

Financial Statements of

## **EMBARK STUDENT PLAN**

Education savings program provided by Embark Student Foundation

Unaudited Semi-Annual Financial Statements

For the six months ended June 30, 2025

## EMBARK STUDENT PLAN

Statements of Financial Position

As at June 30, 2025 and December 31, 2024

(All amounts in Canadian dollars)

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	(Unaudited)	(Audited)
<b>Assets</b>		
Cash	\$ 7,206,795	\$ 11,024,237
Investments (Note 5)	5,829,709,102	5,805,354,622
Distributions Receivable	18,704,216	19,280,355
Due from Affiliate (Note 8)	12,402,410	12,578,994
Receivable for Investments Sold	6,964,796	6,829,000
Subscriptions Receivable	5,040,096	6,240,302
Other Receivable	4,774,951	2,854,543
<b>Total Assets</b>	<b>\$ 5,884,802,366</b>	<b>\$ 5,864,162,053</b>
<b>Liabilities</b>		
Bank Indebtedness	1,068,170	—
Due to Affiliate (Note 8)	9,412,140	9,750,944
Redemptions Payable	7,446,509	8,831,423
Payable for Investments Purchased	4,332,970	1,628,169
Accrued Liabilities	306,309	203,558
<b>Total Liabilities</b>	<b>\$ 22,566,098</b>	<b>\$ 20,414,094</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries</b>	<b>\$ 5,862,236,268</b>	<b>\$ 5,843,747,959</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries for each unit class</b>		
Embark Student Graduation	\$ 1,323,389,348	\$ 1,462,710,685
Embark Student 2026	1,916,476,973	1,973,102,803
Embark Student 2029	1,629,642,509	1,572,963,637
Embark Student 2032	496,771,905	424,260,567
Embark Student 2035	300,350,132	255,276,328
Embark Student 2038	150,794,321	123,576,052
Embark Student 2041	42,577,320	31,084,936
Embark Student 2044	2,233,760	772,951
	<b>\$ 5,862,236,268</b>	<b>\$ 5,843,747,959</b>

The accompanying notes are an integral part of these financial statements.

## EMBARK STUDENT PLAN

Statements of Financial Position

As at June 30, 2025 and December 31, 2024

(All amounts in Canadian dollars)

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### Units Outstanding per unit class (Note 7)

Embark Student Graduation	124,512,958	138,068,610
Embark Student 2026	176,857,240	182,278,086
Embark Student 2029	142,873,402	139,204,467
Embark Student 2032	41,700,267	36,454,092
Embark Student 2035	24,170,110	21,257,998
Embark Student 2038	11,708,395	9,992,204
Embark Student 2041	3,240,651	2,474,545
Embark Student 2044	179,312	65,066

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### Net Assets attributable to Subscribers and Beneficiaries per unit

Embark Student Graduation	10.63	10.59
Embark Student 2026	10.84	10.82
Embark Student 2029	11.41	11.30
Embark Student 2032	11.91	11.64
Embark Student 2035	12.43	12.01
Embark Student 2038	12.88	12.37
Embark Student 2041	13.14	12.56
Embark Student 2044	12.46	11.88

Approved by the Board of Directors of Embark Student Foundation

"Alice Keung" (Signed)

Alice Keung, Director

"Andrea Bolger" (Signed)

Andrea Bolger, Director

*The accompanying notes are an integral part of these financial statements.*

# EMBARK STUDENT PLAN

Statements of Comprehensive Income

For the six months ended June 30, 2025 and June 30, 2024

(All amounts in Canadian dollars)

	June 30, 2025	June 30, 2024
	(Unaudited)	(Unaudited)
<b>Income</b>		
Interest Income	\$ 74,187,677	\$ 652,340
Dividend Income	12,608,732	248,677
Other Income	7,131,982	—
Net Realized Gain on Investments	49,166,708	70,665
Net Change in Unrealized Appreciation on Investments	10,427,442	1,614,915
<b>Total Income</b>	<b>\$ 153,522,541</b>	<b>\$ 2,586,597</b>
<b>Expenses</b>		
Management Fees (Note 8)	53,603,896	527,230
Management Fee Rebates (Note 8)	(22,794,598)	(133,140)
Transaction Costs	1,032,657	11,546
Independent Review Committee Fees	44,622	428
Other Expenses	103,023	14,453
<b>Total Expenses</b>	<b>\$ 31,989,600</b>	<b>\$ 420,517</b>
<b>Increase in Net Assets attributable to Subscribers and Beneficiaries</b>	<b>\$ 121,532,941</b>	<b>\$ 2,166,080</b>
<b>Increase in Net Assets attributable to Subscribers and Beneficiaries per unit class</b>		
Embark Student Graduation	\$ 20,825,275	\$ 119,987
Embark Student 2026	28,732,157	280,357
Embark Student 2029	34,128,330	475,650
Embark Student 2032	15,953,885	376,817
Embark Student 2035	12,558,284	336,151
Embark Student 2038	7,166,764	315,514
Embark Student 2041	2,076,945	259,542
Embark Student 2044	91,301	2,062
	<b>\$ 121,532,941</b>	<b>\$ 2,166,080</b>
<b>Weighted Average Number of units outstanding</b>		
Embark Student Graduation	129,398,238	450,822
Embark Student 2026	178,588,331	1,881,196
Embark Student 2029	140,593,305	1,314,066
Embark Student 2032	39,156,065	707,589
Embark Student 2035	22,698,609	479,062
Embark Student 2038	10,839,864	369,533
Embark Student 2041	2,851,317	291,356
Embark Student 2044	116,803	2,851
<b>Increase in Net Assets Attributable to Subscribers and Beneficiaries per unit</b>		
Embark Student Graduation	0.16	0.27
Embark Student 2026	0.16	0.15
Embark Student 2029	0.24	0.36
Embark Student 2032	0.41	0.53
Embark Student 2035	0.55	0.70
Embark Student 2038	0.66	0.85
Embark Student 2041	0.73	0.89
Embark Student 2044	0.78	0.72

The accompanying notes are an integral part of these financial statements.

