

Management Report of Fund Performance

For the year ended December 31, 2024

This document contains the Annual Management Report of Fund Performance (“MRFP”) for the Embark Student Plan (the “Plan”).

This MRFP contains financial highlights but does not contain the complete annual financial statements of the Plan. You can obtain a copy of the annual financial statements of the Plan at your request, and at no cost, by calling us at 1-800-363-7377 or by writing to us at 50 Burnhamthorpe Road West, Suite 1000, Mississauga, Ontario, L5B4A5. Alternatively, you can visit our website at www.embark.ca or SEDAR+ at www.sedarplus.ca.

The investment policies of the Plan, as well as those contained in the Canadian Securities Administrators (“CSA”) policies, limit the Plan’s investments to government bonds, guaranteed investment certificates, guaranteed mortgages, and corporate debt instruments of financial institutions (the latter with a minimum BBB (low) credit rating at the time of acquisition), Canadian equity securities, and U.S. equities via an exchange-traded fund (ETF), both of which must be traded on a stock exchange in Canada or the U.S.

Any decision on security voting matters has been delegated to each of our portfolio managers as described in their respective Investment Management Agreements.

Topics Covered in this Report

Management Discussion of Fund Performance

Investment Objectives and Strategies

Risk

Results of Operations

Investments

Related Party Transactions

Financial and Operating Highlights

Summary of Investment Portfolio

Past Performance

Year by Year Returns

Annual Compound Returns

Management Discussion of Fund Performance

Investment Objectives and Strategies

The investment objectives of the Plan are foremost to protect the principal of the investor and maximize return over the long term, in accordance with the Plan's investment policy. As the Plan's target end date approaches, the Plan will gradually shift its asset mix from an exposure that is predominantly in equities to an exposure that is primarily in bonds and cash equivalents. The Plan's exposure to different asset classes will be achieved through investing in a diversified mix of equity securities, government and corporate fixed-income securities, as well as exchange-traded funds ("ETFs") which have exposure to these securities.

A Beneficiary will be assigned to a glide path beneficiary age group based on their date of birth. As the Beneficiary ages, the target asset mix for each glide path beneficiary age group will change transitioning to a more conservative investment mix over time. When a glide path beneficiary cohort reaches the maturity date, the investment account is merged with the Graduation investment account, which has an asset mix intended for capital preservation.

The Plan's assets will be managed by BMO Asset Management Inc. via investing in underlying passive ETFs representing different asset mixes. The portfolio manager will use active tactical calls to manage the asset mix within set parameters established under the prospectus.

Risk

The Plan is suitable for investors seeking to save for a child's post-secondary education. The risks associated with an investment in the Plan are disclosed in the Plan's prospectus.

Results of Operations

During the year ended December 31, 2024, net assets attributable to subscribers and beneficiaries of the Plan increased from \$45,128,089 as of December 31, 2023 to \$5,843,747,959 as of December 31, 2024. The increase primarily resulted from an increase in transfers from existing Embark Student Corp. plans, and by an increase in net assets attributable to subscribers and beneficiaries due to positive investment experience.

Investments

By mid-2024, it became evident that inflationary pressures had subsided, enabling global central banks to begin easing monetary policies and return interest rates to neutral levels. The inflationary "genie" was back in the bottle, at least for the time being. With inflation back within target ranges and low unemployment, the global economy continued to grow at a reasonable pace. However, growth was uneven across regions: while the U.S. reported strong economic data, Canada and much of Europe experienced sluggish expansion.

The Bank of Canada reduced its overnight interest rate by 175 basis points to 3.25%, signaling growing concerns over a weakening economy and easing inflation. Similarly, the U.S. Federal Reserve cut its policy rate by 100 basis points, bringing it to a 4.25%-4.50% range. The combination of lower interest rates and an ongoing recovery fueled economic growth and corporate profits, although the risk of renewed inflationary pressures remained.

Equity markets performed spectacularly, reflecting investor confidence in a global economic soft landing. Lower interest rates, along with resilient economic conditions, were expected to boost corporate earnings, which was evident in rising stock prices.

