agreement, the trustee receives an annual fee of \$27,500 for the performance of its duties for the Plans promoted by the Foundation, which is paid from the investment income on the Plans' assets corresponding to the accumulated balances in their subscriber accounts. The trustee may resign and the manager may relieve the trustee of its duties by giving the other party a 90-day written notice.

Whenever it deems it timely to do so and in the best interest of the subscribers, beneficiaries, or the Foundation's mission and general strategy, Universitas Management Inc. may, by separate agreement with the trustee, replace the trustee or add one or more trustees for any of the Plans without having to obtain prior consent from the subscribers.

FOUNDATION

The Universitas Foundation of Canada
1035 Wilfrid-Pelletier Avenue
Suite 500
Quebec (Quebec) G1W 0C5

The Universitas Foundation of Canada (the "Foundation") is a non-profit organization constituted in 1964. The Foundation's mission statement is: "We offer the stepping stone to a bright future for those who dare to dream!"

The Foundation oversees the administration and management of each plan by Universitas Management. This oversight can be exercised under the authority of the Trust Agreement and separate agreements reached for this purpose by the Foundation and Universitas Management. It may, for example, take the form of consultations prior to retaining the services of the trustee, custodian, portfolio managers, auditors and external actuary of each plan, or the Foundation exercising its right to require that Universitas Management give appropriate instructions to the custodian to ensure that it makes the payments required at maturity of the plans, including EAPs.

DIRECTORS AND OFFICERS OF THE FOUNDATION

The directors and officers of the Foundation are the following (in alphabetical order by surname):

Name and city of residence	Primary office
Albert Caponi, CPA, CA ^{(1) (2) (5)} Montreal (Quebec) Director of the Foundation since 2011	Businessman
André Caron, ASC ⁽⁴⁾ Quebec (Quebec) Director of the Foundation since 2009	Corporate director
François Grégoire Saint-Augustin-de-Desmaures (Quebec) Director of the Foundation since 2007	President and CEO Forces AVENIR (Not-for-profit organization that promotes student involvement)
Isabelle Grenier, LL.B ⁽⁵⁾ Saint-Augustin-de-Desmaures (Quebec) Director of the Foundation since 2018	Executive Vice-President Universitas Management Inc. (Investment fund manager and scholarship plan dealer)
Pierre Hamel, B.Sc., ASA, ACIA, ASC ^{(3) (5)} Boucherville (Quebec) Director of the Foundation since 2017	Corporate director
Yves Lacasse, LL.B., LL.B. (Common Law), MBA ^{(1) (4) (5)} Quebec (Quebec) Chairman of the Board, Director of the Foundation since 2003	Associate lawyer Joli-Cœur Lacasse, attorneys (Law firm)
François Lavoie, B.Com., B.A., Adm.A., F.Pl. ^{(2) (3) (5)} Quebec (Quebec) Director of the Foundation since 2003	Senior Vice-President Wealth Management Professionals' Financial
Jean Marchand, B.Com., M.Sc. ^{(2) (5)} Quebec (Quebec) Former Chairman of the Board, Director of the Foundation since 1964	Founder and Director Universitas Foundation of Canada

Name and city of residence	Primary office
Liette Monat, MBA, Ph.D. ⁽⁴⁾ ⁽⁵⁾ Montreal (Quebec) Director of the Foundation since 1994	President Liette Monat Business Strategies Inc. (Professional services marketing)
Jean-Bernard Robichaud Ph.D. ⁽⁴⁾ Gatineau (Quebec) Director of the Foundation since 1995	Special advisor Department of Program Development Association of Universities and Colleges of Canada (Not-for-profit organization that promotes the interests of higher education and academic research)
Gaston Roy ⁽⁵⁾ Quebec (Quebec) Director of the Foundation since 2009	President and CEO Universitas Management Inc. (Investment fund manager and scholarship plan dealer)
Jacques Topping, CPA, CA, MBA, ASC ⁽¹⁾ ⁽⁵⁾ Quebec (Quebec) Director of the Foundation since 2013	President MissionBis Inc. (Holding company)

1. Audit and Risk Management Committee of the Foundation
2. Audit and Human Resources Committee of Universitas Management Inc.
3. Investment Committee of Universitas Management Inc.
4. Governance Committee of the Foundation
5. Board of Directors of Universitas Management Inc.

INDEPENDENT REVIEW COMMITTEE

Pursuant to the requirements of *Regulation 81-107 on the Independent Review Committee for Investment Funds*, the manager has appointed an Independent Review Committee (hereinafter the “IRC”) composed of three persons who have no significant relationship with the Foundation, Universitas Management Inc. or any entity affiliated to them. The IRC acts for each of the Plans promoted by the Foundation.

With regard to conflict of interest issues, the provisions of *Regulation 81-107* stipulate that, as an investment fund manager, and based on its obligations under securities legislation, the manager of each Plan must perform the following for each issue it is required to submit to the IRC:

- ▶ establish written policies and procedures, either to oversee the management of such an issue or to prevent potentially damaging effects for subscribers;
- ▶ submit these policies and procedures to the IRC.

The IRC is an independent body integrated to the governance structure of the Plans, with the mandate to improve the quality of management through the supervision of conflict of interest issues that may arise in the administration, asset management or operations of the Plans.