## EMBARK STUDENT PLAN

Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries

For the six months ended June 30, 2025 and June 30, 2024

(All amounts in Canadian dollars)

	Total	Embark Student 2026	Embark Student 2029	Embark Student 2032	Embark Student 2035	Embark Student 2038	Embark Student 2041	Embark Student 2044	Embark Student Graduation
<b>Net Assets Attributable to Subscribers and Beneficiaries, January 1, 2025</b>	\$5,843,747,959	\$1,973,102,803	\$1,572,963,637	\$424,260,567	\$255,276,328	\$123,576,052	\$31,084,936	\$772,951	\$1,462,710,685
<b>Increase in Net Assets attributable to Subscribers and Beneficiaries from operations</b>	\$121,532,941	\$28,732,157	\$34,128,330	\$15,953,885	\$12,558,284	\$7,166,764	\$2,076,945	\$91,301	\$20,825,275
<b>Redeemable Unit Transactions</b>									
Issuance of Redeemable Units issued	360,856,444	53,528,034	47,904,982	120,235,451	68,581,918	39,287,257	13,740,832	1,388,236	16,189,734
Redemption of Redeemable Units	(463,901,076)	(138,886,021)	(25,354,440)	(63,677,998)	(36,066,398)	(19,235,752)	(4,325,393)	(18,728)	(176,336,346)
Reinvestments of Distributions to Holders of Redeemable Units	69,346,853	25,705,406	18,351,560	4,995,651	2,848,801	1,440,701	347,518	9,015	15,648,201
<b>Net increase from redeemable unit transactions</b>	\$ (33,697,779)	\$ (59,652,581)	\$ 40,902,102	\$ 61,553,104	\$ 35,364,321	\$ 21,492,206	\$ 9,762,957	\$ 1,378,523	\$ (144,498,411)
<b>Distributions to holders of redeemable units</b>									
From Net Investment Income	(46,552,255)	(18,317,522)	(12,159,946)	(3,109,412)	(1,611,202)	(685,158)	(166,844)	(7,119)	(10,495,052)
Management Fee Rebate	\$ (22,794,598)	\$ (7,387,884)	\$ (6,191,614)	\$ (1,886,239)	\$ (1,237,599)	\$ (755,543)	\$ (180,674)	\$ (1,896)	\$ (5,153,149)
<b>Total distributions to holders of redeemable units</b>	\$ (69,346,853)	\$ (25,705,406)	\$ (18,351,560)	\$ (4,995,651)	\$ (2,848,801)	\$ (1,440,701)	\$ (347,518)	\$ (9,015)	\$ (15,648,201)
<b>Increase in Net Assets attributable to holders of redeemable units during the period</b>	\$ 18,488,309	\$ (56,625,830)	\$ 56,678,872	\$ 72,511,338	\$ 45,073,804	\$ 27,218,269	\$ 11,492,384	\$ 1,460,809	\$ (139,321,337)
<b>Net Assets Attributable to Subscribers and Beneficiaries, June 30, 2025</b>	\$5,862,236,268	\$1,916,476,973	\$1,629,642,509	\$496,771,905	\$300,350,132	\$150,794,321	\$42,577,320	\$2,233,760	\$1,323,389,348

The accompanying notes are an integral part of these financial statements.

## EMBARC STUDENT PLAN

Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries

For the six months ended June 30, 2025 and June 30, 2024

(All amounts in Canadian dollars)

	Total	Embark Student 2026	Embark Student 2029	Embark Student 2032	Embark Student 2035	Embark Student 2038	Embark Student 2041	Embark Student 2044	Embark Student Graduation
<b>Net Assets Attributable to Subscribers and Beneficiaries, January 1, 2024</b>	\$ 45,128,089	\$ 15,800,793	\$ 10,748,709	\$ 5,709,376	\$ 3,822,303	\$ 2,863,819	\$ 1,997,816	\$ —	\$ 4,185,273
<b>Increase (decrease) in Net Assets attributable to Subscribers and Beneficiaries from operations</b>	\$ 2,166,080	\$ 280,357	\$ 475,650	\$ 376,817	\$ 336,151	\$ 315,514	\$ 259,542	\$ 2,062	\$ 119,987
<b>Redeemable Unit Transactions</b>									
Issuance of Redeemable Units issued	19,039,357	5,050,052	4,181,416	2,519,367	1,920,748	1,822,077	2,407,442	94,372	1,043,883
Redemption of Redeemable Units	(1,508,496)	(398,086)	(159,994)	(98,102)	(43,164)	(77,888)	(69,704)	(113)	(661,445)
Reinvestments of Distributions to Holders of Redeemable Units	343,738	126,677	79,102	39,377	23,045	15,489	14,344	395	45,309
<b>Net increase from redeemable unit transactions</b>	\$ 17,874,599	\$ 4,778,643	\$ 4,100,524	\$ 2,460,642	\$ 1,900,629	\$ 1,759,678	\$ 2,352,082	\$ 94,654	\$ 427,747
<b>Distributions to holders of redeemable units</b>									
From Net Investment Income	(343,738)	(126,677)	(79,102)	(39,377)	(23,045)	(15,489)	(14,344)	(395)	(45,309)
<b>Total distributions to holders of redeemable units</b>	\$ (343,738)	\$ (126,677)	\$ (79,102)	\$ (39,377)	\$ (23,045)	\$ (15,489)	\$ (14,344)	\$ (395)	\$ (45,309)
<b>Increase in Net Assets attributable to holders of redeemable units during the period</b>	\$ 19,696,941	\$ 4,932,323	\$ 4,497,072	\$ 2,798,082	\$ 2,213,735	\$ 2,059,703	\$ 2,597,280	\$ 96,321	\$ 502,425
<b>Net Assets Attributable to Subscribers and Beneficiaries, June 30, 2024</b>	\$ 64,825,030	\$ 20,733,116	\$ 15,245,781	\$ 8,507,458	\$ 6,036,038	\$ 4,923,522	\$ 4,595,096	\$ 96,321	\$ 4,687,698

The accompanying notes are an integral part of these financial statements.