As of December 31, 2024, global equities, as measured by the S&P Global Broad Market Index, were up 16.8%. U.S. equities, represented by the S&P 500, gained 25% for the year. While mid- and small-cap stocks benefited from a broadening market rally, especially post-U.S. elections, they underperformed large-cap peers. Most large-cap sectors saw strong returns, with Communication Services, Information Technology, and Financials each exceeding 30% gains.

Canadian equities, as measured by the TSX Composite, also had a strong year, rising 21.7% in 2024. However, sector performance was mixed: Information Technology led with a 38.0% gain, while Communication Services lagged, falling 21.1%.

Fixed-income markets delivered positive returns in 2024, with short-term bonds outperforming long-term bonds as yields rose at the longer end, reflecting uncertainty around growth and inflation. The FTSE Canada Universe Bond Index gained 4.2% for the year.

The Canadian dollar experienced a turbulent 2024, depreciating by 8% and ending the year at C\$1.44—its lowest level in two decades. The primary driver of the Canadian dollar's decline was the divergence in monetary policy between Canada and the U.S.

Geopolitical tensions remained a significant concern, with ongoing conflicts in Ukraine, the Middle East, and Taiwan. The election of Donald Trump as the next U.S. President shifted focus to his potential policies. While the initial market response was largely positive, the impact of his proposals—on taxes, tariffs, deregulation, foreign policy, and immigration—remained uncertain, leaving the future effects on inflation and asset prices unclear.

Related Party Transactions

Management Fees paid by the Plan

Management fees, which are paid to the Investment Fund Manager, Embark Student Corp., will be calculated as a percentage of the sum of the closing balances of net contributions, grants and income. This fee covers ongoing costs of supporting the Plan including Plan administration, portfolio management and custodial-related costs for the Plan. This fee can increase or decrease, but will not exceed 1.99% per annum plus applicable sales taxes. For the year ended December 31, 2024, management fees charged to the Plan were \$55,297,534 (1.65% plus applicable taxes) (December 31, 2023 - \$162,929). The Plan also received a management fee rebate in the amount of \$23,173,882 for the year ended December 31, 2024 (December 31, 2023 - \$30,994)

Independent Review Committee Fees paid by the Plan

The Independent Review Committee reviews all conflict-of-interest matters referred to it by the Foundation. For the year ended December 31, 2024, the Plan paid the Independent Review Committee, a committee mandated by legislation, fees of \$91,634 (December 31, 2023 - \$126).

EMBARK STUDENT PLAN

Subscriber Vote

On December 12, 2023, subscribers of the Family Single Student Education Savings Plan and Flex First Plan voted in favour of winding-up and transferring their assets to the Plan or Embark Select Conservative Plan (“Embark Plans”) in the manner described in the Vote Information Circular dated September 20, 2023. As part of the vote, Family Single Student Education Savings Plan subscribers are entitled to a management fee rebate of 0.66% until January 1, 2026. Flex First Plan subscribers will be entitled to a lifetime management fee rebate of 1.16% and enrollment fee refund and loyalty bonus features will be removed effective December 31, 2023. The transfer of all assets, termination of Education Savings Plan (“ESP”) contracts, and creation of Education Assistance Agreements by the Foundation were completed on July 2, 2024. Based on its authority, the Foundation amended the Trust Agreement to permit the transfer of assets held to the appropriate Embark Student Plan.

Recent Developments

Effective July 2, 2024, the Embark Plans acquired all of the net assets and assumed all of the liabilities of the terminated plan’s active and matured agreements in exchange for units in the Plan based on a net asset value of the respective glide path beneficiary age group unit class as at July 2, 2024. The asset transfer was affected by transferring the net assets of the terminating funds in exchange for securities in the Plan at fair market value as at July 2, 2024.