In this context, a “conflict of interest issue” is:

- ▶ a situation in which a reasonable person would consider that Universitas Management Inc. or an entity affiliated to Universitas, has an interest that might conflict with its ability to act in good faith in the interest of the Plans; or
- ▶ a provision relating to conflicts of interest or related operations that prohibits a Plan, Universitas Management Inc., or an entity related to the latter, from executing a planned transaction or which imposes a restriction in this respect.

The primary role of the IRC is to review and take a position on the conflict of interest issues submitted to it by Universitas Management Inc. for decision or approval, as applicable, and to perform other functions prescribed by securities legislation, the IRC Charter or the policies and procedures of the Foundation.

The IRC members are:

Roger Demers, ASC, FCPA, FCA	Chairman of the committee and member since 2013
Luc Paradis, LL.L.	Member since 2013
Pierre Lapointe, FCPA, FCA, ASC	Member since 2018

The IRC is required to prepare, for each fiscal year of the Plans, and no later than the date on which they file their annual financial statements, a report to subscribers describing the IRC’s composition and activities. This report is available on the Foundation’s website at universitas.ca. You can also obtain a copy on request, free of charge, by contacting us at info@universitas.ca.

GOVERNANCE COMMITTEE OF THE FOUNDATION

The Governance Committee is a committee of the Foundation’s Board of Directors. Its mandate is to ensure the quality of the governance structures and mechanisms of the Foundation and its subsidiary, Universitas Management Inc. and to make appropriate recommendations in terms of governance, if applicable. The Committee keeps watch of governance and is knowledgeable of the latest developments regarding the best industry practices. It handles ethical cases that may be submitted to it, as well as conflict of interest issues that are not under the IRC’s responsibility.

This Committee is currently comprised of four independent, unrelated directors: André Caron, Yves Lacasse, Liette Monat and Jean-Bernard Robichaud.

AUDIT AND RISK MANAGEMENT COMMITTEE OF THE FOUNDATION

The Audit and Risk Management Committee is a committee of the Foundation’s Board of Directors. Its mandate is to ensure the quality of the financial reporting of the Foundation and the Plans, to represent the Foundation in matters with the external auditors, and to oversee the organization’s risk management.

This committee is currently comprised of three independent, unrelated directors: Albert Caponi, Yves Lacasse and Jacques Topping.

INFORMATION ON THE SCHOLARSHIP PLANS

HUMAN RESOURCES AND AUDIT COMMITTEE OF UNIVERSITAS MANAGEMENT INC.

The Human Resources and Audit Committee is a committee of the Board of Directors of Universitas Management Inc. Its mandate is to examine the policies, practices and organisational structures in terms of human resources and remuneration, and to ensure the integrity of Universitas Management Inc.'s financial reporting.

This committee is currently comprised of three independent, unrelated directors: Albert Caponi, François Lavoie and Jean Marchand.

INVESTMENT COMMITTEE OF UNIVERSITAS MANAGEMENT INC.

The Investment Committee is a committee of the Board of Directors of Universitas Management Inc. Its mandate is to develop and adopt investment policies relevant to the Plans promoted by the Foundation. It is responsible for making recommendations to Universitas Management Inc. regarding the appointing or, if necessary, dismissal of portfolio managers as well as for their performance review. The Investment Committee also ensures compliance with its policies in the interest of Plan subscribers and beneficiaries.

This committee is currently comprised of two independent, unrelated directors: Pierre Hamel and François Lavoie; and two outside members: and France Bilodeau and Gilles Bernier.

COMPENSATION OF DIRECTORS, OFFICERS, TRUSTEES AND INDEPENDENT REVIEW COMMITTEE MEMBERS

The Plans have no Board of Directors, officers or employees.

The Foundation directors receive an attendance fee for Board meetings or for any other committee meeting, as well as an annual retainer. In 2017, the fees for Foundation meetings totalled \$211,100. This amount was paid from the administration fee.

The remuneration of the IRC members for attending meetings or for any other special assignment is paid by the plans. Regular IRC members each receive an attendance fee of \$1,500 per meeting and an annual retainer of \$3,500. The chairman of the committee receives an attendance fee of \$1,750 per meeting, as well as an annual retainer of \$6,000.

Eterna Trust acts as trustee of the scholarship plans promoted by the Foundation. It receives a flat fee of \$27,500 per year for its services for all Plans combined.

This fee is invoiced to the Plans and prorated to the average value of the assets under management in each Plan.

THE PORTFOLIO MANAGERS

To implement the investment policies for the Plans' assets and manage the resulting investment portfolios, Universitas Management Inc. has retained the services of securities advisors registered as portfolio managers pursuant to securities legislation. These are Fiera Capital Corporation, AlphaFixe Capital, Inc., Jarislowsky Fraser Limited, Montrusco Bolton Investments Inc., and State Street Global Advisors Ltd. The portfolio managers are not entities belonging to Universitas Management Inc. or the Foundation.

Management of fixed-income securities is entrusted to Fiera Capital Corporation, AlphaFixe Capital Inc. and Montrusco Bolton Investments Inc. Management of investments in Canadian equities is entrusted to Jarislowsky Fraser Limited, Montrusco Bolton Investments Inc., and State Street Global Advisors Ltd.

The portfolio managers are responsible for conducting research and making investment decisions, and for purchasing and selling securities in compliance with the qualitative and quantitative limits established under the investment policies. They may enter into brokerage agreements in managing their portfolio. By delegation of Universitas Management Inc. and in compliance with its instructions, as applicable, they exercise the voting rights on the investments thus made within their respective mandate, in accordance with the objectives of the Foundation's investment policies. The proxy voting reports prepared by the portfolio managers are available on our website at universitas.ca.