## EMBARK STUDENT PLAN

### Statements of Cash Flows

For the six months ended June 30, 2025 and June 30, 2024

(All amounts in Canadian dollars)

<b>Cash Provided by (Used in)</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
	(Unaudited)	(Unaudited)
<b>Operating Activities</b>		
Increase in Net Assets Attributable to Subscribers and Beneficiaries	\$ 121,532,941	\$ 2,166,080
Adjustments for:		
Realized Gain on Sale of Investments	(49,166,708)	(70,665)
Change in Unrealized (Appreciation) in the Value of Investments	(10,427,442)	(1,614,915)
Purchase of Investments	(5,269,031,033)	(19,706,611)
Proceeds from Sale of Investments	5,304,270,703	1,577,164
Increase in Receivable for Investments Sold	(135,796)	—
Increase in Payable for Investments Purchased	2,704,801	(2,237,281)
Decrease in Distributions Receivable	576,139	(88,217)
Decrease Due from Affiliate	176,584	(8,500)
Increase in Other Receivable	(1,920,408)	(16,460)
Decrease in Due to Affiliate	(338,804)	(90,590)
Increase in Accrued Liabilities	102,751	(272)
<b>Net Cash Provided by (Used in) operating activities</b>	<b>\$ 98,343,728</b>	<b>\$ (20,090,267)</b>
<b>Financing Activities</b>		
Proceeds from Sale of Redeemable Units	362,056,650	20,345,350
Amounts Paid for Redemption of Redeemable Units	(465,285,990)	(1,489,346)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>\$ (103,229,340)</b>	<b>\$ 18,856,004</b>
Net Decrease in Cash	(4,885,612)	(1,234,263)
Cash, Beginning of Period	11,024,237	2,160,360
<b>Cash, End of Period*</b>	<b>\$ 6,138,625</b>	<b>\$ 926,097</b>
Supplementary Disclosure of Cash Flow Information:		
Dividends and Interest Received, Net of Withholding Taxes**	68,256,380	648,614
Interest Paid**	140	187

\*Balance is comprised of cash and bank indebtedness

\*\*included in operating activities

*The accompanying notes are an integral part of these financial statements.*

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the six months ended June 30, 2025**

(All amounts in Canadian dollars)

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### **1 General Information**

Embark Student Plan (the “Plan”) is established by Embark Student Foundation (the “Foundation”) as a savings vehicle for subscribers to save for a designated student’s (beneficiary) post-secondary education. The Plan was registered with the Ontario Securities Commission (the “OSC”) on February 6, 2023. The Plan’s primary place of business is 50 Burnhamthorpe Road West, Mississauga, Ontario, Canada.

The distribution and general administration of the Plan is carried out on behalf of the Foundation by Embark Student Corp., (the “Manager”), a wholly owned subsidiary of the Foundation. The Manager carries out the general administration of the Plan on its behalf that includes processing and call center services related to new agreements, payments, government grants, plan modifications, terminations, maturities and Education Assistance Payments (“EAPs”) and other back-office functions such as accounting, reporting, compliance, legal and human resources. The Plan commenced its operations on March 1, 2023.

The Trustee of the Plan is Bank of Nova Scotia Trust Company. The Custodian of the Plan is RBC Investor Services Trust.

The Plan meets its investment objectives for subscribers by investing contributions, government grants and earnings, according to a glide path long-term investment approach that seeks to match the age of beneficiaries and their expected date to attend post-secondary education with appropriate asset classes and investment mix. The Plan's investment manager, BMO Asset Management Inc. (“BMO”), invests primarily in a diversified mix of Exchange Traded Funds (“ETFs”) providing exposure to fixed income, money market, and equity securities. BMO will seek to achieve its objectives where considered appropriate by investing in exchange-traded funds or ETFs, cash, and cash equivalents.

Each class of units represents a glide path beneficiary age group. When an account is opened, each beneficiary is issued units of a class of units based on their date of birth. As the beneficiary ages, the target asset mix for each unit class will change over time with 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. When a particular class of units reaches the maturity date, it is merged with the Embark Student Graduation class of units, which has an asset mix intended for capital preservation. The actual asset mix of each class of units may vary based on changes in the market value of underlying securities and will be rebalanced periodically to maintain the target asset mix.

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the six months ended June 30, 2025**

(All amounts in Canadian dollars)

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As at June 30, 2025, the Plan consists of eight different classes of units to which each beneficiary is assigned to based on their date of birth: Embark Student 2026, Embark Student 2029, Embark Student 2032, Embark Student 2035, Embark Student 2038, Embark Student 2041, Embark Student 2044, and Embark Student Graduation. Every three years, the Plan creates a new class of units for younger beneficiaries as soon as the class of units with oldest beneficiaries is merged with Embark Student Graduation.

On December 12, 2023, subscribers of the Family Single Student Education Savings Plan and Flex First Plan (collectively, the “Terminating Plans”) voted in favour of winding-up and transferring their assets to the Plan or Embark Select Conservative Plan (collectively, the “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 are 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 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 Plan.

The financial statements were authorized for issue by the Audit, Finance and Risk Management Committee of the Board of Directors of the Foundation on August 21, 2025.

## **2 Basis of Accounting**

These unaudited semi-annual financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) and in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting as issued by the International Accounting Standards Board. The Plan has consistently applied the accounting policies used in the preparation of its financial statements.

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the six months ended June 30, 2025**

(All amounts in Canadian dollars)

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### **3 Material Accounting Policies**

The material accounting policies followed by the Plan are as follows:

#### **Financial instruments**

The financial instruments held by the Plan include financial assets and liabilities such as investments (third party exchange-traded funds), cash, due from affiliate, interest and dividend receivable, subscription receivable, management fees payable, due to affiliate, redemptions payable and accrued liabilities. The Plan recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments not measured at fair value through profit or loss. Regular purchases and sales of financial assets are recognized at their trade date. The Plan's investments are classified as fair value through profit or loss (FVTPL). All other financial assets and liabilities are measured at amortized cost. The Plan's obligation for net assets attributable to subscribers and beneficiaries is presented at the distribution amount, which is the residual amount of assets of the Plan after deducting all of its liabilities.

#### **Fair Value Measurement**

For ETFs, the Plan uses the last traded market price where the last traded price falls between that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Plan determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Plan's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

#### **Income Recognition, Transaction Costs and Expenses**

Interest income for distribution purposes from investments in fixed income securities and short-term investments represents the coupon interest received by the Plan accounted for on an accrual basis. Interest receivable is recognized based on the debt instruments' stated rates of interest. Dividends are recognized as income on the ex-dividend date. The cost of investments is determined using the average cost method. Average cost includes amortization of premiums and discounts on the Plan's debt securities. Transaction costs represent broker's commissions.

#### **Foreign Currency**

The financial statements are presented in Canadian dollars, which is the Plan's functional and presentation currency.

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the six months ended June 30, 2025**

(All amounts in Canadian dollars)

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### **Cash and Cash Equivalents**

Cash is comprised of demand deposits with financial institutions.

### **Funds Transferred In / (Out)**

During the life of an agreement, subscribers of other plans managed by Embark Student Corp. or subscribers at another provider may choose to transfer their agreement to the Plan. Alternatively, subscribers of the Plan may choose to transfer their agreements to another provider. Contributions, government grants and income transferred in/out are reported as changes in net assets attributable to subscribers and beneficiaries.