Terminating Plan	Beneficiary age group Unit class	Units issued by the beneficiary age group unit class	Assets transferred into the beneficiary age group unit class- \$
Flex First Plan	Embark Student Graduation	10,246,654	106,128,691
	Embark Student 2026	23,366,092	243,920,974
	Embark Student 2029	20,844,024	223,510,473
	Embark Student 2032	4,543,747	49,795,379
	Embark Student 2035	2,574,084	28,804,261
	Embark Student 2038	1,074,251	12,299,319
	Embark Student 2041	189,813	2,204,655
		62,838,665	666,663,752

Terminating Plan	Beneficiary age group Unit class	Units issued by the beneficiary age group unit class	Net Assets transferred into the beneficiary age group unit class- \$
Family Single Student Education Savings Plan	Embark Student Graduation	148,712,983	1,540,279,853
	Embark Student 2026	172,346,095	1,799,138,121
	Embark Student 2029	112,280,959	1,203,988,728
	Embark Student 2032	28,046,072	307,359,705
	Embark Student 2035	16,301,352	182,413,754
	Embark Student 2038	7,219,874	82,661,785
	Embark Student 2041	1,214,033	14,100,875
		486,121,368	5,129,942,821
		548,960,033	5,796,606,573

Financial and Operating Highlights (with comparative figures)

The following table shows key financial and operating data for the Plan and is intended to help you understand the Plan’s financial and operating results for the past five fiscal periods. This information is derived from the Plan’s annual audited financial statements.

	Year ended December 31, 2024	Year ended December 31, 2023
Statements of Financial Position		
Total Assets ⁽¹⁾	\$5,864,162,053	\$ 47,489,783
Net Assets	\$5,843,747,959	\$ 45,128,089
% Change of Net Assets ⁽⁴⁾	12,849 %	926,174 %
Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries		
Educational Assistance Payments	\$(184,017,414)	\$ (163,761)
Government Grants (net) ⁽²⁾	\$978,966,973	\$ 9,399,739
Statements of Comprehensive Income		
Net Investment Income ⁽³⁾	\$ 60,905,594	\$ 183,929

⁽¹⁾ “Total Assets” represents cash, investments, and receivables.

⁽²⁾ Government grants are net of repayments to beneficiaries upon eligibility and grants transferred to or from other institutions and other plans.

⁽³⁾ Net investment income excludes realized gains (losses) on investments and the net change in unrealized gains (losses) on investments.

⁽⁴⁾ Transfer of all assets from the existing Embark Student Corp. plans took place during the year.

EMBARK STUDENT PLAN

Portfolio of each unit class by Category as at December 31, 2024

Unit Class	Canadian Fixed Income	Money Market	U.S. Equities	Canadian Equities	International Equities	Total
Embark Student Graduation	50.4%	39.5%	4.0%	2.8%	3.3%	100.0%
Embark Student 2026	79.9%	8.5%	4.6%	3.3%	3.7%	100.0%
Embark Student 2029	65.1%	3.9%	12.9%	10.5%	7.6%	100.0%
Embark Student 2032	52.7%	1.2%	17.3%	15.1%	13.7%	100.0%
Embark Student 2035	36.4%	—%	23.3%	21.3%	19.0%	100.0%
Embark Student 2038	24.2%	—%	30.5%	22.6%	22.7%	100.0%
Embark Student 2041	17.7%	—%	33.8%	25.8%	22.7%	100.0%
Embark Student 2044	9.0%	—%	36.2%	27.4%	27.4%	100.0%

The following table indicates the largest 25 holdings of each unit class of the Plan as at December 31, 2024. This summary of investment portfolio may change due to ongoing portfolio transactions. The Plan is prohibited from holding short positions in securities.