However, Universitas Management Inc., on recommendation of its Investment Committee, reserves the privilege to exercise part or all of the voting rights by communicating its intent to do so to the securities advisors within a reasonable period.

Fiera Capital Corporation

Fiera Capital Corporation, a leading independent asset management firms, is rapidly acquiring a global presence and reputation. With more than \$139 billion in assets under management as at June 30, 2018, the firm offers to institutional, private wealth and retail markets full-service, integrated portfolio-management solutions that span a broad array of traditional and alternative asset classes. Clients stand to benefit from Fiera Capital's depth of expertise, diversified offerings, and performance-driven entrepreneurial culture. The firm provides its best-in-class investment and asset allocation teams the necessary scope to responsibly pursue their particular strategies as boutique investment managers, backed by the substantial organizational and distribution resources befitting an industry leader.

Headquartered in Montreal, Fiera Capital also has offices in Toronto, Calgary, Vancouver, and Halifax, as well as New York, Boston, Los Angeles and Dayton (Ohio) in the United States, London and the Isle of Man in the United Kingdom and Frankfurt, Germany. The firm has more than 700 employees, including some 160 investment professionals, dedicated to meeting the needs of a diverse clientele that includes pension funds, endowments, foundations, religious and charitable organizations, family offices, high-net-worth individuals, financial institutions, retail investors, mutual funds and managed-asset

platforms. Fiera Capital trades under the ticker FSZ on the Toronto Stock Exchange.

Its mandate is to invest the assets of the Plans in fixed-income securities in accordance with the directives it receives from Universitas Management Inc. in line with its investment policies.

The firm's investment philosophy is based on a multi-strategy style in which active duration management, portfolio positioning on the yield curve, sector selection and active management of corporate securities are the means used to add value over the benchmark. Investment decisions are made by the senior portfolio managers, who have ultimate responsibility for the portfolios after analysis and consultation with other members of the bond management team. Decisions are not subject to the approval of a committee, except in the case of asset allocation.

The individuals in this firm primarily responsible for providing portfolio management services for the Plans are:

Name and position	Length of service with the portfolio advisor	Experience in the business sector
Christopher Laurie, MBA, CFA Vice-President and Senior Portfolio Manager, Fixed Income	24 years	31 years
Jane-Marie Rocca Senior Portfolio Manager, Fixed Income	34 years	34 years

The services rendered are provided mainly in Montreal, Quebec and in Toronto, Ontario.

AlphaFixe Capital Inc.

Founded in 2008 by seasoned managers, AlphaFixe Capital is an investment management firm specializing in fixed income. From its office in Montreal, AlphaFixe Capital primarily serves institutional clients which consist of pension funds, insurance companies, religious communities and foundations. AlphaFixe Capital offers a full range of strategies specific to the bond market.

Its mandate is to invest the assets of the Plans in fixed-income securities under its mandate from Universitas Management Inc. in accordance with the investment policies. The investment philosophy is based on a rigorous risk management process. The concepts of capital preservation and flexibility in implementing different strategies are transposed into the company's internal models that are both sophisticated and accessible. Bond investment strategy decisions are team-based and reflect a fundamental long-term view.

AlphaFixe Capital's mission is to create consistent added value by recommending a fundamental approach based on the intrinsic value of the assets and a limited risk tolerance model. To achieve this, AlphaFixe Capital uses five distinct sources of added value,

which can be deployed according to different market opportunities. In addition, an internal bond model of bond issuers incorporates non-financial risks (environmental, social and governance).

The individuals in this firm primarily responsible for providing portfolio management services for the plans are:

Name and position	Length of service with the portfolio advisor	Experience in the business sector
Stéphane Corriveau, ASA President and Managing Director	10 years	27 years
Sébastien Rhéaume, CA, CFA Managing Director	10 years	27 years

The services rendered are provided exclusively in Montreal, Quebec.

Jarislowsky Fraser Limited

Jarislowsky Fraser Limited is a registered investment consulting firm, managing pension funds, endowment funds and corporate and private portfolios for clients in North America and overseas. The company was founded in 1955 as an investment research firm. In the early 1960s, the firm began to use its research material to counsel private investors and, shortly after, pension funds. Today the firm offers portfolio management services to government bodies, corporations, universities, labour unions, religious organisms and individuals. The company has offices in Montreal, Toronto, Calgary, Vancouver and New York (through its wholly-owned subsidiary, Jarislowsky, Fraser USA, Inc.)

Since May 1, 2018, Jarislowsky Fraser is a wholly-owned subsidiary of The Bank of Nova Scotia ("Scotiabank") and operates as a distinct business division. Its investment management approach and decision-making process are independent from Scotiabank and its other asset management businesses.

The firm's primary objective is the growth of its clients' capital while maintaining a low level of risk. The firm's philosophy is founded on time-proven conservative principles of investment management based on fundamental research. The firm constructs diversified high-quality portfolios that are designed to protect existing investments and achieve long-term growth for its clients.

