Plan Summary
Family Single Student Education Savings Plan (the "family individual plan")

Type of Plan: Individual scholarship plan
Investment Fund Manager: Embark Student Corp.
May 8, 2023

This summary tells you some key things about investing in the family individual 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 agreement to withdraw from your plan and get back all of your money, including any sales charges and fees.

If you (or we) cancel your plan after 60 days, you'll get back your contributions, less the sales charge and fees paid to date. You may be able to get the earnings on your money as an accumulated income payment ("AIP"), if you meet the requirements for an AIP as defined by the *Income Tax Act* (Canada). Your government grants will be returned to the government. **Keep in mind that you pay the sales charge up front. If you cancel your plan in the first few years, you could end up with much less than you put in.**

What is an individual scholarship plan?

An individual scholarship plan is designed to help you save for someone's post-secondary education. When you open your plan, we will apply to the Canada Revenue Agency to register the plan as a Registered Education Savings Plan (RESP). This allows your savings to grow tax-free while they are in the plan. The Government of Canada and some provincial governments offer government grants to help you save even more. To register your plan as an RESP, we need social insurance numbers for yourself and your joint subscriber if there is one, and the person you name as the beneficiary of your plan.

In an individual scholarship plan, you are part of a group of investors. Everyone's contributions are invested together. When your plan matures, 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 beneficiary will not receive EAPs, and you could lose your earnings, government grants and grant contribution room if:

- your beneficiary does not enrol in a post-secondary school or program that qualifies under this Plan, or
- you leave the Plan before your plan matures.

Who is this Plan for?

A scholarship plan can be a long-term commitment. It is for investors who are planning to save for someone's post-secondary education and are fairly sure that:

- they can make all of their contributions following their contribution schedule for at least the first three years
- they want more flexibility over when and how much to contribute to their plan
- their beneficiary will attend a qualifying school and program under the Plan.

See also the Plan Summary for the Flex First Plan or page 16 of the Detailed Plan Disclosure for more information on another type of Plan that does not have a contribution schedule.

What does the Plan invest in?

The Plan invests mainly in Canadian fixed income securities, such as federal, provincial and/or municipal bonds, mortgage-backed securities, treasury bills, evidence of indebtedness of Canadian financial institutions with a "designated rating" as that term is defined in National Instrument 81-102 (NI 81-102) and in corporate bonds with a minimum credit rating of BBB or equivalent, as rated by a "designated rating organization" as that term is defined in National Instrument 25-101.

In addition, no more than 40% of the Plan's net assets may also be invested in exchange-traded equity securities listed on a stock exchange in Canada or the U.S. and "Index Participation Units" as that term is defined in NI 81-102.

The Plan may also:

i. use "Specified Derivatives" as that term in defined in NI 81-102, but only for the purposes of hedging, as defined by NI 81-102;
ii. lend portfolio assets, as contemplated by section 2.12 of NI 81-102.

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

How do I make contributions?

You make contributions to your plan based on a contribution schedule. You can choose to make contributions each month, each year or a one-time lump sum. With your contributions, you buy one or more units of the Plan. The number of units you have impacts the sales charge you pay for your plan. You may change the amount of your contribution, or how often you make contributions, as long as you make the minimum contribution permitted under the Plan. **We will not charge you any sales charges if you purchase additional units after you open your plan**. Whether you choose to fund your additional units with regular or annual automatic contribution increases, your increased contributions will first go towards paying any outstanding original sales charges. When the balance of any outstanding sales charges is fully paid, your increased contributions will accumulate as principal within your plan.

All of the different contribution options for the family individual plan are described in the Detailed Plan Disclosure, or you can ask your sales representative for more information. This Plan requires a minimum total investment of $9.72 per month, $108.12 per year or a $449 lump sum contribution. Total contributions must be at least $449.

What can I expect to receive from the Plan?

In your beneficiary's first year of post-secondary education, you'll get back your contributions, less fees. You can have this money paid to you or directly to your beneficiary. Your beneficiary will be eligible for EAPs from the income and government grants in your plan when he or she attends post-secondary studies. Any post-secondary program that qualifies for an EAP under the *Income Tax Act* (Canada) qualifies for an EAP under your plan. Payments can be made either in one year or over a few years if you wish.

EAPs are taxed in the beneficiary's hands.

What are the risks?