Embark Student Graduation Top Holdings	% of Investments
BMO Short Corporate Bond Index ETF	40.7%
BMO Money Market Fund ETF Series	39.5%
BMO Ultra Short-Term Bond ETF	4.9%
BMO Canadian MBS Index ETF	4.8%
BMO S&P 500 Index ETF	4.0%
BMO MSCI EAFE Index ETF	3.3%
BMO S&P/TSX Capped Composite Index ETF	2.8%
Total	100.0%

EMBARK STUDENT PLAN

Embark Student 2026 Top Holdings	% of Investments
BMO Aggregate Bond Index ETF	37.50%
BMO Mid Corporate Bond Index ETF	19.90%
BMO Short Corporate Bond Index ETF	15.10%
BMO Money Market Fund ETF Series	8.50%
BMO Mid Federal Bond Index ETF	7.50%
BMO MSCI EAFE Index ETF	3.70%
BMO S&P 500 Index ETF	3.50%
BMO S&P/TSX Capped Composite Index ETF	2.40%
BMO US Dividend ETF	1.10%
BMO Canadian Dividend ETF	0.80%
Total	100.0%

Embark Student 2029 Top Holdings	% of Investments
BMO Aggregate Bond Index ETF	49.0%
BMO Mid Corporate Bond Index ETF	16.1%
BMO S&P 500 Index ETF	11.0%
BMO S&P/TSX Capped Composite Index ETF	8.8%
BMO MSCI EAFE Index ETF	7.6%
BMO Money Market Fund ETF Series	3.9%
BMO US Dividend ETF	1.3%
BMO Canadian Dividend ETF	1.2%
BMO MSCI USA ESG Leaders Index ETF	0.6%
BMO MSCI Canada ESG Leaders Index ETF	0.5%
Total	100.0%

Embark Student 2032 Top Holdings	% of Investments
BMO Aggregate Bond Index ETF	35.1%
BMO Mid Corporate Bond Index ETF	17.6%
BMO S&P 500 Index ETF	14.7%
BMO MSCI EAFE Index ETF	13.7%
BMO S&P/TSX Capped Composite Index ETF	12.7%
BMO US Dividend ETF	1.8%
BMO Canadian Dividend ETF	1.5%
BMO Money Market Fund ETF Series	1.2%
BMO MSCI USA ESG Leaders Index ETF	0.9%
BMO MSCI Canada ESG Leaders Index ETF	0.8%
Total	100.0%

EMBARK STUDENT PLAN

Embark Student 2035 Top Holdings	% of Investments
BMO Aggregate Bond Index ETF	24.1%
BMO S&P 500 Index ETF	19.8%
BMO MSCI EAFE Index ETF	19.0%
BMO S&P/TSX Capped Composite Index ETF	18.1%
BMO Mid Corporate Bond Index ETF	12.3%
BMO US Dividend ETF	2.4%
BMO Canadian Dividend ETF	2.1%
BMO MSCI USA ESG Leaders Index ETF	1.2%
BMO MSCI Canada ESG Leaders Index ETF	1.0%
Total	100.0%

Embark Student 2038 Top Holdings	% of Investments
BMO S&P 500 Index ETF	25.8%
BMO MSCI EAFE Index ETF	22.7%
BMO S&P/TSX Capped Composite Index ETF	19.2%
BMO Aggregate Bond Index ETF	15.0%
BMO Mid Corporate Bond Index ETF	9.2%
BMO US Dividend ETF	3.1%
BMO Canadian Dividend ETF	2.3%
BMO MSCI USA ESG Leaders Index ETF	1.5%
BMO MSCI Canada ESG Leaders Index ETF	1.2%
Total	100.0%

Embark Student 2041 Top Holdings	% of Investments
BMO S&P 500 Index ETF	27.0%
BMO MSCI EAFE Index ETF	22.7%
BMO S&P/TSX Capped Composite Index ETF	20.6%
BMO Aggregate Bond Index ETF	10.5%
BMO Mid Corporate Bond Index ETF	7.1%
BMO US Dividend ETF	4.4%
BMO Canadian Dividend ETF	3.3%
BMO MSCI USA ESG Leaders Index ETF	2.5%
BMO MSCI Canada ESG Leaders Index ETF	1.9%
Total	100.0%

EMBARK STUDENT PLAN

Embark Student 2044 Top Holdings	% of Investments
BMO S&P 500 Index ETF	29.3%
BMO MSCI EAFE Index ETF	27.4%
BMO S&P/TSX Capped Composite Index ETF	22.5%
BMO Aggregate Bond Index ETF	5.5%
BMO US Dividend ETF	4.7%
BMO Mid Corporate Bond Index ETF	3.5%
BMO Canadian Dividend ETF	3.1%
BMO MSCI USA ESG Leaders Index ETF	2.4%
BMO MSCI Canada ESG Leaders Index ETF	1.6%
Total	100.0%

The following table illustrates the Plan's assets in appropriate sub-groups and indicates the percentage of the overall investment asset value that each sub-group represents, excluding cash.

