PLAN SUMMARY

HERITAGE PLANS

Type of plan: group scholarship plan
Investment Fund Manager: Knowledge First Financial Inc.
May 28, 2020

This summary tells you some key things about investing in the 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 we deposit your first contribution in to your plan to withdraw from your plan and get back all of your money.

If you (or we) cancel your plan after 60 days, you'll get back your contributions, less sales charges and fees. You will lose the earnings on your money. Your government grants will be returned to the government. **Keep in mind that you pay sales charges upfront. If you cancel your plan in the first few years, you could end up with much less than you put in.**

WHAT ARE THE HERITAGE PLANS?

The Heritage Plans are designed to help you save for a child'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 until the child named as the beneficiary of your 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 plan as an RESP, we need social insurance numbers for yourself and the child you name in the plan as the beneficiary.

When your plan matures, you and your beneficiary can choose to receive educational assistance payments ("EAPs") through the scholarship option or the self-determined option.

In the scholarship option, you are part of a group of investors. Everyone's contributions are invested together. When the plan matures, each beneficiary in that group shares in the earnings on that money. Your share of those earnings, plus your government grant money is paid to your beneficiary as an EAP.

If you select the self-determined option or fail to make an election for the scholarship option, you are no longer part of the group sharing upon maturity. All income earned in your plan and government grants can be paid to your beneficiary as an EAP.

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 enroll in a school or program that qualifies under this plan, or
- you leave the plan before it matures.

If you leave the plan before it matures, your earnings go to the remaining members of the group. However, if you stay in the plan until it matures, you might share in the earnings of those who left early. If you select the self-determined option, the plan's earnings can be withdrawn as an AIP, subject to requirements described in the "Accumulated income payments" section on page 40 of the Detailed Plan Disclosure.

WHO IS THIS PLAN FOR?

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

- they can make all of their contributions on time;
- they will stay in the plan until it matures;
- their child will attend a qualifying school and program under the plan; and
- they accept that if their beneficiary does not pursue post-secondary education, their options will be to change the beneficiary, if applicable, or to withdraw their income and contributions less sales charges and fees subject to provisions described in this prospectus.

If this doesn't describe you, you should consider another type of plan. You can also refer to the Detailed Plan Disclosure for payments to beneficiaries under the self-determined option, which has fewer restrictions.

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 and 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. Income earned in the plan may also be invested in equity securities listed on a stock exchange in Canada or the U.S. and "Index Participation Units" as that term is defined in National Instrument 81-102. The plan's investments have some risk. Returns will vary from year to year.

HOW DO I MAKE CONTRIBUTIONS?

With your contributions, you buy one or more "units" of the plan. A fraction of a unit can be issued. These units represent your share of the plan. You can pay for them all at once, or you can make annual or monthly contributions. There is no minimum contribution amount required to enroll in the plan. If you enroll in the plan only to apply and receive the Canada Learning Bond ("CLB") and/or the British Columbia Training and Education Savings Grant ("BCTESG"), if applicable, you are not required to make contributions.

You may change the amount of your contribution. You may also change your contribution schedule after you've opened the plan. A fee applies. All of the different contribution options for this plan are described in the Detailed Plan Disclosure, or you can contact our customer service department or your sales representative for more information.

WHAT CAN I EXPECT TO RECEIVE FROM THE PLAN?

At maturity, you will choose your pay-out option and select either the scholarship option or the self-determined option, which provides for payments of EAPs to beneficiaries or AIPs to subscribers.

The scholarship option provides for three pay-out choices and generally accommodates two, three and four years of eligible studies (or several part-time or full-time post-secondary programs totaling two, three or four years in length). Under the scholarship option the pay-outs are as follows:

- In your beneficiary's first year of college or university, you'll get back your contributions less fees. You will also receive an amount equivalent to up to 25%, up to 50% or up to 100% of sales charges paid based on the scholarship option selected. You can have this money paid to you or directly to your beneficiary.
- Your beneficiary will be eligible for EAPs commencing in the second year. For each year, your beneficiary must show proof they are enrolled in full-time or part-time eligible studies as specified in the *Income Tax Act* (Canada).

Under the self-determined option, the pay-outs are as follows:

- In your beneficiary's first year of college or university, you'll get back your contributions less sales charges and fees. You can have this money paid to you or directly to your beneficiary.
- Your beneficiary will be eligible for EAPs as long as they are enrolled in full-time or part-time eligible studies as specified in the *Income Tax Act* (Canada). Alternatively, you may withdraw your income as an accumulated income payment ("AIP").

EAPs are taxed in the beneficiary's hands.

WHAT ARE THE RISKS?

CANCELLATION RATE

Of the last five beneficiary groups of the Heritage Plans to reach maturity, an average of 19.2% of the plans in each group were cancelled before their maturity date.

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 five things that could result in a loss:

1. **You leave the plan before the maturity date.** People leave the plan for many reasons. For example, if their financial situation changes and they can't afford the contributions. If your plan is cancelled more than 60 days after we deposit your first contribution into your plan, you'll lose part of your contributions to sales charges and fees. You'll also lose the earnings on your investment. Your government grants will be returned to the applicable government.