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

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

1. **Your plan is cancelled after the first 60 days.** If your plan is cancelled more than 60 days after signing your contract, you'll lose part, or potentially all, of your contributions to the sales charge. You could also lose the earnings on your investment if they are not withdrawn as an

EAP or an AIP. Some or all of your government grants could be returned to the government if you withdraw contributions from your plan.

2. **Your beneficiary won't be going to a qualifying school or program.** For example, certain educational institutions do not qualify as a "designated educational institutions" under the *Income Tax Act* (Canada) and students attending these institutions are not eligible to receive EAPs. If your beneficiary will not be going to a school or program that qualifies for educational assistance payments under the *Income Tax Act* (Canada) you have the option of naming another person as beneficiary, withdrawing your income as an AIP, if you qualify, or cancelling your plan. Restrictions and fees may apply. Some options may result in a loss of earnings and government grants.

If any of these situations arise with your plan, contact us or speak with your sales representative to better understand your options to reduce your risk of loss.

How much does it cost?

There are costs for joining and participating in the family individual plan. The following tables show the fees and expenses of the Plan. The fees and expenses of this Plan are different than Flex First, the other Plan we offer.

Fees you pay

These fees are deducted from the money you put in your plan. They reduce the amount of your contributions that get invested in the 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 Charge	• $100 per unit for units purchased when you open your plan. • This can be between 2.2% and 22.2% of the contribution per unit depending on how often you contribute and for how long you want to make contributions. • There are **no sales charges** on any additional units purchased after you open your plan.	• This is for paying commission to your sales representative and to cover the cost of selling your plan. • All of your contributions go toward this fee until 50% of it has been paid off. • Then 50% of your next contributions go toward this fee until it has been paid in full.	• Paid to Embark Student Corp., as principal distributor
Insurance Premium (plus applicable provincial sales tax in some provinces)	• 17 cents for every $10 you deposit to your plan, if you are 64 years of age or younger. • There is no insurance if you are making a one-time lump sum contribution or are 65 years of age or older.	• This is for insurance that makes sure your contributions continue if you die or become totally disabled. • We require all subscribers making monthly or annual contributions to buy this insurance, except those in Quebec who have the option to opt out of this insurance coverage.	• Canadian Premier Life Insurance Company • The Investment Fund Manager receives 25% of the premium as a fee from the insurance company for administration of the insurance program.

Paying off the sales charge

If, for example, you buy one unit of the Plan on behalf of your newborn child (208 monthly contributions of $4.86) then all of your contributions will go towards the $100 sales charge for 10 months, and 50% of your next contributions will go towards paying off the remainder of the sales charge for another 21 months. During this time 33% of your contributions will be invested in the Plan.

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
Management Fee (plus GST or HST)	• An all-in, consolidated Management Fee of no greater than 1% per year. • This fee is calculated monthly, based on the market value of total assets held in the Plan and deducted from the Plan assets before income is allocated to customers • The management fee weighted average in the fiscal year ended December 31, 2022 was 0.89% plus applicable taxes.	• This is to pay for Plan administration, portfolio management, transaction fees and for holding your plan's assets in trust.	• Paid to Embark Student Corp., as, or in the capacity of, the investment fund manager of the Plan.
Independent Review Committee (IRC) Fee	• For the fiscal year ended December 31, 2022, $92,700 was paid, shared by all Plans including the Flex First Plan, $86,271 in respect of the family individual plan. • This was paid as follows: Chairperson - $20,000 (plus tax) Each Member - $15,000 (plus tax) Secretariat fee - $40,000 (plus tax) Meetings - $2,500 (plus tax)	• This is for the services of the Plan's independent review committee as required for all publicly offered investment funds. The committee reviews any conflict of interest matters that might arise between the Manager and the Plan.	• IRC Members and IRC Secretariat

Other fees

Transaction fees apply if you make certain changes to your plan or if a charge for non-sufficient funds is incurred. See page 20 of the Detailed Plan Disclosure for more information.

Are there any guarantees?

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

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

For more information

The Detailed Plan Disclosure that goes with this Plan Summary contains further information about this Plan, and we recommend you read it. You may also contact Knowledge First Financial Inc. or your sales representative for more information about this Plan. Unless otherwise specified, terms used in this Plan Summary that are defined in the Detailed Plan Disclosure have the meaning as set out in that document.

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