

PROSPECTUS

DETAILED PLAN DISCLOSURE



N U R T U R E T H E D R E A M



THE CHILDREN'S EDUCATIONAL TRUST OF CANADA

Education Savings Plans

Administered by
THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

PROSPECTUS DATED JUNE 20, 2025
CONTINUOUS OFFERING

Group Option Plan

Price Per Security or Minimum Subscription: The greater of \$9.40 per month and one Unit

Self-Initiated Option Plan

Price Per Security or Minimum Subscription: \$300 within 12 months of the date of enrolment

Achievers Plan

Minimum Subscription: \$465 in total contributions

These investment funds are scholarship plans that are managed by
CHILDREN'S EDUCATION FUNDS INC.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

IMPORTANT INFORMATION TO KNOW BEFORE YOU INVEST

The following is important information you should know if you are considering an investment in a scholarship plan.

No Social Insurance Number = No Government Grant, No Tax Benefits

We need social insurance numbers for you and each child named as a Beneficiary under the Plan before we can register your plan as a Registered Education Savings Plan (**RESP**). The *Income Tax Act* (Canada) won't allow us to register your plan as an RESP without these social insurance numbers. Your plan must be registered before it can:

- qualify for the tax benefits of an RESP, and
- receive any Government Grants.

You can provide the Beneficiary's social insurance number after the Plan is open. If you don't provide the Beneficiary's social insurance number when you sign your Contract with us, we'll put your net Contributions into an escrow account which is an unregistered education savings account. During the time your Contributions are held in this account, we will deduct sales charges and fees from your Contributions as described under "Costs of Investing in this Plan". You will be taxed on any Income earned in this account.

If we receive the Beneficiary's social insurance number within 24 months of your Application Date (or such longer period as may be agreed to by the Foundation), we'll transfer your net Contributions and the Income they earned to your Plan.

If we do not receive the Beneficiary's social insurance number within 24 months of your Application Date (or such longer period as may be agreed to by the Foundation), we'll cancel your Plan. You'll get back your net Contributions and the Income earned. Since you pay sales charges up front, you could end up with much less than you put in.

If you don't expect to get the Beneficiary's social insurance number within 24 months of the date of your application, you should not enrol or make Contributions to a Plan.

Payments Not Guaranteed

We cannot tell you in advance if your Beneficiary will qualify to receive any Educational Assistance Payments (**EAPs**), or will receive any EAP 'top-up' payments, or whether you will receive any payments toward a return of the sales charges, or how much will be received. We do not guarantee the amount of any payments or that they will cover the cost of your Beneficiary's post-secondary education.

Payments from the Group Option Plan Depend on Several Factors

The amount of the EAPs from the Group Option Plan will depend on how much the Plan earns and the number of Beneficiaries in the group who do not qualify for payments. We may also make payments toward EAP top-ups (payments to Beneficiaries eligible to collect an

EAP to enhance the amount of EAPs the Beneficiaries collect) and return of sales charges.

EAP top-ups and return of sales charges with respect to the Group Option Plan depend on the amount of money available in respect of the Beneficiary Group in the Scholarship Enhancement Fund Account (an account that the Foundation has historically used to pay EAP top-ups and return of sales charges) and the allocation of that money as between EAP top-ups and return of sales charges.

Payments from the Scholarship Enhancement Fund Account are not guaranteed. You must not count on you or your Beneficiary receiving a payment from the Scholarship Enhancement Fund Account. Payments will only be made if there is money in the Scholarship Enhancement Fund Account in respect of your Beneficiary Group. If there is a payment, you and/or your Beneficiary may get less than what has been paid in the past.

Understand the Risks

If you withdraw your net Contributions early or do not meet the terms of the Plan, you could lose some or all of your money. Make sure you understand the risks before you invest. Carefully read the information found under "Risks of Investing in a Scholarship Plan" and "Risks of Investing in this Plan" in this Detailed Plan Disclosure.

If You Change Your Mind

You have up to 60 days after signing your Contract to withdraw from your Plan and get back all of your money, including any sales charges but excluding any insurance premiums.

If you (or we) cancel your Plan after 60 days, you'll get back your net Contributions. You will lose the Income on your money in your Plan. Your Government Grants will be returned to the government. **Keep in mind that you pay sales charges up front. If you cancel your Plan within the first few years, you could end up with much less than you put in.**

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INTRODUCTION

This Detailed Plan Disclosure contains information to help you make an informed decision about investing in our scholarship plans and to understand your rights as an investor. It describes the Plans and how they work, including the fees you pay, the risks of investing in a Plan and how to make changes to your Plan. It also contains information about our organization. The prospectus is comprised of both this Detailed Plan Disclosure and each Plan Summary that was delivered with it.

You can find additional information about the Plans in the following documents:

- the Plans' most recently filed audited financial statements;
- any interim financial reports filed after the annual financial statements;
- the most recently filed annual management report of fund performance; and
- the undertaking to the Ontario Securities Commission and the securities regulatory authorities in the other provinces and territories of Canada concerning investments of the Plans and other matters.

These documents are incorporated by reference into this prospectus. That means they legally form part of this document just as if they were printed as part of this document.

You can get a copy of these documents at no cost by calling us toll-free at 1-800-246-1203 or by contacting us at info@cefi.ca.

You'll also find these documents on our website at www.cefi.ca.

These documents and other information about the Plans are also available at www.sedarplus.ca.

Any financial statements and management reports of fund performance, if filed by the Plans after the date of the prospectus and before the termination of the distribution, are deemed to be incorporated by reference in the prospectus.

The Plans are required to prepare annual audited financial statements and semi-annual unaudited financial statements that comply with applicable laws and accounting standards. The Plans are also required to prepare annually a management report of fund performance that contains information that is required by law. These documents must be filed with the regulators (through the SEDAR+ filing system).