These transfers are presented as Proceeds from Redeemable Units Issued in the Statements of Changes in Net Assets Attributable to Subscribers and Beneficiaries.

### **Management Fee Rebates**

The Manager may reduce the management fees based on size of a unitholder investment or participation in a program offered by the Manager. Following the end of each quarter, the amount of any management fee rebate is distributed to qualified unitholders by the Plan in the form of a reinvestment in additional units of the respective series of the Plan. The management fee rebate, if applicable, is included in “Due from Affiliate” and in “Management fee rebates” in the Statement of Financial Position and Statements of Comprehensive Income of each unit class, respectively, if applicable. The Manager may reduce or waive the management fees without giving notice to unitholders.

### **Net Assets Attributable to Subscribers and Beneficiaries**

Net assets attributable to subscribers and beneficiaries are comprised of subscribers’ contributions, government grants and income earned on both subscribers’ contributions and government grants. Net assets attributable to subscribers and beneficiaries are classified as a liability as subscribers have the option to withdraw at any point prior to maturity. If a subscriber withdraws before maturity, the subscriber’s contributions are returned to the subscriber, income earned on that subscriber’s contributions is due and payable to the subscriber in the form of an accumulated income payment or payable to a designated educational institution. Government grant contributions are returned to the government and forfeited income on the government grants is owed to a designated educational institution.

Subscribers’ contributions are comprised of deposits received from subscribers. During the life of an agreement, subscribers may choose to change the amount of their contributions.

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the six months ended June 30, 2025**

(All amounts in Canadian dollars)

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Government grants represent contributions received from federal and provincial governments. Government grants are recognized upon receipt of an eligible contribution to a registered education savings plan by a subscriber to the Plan.

Accumulated income includes the increase (decrease) in net assets attributable to subscribers and beneficiaries. Education assistance payments, and payments of grant income to beneficiaries and designated financial institutions reduce the accumulated income account.

### **Taxation**

The income on subscribers' contributions is currently exempt from income taxes under the Income Tax Act (Canada) prior to the maturity of the plan. Education Assistance Payments, comprising government grants and all accumulated income, made to qualified nominees will be included in their income for the purposes of the Income Tax Act (Canada). The amounts deposited by subscribers are not deductible to the subscribers for tax purposes and are not taxable when returned to subscribers or their designated nominees.

The Plan is exempt from income taxes under Section 146.1 of the Income Tax Act (Canada).

### **Interests in Unconsolidated Structured Entities**

A structured entity is an entity that has been designed so that voting or similar rights are not dominant factors in deciding who controls the entity, or when voting rights relate to administrative tasks only and the relevant activities are directed by means of a contractual arrangement. The Plan invests in ETFs which are disclosed on the Schedule of Investment Portfolio, and the Plan has determined that these investments are unconsolidated structured entities. The Plan accounts for its investments in unconsolidated structured entities at FVTPL. The ETFs are domiciled in Canada and listed on the Toronto Stock Exchange.

### **New and Revised Standards and Interpretations Issued but Not Yet Effective**

The IASB has issued the following new standard amendments to existing standards that will become effective in future years:

- IFRS 18, *Presentation and Disclosure in Financial Statements* (replacing IAS 1, *Presentation of Financial Statements*), with an aim to improve how information is communicated in the financial statements, with a focus on information in the statement of income (January 1, 2027).
- Amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures*, clarifying both the classification of financial assets linked to environmental, social, and governance (January 1, 2026)

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the six months ended June 30, 2025**

(All amounts in Canadian dollars)

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The Plan is assessing the impacts of IFRS 18 and the amendments to IFRS 9 and IFRS 7 will have on the financial statements. The amendments are not expected to have a material impact on net assets attributable subscribers and beneficiaries.

### **4 Critical Accounting Estimates and Judgments**

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant judgments and estimates that the Plan has made in preparing the financial statements.

#### **Investment Entity Status**

A significant judgment made in preparing the Plan's financial statements relates to the determination that the Plan meets the definition of an investment entity as described in IFRS 10, Consolidated financial statements. The Plan's objective is to invest subscribers' contributions to maximize their investment return over the long term for the purpose of generating investment income. Fair value is the primary measurement used to evaluate the performance of substantially all investments.

#### **Classification and Measurement of Financial Instruments**

In classifying and measuring financial instruments held by the Plan, the Manager is required to make significant judgments in determining the most appropriate classification in accordance with IFRS 9, Financial Instruments. In making this judgment, the Manager has assessed the Plan's business model for managing the portfolio and the contractual cash flow characteristics and determined the investments are managed on a fair value basis, and that fair value is used to assess performance and make investment decisions. Consequently, all investments are measured at FVTPL.

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the six months ended June 30, 2025**

(All amounts in Canadian dollars)

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### **5 Financial Instruments Risks**

The Plan's investment activities expose it to a variety of risks associated with financial instruments, as follows: credit risk, liquidity risk and market risk (including price risk, currency risk and interest rate risk). The Plan does not conduct any activities in currencies other than the Canadian dollar and is therefore not subject to significant direct currency risk. The Plan's overall risk management approach includes investment guidelines, objectives, and limits which are designed to ensure that risk is mitigated through allocation of investments across different market sectors, maturity segments and issuers. The Plan employs a third-party investment manager and monitors the investments for compliance with the stated investment guidelines and relevant securities and tax regulations. Oversight responsibility and authority rests with the Foundation's Board of Directors and its Investment Committee. An Independent Review Committee is also in place.

#### **Credit Risk**

The Plan is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Plan may have been indirectly exposed to credit risk, to the extent that its investment in the ETFs have underlying investments in debt instruments, preferred securities and derivatives.

#### **Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Plan has current exposure to the subscribers' contributions and government grant balances as subscribers can cancel or terminate their agreement at any time at which point the full balance would become immediately payable to the subscribers or the government. The Plan is also exposed to agreement maturities and obligations with respect to the accumulated income accounts. Therefore, the Plan invests its assets in investments that are traded in an active market and can be easily liquidated. In addition, the Plan endeavors to retain adequate cash positions to maintain adequate liquidity.

EAPs (accumulated income and government contributions) are paid upon submission of required documentation to the Manager. Subscriber's principal is paid upon maturity of a respective agreement.

If a subscriber cancels an agreement, subscriber's principal and associated government grants are due upon demand. Income on the subscriber's principal and returned government grants become immediately payable to the subscriber or to a designated educational institution, as applicable, and is included in accounts payable and other liabilities in the Statements of Financial Position.