Embark Student Graduation Portfolio Allocation	Market Value	% of Investments
Canadian Fixed Income	\$726,846,771	50.4%
Money Market	\$569,919,341	39.5%
U.S. Equities	\$57,286,659	4.0%
International Equities	\$47,558,034	3.3%
Canadian Equities	\$39,654,214	2.8%
Total	\$1,441,265,019	100.0%

Embark Student 2026 Portfolio Allocation	Market Value	% of Investments
Canadian Fixed Income	\$1,562,100,990	79.9%
Money Market	\$165,958,590	8.5%
U.S. Equities	\$90,219,382	4.6%
International Equities	\$72,147,947	3.7%
Canadian Equities	\$63,559,831	3.3%
Total	\$1,953,986,740	100.0%

Embark Student 2029 Portfolio Allocation	Market Value	% of Investments
Canadian Fixed Income	\$1,011,901,990	65.1%
U.S. Equities	\$202,079,726	13.0%
Canadian Equities	\$162,997,239	10.5%
International Equities	\$117,526,865	7.6%
Money Market	\$60,152,629	3.8%
Total	\$1,554,658,449	100.0%

EMBARK STUDENT PLAN

Embark Student 2032 Portfolio Allocation	Market Value	% of Investments
Canadian Fixed Income	\$221,081,614	52.7%
U.S. Equities	\$72,655,480	17.3%
Canadian Equities	\$63,136,583	15.1%
International Equities	\$57,345,683	13.7%
Money Market	\$5,000,549	1.2%
Total	\$419,219,909	100.0%

Embark Student 2035 Portfolio Allocation	Market Value	% of Investments
Canadian Fixed Income	\$91,821,125	36.4%
U.S. Equities	\$58,821,201	23.3%
Canadian Equities	\$53,714,963	21.3%
International Equities	\$47,830,542	19.0%
Total	\$252,187,831	100.0%

Embark Student 2038 Portfolio Allocation	Market Value	% of Investments
U.S. Equities	\$37,176,603	30.5%
Canadian Fixed Income	\$29,499,509	24.2%
International Equities	\$27,609,055	22.7%
Canadian Equities	\$27,587,827	22.6%
Total	\$121,872,994	100.0%

Embark Student 2041 Portfolio Allocation	Market Value	% of Investments
U.S. Equities	\$10,347,659	33.8%
Canadian Equities	\$7,857,741	25.8%
International Equities	\$6,911,974	22.7%
Canadian Fixed Income	\$5,388,454	17.7%
Total	\$30,505,828	100.0%

Embark Student 2044 Portfolio Allocation	Market Value	% of Investments
U.S. Equities	\$274,905	36.2%
Canadian Equities	\$207,458	27.4%
International Equities	\$207,481	27.4%
Canadian Fixed Income	\$68,008	9.0%
Total	\$757,852	100.0%

Past Performance

Past performance of the Plan is set out in the following compound returns table. Investment returns have been calculated using market values and time-weighted cash flows during the year(s). Rates of return shown below for the Plan are:

- For the investment portfolio only;
- After administration, investment counsel, custodial and independent review committee fees have been deducted; and