2. **You miss contributions.** If you have difficulty making contributions, you have options. You can reduce your contributions, restructure your plan under a different contribution schedule, stop making contributions, transfer to an RESP offered by a different provider, or cancel your plan. Restrictions and fees apply. Some options will result in a loss of earnings and government grants. If you miss a contribution and do not take any action within two months, your plan will become inactive. If you do not take any action to re-activate your plan and let it remain inactive, your plan will automatically mature under the self-determined option. You will be eligible to receive your contributions less sales charges and fees ("principal"). If your beneficiary enrolls in eligible studies, he or she will be eligible to qualify for EAPs consisting of plan's income and government grants. If your beneficiary does not enroll in a program of eligible studies, you will have an option to withdraw all income earned in your plan as an AIP subject to requirements described in the "Accumulated income payments" section on page 40 of the Detailed Plan Disclosure.

3. **You or your beneficiary misses a deadline.** This can limit your options later on. You could also lose the earnings on your investment. Two of the key deadlines for this plan are:

   - **Maturity date - the deadline for making changes to your plan**
     You have until the maturity date to make changes to your plan. This includes changing the maturity date if your beneficiary wants to start their program sooner or later than expected and transferring to another RESP. Restrictions and fees apply.
   - **August 15 - the EAP application deadline under the scholarship option**
     If you selected a scholarship option and your beneficiary qualifies for an EAP, he or she must apply by August 15 before each year of eligible studies to receive a payment for that year. If the deadline is missed the EAP will not be approved at that time. It may be approved at a later date and a late application fee will apply, otherwise, your beneficiary may lose this money. Under the self-determined option EAP(s) can be requested at any time prior to your plan's expiry date.

4. **The beneficiary doesn't attend a qualifying school or program.** If your child will not be attending a program of eligible studies, you have the options to name another child as beneficiary, transfer to the self-determined option or to an RESP offered by a different provider, or cancel your plan. Restrictions and fees apply. Some options can result in a loss of earnings and government grants.

5. **The beneficiary doesn't complete their program.**

   - If your beneficiary chooses the scholarship option at maturity of the plan, and if he or she does not enroll in eligible studies in each year of the selected scholarship option, your beneficiary may lose some or all of their EAPs. If no EAPs have been paid yet, you can change the beneficiary on your plan or your beneficiary may be able to defer an EAP for up to two years. If an EAP has been paid, a one-year deferral is available on subsequent EAP(s), if applicable. Further deferrals are at our discretion.
   - Under the self-determined option, if the beneficiary does not enroll in eligible studies or does not complete their program of study, we will hold the remaining income in the plan until the beneficiary enrolls in eligible studies and qualifies for an EAP. Alternatively, the subscriber will be able to withdraw the remaining income as an AIP subject to requirements described in the "Accumulated income payments" section on page 40 of the Detailed Plan Disclosure. No payments will be made out of the plan past the end of the 35th year following the year the plan was entered into. For more information please refer to the "If your plan expires" section on page 32 of the Detailed Plan Disclosure.

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 plan. The following tables show the fees and charges of the plan. The fees and charges of this plan are different than the other plans we offer.

FEES YOU PAY

These fees are deducted from the money you put in the plan. They reduce the amount that gets invested in your plan, which will reduce the amount available for EAPs.

PAYING OFF THE SALES CHARGE

If, for example, you buy one unit of the plan on behalf of your newborn child, and you commit to paying for that unit by making monthly contributions until your plan's maturity date, then, based on how the sales charge is deducted from your contributions, it will take 33 months to pay off the sales charge. During this time, 36.2% of your contributions will be invested in the plan.

Fee	What you pay	What the fee is for	Who the fee is paid to
Sales charge	• $100 per unit fee • This can be between 2.47% and 22.86% of the total cost of a unit, depending on the contribution option you select for your plan and how old your beneficiary is at the time you open your plan. • All of your contributions go toward this fee until half of it has been paid off, and then half of each of your contributions go toward this fee until it has been paid in full.	This is the commission for selling you the plan. It is paid to your sales representative and the company they work for.	Paid to Knowledge First Financial, as Principal Distributor
Account maintenance fee	• $3.50[1] each year for one-time contribution; • $6.50[1] each year for annual contributions; • $10[1] each year for monthly contributions.	This is for processing your contributions and for maintaining your plan.	Paid to Knowledge First Financial

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.

OTHER FEES

Other fees apply if you make changes to your plan. See page 25 in the Detailed Plan Disclosure for details.

Fee	What the plan pays	What the fee is for	Who the fee is paid to
Management fee	The management fee includes: • Administrative fee of .63% per annum, effective June 1, 2020 on the average market value of assets in the plan calculated monthly; • Portfolio management fee[1] of .05 to .20% per annum on the average market value of assets in the plan; • The trustee fee, which is a flat fee across all plans managed by the Investment Fund Manager and is allocated to the plans based on the average market value of assets in the plan; • Custodian fee is based on percentage of the average market value of assets in the plan, plus additional flat fees for certain services as per the custody agreement For the year ended December 31, 2019, the total management fee was 0.58% of assets plus applicable taxes.	To cover such costs as operation and administration of the plan including coordination between the depository, trustee and portfolio advisers, record keeping and compliance with the *Income Tax Act* (Canada) and the government grants regulations.	Paid to Knowledge First Financial Inc., as, or in the capacity of, the investment fund manager of the Plan.
Independent review committee fee	For the fiscal year ended December 31, 2019, the fee paid to IRC members in respect of the Heritage Plans was $53,560.	Remuneration for services provided by IRC members.	IRC members

[1] Plus GST. The Harmonized Sales Tax ("HST") applies in lieu of GST in the Provinces of New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario and Prince Edward Island.

ARE THERE ANY GUARANTEES?

We cannot tell you in advance if your beneficiary will qualify to receive any payments from the plan 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 beneficiary'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 deposit insurer.

FOR MORE INFORMATION

The Detailed Plan Disclosure delivered 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.

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