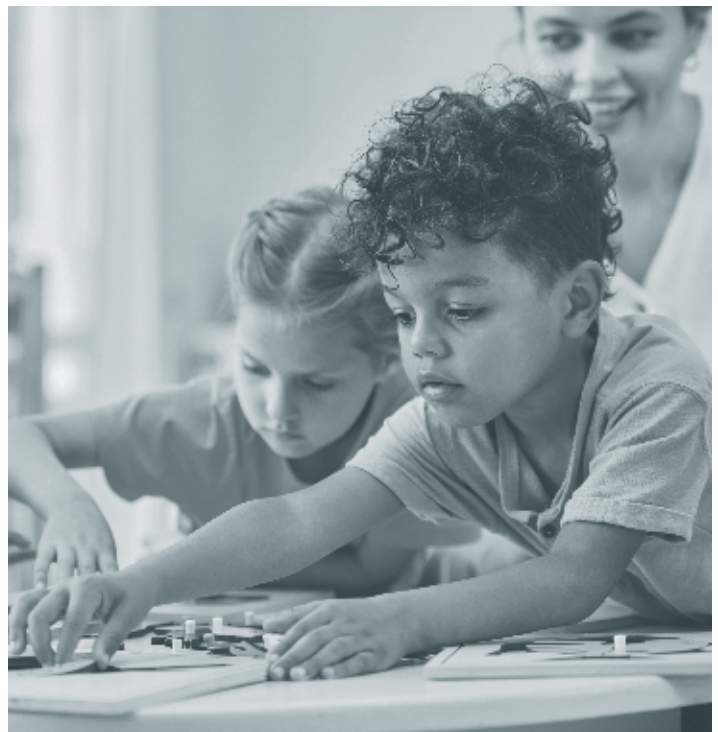
Along with the Plans' prospectus, the Plans' financial statements and management report of fund performance provide information that will help you assess the Plans, their past operations, their financial condition, their future prospects and their risks. These documents contain information that is required by law and, in the case of the financial statements, that meet applicable accounting standards.

The Plans' annual financial statements and interim financial reports include statements of financial position, statements of

comprehensive income, statements of changes in net assets attributable to subscribers and beneficiaries and statements of cash flows. These statements include information about the amount of EAPs that have been paid to students in past years. The notes to the financial statements form an integral part of the financial statements.

How scholarship funds are managed can say much about the Plans' ability to withstand market changes and unexpected events. The Plans' management reports of fund performance are prepared each year by the investment fund manager and describe the objectives, strategies and risk management considerations applied to investing assets of the Plans. The reports discuss events that have affected the Plans' investment performance and set out the investment fund manager's expectations for the coming year. They also describe the investments made by the Plans and how those investments have performed. You can get a list of the investments of the Plans by reviewing the Plans' latest management report of fund performance and financial statements.

The Plans are managed in accordance with the investment restrictions set out in National Policy Statement No. 15 – *Conditions Precedent to Acceptance of Scholarship or Educational Plan Prospectuses* and the administrative policies of the Canadian Securities Administrators. The investment fund manager has also provided an undertaking to the Ontario Securities Commission as well as each securities regulatory authority in the other provinces and territories of Canada to modify these restrictions as outlined in this prospectus.



TERMS USED IN THIS PROSPECTUS

In this document, “we”, “us” and “our” refer to The Children’s Education Trust of Canada, Children’s Education Funds Inc. and The Children’s Educational Foundation of Canada (the **Foundation**). “You” refers to potential investors, Subscribers and Beneficiaries.

The following are definitions of some key terms you will find in this prospectus:

Accumulated Income Payment (AIP): certain Income that you may get in certain circumstances if your Beneficiary does not pursue post-secondary education and you meet certain conditions set by the federal government and the applicable Plan.

AIP: see Accumulated Income Payment.

Application Date: the date you opened your Plan with us or the effective date of your Contract.

Attrition: under the Group Option Plan (a group plan), a reduction in the number of Beneficiaries who, or Units that, qualify for EAPs in a Beneficiary Group. See also Pre-maturity Attrition and Post-maturity Attrition.

Beneficiary: the person you name to receive EAPs under the Plan.

Beneficiary Group: Beneficiaries in the Group Option Plan (a group plan) who have the same Year of Eligibility. They are typically born in the same year.

Contract: the agreement you enter into with us when you open your Plan which includes your enrolment application form, including its Schedule “A”, which together constitute the “**Scholarship Agreement**”.

Contribution: the amount you pay into a Plan. Sales charges and other fees, including any insurance premiums, are deducted from your Contributions and the remaining amount (**net Contribution**) is invested in your Plan.

Contribution Schedule: sets out the amount and frequency (for example, monthly or yearly) of Contributions required to be made by you based on the number of Group Option Plan Units purchased or the Plan Contribution Target for the Achievers Plan.

EAP: see Educational Assistance Payment.

EAP Account: for the Group Option Plan (a group plan), an account that holds the Income earned on net Contributions made by Subscribers. There is a separate EAP Account for each Beneficiary Group. An EAP Account includes the Income earned on net Contributions of Subscribers who have cancelled their Plan or whose Plan was cancelled by us. The money in this account is distributed to the remaining Beneficiaries in the Beneficiary Group as part of their EAPs.

Earnings: any amount earned on (i) net Contributions to a Plan, or (ii) Government Grants, such as interest and capital gains. For group plans, it does not include any amount earned in the Scholarship Enhancement Fund Account or the Enrichment Fund Account, such as interest earned on Income after the Maturity Date.

Educational Assistance Payment (EAP): in general, an EAP is a payment made to your Beneficiary after the Maturity Date for Eligible Studies. An EAP consists of Government Grants and Income. For the Group Option Plan (a group plan), an EAP consists of Government Grants, Income on Government Grants and your Beneficiary’s share of the EAP Account for their Beneficiary Group. EAPs do not include payments from the Scholarship Enhancement Fund Account or the Enrichment Fund Account.

Eligible Studies: a post-secondary educational program that meets the Plan’s requirements for a Beneficiary to receive EAPs.

Enrichment Fund Account: an account that holds the surplus between the targeted rate and actual return earned on Income in matured Achievers Plans.

Government Grant: any financial grant, bond or incentive offered by the federal government, (such as the Canada Education Savings Grant or the Canada Learning Bond), or by a provincial government, to assist with saving for post-secondary education in an RESP.

Grant Contribution Room: the remaining amount of Government Grant a Plan is eligible to receive under a federal or provincial government grant program.

Income: has the same meaning as Earnings.

Maturity Date: the date on which the Plan matures. In general, (i) under the Group Option Plan, it is the anniversary date of the Application Date that falls in the year your Beneficiary is expected to enrol in their first year of post-secondary education, and (ii) under the Self-Initiated Option Plan and the Achievers Plan, it is the date chosen by the Subscriber so long as it is within 31 years of the date of the Contract.

Plan: means the Group Option Plan, the Self-Initiated Option Plan or the Achievers Plan, each a scholarship plan that provides funding for a Beneficiary’s post-secondary education.

Plans: means, collectively, the Group Option Plan, the Self-Initiated Option Plan and the Achievers Plan.

Plan Contribution Target: means the total amount of Contributions that a Subscriber to the Achievers Plan has indicated when subscribing that he or she intends to make, which the Subscriber may increase or decrease.