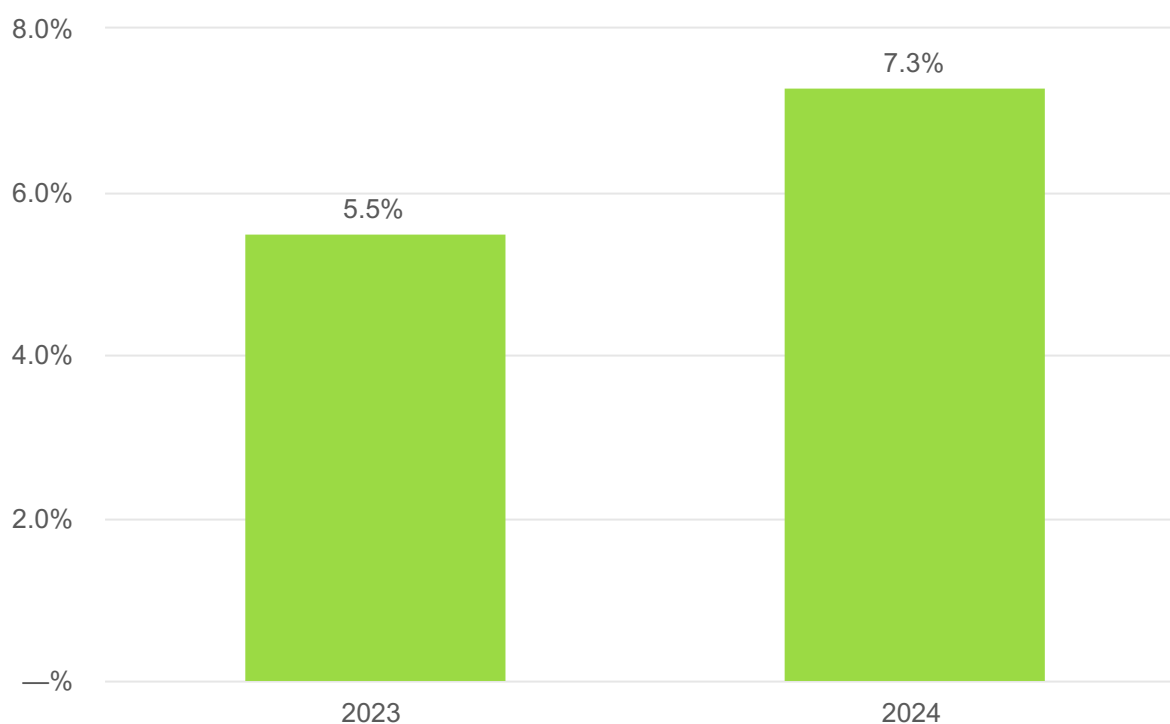
EMBARK STUDENT PLAN

- Assume that all of the income, interest earned, and capital gains distributions are reinvested in the Plan.

Past performance does not necessarily indicate how the Plan's investment portfolio will perform in the future.

Year by Year Returns

The following bar chart illustrates the Plan's annual performance in each of the past ten fiscal years to December 31, 2024. The chart illustrates in percentage terms how much an investment made in the investment portfolio on the first day of each financial year would have increased or decreased by the last day of that financial year.



Annual Compound Returns

The following table illustrates the Plan's annual compound returns for the periods shown ended December 31, 2024.

	1 Year	3 Year	5 Year	10 Year
Embark***	7.3 %	N/A	N/A	N/A
FTSE Canada Universe All Government Bond Index*	4.2 %	(0.6)%	0.8 %	2.0 %
S&P TSX Composite Index**	21.7 %	8.6 %	11.1 %	8.7 %
S&P 500 Index	25.0 %	8.9 %	14.5 %	13.1 %
S&P 500 Index (\$C)	36.4 %	13.8 %	16.9 %	15.6 %

EMBARK STUDENT PLAN

- * The FTSE Canada Universe All Government Bond Index (formerly called DEX All Government Bond Index) measures Canadian investment grade fixed income securities issued by the Government of Canada (including Crown Corporations), provincial bonds (including provincially guaranteed securities) and municipal bonds.
- ** The S&P/TSX Composite Index is the flagship index for the Canadian equity market and measures the performance of the largest stocks listed on the Toronto Stock Exchange. The S&P 500 Index is the flagship index for the US equity market and measures the performance of the largest 500 US stocks.
- *** The Plan commenced operations on March 1, 2023 therefore the 3 Year, 5 Year and 10 Year annual compound returns are not available. Once a full fiscal year of returns exists the above table will be updated.