Its mandate is to invest the assets of the Plans in Canadian equities in accordance with the directives of Universitas Management Inc. and in line with its investment policies. The decision-making process is based on a team approach and a disciplined investment process. Its investment strategy committee, comprised of experienced investment professionals, is a central oversight group responsible for ensuring that all portfolios follow the firm's philosophy and fundamental investment process. Although this committee sets the investment boundaries and

INFORMATION ON THE SCHOLARSHIP PLANS

structure, the portfolio managers are directly responsible for investing all the securities in each client's portfolio and for continuous monitoring and rebalancing of the asset allocation and the weighting of sectors and individual securities, to ensure that each account is in compliance with its specific investment policy.

The individuals in this firm primarily responsible for providing the portfolio management services for the Plans are:

Name and position	Length of service with the portfolio advisor	Experience in the business sector
Jacques Nolin, B.Sc., MBA Senior Director and Portfolio Manager	30 years	32 years
Éric N. Desbiens, CFA Director and Portfolio Manager	18 years	19 years

The services rendered are provided mainly in Montreal, Quebec.

State Street Global Advisors Ltd.

State Street Global Advisors Ltd. (SSGA Canada) is the asset management business of State Street Corporation, one of the world's leading providers of financial services to institutional investors. SSGA strives to be the premier global asset manager that clients trust for investment insight, solutions and results. SSGA has the ability to combine a disciplined, precise investment process with a global investment platform that provides clients access to every major asset class, capitalisation range and style. The firm is recognized for its indexing leadership and for its capacity to generate added value over the benchmark.

State Street Global Advisors Ltd. (SSGA Canada), the Canadian office of State Street Global Advisors (SSGA), was established in 1991, with offices in Montreal and Toronto. SSGA Canada ranks as one of the major investment managers in Canada. The firm has a diverse client base that includes defined benefit and defined contribution pension funds, insurance companies, official institutions, foundations, charities, local authorities, family offices and intermediaries.

Its mandate is to invest the assets of the Plans in Canadian Equity public securities in accordance with the directives it receives from Universitas Management Inc., and in line with its investment policies. The investment philosophy is based on a systematic approach seeking to provide exposure to high dividend securities

and low expected volatility relative to the S&P/TSX Composite Index.

The individual in this firm primarily responsible for providing the portfolio management services for the Plans is:

Name and position	Length of service with the portfolio advisor	Experience in the business sector
Emiliano Rabinovich, BA(Econ), MA, CFA Vice-President and Senior Portfolio Manager	12 years	15 years

The services rendered are provided mainly in Montreal, Quebec.

Montrusco Bolton Investments Inc.

Montrusco Bolton Investments Inc. (MBII) is a portfolio management firm that serves institutional clients, including pension funds, foundations, insurance companies and mutual funds. The firm dates back to 1946. Its corporate offices are in Montreal, where all assets are managed, and other offices are in Montreal and Toronto. MBII is a private company whose shares are owned by key employees and two strategic partners: Affiliated Managers Group Inc. and the *Fonds de solidarité* FTQ (labour-sponsored fund).

MBII's investment philosophy is to achieve long-term growth of assets while preserving capital.

The firm's bond management philosophy is based on prudence, income and capital protection. The bond portion of a balanced portfolio must not put capital at risk and, therefore, must be managed with prudence and discipline. Furthermore, in the context of the investment process and an optimal strategic management, MBII analyzes the following: management of weightings by asset class, credit quality analysis, management of sector weightings, and management of the term and yield curve.

Its mandate is to invest the assets of the plans in Canadian equities according to the directives of Universitas Management Inc., and in line with its investment policies.

For equities, MBII's strategy focuses on Canadian companies with a combination of high dividend yield and high dividend growth emphasizing downside risk protection. The net result is an equity strategy with lower beta and lower volatility than the benchmark and good downside protection in market corrections.

The individuals in this firm primarily responsible for providing the portfolio management services for the plans are:

Name and position	Length of service with the portfolio advisor	Experience in the business sector
Richard Guay, MBA, CFA Senior Vice-President	18 years	25 years
Olivier Barres, B.Com., CIM Vice-President, Fixed Income	14 years	21 years
Richard Guay, MBA, CFA Senior Vice-President	13 years	13 years

The services rendered are provided mainly in Montreal, Quebec.

DETAILS OF THE PORTFOLIO MANAGEMENT CONTRACT

The portfolio advisors manage the plan assets pursuant to the mandates they signed with Universitas Management Inc., and in accordance with their specific respective directives. The mandates included the obligation to comply with the investment policies and the limits established by those policies, and the obligation to comply with the legal requirements imposed by securities legislation. The managers have a duty to analyze, recommend and make investment decisions. The portfolio management contracts may be terminated at any time with a written notice to the other party.

PRINCIPAL DISTRIBUTOR

Universitas Management Inc.
1035 Wilfrid-Pelletier Avenue
Suite 500
Quebec (Quebec) G1W 0C5

Through its sales force of nearly 150 scholarship plan representatives and its administrative personnel, Universitas Management Inc. also acts as principal distributor of the plans, in compliance with current securities legislation and tax laws. Universitas Management Inc. has been involved in this type of activity since March 2, 1964, and has done so for the Plans pursuant to an agreement dated July 9, 2010.

Since Universitas Management Inc. acts as distributor and manager of the plans, these are considered “connected issuers” with respect to Universitas Management Inc. as defined by *Regulation 33-105 respecting conflicts of interest for distributors*.

The Foundation may terminate its contract for the sale and distribution of scholarship plans with Universitas Management in the event of the latter’s serious failure to meet its obligations.