Post-maturity Attrition: under the Group Option Plan (a group plan), a reduction in the number of Beneficiaries who, or Units that, qualify for EAPs after the Maturity Date. See also Attrition.

Pre-maturity Attrition: under the Group Option Plan (a group plan), a reduction in the number of Beneficiaries who, or Units that, qualify for EAPs before the Maturity Date. See also Attrition.

Scholarship Enhancement Fund Account: an account that holds Income and capital gains earned on matured Group Option Plans and unclaimed net Contributions of cancelled Group Option Plans.

Subscriber: the person(s) who enter(s) into a Contract with us to make Contributions to a Plan.

Unit: under the Group Option Plan (a group plan), a Unit represents a share of the EAP Account for any given Beneficiary Group. The terms of the Contract you sign determine the value of the Unit under the Group Option Plan. Under the Self-Initiated Option Plan, you buy one Unit (the cost is flexible).

Year of Eligibility: the year in which a Beneficiary is first eligible to receive EAPs under a Plan. For the Group Option Plan (a group plan), it is typically the year following the Maturity Date, being the year the Beneficiary will enter his or her second academic year of Eligible Studies; however, if the Eligible Studies program is one year or less, the Year of Eligibility is that year. For the Self-Initiated Option Plan and the Achievers Plan, the Year of Eligibility is typically the year that the Beneficiary begins Eligible Studies.

OVERVIEW OF OUR SCHOLARSHIP PLANS

What is a Scholarship Plan?

A scholarship plan is a type of investment fund that is designed to help you save for a Beneficiary's post-secondary education. Your plan must be registered as an RESP in order to qualify for Government Grants and tax benefits. To do this, we need social insurance numbers for you and the person you name in the Plan as your Beneficiary.

You sign a Contract when you open a Plan with us. You make Contributions under the Plan. We invest your Contributions for you, after deducting applicable fees. You will get back your Contributions, less fees and service charges, whether or not your Beneficiary goes on to post-secondary education. Your Beneficiary will receive Educational Assistance Payments from us if they enrol in Eligible Studies and all the terms of the Contract are met.

Please read your Contract carefully and make sure you understand it before you sign. If you or your Beneficiary do not meet the terms of your Contract, it could result in a loss of money and your Beneficiary could lose some or all of their EAPs.

Types of Plans We Offer

The Children's Educational Foundation of Canada offers the following Plans:

- Group Option Plan
- Self-Initiated Option Plan
- Achievers Plan

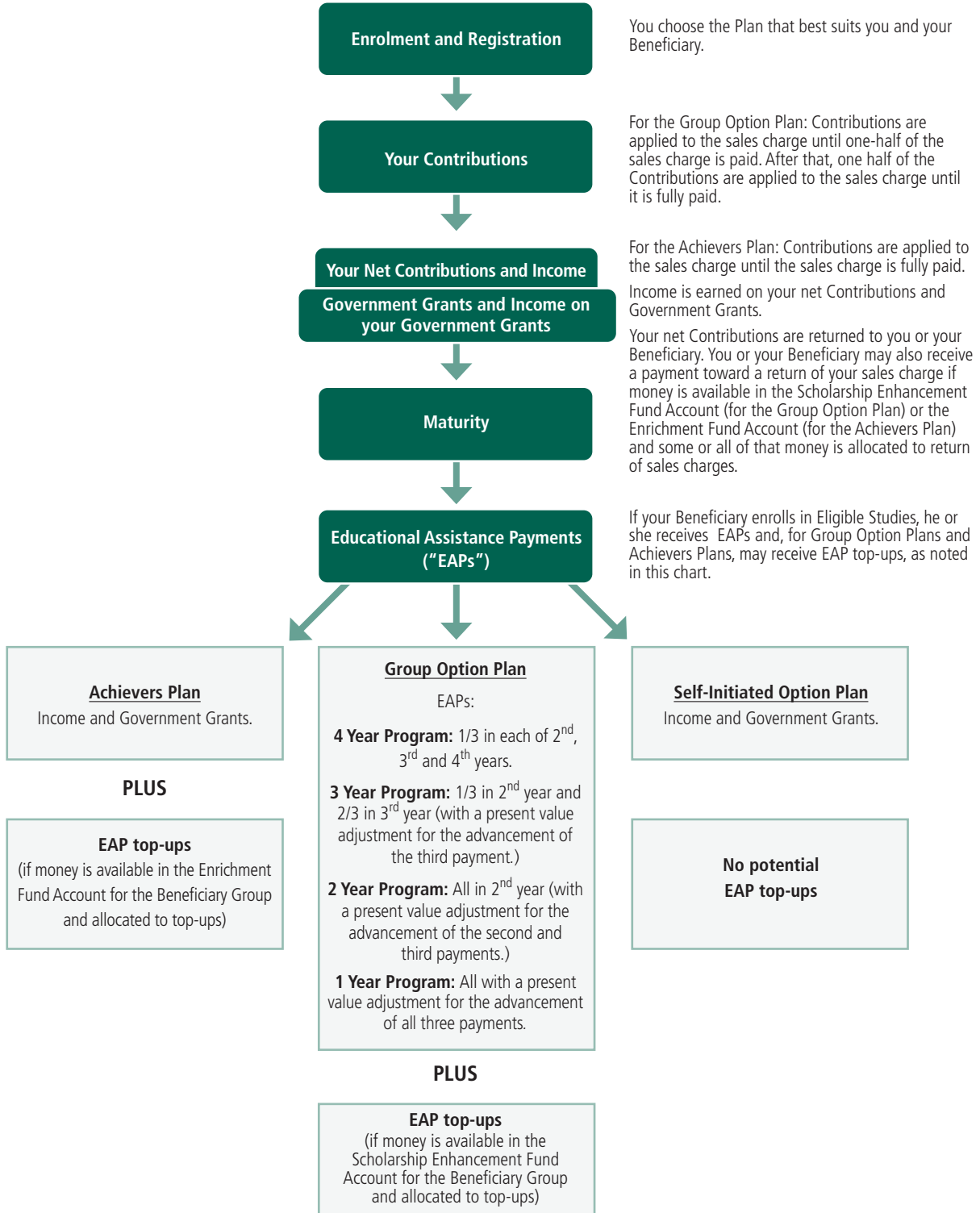
There are differences in the enrolment criteria, Contribution requirements, fees, services, payments to Beneficiaries and options for receiving EAPs and options if the Beneficiary does not pursue Eligible Studies among the Plans offered. The Plan-specific disclosure for each Plan is provided on pages 14, 35 and 43 for the Group Option Plan, Self-Initiated Option Plan and Achievers Plan, respectively.