## EMBARK STUDENT PLAN

Notes to the Financial Statements

For the six months ended June 30, 2025

(All amounts in Canadian dollars)

All other liabilities of the Plan are due within three months.

### Concentration Risk

The table below summarizes this Plan's concentration risk as a percentage of investments:

	Percentage of Investments (%) as at June 30, 2025							
	2026	2029	2032	2035	2038	2041	2044	Graduation
<b>Canadian Fixed Income</b>	<b>63.4 %</b>	<b>67.5 %</b>	<b>52.6 %</b>	<b>37.0 %</b>	<b>24.9 %</b>	<b>17.0 %</b>	<b>10.0 %</b>	<b>45.4 %</b>
BMO Aggregate Bond Index ETF	21.0 %	48.3 %	32.6 %	22.9 %	14.2 %	9.5 %	5.6 %	— %
BMO Mid Corporate Bond Index ETF	4.9 %	16.2 %	17.2 %	12.2 %	9.3 %	6.4 %	3.6 %	— %
BMO Mid Federal Bond Index ETF	3.2 %	1.0 %	1.2 %	0.8 %	0.7 %	0.5 %	0.4 %	— %
BMO Short Corporate Bond Index ETF	34.3 %	2.0 %	1.6 %	1.1 %	0.7 %	0.6 %	0.4 %	40.3 %
BMO Canadian MBS Index ETF	— %	— %	— %	— %	— %	— %	— %	5.1 %
<b>Money Market</b>	<b>27.5 %</b>	<b>5.6 %</b>	<b>2.8 %</b>	<b>2.1 %</b>	<b>0.9 %</b>	<b>0.9 %</b>	<b>0.8 %</b>	<b>40.7 %</b>
BMO Money Market ETF	27.5 %	5.6 %	2.8 %	2.1 %	0.9 %	0.9 %	0.8 %	40.7 %
<b>U.S Equities</b>	<b>2.9 %</b>	<b>9.3 %</b>	<b>14.7 %</b>	<b>20.1 %</b>	<b>26.5 %</b>	<b>29.5 %</b>	<b>32.9 %</b>	<b>2.8 %</b>
BMO S&P 500 Index ETF	1.9 %	7.4 %	11.8 %	16.1 %	21.2 %	23.5 %	26.2 %	2.4 %
BMO US Dividend ETF	1.0 %	1.4 %	2.2 %	3.0 %	4.0 %	4.4 %	4.8 %	0.4 %
BMO MSCI USA ESG Leaders Index ETF	— %	0.5 %	0.7 %	1.0 %	1.3 %	1.6 %	1.9 %	— %
<b>Canadian Equities</b>	<b>2.9 %</b>	<b>9.5 %</b>	<b>15.1 %</b>	<b>21.1 %</b>	<b>23.8 %</b>	<b>25.8 %</b>	<b>28.4 %</b>	<b>2.9 %</b>
BMO Canadian Dividend ETF	0.9 %	1.4 %	2.2 %	3.1 %	3.6 %	4.0 %	4.2 %	0.5 %
BMO S&P/TSX Capped Composite Index ETF	2.0 %	7.6 %	12.2 %	16.9 %	19.0 %	20.5 %	22.8 %	2.4 %
BMO MSCI Canada ESG Leaders Index ETF	— %	0.5 %	0.7 %	1.1 %	1.2 %	1.3 %	1.4 %	— %
<b>International Equities</b>	<b>3.1 %</b>	<b>6.6 %</b>	<b>13.4 %</b>	<b>18.2 %</b>	<b>22.4 %</b>	<b>24.9 %</b>	<b>27.6 %</b>	<b>2.9 %</b>
BMO MSCI EAFE Index ETF	3.1 %	6.6 %	13.4 %	18.2 %	22.4 %	24.9 %	27.6 %	2.9 %
<b>Cash Equivalents</b>	<b>0.2 %</b>	<b>1.5 %</b>	<b>1.4 %</b>	<b>1.5 %</b>	<b>1.5 %</b>	<b>1.9 %</b>	<b>0.3 %</b>	<b>5.3 %</b>
RBC Term Deposits	0.2 %	1.5 %	1.4 %	1.5 %	1.5 %	1.9 %	0.3 %	5.3 %
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

The table below summarizes the Plan's concentration risk as a percentage of investments as at December 31, 2024.

## EMBARK STUDENT PLAN

Notes to the Financial Statements

For the six months ended June 30, 2025

(All amounts in Canadian dollars)

	Percentage of Investments (%) as at December 31, 2024							Graduation
	2026	2029	2032	2035	2038	2041	2044	
<b>Canadian Fixed Income</b>	<b>79.7 %</b>	<b>64.7 %</b>	<b>52.4 %</b>	<b>36.2 %</b>	<b>24.0 %</b>	<b>17.3 %</b>	<b>9.0 %</b>	<b>50.1 %</b>
BMO Aggregate Bond Index ETF	37.3 %	48.7 %	34.9 %	24.0 %	14.8 %	10.3 %	5.5 %	— %
BMO Mid Corporate Bond Index ETF	19.8 %	16.0 %	17.5 %	12.2 %	9.2 %	7.0 %	3.5 %	— %
BMO Mid Federal Bond Index ETF	7.5 %	— %	— %	— %	— %	— %	— %	— %
BMO Short Corporate Bond Index ETF	15.1 %	— %	— %	— %	— %	— %	— %	40.4 %
BMO Canadian MBS Index ETF	— %	— %	— %	— %	— %	— %	— %	4.8 %
BMO Ultra Short-Term Bond ETF	— %	— %	— %	— %	— %	— %	— %	4.9 %
<b>Money Market</b>	<b>8.5 %</b>	<b>3.8 %</b>	<b>1.2 %</b>	<b>— %</b>	<b>— %</b>	<b>— %</b>	<b>— %</b>	<b>39.3 %</b>
BMO Money Market ETF	8.5 %	3.8 %	1.2 %	— %	— %	— %	— %	39.3 %
<b>U.S Equities</b>	<b>4.6 %</b>	<b>12.9 %</b>	<b>17.3 %</b>	<b>23.2 %</b>	<b>30.2 %</b>	<b>33.2 %</b>	<b>36.4 %</b>	<b>3.9 %</b>
BMO S&P 500 Index ETF	3.5 %	11.0 %	14.6 %	19.6 %	25.6 %	26.5 %	29.3 %	3.9 %
BMO US Dividend ETF	1.1 %	1.3 %	1.8 %	2.4 %	3.0 %	4.3 %	4.7 %	— %
BMO MSCI USA ESG Leaders Index ETF	— %	0.6 %	0.9 %	1.2 %	1.6 %	2.4 %	2.4 %	— %
<b>Canadian Equities</b>	<b>3.2 %</b>	<b>10.4 %</b>	<b>14.9 %</b>	<b>21.2 %</b>	<b>22.4 %</b>	<b>25.3 %</b>	<b>27.3 %</b>	<b>2.7 %</b>
BMO Canadian Dividend ETF	0.8 %	1.1 %	1.5 %	2.1 %	2.3 %	3.2 %	3.1 %	— %
BMO S&P/TSX Composite Index ETF	2.4 %	8.8 %	12.6 %	18.0 %	19.0 %	20.2 %	22.5 %	2.7 %
BMO MSCI Canada ESG Leaders Index ETF	— %	0.5 %	0.8 %	1.1 %	1.1 %	1.9 %	1.7 %	— %
<b>International Equities</b>	<b>3.7 %</b>	<b>7.5 %</b>	<b>13.6 %</b>	<b>18.9 %</b>	<b>22.5 %</b>	<b>22.2 %</b>	<b>27.3 %</b>	<b>3.3 %</b>
BMO MSCI EAFE Index ETF	3.7 %	7.5 %	13.6 %	18.9 %	22.5 %	22.2 %	27.3 %	3.3 %
<b>Cash Equivalents</b>	<b>0.3 %</b>	<b>0.7 %</b>	<b>0.6 %</b>	<b>0.5 %</b>	<b>0.9 %</b>	<b>1.9 %</b>	<b>— %</b>	<b>0.7 %</b>
RBC Term Deposits	0.3 %	0.7 %	0.6 %	0.5 %	0.9 %	1.9 %	— %	0.7 %
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the six months ended June 30, 2025**