DEALER COMPENSATION

The Plans pay an annual administration fee to the Foundation, as the plan promoter, and to Universitas Management, which acts as scholarship plan dealer, investment fund manager and distributor. These fees are drawn from each Plan’s assets and are used to pay for the duties executed by the Foundation and Universitas Management Inc.

The annual administration fee corresponds to 1.18% (excluding all applicable taxes) of the assets under management, and is used to pay for the administration costs of each Plan, with the exception of the fees for the IRC which are taken directly from the Plans’ assets pursuant to securities legislation.

Moreover, any portion of the administration fee that is not required for the maintenance or development of the organization is returned to the Plans for the educational assistance payments.

Universitas Management Inc. is compensated on the basis of the number or the value of the educational assistance plans subscribed. The sales charges paid by the subscriber pursuant to the plan subscribed are paid to Universitas Management Inc. in order to pay the commissions of the representatives and other distribution costs. The representatives are compensated through commissions calculated according to the number of units sold and, in certain cases, the savings invested. They may also receive, as applicable, an additional compensation based on the number of net units sold over the previous 12 months, and receive a bonus for INDIVIDUAL Plans opened on behalf of a beneficiary from a family eligible for the Canada Learning Bond. As applicable, the representatives’ compensation is paid by Universitas Management Inc. primarily from the sales charges, with part of their compensation being paid from the administration fee. In 2018, 2.44% of the administration fee received from the Plans were paid to representatives as trailing commissions.

As compensation, representatives may also win prizes, participate in contests or receive awards during the annual convention. All the expenses paid by Universitas Management Inc. for these incentives are taken from its own funds and are not charged to subscribers, beneficiaries or Plans.

CUSTODIAN

CIBC Mellon Trust Company
320 Bay Street, P.O. Box 1
Toronto (Ontario) M5H 4A6

Under the terms of the trust agreement, Universitas Management Inc. may retain the services of the custodian it deems competent, at its discretion.

Pursuant to the terms and conditions of an agreement entered into on October 17, 2016, between Universitas Management Inc. and CIBC Mellon Trust Company, the latter acts as custodian for each Plan.

In this capacity, the custodian receives the contributions for crediting to subscriber accounts as well as the government grants, income earned on the plan’s assets and the net gains transferred to Universitas Management Inc. by subscribers to be deposited to their account.

INFORMATION ON THE SCHOLARSHIP PLANS

The custodian acts as custodian of securities and other forms of investments in which these sums are invested, and as agent for the registers of the Plan in question.

At maturity of a plan or when it expires, the custodian reimburses the subscriber, from the assets of this plan, the full amount of his or her contributions, including the sales charges that must be refunded to him or her, according to the instructions given by Universitas Management Inc. on behalf of the trustee. It also reimburses, from the assets of the relevant Plan, the government grants paid by the government of Canada or Quebec, as applicable, under the conditions stipulated by the tax laws governing the Plan in question.

The custodian's fee is paid directly from the investment income on assets in the subscriber accounts. It has been established by applying the following rates: 0.009% of the average annual assets under management, \$8 per transaction and \$15 per electronic transfer.

The services agreement between Universitas Management Inc. and the custodian is currently in effect for one year, but either party may terminate it at an earlier date by giving a 90-day written notice to the other party.

AUDITOR

Deloitte, LLP
801 Grande Allée Ouest
Quebec (Quebec)
G1S 4Z4

TRANSFER AGENT AND REGISTRAR

Universitas Management Inc.
1035 Wilfrid-Pelletier Avenue
Suite 500
Quebec (Quebec) G1W 0C5

Universitas Management Inc. provides administrative services, specifically with regard the keeping of books and records of account, and the maintaining of files. It keeps separate accounting records of the subscriber accounts and provides the custodian with access to this accounting data it compiles to allow reconciliation with the accounting of subscribers' accounts maintained by the custodian.

PROMOTER

Universitas Foundation of Canada
1035 Wilfrid-Pelletier Avenue
Suite 500
Quebec (Quebec) G1W 0C5

The Foundation, a Canadian resident, promotes the REFLEX Plan and the INDIVIDUAL Plan.

OTHER SERVICE PROVIDERS

Eckler Ltd.
800 René-Lévesque Boulevard West, Suite 2200
Montreal (Quebec) H3B 1X9

Eckler Ltd. acts in the capacity of external actuary of each Plan. The actuary assists in determining the contribution amount payable per whole unit purchased under the contract. For this purpose, it validates the valuations used to establish this measurement unit.

Another of its responsibilities is to approve the methodology used to calculate and determine the unit value of the EAPs payable to qualified beneficiaries. This methodology is described in the accompanying notes of the Plan's annual financial statements, incorporated by reference in this prospectus.

In addition, Universitas Management Inc. annually calculates the current value of its obligation to refund sales charges at maturity. To do so, it uses the * accumulated cost value? cash flow projections made by the external actuary.

OWNERSHIP OF THE INVESTMENT FUND MANAGER AND OTHER SERVICE PROVIDERS

Universitas Management Inc. is a wholly-owned subsidiary of the Universitas Foundation of Canada.

EXPERTS WHO CONTRIBUTED TO THIS PROSPECTUS

The contribution schedules presented in this prospectus were prepared in collaboration with the external actuary of the Plans.