HOW OUR PLANS WORK

Make sure your contact information is up to date

It is important that you keep your address and contact information up to date. We will need to communicate important information to you throughout the life of your Plan. We will also need to find you and the Beneficiary when the Plan matures so we can return your net Contributions and make payments to the Beneficiary.



Enrolling in a Plan

To enrol:

- Complete an enrolment application form and any applicable Government Grant applications and supply your social insurance number. Spouses or common-law partners (or former spouses and common-law partners who are both the legal parent of a beneficiary) may apply as joint Subscribers. Each Subscriber's social insurance number is required at the time of enrolment to register the Plan as an RESP under the *Income Tax Act* (Canada).
- Designate a Beneficiary for the Group Option Plan, Self-Initiated Option Plan or Achievers Plan. The Beneficiary for the Group Option Plan must be under the age of 13. The Beneficiary under the Self-Initiated Option Plan or the Achievers Plan may be of any age and can include you. You may be able to change your Beneficiary later on, subject to applicable restrictions on transferability. The Beneficiary must be a resident of Canada.
- Provide the Beneficiary's social insurance number within 24 months of your Application Date or such longer period as may be agreed to by the Foundation so that we can register your Plan.
- If the Beneficiary qualifies for Government Grants, have the Beneficiary's primary caregiver complete the form designating your plan as the one to receive these Government Grants.
- **Group Option Plan:**
 - Under a Group Option Plan, choose how much you would like to contribute on a one-time, monthly or annual basis and the length of time over which you wish to make Contributions.
 - If you select the Group Option Plan, the Maturity Date of your Plan will be in the year your Beneficiary is expected to begin his or her first year of post-secondary studies and will be the anniversary of the date of your Application Date.
- **Self-Initiated Option Plan**
 - Under the Self-Initiated Option Plan, subject to the limits set out below, you may make Contributions to your Plan in any amount (not exceeding the lifetime contribution limit for a Beneficiary of \$50,000 under the *Income Tax Act* (Canada)) and as frequently as you choose, both before and after the Maturity Date of your Plan up to and including the 31st year following the year your Contract was entered into.
 - If you select the Self-Initiated Option Plan or the Achievers Plan, you may choose the Maturity Date of your Plan, so long as the Maturity Date is within 31 years from the Application Date.
- **Achievers Plan**
 - Under the Achievers Plan, you choose your desired Plan Contribution Target and the frequency of Contributions. The amount of each Contribution will be determined based on your desired Plan Contribution Target and

the frequency of Contributions selected. The amount and frequency of Contributions will be set out in your Contribution Schedule. Contributions may not exceed the lifetime contribution limit for a Beneficiary of \$50,000 under the *Income Tax Act* (Canada).

- The term of the schedule for Contributions ends at the Maturity Date. The Maturity Date is chosen by you and it must be within 31 years from your Application Date.
- The Maturity Date should occur during the year in which your Beneficiary is expected to begin his or her post-secondary education.
- Submit the application to us through your dealing representative.
- When we accept the application, you will have entered into an education savings plan agreement which will be your Contract. We will provide a copy of the Contract to you.

If Your Beneficiary does not have a Social Insurance Number

Your Plan does not qualify as an RESP until it is registered under the *Income Tax Act* (Canada). We will apply to register your Plan with Canada Revenue Agency on your behalf, but we cannot register an education savings plan agreement without a social insurance number (**SIN**) for both the Subscriber and the Beneficiary. You may supply SINs for your Beneficiary within 24 months of your Application Date. You have the option to wait until the Beneficiary has a SIN to purchase a Plan.

Any net Contributions made for a child whose SIN we have not received will be deposited in an escrow account which is an unregistered education savings account and invested in accordance with our investment restrictions policies (see "Investment Restrictions" on page 9), pending our receipt of the Beneficiary's SIN. The escrow account is not eligible for tax benefits or Government Grants. However, as long as you provide the Beneficiary's SIN by our deadline it will:

- permit the Year of Eligibility for your Beneficiary to be determined based on your Application Date;
- prevent you from having to make higher Contributions for the same amount of EAPs due to a child moving into the next age bracket while waiting for a SIN;
- permit the net Contributions deposited in the escrow account to be eligible for Government Grants once your Plan is registered; and
- permit Income earned on net Contributions deposited into the escrow account to not be taxed in your hands, but in the hands of the Beneficiary when it is paid out as part of an EAP.

If we receive the required SIN within 24 months of your Application Date (or such longer period as may be agreed to by the Foundation), we will contribute the original amount of your net Contributions to the applicable Plan and we will also transfer the Income earned on your net Contributions to the Plan. The date of this transfer will be considered the date of the Contribution into the Plan.

Government Grants

The following is a brief summary of the various Government Grants. To receive any applicable Government Grants, you are required to complete the appropriate enrolment application form and we will apply to the government on your behalf. You may contact your dealing representative or the Foundation about the applications that the Foundation will make on your behalf.

Any Government Grants you receive are owned by your Beneficiary and invested in the Plan on behalf of your Beneficiary. Government Grants for your Beneficiary are pooled with the Government Grants of other Beneficiaries. Government Grants are invested separately from your net Contributions. Government Grants and any Income earned on them are paid to your Beneficiary when he or she collects his or her EAPs.

Canada Education Savings Grant (CESG)

The CESG is a grant of up to \$7,200 from the federal government, paid into the RESP of an eligible Beneficiary. The amount of grant your Beneficiary receives is based on Contributions you make until the end of year in which the Beneficiary turns 17 years of age and any available Grant Contribution Room the Beneficiary may have up to that time. The amount of the CESG that will be paid in any year is 20% of the first \$2,500 in Contributions, or \$500. If there is accumulated CESG room, the maximum CESG payable in any year is \$1,000. Families with an annual income below certain income levels are entitled to an additional 10% to 20% CESG on the first \$500 they contribute each year. For full details on the CESG, please visit: <https://www.canada.ca/en/services/benefits/education/education-savings/savings-grant.html>.

Canada Learning Bond (CLB)

The CLB is a grant of up to an aggregate of \$2,000 (\$500 in the first year and an extra \$100 each year) from the federal government, paid into the RESP of an eligible Beneficiary born on or after January 1, 2004. In any given year, your Beneficiary must be under age 16 and your family's annual income should be below certain income levels in order to be eligible for the CLB for that year. CLB eligible children who were born in 2004 or later and who are between the ages of 18 and 20 (or, if certain proposed changes are enacted, 30) are allowed to apply for the CLB if they have not already received the CLB. For full details on the CLB, please visit: <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/registered-education-savings-plans-resps/canada-education-savings-programs-cesp/canada-learning-bond.html>.