(All amounts in Canadian dollars)

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### **Market Risk**

The Plan's investments are subject to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The following include sensitivity analysis, as applicable that show how the net assets attributable to subscribers and beneficiaries would be affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ, and the differences could be material.

#### **a) Interest Rate Risk**

Interest rate risk is the risk of a change in the fair value or cash flows of a Plan's investments in interest-bearing financial instruments due to fluctuations in market interest rates. There is an inverse relationship between changes in interest rates and changes in the fair value of interest-bearing securities. The Plan manages interest rate risk by diversifying in various investments, as well as through investment committee oversight.

The Plan is indirectly exposed to the interest rate risk, to the extent that the underlying ETFs have invested in interest bearing financial instruments.

As at June 30, 2025, had prevailing interest rates increased or decreased by 25 basis points, assuming a parallel shift in the yield curve, with all other variables held constant, net assets of the Plan would have decreased or increased, respectively, by approximately \$53.9 million, (approximately 0.9% of the total investment portfolio).

#### **b) Currency Risk**

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of the Plan, will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than the functional currency is affected by changes in the value of the functional currency in relation to the value of the currency in which the investment is denominated. When the value of the functional currency falls in relation to foreign currencies, then the value of the foreign investments rises. When the value of the functional currency rises, the value of the foreign investments falls.

As at June 30, 2025, the Plan is indirectly exposed to the currency risk, to the extent that the underlying ETFs have invested in financial instruments that were denominated in a currency other than the functional currency of the ETF.

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the six months ended June 30, 2025**

(All amounts in Canadian dollars)

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### **c) Other Price Risk**

The Plan is exposed to other price risk, which is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether the changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Financial instruments held by the Plan are susceptible to market price risk arising from uncertainties about future prices of those instruments. Market prices of these instruments are predominantly a function of interest rate movements, credit risks, unemployment rates in the North American economy, general business conditions, commodity prices and corporate profits. The maximum risk resulting from financial instruments held by the Plan is equivalent to their fair value. The investment managers manage this risk through the selection of securities within the parameters of the investment strategy. As at June 30, 2025, if the fair value of the ETFs had increased or decreased by 5%, with all other variables held constant, the net assets attributable to subscribers and beneficiaries would have increased or decreased by approximately \$290 million (December 31, 2024 - \$289 million).

### **Capital Risk Management**

The capital of the Plan is represented by the net assets attributable to subscribers and beneficiaries. The capital of the Plan can change daily as the Plan is subject to ongoing contributions and cancellations. In addition, EAPs and maturities occur at specified times during the year. The Plan is not subject to externally imposed capital requirements. The Plan's objective, when managing capital risk, is to safeguard subscribers' contributions and government grants received and earn income on those amounts in order to pay EAPs to qualified beneficiaries. The Plan endeavors to invest subscribers' contributions, government grants received, and income earned in appropriate investments while maintaining sufficient liquidity to meet maturities, EAPs, cancellations and expenses in accordance with its investment objectives and risk management policies as described above. In order to manage the Plan's capital, the Plan's policy is to perform the following:

- Monitor the level of daily subscriber contributions and withdrawals relative to the liquid assets and adjust the amount of cash invested accordingly.
- Monitor the level of expected future payments for maturities and EAPs based on maturity and student applications received, and historical beneficiary qualification rates, and adjust the investment portfolio accordingly.
- Invest in securities which are traded in an active market and can be easily liquidated. There has been no change with respect to the overall capital risk management strategy during the period.

## EMBARK STUDENT PLAN

Notes to the Financial Statements

For the six months ended June 30, 2025

(All amounts in Canadian dollars)

### 6 Fair Value Measurement

The Plan classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 Inputs are unobservable for the asset or liability.

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The following tables illustrate the classification of the Plan's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2025 and December 31, 2024.

<b>June 30, 2025</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Term Deposit	\$ —	\$ 30,700,000	\$ —	\$ 30,700,000
Exchange-Traded Funds	5,799,009,102	—	—	5,799,009,102
<b>Investments at Fair Value</b>	<b>\$ 5,799,009,102</b>	<b>\$ 30,700,000</b>	<b>\$ —</b>	<b>\$ 5,829,709,102</b>

  

<b>December 31, 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Term Deposit	\$ —	\$ 30,090,000	\$ —	\$ 30,090,000
Exchange-Traded Funds	5,774,454,622	—	—	5,774,454,622
<b>Investments at Fair Value</b>	<b>\$ 5,774,454,622</b>	<b>\$ 30,090,000</b>	<b>\$ —</b>	<b>\$ 5,804,544,622</b>

There were no transfers between Level 1, Level 2 and Level 3 for the period ended June 30, 2025 and year ended December 31, 2024.