The issues addressed in "How Taxes Affect your Plan" on page 17 and certain other legal issues concerning the plans have been reviewed by Lavery, de Billy, LLP

The financial statements of the plans were audited by Deloitte, LLP.

The personnel associated with these experts hold an interest of less than 1% in the Plans and no stake in Universitas Management Inc.

SUBSCRIBER MATTERS

MEETINGS OF SUBSCRIBERS

Any request for a change to the contract must be signed by the subscriber and sent in writing to Universitas Management Inc.

Universitas Management Inc. and the trustee may also agree, without consulting the beneficiary or the subscriber, to modify or amend the provisions of the contract if, in the opinion of Universitas Management Inc. and the trustee, such modification or amendment:

- ▶ is made for the purpose of complying with a federal law or law of a Canadian province or an order, rule or regulation adopted pursuant to such law; or
- ▶ is necessary to overcome administrative difficulties to the extent that they do not adversely affect the subscribers and beneficiaries.

Other changes affecting the rights of subscribers or beneficiaries may be made only with the consent of Universitas Management Inc., the trustee and the subscribers. This is also true for changes that might cause a drop in the unit value of the EAPs and which, in the opinion of the external actuary, prevent the issuance of the actuary's certificate. This certificate, issued on an annual basis and placed on our website, certifies the fair and accurate nature of the distribution of the income and expenses (by beneficiary group and by Plan) and the calculation of the unit value of the EAPs.

As necessary, Universitas Management Inc. or the trustee calls a meeting of subscribers with a notice of at least 21 days in order to review and approve all other changes. A resolution of the subscribers may be adopted by simple majority of the votes cast by the subscribers at a meeting or represented by proxy. Each subscriber is entitled to one vote per type of Plan held, regardless of the number of contracts in his or her name or the number of units held. For the purposes of this paragraph, it is possible to subscribe to three types of Plans: the REFLEX Plan, the INDIVIDUAL Plan and the UNIVERSITAS Plan.

MATTERS REQUIRING SUBSCRIBER APPROVAL

No matters other than changes to the trust agreement and the contracts require the subscriber's approval.

Any change made to the contracts by Universitas Management Inc. and the trustee must first be recommended by a committee appointed specifically for this purpose. Such recommendation is then submitted for approval to the Board of Directors and, as necessary, to the external actuary for the issuance of a certificate.

AMENDMENTS TO THE TRUST AGREEMENT

The Foundation and the trustee may act jointly, without requiring approval from the subscribers, to make any amendment to the trust agreement and the trust declarations covering:

- ▶ the management of the plans or any administrative change, provided that such changes are not likely to affect subscribers and beneficiaries adversely;
- ▶ the addition of a protection or an additional benefit to subscribers or beneficiaries; and
- ▶ the maintenance of the status of each plan pursuant to tax laws.

However, amendments to the provisions of the trust agreement or trust declaration intended to resolve a reasonably important issue for subscribers and beneficiaries other than a question described in the preceding paragraph, may only be made with the consent of subscribers in the form of a resolution obtained in a meeting in accordance with the procedure stipulated in the trust agreement. For example, a modification to the components of a Plan would require the approval of subscribers in the form of a resolution.

REPORTING TO SUBSCRIBERS AND BENEFICIARIES

In March of each year, the Management Report of Fund Performance and the annual audited financial statements as at December 31st are sent to subscribers who request these in writing, along with their account statements. The interim financial statements as at June 30th are also sent to any subscriber on written request.

For this purpose, we send a letter each year to all subscribers asking them to confirm if they wish to receive the printed annual and interim financial statements. These financial statements are available on the website of the Canadian Securities Authority at sedar.com and on our website at universitas.ca.

BUSINESS PRACTICES

OUR POLICIES

We have implemented policies and procedures to ensure the sound management of the plans promoted by the Foundation pursuant to securities regulations and the applicable laws.

We have developed a manual of practices and procedures in order to monitor business practices and the compliance of all sectors of the organization, including the sales sector.

Moreover, in collaboration with the IRC and the Audit and Risk Management Committee, we conduct regular verification of the correct application of the policies, procedures and restrictions on the investment policies.

VALUATION OF PORTFOLIO INVESTMENTS

The Plans qualify, under IFRS, as investment entities since they oversee the management of the funds from investors (subscribers) with the aim of achieving returns by way of capital appreciation and investment income. Additionally, the Plans assess the performance of these investments based on fair value. The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability for a transaction carried out between market participants at the measurement date, regardless of whether this price is directly observable or estimated using a valuation technique. When the Plan estimates the fair value of a financial asset or a financial liability, it takes into account the characteristics of the assets and liabilities if such is what market participants would do to determine the price of an asset or liability as at the measurement date.

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

The fair value of security investments is established from the bid price values. If quoted prices in active markets are unavailable, the fair value of short-term investments as well as bonds is, for its part, determined through the use of current industry-specific

INFORMATION ON THE SCHOLARSHIP PLANS

valuation methods, such as a model whose application is based on discounting the expected future cash flows or similar techniques. These methods take account of current observable data on the market for financial instruments with a similar risk profile and comparable terms. The important data used in these models include, but are not limited to, yield curves and credit risks. The custodian confirms that it takes on the responsibility to provide valuation of the portfolio's assets since 2008, and has not altered the valuation methods described herein.

The fair value of the net assets attributable to contracts corresponds to its carrying amount, given that it is the residual amount allocated to contract holders and beneficiaries at the reporting date.