Quebec Education Savings Incentive (QESI)

The QESI is a Quebec government program that pays refundable tax credits of up to an aggregate of \$3,600. Each year, a RESP of a Quebec resident Beneficiary can receive an amount equal to 10% of Contributions, to a maximum of \$250 (or \$500 if rights accumulated during previous years are added to the

basic amount). The amount of grant your Beneficiary receives is based on Contributions you make and any available Grant Contribution Room you may have. Families with an annual income below certain levels are entitled to additional 5% to 10% QESI on the first \$500 they contribute each year. The Beneficiary must be less than 18 years of age and a resident in Quebec on December 31 of the applicable taxation year in order to be eligible for the QESI for that year. For full details on the QESI, please visit: <https://www.revenuquebec.ca/en/citizens/tax-credits/quebec-education-savings-incentive/>.

British Columbia Training and Education Savings Grant (BCTESG)

The BCTESG is a one-time education savings grant of \$1,200 paid into an RESP by the Government of British Columbia for any British Columbia resident child who is born in 2006 or later. No matching or additional Contributions are required in order to receive the grant. Families with children resident in B.C. who have an RESP can apply for the grant when the child turns six years old. Families establishing a new RESP for a British Columbia resident child who is six years old will apply at that time. For more information, please visit: <https://www2.gov.bc.ca/gov/content/education-training/k-12/support/scholarships/bc-training-and-education-savings-grant>.

Contribution Limits

The total of all Contributions for any Beneficiary under a Plan is subject to a lifetime limit of \$50,000 under the *Income Tax Act* (Canada). Government Grants are not included in calculating Contribution limits. If you make Contributions that exceed this limit, there are tax consequences (please see "How You are Taxed as the Subscriber" on page 11 for details).

You can make Contributions to your Plan that exceed the amount that would result in you receiving the maximum annual amount in Government Grants. These additional Contributions do not allow you to receive additional Government Grants. All Contributions you make are invested in your Plan in the same way.

Additional Services

Insurance

Under the Group Option Plan, if the Subscriber resides in any province or territory other than Quebec, completion insurance automatically covers you in the event that you are a qualifying Subscriber, have not chosen to opt out of completion insurance, and you suffer a permanent and total disability or die while still in the Contribution period of the Plan. The insurance premiums for this insurance coverage, if applicable, are deducted from Contributions. Further optional insurance coverage options are also available to Subscribers in the Group Option Plan. Under this insurance, Chubb Life Insurance Company of Canada (the **Insurer**) will continue to make Contributions into your Plan in accordance with your insurance plan. If you purchase insurance, the premium is deducted from each Contribution you make and is remitted to the Insurer. We receive a portion of the premiums paid to the

Insurer in return for providing administrative services related to the insurance program. Beneficiary insurance is available to subscribers under the Achievers Plan.

Like most other insurance policies, the premium you pay is not refunded under any circumstance. If you fail to pay the premium on your insurance (which can occur if you fail to make even one Contribution, as premium payments are deducted from your Contributions), your insurance coverage can be terminated. The Foundation may in its discretion and for a limited time and amount, pay on your behalf certain insurance premiums that you have missed so that you don't default right away on your insurance coverage. You will need to pay back this amount, plus any fees or adjustments, to the Foundation.

If you cancel your Plan, any insurance coverage that you have purchased for that Plan will also be terminated.

Please see "Other Important Information - Insurance Coverage" at page 33 for further information regarding insurance.

Fees and Expenses

There are costs for joining and participating in our Plans. You pay some of these fees and expenses directly from your Contributions. The Plans pay some of the fees and expenses, which are deducted from the Plans' Income. See "Costs of Investing in this Plan" in this Detailed Plan Disclosure for a description of the fees and expenses of each of our Plans. Fees and expenses reduce a Plan's returns which reduces the amount available for EAPs. There are different fees and expenses associated with each of the Plans we offer. The choice of Plan also affects the amount of compensation that is paid to us in our capacity as dealer as well as the amount of compensation paid to your dealing representative.

Eligible Studies

EAPs will be paid to your Beneficiary only if he or she enrolls in Eligible Studies. For a summary of the educational programs that qualify for EAPs under our Plans, see "Summary of Eligible Studies" in this Detailed Plan Disclosure. We recommend that you carefully read the "Specific Information about Our Plans" sections for each Plan in this Detailed Plan Disclosure to better understand the differences among the Plans.

Payments from the Plan

Return of Contributions

We always return your net Contributions to you or to your Beneficiary, subject to certain qualifications. Income from the Plan will generally go to your Beneficiary. If your Beneficiary does not qualify to receive the Income from your Plan, you may be eligible to get back some of that Income as an "Accumulated Income Payment" (AIP). See the "Accumulated Income Payments" section in this Detailed Plan Disclosure for more information about AIPs.

Educational Assistance Payments

We will pay EAPs to your Beneficiary if your Beneficiary qualifies for the payments under the Plan and under the *Income Tax*

Act (Canada). The amount and timing of each EAP generally depends on which Plan you have, how much you contributed to it, the Government Grants in your Plan, the performance of the Plan's investments and the number of years in which your Beneficiary is enrolled in Eligible Studies.

You should be aware that the *Income Tax Act* (Canada) has restrictions on the amount of EAP that can be paid out of an RESP at a time. A full-time student may not receive more than \$8,000 as an EAP unless he or she has completed at least 13 consecutive weeks of study in the previous 12 months. A part-time student can collect EAPs of up to \$4,000 for each 13-week period of study. If your student's expenses are expected to exceed these amounts, contact us and we'll apply to the Minister of Employment and Social Development for approval to have the limit increased.

Unclaimed Accounts

Your Plan is considered unclaimed when a payment is due to you and we are unable to locate either you or your Beneficiary. We will mail letters to you and/or your Beneficiary at the address on file. If our letters are returned as undeliverable, we will make reasonable efforts to locate you or your Beneficiary using other available public services. If we cannot locate you or your Beneficiary, we will continue to invest your net Contributions and Government Grants in your Plan.

Under the Group Option Plan, by the end of the earlier of six years from the Group Option Plan's original Maturity Date or by the end of the 35th year following the year of your Application Date, as the case may be, any unclaimed amounts attributable to net Contributions will be transferred to the Scholarship Enhancement Fund Account and any unclaimed amounts attributable to Income will remain in the EAP Account. Unclaimed amounts attributable to Government Grants will be returned to the government.