## EMBARK STUDENT PLAN

Notes to the Financial Statements

For the six months ended June 30, 2025

(All amounts in Canadian dollars)

### 7 Net Assets Attributable to Subscribers and Beneficiaries

For the period ended June 30, 2025, changes in outstanding units were as follows:

<b>Class of Units</b>	<b>Number of Units, Beginning of Period</b>	<b>Units Issued</b>	<b>Units Redeemed</b>	<b>Units Reinvested</b>	<b>Number of Units, End of Period</b>
<b>Embark Student Graduation</b>	138,068,610	1,682,245	(16,655,757)	1,417,860	124,512,958
<b>Embark Student 2026</b>	182,278,086	5,131,181	(12,842,446)	2,290,419	176,857,240
<b>Embark Student 2029</b>	139,204,467	4,362,316	(2,243,750)	1,550,369	142,873,402
<b>Embark Student 2032</b>	36,454,092	10,272,645	(5,430,964)	404,494	41,700,267
<b>Embark Student 2035</b>	21,257,998	5,668,818	(2,977,435)	220,729	24,170,110
<b>Embark Student 2038</b>	9,992,204	3,152,461	(1,543,174)	106,904	11,708,395
<b>Embark Student 2041</b>	2,474,545	1,082,434	(341,671)	25,343	3,240,651
<b>Embark Student 2044</b>	65,066	115,089	(1,564)	721	179,312

For the period ended June 30, 2024, changes in outstanding units were as follows:

<b>Class of Units</b>	<b>Number of Units, Beginning of Period</b>	<b>Units Issued</b>	<b>Units Redeemed</b>	<b>Units Reinvested</b>	<b>Number of Units, End of Period</b>
<b>Embark Student Graduation</b>	395,489	112,525	(64,378)	4,379	448,015
<b>Embark Student 2026</b>	1,464,873	527,217	(38,352)	12,149	1,965,887
<b>Embark Student 2029</b>	990,609	424,530	(15,224)	7,393	1,407,308
<b>Embark Student 2032</b>	523,707	250,193	(9,123)	3,604	768,381
<b>Embark Student 2035</b>	349,185	186,621	(3,970)	2,067	533,903
<b>Embark Student 2038</b>	259,450	171,880	(7,036)	1,360	425,654
<b>Embark Student 2041</b>	179,552	216,937	(6,139)	1,240	391,590
<b>Embark Student 2044</b>	—	8,721	(10)	36	8,747

## **EMBARK STUDENT PLAN**

Notes to the Financial Statements

**For the six months ended June 30, 2025**

(All amounts in Canadian dollars)

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### **8 Related Party Transactions**

#### **Management fees**

Embark Student Corp. is entitled to receive from the Plan annual management fees. These fees can increase or decrease but will not exceed 1.99% per annum plus applicable taxes. The management fee is based on the total market value of the Plan and is deducted before income is allocated to the subscribers. The management fees charged for the period ended June 30, 2025 were \$53,603,896 (June 30, 2024 - \$527,230) or 1.65% (June 30, 2024 - 1.65%), plus applicable taxes. Additionally, a management fee rebate of \$22,794,598 (June 30, 2024 - \$133,140) was included in the Statement of Comprehensive Income as described in Note 3.

At June 30, 2025, management fee payable of \$9,206,683 (December 31, 2024 - \$9,515,305) to the Manager is included in "Due from Affiliate" in the Statement of Financial Position. At June 30, 2025, management fee rebate receivable of \$11,423,629 (December 31, 2024 - \$11,588,254) is included in "Due from Affiliate".

Due from Affiliate also includes a \$977,559 (December 31, 2024 - \$990,740) BMO investment management fee to be reimbursed by the Manager.

### **9 Investments in Underlying Funds**

The Plan invests in ETFs which provide access to the returns of stock indices, bond indices, money market instruments, or a basket of assets and are intended to replicate the performance that would apply had the Plan directly purchased the underlying basket of assets. An investment in an ETF is subject to all of the risks of investing in the securities held by the ETF. The plan can also invest in cash and cash equivalents.

The Plan accounts for its investments in these ETFs at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, as applicable, represents the maximum exposure to losses at that date. During the periods ended June 30, 2025 and December 31, 2024, the Plan did not provide financial support to underlying ETFs and has no intention of providing financial or other support.

## EMBARK STUDENT PLAN

Notes to the Financial Statements

For the six months ended June 30, 2025

(All amounts in Canadian dollars)

### Investments in Unconsolidated Structured Entities

<b>Underlying Fund as at June 30, 2025</b>	Country of Establishment and Principal Place of Business	% Ownership in the Underlying Fund	Plan's Shares in the Underlying Fund
BMO Aggregate Bond Index ETF	Canada	12.74%	103,674,747
BMO Short Corporate Bond Index ETF	Canada	28.50%	87,721,860
BMO Mid Corporate Bond Index ETF	Canada	38.64%	31,479,604
BMO Money Market ETF	Canada	23.71%	23,498,083
BMO MSCI EAFE Index ETF	Canada	3.67%	14,256,340
BMO S&P/TSX Composite Index ETF	Canada	3.18%	9,534,311
BMO Mid Federal Bond Index ETF	Canada	10.35%	5,898,702
BMO S&P 500 Index ETF	Canada	1.85%	3,642,604
BMO Canadian Dividend ETF	Canada	6.35%	3,107,504
BMO Canadian MBS Index ETF	Canada	15.77%	2,179,174
BMO Ultra Short Term Bond ETF	Canada	1.82%	1,671,173
BMO US Dividend ETF	Canada	11.92%	1,601,865
BMO MSCI Canada ESG Leaders Index ETF	Canada	13.45%	408,710
BMO MSCI USA ESG Leaders Index ETF	Canada	10.19%	283,675

<b>Underlying Fund as at December 31, 2024</b>	Country of Establishment and Principal Place of Business	% Ownership in the Underlying Fund	Plan's Shares in the Underlying Fund
BMO Aggregate Bond Index ETF	Canada	17.98 %	123,543,517
BMO Short Corporate Bond Index ETF	Canada	32.78 %	63,274,340
BMO Mid Corporate Bond Index ETF	Canada	51.49 %	48,517,004
BMO MSCI EAFE Index ETF	Canada	4.47 %	16,390,160
BMO Money Market Fund ETF Series	Canada	24.06 %	16,027,033
BMO S&P/TSX Capped Composite Index ETF	Canada	3.74 %	10,674,881
BMO Mid Federal Bond Index ETF	Canada	19.06 %	9,950,802
BMO S&P 500 Index ETF	Canada	2.35 %	4,855,224
BMO Canadian MBS Index ETF	Canada	16.44 %	2,289,174
BMO Canadian Dividend ETF	Canada	4.43 %	2,235,729
BMO Ultra Short Term Bond ETF	Canada	2.12 %	1,446,603
BMO US Dividend ETF	Canada	9.96 %	1,323,685
BMO MSCI Canada ESG Leaders Index ETF	Canada	13.93 %	416,470
BMO MSCI USA ESG Leaders Index ETF	Canada	11.02 %	323,555

## EMBARK STUDENT PLAN

Notes to the Financial Statements

For the six months ended June 30, 2025

(All amounts in Canadian dollars)

### 10 Scholarship Plan Summary

For the period ended June 30, 2025 and June 30, 2024, changes in the scholarship plan as it pertains to contributions, grants, and accumulated income were as follows.

