



## Plan Summary Embark Student Plan

### Education Savings Plan Options:

Individual Savings Plan

or

Family Savings Plan

**Investment Fund Manager:** Embark Student Corp.

**June 26, 2023**

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

### If you change your mind

You have up to 60 days after signing your Contract to withdraw from your Embark Student Plan and get back all of your money.

If you (or we) cancel your Embark Student Plan after 60 days, you'll get back your contributions, less fees, subject to investment risk. You will lose the earnings on your money. Your government grants will be returned to the government. **If you cancel your plan in the first few years, you could end up with much less than you put in.**

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**What is Embark Student Plan?** Embark Student Plan ("Plan") is a scholarship plan designed to help you save for post-secondary education for a child or children that you select. When you open an Embark Student Plan, we will apply to the Canada Revenue Agency to register your Contract as a Registered Education Savings Plan (RESP). This allows your savings to grow tax-free until the child (or children) named as beneficiary of the plan enrolls in their studies. The Government of Canada and some provincial governments offer government grants to help you save even more. To register your Embark Student Plan as a RESP, we need social insurance numbers for yourself and each child that you name in the plan as a beneficiary.

In a scholarship plan, you are part of a group of investors. Everyone's contributions are invested together. The earnings that have accumulated in your plan are paid to your beneficiary as educational assistance payments (EAPs) along with the government grants in your plan. You decide the amount and timing of EAPs.

There are two main exceptions. Your child will not receive EAPs, and you could lose your earnings, government grants and grant contribution room, if:

- your child does not enroll in a school or program that qualifies under this plan, or
- you leave the plan



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## Who is this Plan for?

Embark Student Plan is for investors planning to save for a child's post-secondary education and who are fairly sure that:

- in the case of the Family Savings Plan, they want to save for more than one child at a time
- they want flexibility over when and how much to contribute to their plan
- in the case of an Individual Savings Plan, the child designated as beneficiary will attend a qualifying post-secondary school and program
- in the case of a Family Savings Plan, one or more of the children designated as a beneficiary will attend a qualifying post-secondary school and program

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## What does the Plan invest in?

Your contributions, government grants and earnings will be invested according to a glide path long-term investment approach that seeks to match the age of beneficiaries and their expected date to attend a qualifying post-secondary school and program with appropriate asset classes and investment mix. The glide path is based on an 18-year time horizon where the asset allocation strategy of the portfolio has an emphasis on equity investing in the early years, transitioning to a more conservative investment mix over time, with an emphasis on fixed income securities. The Plan invests in government and corporate fixed-income securities of Canadian and foreign companies and in equity securities of Canadian and foreign companies of any market capitalization including common stock, preferred stock, rights and warrants and securities convertible into common stock.

Embark Student Plan's investments have some risk. Returns will vary from year to year.

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## How do I make Contributions?

You determine the amount and timing of your Contributions so long as make a deposit to your Plan within 6 months. There is no minimum Contribution for children eligible for a Canada Learning Bond.

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## What can I expect to receive from the Plan?

Your Contributions, subject to investment risk, can be withdrawn at any time after your Beneficiary enrolls in a qualifying post-secondary school and program. You can have this money paid to you or directly to your Beneficiary.

You decide the amount, timing and number of EAPs. You must show proof that your Beneficiary has enrolled in a qualifying post-secondary school and program.

EAPs are taxed in your Beneficiary's hands.

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## What are the risks?

If you do not meet the terms of your Contract, you could lose some or all of your investment. Your Beneficiary may not receive their EAPs.

You should be aware of three things that could result in a loss:

- 1. You cancel your Contract before your Beneficiary attends a qualifying post-secondary school program.** If your Contract is cancelled, your contributions will be returned, net of fees and subject to investment risk. Government grants will be returned to the government and the contribution room relating to those government grants will be lost and cannot be restored. You may lose the Earnings if you do not qualify for an accumulated income payment or to transfer them to an eligible RESP or an RDSP.
- 2. You withdraw all or part of your Contributions before your Beneficiary attends a qualifying post-secondary school program.** If you withdraw your Contributions at a point in the glidepath when your Contributions are invested with an emphasis on equity investing, there is an increased risk that the value of your Contributions will be less than what you paid in. Return of your Contributions is always subject to risk of loss.



**3. Your Beneficiary does not go to a qualifying post-secondary school or program.**

Embark Student Plan allows EAPs to be paid in all circumstances permitted by the Income Tax Act but not all post-secondary institutions and programs qualify. For example, some part-time programs do not qualify. If a beneficiary will not be going to a qualifying school or program under this plan, you can name another child as beneficiary, transfer to another of our plans or to a RESP offered by a different provider or cancel your plan. Restrictions and fees may apply. Some options can result in a loss of earnings and government grants.

**If any of these circumstances arise with your Embark Student Plan, contact us to better understand your options to reduce your risk of loss.**

**How much does it cost?**

There are no costs for opening a Embark Student Plan. There is no initial sales charge to enrol in the Plan. The following tables show the applicable fees and expenses.

**Fees the plan pays**

You don't pay these fees directly. They're paid from the plan's earnings. These fees affect you because they reduce the plan's returns, which reduces the amount available for EAPs.

FEE	WHAT THE PLAN PAYS	WHAT THE FEE IS FOR	WHO THE FEE IS PAID TO
<b>Management fee</b>	<p>Management Fee:</p> <ul style="list-style-type: none"> <li>• New Individual and Family Plans management fee of up to 1.99% per year, plus applicable taxes, deducted from earnings, and if earnings are insufficient, from Contributions. This equals \$19.90 for every \$1,000 invested. The management fee is calculated based on net asset value of all plan savings.</li> <li>• 0% for Adult CLB Only Plans</li> </ul> <p>From time to time, the Manager may waive or rebate all or any portion of the fees otherwise payable to it from the Plan. No such waiver shall affect the right of the Manager to subsequently receive fees from the Plan</p>	Investment management, operating, managing, and administering the Plan, including record keeping, trustee, valuation, distribution, and custodial services.	Paid to Embark Student Corp., as, or in the capacity of, the investment fund manager of the Plan.
<b>Independent review committee (IRC) fee</b>	<p>The Plan will pay its proportionate share of the fees and expenses for the Embark Student Foundation's Plans' Independent Review Committee.</p> <p>The Plan has not paid any fees to date as it is a new plan. The following are the annual fees to be paid to the IRC:</p> <p>Chairperson - \$20,000 (plus GST/HST)            Each Member - \$15,000 (plus GST/HST)            Secretariat fee -\$40,000 (plus GST/HST)</p>	Fee for providing independent review committee services for Subscribers as required for all publicly offered investment funds.	IRC Members and IRC Secretariat



**Are there any guarantees?**

We cannot tell you in advance if your Beneficiary will qualify to receive any EAPs or how much your Beneficiary will receive. We do not guarantee the amount of any payments or that the payments will cover the full cost of your child's post-secondary education.

Unlike bank accounts or GICs, investments in scholarship plans are not covered by the Canada Deposit Insurance Corporation or any other government insurer.

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**For more information**

The Detailed Plan Disclosure delivered with this Plan Summary contains further details about Embark Student Plan, and we recommend you read it. You may go on-line to [www.embark.ca](http://www.embark.ca) or contact Embark Student Corp. to speak with an Education Success Representative for more information about Embark Student Plan.

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**By phone**  
1-800-363-7377 (Customer Service)

**By email**  
[contact@embark.ca](mailto:contact@embark.ca)

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