Under the Self-Initiated Option Plan and Achievers Plan, you can claim your net Contributions and/or your Income until December 31st of the 35th year following the year of your Application Date by contacting us, subject to meeting applicable requirements. You will forfeit these amounts after the expiry of the Plan, and any unclaimed amounts by the end of the 35th year following the year of your Application Date will not be available for the payment. Under these Plans, any unclaimed amounts attributable to Income will be forfeited and paid to a designated educational institution chosen by us. Unclaimed amounts attributable to Government Grants will be returned to the government.

You can claim your unclaimed funds by contacting us prior to the expiry deadlines described above.

HOW WE INVEST YOUR MONEY

Investment Objectives

The Plans' investment objectives are to achieve long term growth of Income on Subscribers' net Contributions while ensuring

the preservation of that Income. The Foundation utilizes the investment advisory services of the portfolio advisers described below to achieve the Foundation's investment objectives. The portfolio advisers are to manage their assets within the guidelines of the Foundation's investment policy statement.

Investment Strategies

Net Contributions and Government Grants paid into each Plan are invested only in one or more of the following types of securities in accordance with the undertaking:

1. "Government securities", as such term is defined under National Instrument 81-102 – *Investment Funds* (which include debt securities of Canadian federal and provincial governments and debt securities of, or guaranteed as to principal and interest by, the federal government of the United States)
2. Certain guaranteed mortgages
3. Mortgage-backed securities, where all of the underlying mortgages are guaranteed mortgages
4. Cash equivalents
5. Guaranteed investment certificates (GICs) and other evidences of indebtedness of Canadian financial institutions where such securities or the financial institution have an approved credit rating

In addition to the above-noted securities, Income of each Plan can be invested also in one or more of the following types of securities in accordance with the undertaking:

1. Debt securities of corporations, provided those corporate bonds have a minimum credit rating
2. Exchange-traded equity securities listed on a stock exchange in Canada such as the TSX
3. "Index participation units" provided that (a) the index participation units are securities of a mutual fund (exchange traded fund or ETF), (b) the ETF trades only on a stock exchange in Canada such as the TSX, (c) the ETF's investment objective is to replicate the performance of a specified widely quoted market index of Canadian or U.S. equity securities, and (d) the ETFs may only use derivatives for the purpose of currency hedging.

In addition, the Foundation has previously purchased variable rate securities in order to diversify its investments beyond traditional fixed income. The objective of these investments was to provide Subscribers with one hundred percent principal protection (if held to maturity) while exposing the portfolio to the potential of positive performance of various global equities and equity indexes. Presently the portfolio is comprised of two variable rate securities that are linked to the performance of North American equity indices. Although these investments offer principal protection if held to maturity, their values do change regularly and if sold prior to maturity may experience a loss. On-going analysis of the variable rate securities may result

in a recommendation to sell some or all prior to maturity, at the current market price. The Foundation no longer purchases variable rate securities.

As investment fund manager, we can change the investment strategies of the Plans without the consent of Subscribers, subject to any required approvals of the Canadian Securities Administrators and the Foundation's Board of Directors.

The Foundation utilizes the investment advisory services of its three portfolio advisers to achieve the Foundation's investment objectives.

Fiera Capital Corporation

Fiera Capital Corporation's portfolio assets include Subscribers' net Contributions and Income on Subscribers' net Contributions and Government Grants.

The investment philosophy of Fiera Capital Corporation's Canadian Tactical Fixed Income strategy is based on an active management approach that adapts to changes in the economic, financial, and political environments. With a focus on yield enhancement and capital preservation, the strategy aims to maximize the return per unit of risk with a low level of volatility. It uses four potential value-added sources and employs four types of analysis (fundamental, technical, sentiment and seasonality) around a well disciplined and structured process that invests in high quality securities. Specific risk metrics are calculated periodically to minimize the default risk, and to maintain the calibration of each strategy within the overall risk budget of the portfolio. Fiera Capital Corporation has full discretion to implement this portfolio strategy within the context of the Foundation's investment policies and restrictions.

The long-term success of Fiera Capital Corporation's Canadian Equity Strategy is rooted in a quality investment philosophy. The aim of such an approach is to invest in businesses for the long-term (not trade stocks) that are profitable and well-established with durable, defensible attributes and can generate good returns on investment. Fiera Capital Corporation believes a focus on quality businesses combined with its disciplined approach to valuation and long-term holding period will continue to compound wealth for its clients. As long-term investors, Fiera Capital Corporation believes that integrating Environmental, Social and Governance factors into Fiera Capital Corporation's investment process helps Fiera Capital Corporation to identify high-quality, sustainable businesses, as well as material risks and opportunities to the long-term value of Fiera Capital Corporation's investments. The portfolio typically has between 25-40 securities and annual turnover between 20 and 30%.

Franklin Templeton Investments Corp.

Franklin Templeton Investments Corp.'s portfolio assets are comprised of Government Grants and Subscriber's net Contributions.

Franklin Templeton Investments Corp. is the legal entity for

all Canadian-domiciled funds, including those managed by the ClearBridge Equity Group and the Franklin Fixed Income Group.

The Franklin Fixed Income Group has always applied a disciplined approach to constructing fixed income portfolios. The overriding objective of their investment strategy is to produce superior risk-adjusted returns over a complete market cycle. They believe that fundamental research that adheres to time-tested investment styles and solid portfolio execution will result in portfolios that meet this objective.

The following three principles guide their investment philosophy:

- Superior long-term performance can be achieved by investing in bonds having favorable risk/return characteristics and backed by quality management with a whole stakeholder approach.
- Focus on interest rate risk alone is insufficient; successful fixed income investors also must be vigilant in managing credit risk, liquidity risk, and re-investment risk.
- Market volatility offers significant opportunities to buy undervalued securities, take profits on winners, and cull losers in a timely fashion.

The Franklin Fixed Income team conducts fundamental research and monitors the markets, gathering information from various sources such as rating agency reports, sell-side research, Bonddata and Bloomberg. They also use company specific financial information and analysis from their equity research department (if applicable) for individual companies. Franklin Fixed Income believes that their objectives are best met through a highly diversified portfolio of spread products. Being part of Franklin Templeton Fixed Income provides the basis for rigorous research analysis and risk management which can only be generated from a deep team of sector and country specialists. As a result, they rely primarily on their internal resources. The broader investment opportunity set identified generates alpha over the long term.