	2025	2024
<b>Net Assets Attributable to Subscribers and Beneficiaries, January 1</b>	<b>\$ 5,843,747,959</b>	<b>\$ 45,128,089</b>
Subscribers' Contributions		
Contributions	102,414,140	13,413,827
Return of Contributions and Transfers Out	(84,538,024)	(920,122)
	<b>\$ 17,876,116</b>	<b>\$ 12,493,705</b>
Government Grants		
Government Grant Contributions	22,913,758	1,759,217
Government Grant Repayments	(5,366,469)	(58,985)
Government Grant Transfers In	12,291,300	1,782,349
Government Grant Payments to Beneficiaries	(40,135,629)	(249,338)
	<b>\$ (10,297,040)</b>	<b>\$ 3,233,243</b>
Accumulated Income		
Increase in Net Assets Attributable to Subscribers and Beneficiaries	121,532,941	2,166,080
Income Transferred In, Net	9,211,700	390,922
Education Assistance Payments	(112,394,457)	1,666,933
Payments of Government Grant Income to Beneficiaries	(7,335,062)	(246,485)
Payments of Government Grant Income to Educational Institutions	(105,889)	(7,457)
	<b>\$ 10,909,233</b>	<b>\$ 3,969,993</b>
<b>Net Assets Attributable to Subscribers and Beneficiaries, June 30</b>	<b>\$ 5,862,236,268</b>	<b>\$ 64,825,030</b>

### 11 Plan Asset Transfer

As discussed in Note 1, effective July 2, 2024, the Embark Plans acquired all of the net assets and assumed all of the liabilities of the Terminating Plans' active and matured agreements in exchange for units in the Plan based on the net asset value of the respective glide path unit class as at July 2, 2024. The asset transfer was affected by transferring the net assets of the Terminating Plans in exchange for units in the Embark Plan at fair market value as at July 2, 2024.

## EMBARK STUDENT PLAN

Notes to the Financial Statements

For the six months ended June 30, 2025

(All amounts in Canadian dollars)

The financial statements of the Embark Plans do not include the operating results of the Terminating Plans prior to the asset transfer date. The appropriate Embark plan was determined based on the subscriber's risk profile with lower risk subscribers being allocated to the Embark Select Conservative Plan and the remaining subscribers to the Embark Student Plan. The appropriate Embark unit class was determined based on the beneficiary's age and corresponding time to post-secondary education. This transaction is considered to be a related party transaction given that all Plans were established by the Foundation and administered by the Manager. The non-cash portions of the asset transfer consisted of ETFs which were transferred at fair market value to the appropriate Embark plan and unit class on July 2, 2024.

Terminating Plan	Unit class	Units issued by unit class	Assets transferred into the 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
		<b>62,838,665</b>	<b>\$ 666,663,752</b>

Terminating Plan	Unit class	Units issued by unit class	Net Assets transferred into the 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
		<b>486,121,368</b>	<b>\$ 5,129,942,821</b>
<b>Total</b>		<b>548,960,033</b>	<b>\$ 5,796,606,573</b>

**EMBARC STUDENT PLAN**

Schedule of Investment Portfolio

**As at June 30, 2025**

(All amounts in Canadian dollars)

	<b>Number of Units</b>	<b>Average Cost \$</b>	<b>Fair Value \$</b>	<b>% of Investments</b>
<b>Canadian Money Market Securities</b>				
Royal Bank of Canada 2.65% 02JUL25	30,700,000	30,700,000	30,700,000	0.52
		<b>\$ 30,700,000</b>	<b>\$ 30,700,000</b>	<b>0.52</b>
<b>Exchange-Traded Funds</b>				
BMO Aggregate Bond Index ETF	103,674,747	\$1,403,580,631	\$1,439,005,488	24.56
BMO Short Corporate Bond Index ETF	87,721,860	1,198,985,166	1,228,983,259	20.96
BMO Money Market Fund ETF Series	23,498,083	1,171,277,750	1,171,379,438	19.98
BMO Mid Corporate Bond Index ETF	31,479,604	471,885,700	493,914,987	8.43
BMO MSCI EAFE Index ETF	14,256,340	323,906,249	368,954,079	6.29
BMO S&P/TSX Capped Composite Index ETF	9,534,311	286,277,186	342,186,422	5.84
BMO S&P 500 Index ETF	3,642,604	300,550,889	336,576,610	5.74
BMO Mid Federal Bond Index ETF	5,898,702	84,884,438	87,359,777	1.49
BMO Ultra Short-Term Bond Fund	1,671,173	82,617,345	81,904,189	1.4
BMO Canadian Dividend ETF	3,107,504	66,358,377	73,523,545	1.25
BMO US Dividend ETF	1,601,865	68,511,784	73,493,566	1.25
BMO Canadian MBS Index ETF	2,179,174	64,247,673	66,813,475	1.14
BMO MSCI Canada Selection Equity Index ETF	408,710	14,015,651	18,089,505	0.31
BMO MSCI USA Selection Equity Index ETF	283,675	15,246,067	16,824,764	0.29
<b>Total Exchange-Traded Funds</b>		<b>\$5,552,344,906</b>	<b>\$5,799,009,102</b>	<b>98.93</b>
Embedded Broker Commissions		(612,118)		
<b>Total Investments</b>		<b>\$5,582,432,788</b>	<b>\$5,829,709,102</b>	<b>99.45</b>
<b>Other Assets Less Liabilities</b>			<b>\$ 32,527,166</b>	<b>0.55</b>
<b>Net Assets attributable to Subscribers and Beneficiaries</b>			<b>\$5,862,236,268</b>	<b>100.00</b>