PROXY VOTING

The exercise of proxy voting rights on portfolio securities is delegated to portfolio managers, who perform this responsibility in compliance with the objectives of the investment policies.

Upon request, you may obtain (at no cost) the proxy voting materials of the Plan for the most recent period (ended on June 30th) after August 31st of the same year on the Foundation's website at universitas.ca.

Fiera Capital Corporation and AlphaFixe Capital Inc. do not manage any investment for the Plans that carries a voting right. Jarislowsky Fraser Limited, Montrusco Bolton Investments Inc., and Street State Global Advisors Ltd. implement policies and procedures for proxy voting, designed to create or increase the economic value of their client's portfolio. This implies voting with members of the Board of Directors of the companies seeking the proxies who, as representatives of the Plans, must act in the best interest of the plans.

On the other hand, if the portfolio managers believe that a proposal will unduly increase the risk or reduce the economic value of the plans, or that it is not in the interest of the Plans, their vote will go against that of the Board of Directors.

They may also refuse to participate in a vote if they believe it is in the best interest of the plans.

However, Universitas Management Inc., on recommendation from the Investment Committee, reserves the right to exercise its voting rights by giving the portfolio managers reasonable notice of its intention to do so.

It is possible to obtain on request, free of charge, the policies and procedures followed by the scholarship plan in the exercise of the voting rights granted by proxy with respect to the portfolio securities by calling toll-free 1-877-710-RESP (7377) or by writing to Universitas Management at 1035 Wilfrid-Pelletier Avenue, Suite 500, Quebec (Quebec) G1W 0C5.

CONFLICTS OF INTEREST

Universitas Management Inc. is a wholly-owned subsidiary of the Foundation, which acts as plan promoter and whose mission is to supervise the administration and management of the plans. It is therefore possible that situations may arise in which conflicts of interest exist in the relations between the Foundation and Universitas Management Inc. For more detailed information on this subject, see "Manager of the Plans" on page 46 and "Independent Review Committee" on page 49.

KEY BUSINESS DOCUMENTS

The Foundation and Universitas Management Inc. are parties to the following key contracts:

- 1) Scholarship Plan Agreements of the REFLEX Plan and the INDIVIDUAL Plan between the subscribers and the Universitas Foundation of Canada dated December 17, 2018. They define all the terms of the Plans, as well as the duties and responsibilities of the parties when a Plan is opened.
- 2) Agreement between the Foundation and Universitas Management Inc., Manager-Distributor, dated January 20, 1998. This agreement defines the responsibilities of Universitas Management Inc. for the plans that it issues, which has been delegated certain tasks and responsibilities as investment fund manager for the Foundation and as exclusive distributor. This contract was extended and split in two on December 23, 2010, so as to clearly define the two roles of Universitas Management Inc. An amendment to one of the above contracts, i.e., that which pertains to the exclusive management of business, was signed on April 9, 2014. A second amendment to this same contract was signed on September 7, 2017.
- 3) Agreement between the Foundation and the trustee dated July 8, 2010, and restated on December 23, 2010. This agreement defines the responsibilities of Trust Eterna Inc. in the administration of the plans promoted by the Foundation. Amendments to this agreement were made on November 12, 2013, January 1, 2016 and May 17, 2017.
- 4) Agreement between the Foundation and the custodian dated October 17, 2017. This agreement defined the responsibilities of the custodian charged with keeping the registers, CIBC Mellon Trust Company, in the management of the assets of the Plans.
- 5) Agreement between Universitas Management Inc. and Fiera Capital Corporation on April 1, 2011. The agreement sets forth the powers and responsibilities of this portfolio manager. An amendment to this agreement was signed on March 19, 2014.
- 6) Agreement between Universitas Management Inc. and AlphaFixe Capital Inc. dated July 1, 2011. The agreement sets forth the powers and responsibilities of this portfolio manager. An amendment to this agreement was signed on August 31, 2015.

- 7) Agreement between the Foundation and Jarislowsky Fraser Limited signed on December 20, 2011. The agreement defines the powers and responsibilities of this portfolio manager. Amendments to this agreement were signed on March 24, 2014, and November 21, 2016.
- 8) Agreement between the Foundation and Montrusco Bolton Investments Inc. dated February 1, 2014. The agreement defines the powers and responsibilities of this portfolio manager. Amendments to this agreement were signed on March 21, 2014, and November 28, 2016.
- 9) Agreement between Universitas Management and State Street Global Advisors Ltd., dated August 30, 2016. This agreement sets forth the powers and responsibilities of this portfolio manager. A first amendment to this agreement was signed on February 10, 2017, and a second on June 16, 2017.
- 10) Administration agreement between Trust Eterna Inc., the UNIVERSITAS, REFLEX and INDIVIDUAL Plans, the Foundation and Universitas Management Inc. on December 23, 2010. This contract establishes the services rendered by the Foundation to the Plans. A renewed agreement was signed by the parties and came into force December 23, 2015.
- 11) The group insurance policy agreement between the Foundation and Humania Assurance Inc. dated September 29, 2017, regarding the optional life and disability insurance offered to subscribers pursuant to the conditions described in the Distribution Guide. This agreement came into effect on October 1, 2017.
- 12) Agreement between the Foundation and Human Resources and Social Development Canada dated February 12, 2016. This agreement defines the conditions governing receipt and administration of the Canadian Educational Savings Grant or the Canadian Learning Bond, or both, as applicable.
- 13) Agreement between Universitas Management Inc. and the Quebec Revenue Ministry (QESI) dated June 30, 2008. This agreement defines the conditions for the implementation and administration of the Quebec Educational Savings Incentive.