Franklin Fixed Income takes a top down view in its approach to fixed income portfolio management. Investment characteristics of term, duration, sector, industry and credit ratings are evaluated within a total portfolio context for investment candidates. This is a process that leverages the involvement of different teams within their organization with the final decision residing with the portfolio managers.

Guardian Capital LP

Guardian Capital LP's Fixed Income Investment philosophy, driven by a systematic process, is rooted in fundamentally orientated research paired with quantitative analysis focused on constructing optimal portfolio solutions that are designed to weather different economic cycles while generating strong performance.

They follow a proven process using tools that aim to capture

added value from macroeconomic and microeconomic analysis while managing volatility and downside risks through two critical feeding points. By combining risk identification, value-add considerations, and critical bottom-up security analysis, they aim to ensure the right mix of holdings are in the fixed-income portfolio. Their investment process seeks to achieve three key objectives; Maximize breadth within the confines of the mandate (utilize globally diversified Fixed Income platform to optimize portfolios), Focus on what they believe to be the best opportunities on a risk-adjusted basis (risk budgeting and allocation), Construct portfolios to reduce downside risk and preserve capital (high quality).

The following is a summary of their strategy:

- **Investment Philosophy:** Use a systematic process that pairs fundamentally oriented research with quantitative analysis to build resilient portfolios.
- **Investment Process:** Maximize breadth, focus on best risk-adjusted opportunities, reduce downside risk, and preserve capital.
- **Security Selection:** Highest quality as defined by the portfolio constraints.
- **Portfolio Diversification:** Optimized to reduce downside risk and deliver lower volatility than the benchmark

Investment Restrictions

The investment of your net Contributions, Government Grants and the Income earned on them must comply with the restrictions contained in the *Income Tax Act* (Canada) and the administrative policies of the Canadian Securities Administrators. The Plans will be managed in accordance with the investment restrictions set out in National Policy Statement No. 15 – *Conditions Precedent to Acceptance of Scholarship or Educational Plan Prospectuses* as modified by the undertaking to the Ontario Securities Commission and every other securities regulatory authority in the provinces and territories of Canada where the Plans are managed and distributed to the public. We have agreed to the undertaking which is incorporated by reference into this prospectus and is available for review on our website at www.cefi.ca or the SEDAR+ website at www.sedarplus.ca.

The undertaking describes the specific investments which may be made by the Plans and also sets out the specific investment restrictions as noted below. Unless permitted by the undertaking, no other investment can be made by the Plans.

Investments in corporate bonds

The Plans may invest in debt securities issued by corporations as noted in the "Investment Strategies" section above. These investments are permitted subject to the following restrictions:

- no principal (net Contributions) or Government Grants may be invested in such securities;

- investments may only be made in debt securities with a minimum credit rating of BBB, from a designated credit rating organization; and
- no more than 10% of the net assets of the Plan, taken at market value at the time of the transaction, may be invested in the securities of a single corporate issuer.

Investments in exchange-traded equity securities

The Plans may invest in exchange-traded equity securities, including index participation units of ETFs, provided that:

- no net Contributions or Government Grants may be invested in such securities;
- any ETF held must trade only on a Canadian stock exchange and have as its investment objective to replicate the performance of a broad market index of equity securities of Canadian or U.S. companies by directly investing in the same equity securities in the same proportions as the representative index;
- the Plans will not purchase a security of an issuer if, immediately after the purchase, the Plans would hold securities representing more than 10% of:
 - the votes attached to the outstanding voting securities of that issuer; or,
 - the outstanding equity securities of that issuer; and
- no more than 10% of the net assets of the Plan, taken at market value at the time of the transaction, may be invested in the securities of a single issuer.

General restrictions

The Plans must also invest in accordance with the restrictions set out in the undertaking, including the following:

- the Plans will not purchase a security for the purpose of exercising control over or management of the issuer of the security;
- the Plans cannot purchase any illiquid assets;
- investments in real estate and physical commodities are not permitted; and
- purchasing securities on margin, short selling, securities lending or repurchase or reverse repurchase agreements are prohibited.

The Plans will not purchase linked notes, including principal protected notes or linked GICs. Notwithstanding the above, one or more Plans are currently invested in principal protected notes and will be permitted to remain invested in the principal protected notes until the respective maturity dates of such notes.

We will confirm our compliance with the undertaking annually to the Ontario Securities Commission in accordance with the terms of the undertaking. We will only be able to deviate from the restrictions set out in the undertaking with the agreement of the Canadian Securities Administrators and subject to any required approval of the Board of Directors of the Foundation.

RISKS OF INVESTING IN A SCHOLARSHIP PLAN

If you or your Beneficiary do not meet the terms of your Contract, it could result in a loss of money and your Beneficiary could lose entitlement to some or all of their EAPs. Please read the description of the plan specific risks under “Risks of Investing in this Plan” in this Detailed Plan Disclosure.

Investment Risks

The prices of the investments held by the Plans can go up or down. Below are some of the risks that can cause the value of the Plans’ investments to change, which will affect the amount of EAPs available to Beneficiaries. Unlike bank accounts or GICs, your investment in a Plan is not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Interest rate risk

Interest rate risk is the risk of a lower return from interest-bearing fixed income securities as a result of fluctuations in market interest rates. Generally, an increase in interest rates causes bond values to decline, while a decline in interest rates will increase bond values. Our portfolio advisers manage this risk by analyzing and employing duration, yield curve, sector, credit and security selection strategies.

Credit risk

Plan assets are mainly invested in bonds issued or guaranteed by the federal or provincial government, although a portion can be invested in corporate bonds. Our Plans are concentrated in government and government-guaranteed bonds which are considered to be high credit quality, thereby moderating credit risk. Corporate credit risk reflects the risk of the underlying issuers and is moderated by setting credit quality standards and concentration limits.

Liquidity risk

The Plans must repay net Contributions to Subscribers and make EAP payments to Beneficiaries as described in this prospectus and in accordance with the Plan rules. The risk that the funds may not be available to make these payments is managed through the Plans’ investment strategies. The Plans primarily invest in securities that are traded in active markets and these securities can be readily bought and sold. The Plans retain sufficient cash and cash equivalents to meet liquidity requirements by using cash forecasting models that incorporate the aging of net Contributions and accumulated Income.

Other price risk – equities

This risk includes a financial instrument’s fluctuations in value resulting from changes in market prices. Income of each Plan’s assets can be invested in exchange traded equity securities including certain broad market Canadian and

U.S. equity listed ETFs. The return on these equity securities can vary based on both market segment and the value and prospects of the underlying issuer or, in the case of ETFs, the broad market indexes. Prices of equity securities and exchange traded equity securities can go up and down and tend to have greater risk and price volatility than fixed income investments. Each Plan's equity price risk is managed primarily by limits on the total amount of equity in the Plan, not allowing any net Contributions or Government Grants to be invested in equity securities and additional risk controls set out in the mandates of the portfolio advisers.