You may consult copies of the aforesaid documents during our business hours at 1035 Wilfrid-Pelletier, Suite 500, Quebec (Quebec) G1W 0C5.

LEGAL MATTERS

EXEMPTION AND APPROVAL UNDER SECURITIES LAWS

In 2001, pursuant to Decision No. 2001-C-0383 of the *Autorité des marchés financiers* (previously the Quebec Securities Commission), the Foundation obtained an exemption from application of Article 4 of the *General Instruction C-15 – Conditions Precedent to Acceptance of the prospectus of university educational plan foundations* in order to allow the Foundation to invest the assets in its account in shares of common stock in companies. For more details on the investment

terms and conditions stipulated in Decision No. 2001-C-0383, see the “Investment Objectives, Strategies and Restrictions” section.

In 2017, pursuant to Decision No. 2017- SACD-0007 of the *Autorité des marchés financiers*, Universitas Management Inc. was granted relief from Article 4.1(1)(a) under *Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations*. The exemption allows the registration of François Lavoie as a director of Universitas Management Inc., as a dealing representative of Professionals’ Financial – Private Management Inc., and as a senior officer of Professionals’ Financial – Mutual Funds Inc.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

On August 20, 2012, the *Autorité des marchés financiers* submitted a petition to the Office of Decision and Audit seeking an administrative penalty of \$15,000 against the Universitas Foundation of Canada. The facts in the case date back to 2010 and refer primarily to investments that were not authorized by regulation.

In 2010, the Foundation made the corrections required by the *Autorité des marchés financiers*. Moreover, the decision specifies that the Universitas Foundation of Canada reacted quickly and that the situation did not occur again.

The elements of non-compliance raised concerning the investments and the related administrative penalty have not had and will not have any impact or effect for subscribers or beneficiaries.

On July 19, 2016, a request seeking authorization to institute a class action against certain RESP providers, including the Universitas Foundation of Canada and Universitas Management Inc., was presented before the Superior Court of Quebec. On June 14, 2018, the application was rejected by the Superior Court, refusing the class action. On August 2, 2018, an appeal was filed to review this decision, the processing time of which is undetermined at this stage. In tandem, on June 15, 2018, a second application for authorization to institute a class action was filed against the same defendants for the same causes and purposes as the first claim. This second application was suspended pending the outcome of the appeal for the first application. The applications and the appeal are not likely to create or alter any rights for the Universitas Foundation of Canada and Universitas Management Inc. at this stage. We cannot predict the final outcome of the appeal or applications, nor can we predict their potential financial impact on the Universitas Foundation of Canada or Universitas Management Inc., if applicable.

Certificates

DECLARATION OF PLANS

December 17, 2018

This prospectus, together with the documents incorporated herein by reference, constitutes a full, true and clear disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Quebec and New Brunswick.

Universitas Management Inc.

On behalf of the plans, as Investment Fund Manager

(s) *Gaston Roy*
President and Chief Executive Officer

(s) *Josiane Rivard*
Vice-President, Finance and Administration

The Universitas Foundation of Canada

On behalf of the Plans, as Promoter

(s) *Yves Lacasse*
Chairman of the Board of Directors

(s) *Jean Marchand*
Director

Trust Eterna

As Plan trustee

(s) *François Ricard*
Vice-President, Administration

(s) *Robert Archer*
Secretary

DECLARATION OF THE INVESTMENT FUND MANAGER

December 17, 2018

This prospectus, together with the documents incorporated herein by reference, constitutes a full, true and clear disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Quebec and New Brunswick.

Universitas Management Inc.

In its capacity as Investment Fund Manager

(s) *Gaston Roy*
President and Chief Executive Officer

(s) *Josiane Rivard*
Vice-President, Finance and Administration

Board of Directors of Universitas Management Inc.

On behalf of the Plans

(s) *Yves Lacasse*
Chairman of the Board of Directors

(s) *Jean Marchand*
Director

DECLARATION OF THE PRINCIPAL DISTRIBUTOR

December 17, 2018

This prospectus, together with the documents incorporated herein by reference, constitutes a full, true and clear disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Quebec and New Brunswick.

Universitas Management Inc.

In its capacity as Distributor

(s) *Gaston Roy*
President and Chief Executive Officer

REFLEX PLAN

INDIVIDUAL PLAN

Universitas Management Inc.
1035 Wilfrid-Pelletier Avenue, Suite 500
Quebec (Quebec) G1W 0C5

You can find additional information about the Plan that interests you in the following documents:

- ▶ the most recently audited annual financial statements;
- ▶ the interim financial reports (unaudited) filed after the annual financial statements; and
- ▶ the most recently filed annual Management Report of Fund Performance for each Plan.

These documents are incorporated by reference into the prospectus, meaning they legally form part of it, as if they were printed as part of it.

You can get a free copy of these documents by dialing 1-877-710-RESP (7377) or writing to us at info@universitas.ca. You can also view these documents on our website at universitas.ca.

These documents and other information about our Plans are also available at sedar.com.

Universitas Management Inc. is a wholly-owned subsidiary of the Universitas Foundation of Canada.



UNIVERSITAS
FOUNDATION