HOW TAXES AFFECT YOUR PLAN

Your Plan is registered with the Canada Revenue Agency to become an RESP, which provides certain tax benefits described below.

How the Plan is Taxed

No tax is payable under Part I of the *Income Tax Act* (Canada) on the Income of the Plan, provided that all of the investments held by the Plan are "qualified investments" under the *Income Tax Act* (Canada).

How You are Taxed as the Subscriber

Your Contributions to an RESP are not deductible by you for income tax purposes. Your net Contributions are not taxable to you when withdrawn from the Plan, either at the Maturity Date or any other time, as described below.

Return of Contributions after the Maturity Date

Net Contributions refunded to you after the Maturity Date will not be taxable.

Withdrawal of Contributions before the Maturity Date

Net Contributions withdrawn before the Maturity Date will not be taxable.

Return of sales charge or other fees

Any returned portion of the sales charge or other fees paid will not be taxable as income to you as they are part of your Contributions.

Any other distribution to the Subscriber in the form of Income, capital or otherwise

No distributions are made to you. You may only receive an AIP. For information on the tax consequences of receiving an AIP, please see "If you receive an Accumulated Income Payment (AIP)".

Cancellation of Units prior to the Maturity Date

Contributions refunded to you as a result of the cancellation of Units prior to the Maturity Date are not taxable. If the Units are cancelled prior to the registration of the Plan with the Canada Revenue Agency, any Income earned in the Plan will be taxable as if earned by you directly.

Purchase of additional Units

Net Contributions made to purchase additional Units are not tax deductible by you for income tax purposes.

Transfer between Plans

Amounts transferred between Plans in the manner permitted by the *Income Tax Act* (Canada) are not taxable to you or the Plans.

Additional Contributions made to address backdating of a Plan or to cure defaults

For the Group Option Plan, under certain circumstances a portion of your Contributions may be allocated to the Income balance in your Plan, including by way of an interest deficiency administrative adjustment. This could arise if you backdate your Plan on enrolment, if you change your Contribution frequency, if you are in default and need to make payments to bring your Plan back to good standing, including by way of an interest deficiency administrative adjustment, or if you need to advance your Maturity Date to an earlier date. See "Making Changes to Your Plan" in this Detailed Plan Disclosure for more details. Any Contribution allocated to Income balance becomes taxable in the hands of the recipient when paid as an Educational Assistance Payment or Accumulated Income Payment.

A Contribution beyond the limit set by Income Tax Act (Canada)

The total of all Contributions to all RESPs for any Beneficiary is subject to a lifetime limit of \$50,000. If the \$50,000 limit is exceeded, the Subscriber will be subject to a 1% per month penalty tax on the Subscriber's share of the excess.

Where there has been a change of Beneficiary, Contributions made for the old Beneficiary are deemed to have been made for the new Beneficiary (and are therefore taken into account in determining compliance with the lifetime limit) unless:

- the new Beneficiary is a sibling of the old Beneficiary and both are under the age of 21; or
- both the old and the new Beneficiaries are under the age of 21 and are connected by blood relationships or adoption to the Subscriber.

If you receive an Accumulated Income Payment (AIP)

Where certain conditions are met, Income from a Plan may be paid to the Subscriber or certain persons replacing the Subscriber as an AIP.

Such a recipient may, to the extent the recipient has unused registered retirement savings plan (**RRSP**) or registered disability savings plan (**RDSP**) contribution room, transfer up to \$50,000 of the AIP into an RRSP or spousal RRSP, or \$200,000 into a qualifying RDSP for the same Beneficiary, without being subject to tax. This transfer must be made in the year the AIP is received or in the first 60 days of the following year.

The amount of an AIP not transferred to an eligible RRSP or RDSP will be subject to regular income tax in the year that it

is received, plus an additional federal tax of 20% (in the case of Quebec residents, the additional tax is a federal tax of 12% and a provincial tax of 8%).

Relief from this tax may also be available where the recipient of the AIP is:

- The original Subscriber;
- The spouse or former spouse of the original Subscriber who acquired the Subscriber's rights upon marriage breakdown; or
- The spouse or former spouse of a deceased Subscriber where there was no replacement Subscriber.

How your Beneficiary is Taxed

Amounts paid as EAPs under a Plan will be taxable income of the Beneficiary at their marginal tax rate. Beneficiaries who are non-residents of Canada may be subject to Canadian withholding tax of up to 25%. If a Beneficiary receives more than \$7,200 of CESGs, the excess must be repaid to the federal government and is deducted from the taxable income of the Beneficiary. An EAP top-up made to supplement the EAP in support of the Beneficiary's enrolment in Eligible Studies is generally not included in the Beneficiary's taxable income if the Beneficiary is resident in Canada and is enrolled in a school or program that provides Eligible Studies.



WHO IS INVOLVED IN RUNNING THE PLANS

	Municipality/Province	Services Provided
Investment Fund Manager and Principal Distributor		
Children's Education Funds Inc.	3221 North Service Road, Burlington, Ontario L7N 3G2	Children's Education Funds Inc. directs the business, operations and affairs of the Plans, and provides administrative services, including the maintenance of Subscriber records. Children's Education Funds Inc. also distributes the Plans.
Plan Sponsor		
The Children's Educational Foundation of Canada	Burlington, Ontario	The Foundation is a non-profit corporation without share capital incorporated under the laws of Canada for the purpose of providing financial and other assistance to Beneficiaries in order to encourage and promote the advancement of higher education. The Foundation enters into the education savings plan agreements with Subscribers and has overall responsibility for the Plans.
Portfolio Advisers		
Fiera Capital Corporation Franklin Templeton Investments Corp. Guardian Capital LP	Toronto, Ontario Toronto, Ontario Toronto, Ontario	Each of the portfolio advisers manages a portion of the assets of the Plans according to specific mandates, including the provision of investment analysis or investment recommendations and making investment decisions. The portfolio advisers are responsible for making brokerage arrangements relating to their portfolio. The portfolio advisers are unrelated to Children's Education Funds Inc. and the Foundation.
Trustee and Custodian		
The Bank of Nova Scotia Trust Company	Toronto, Ontario	The Plans are trusts for which The Bank of Nova Scotia Trust Company is the trustee of the Plans (Trustee). The Trustee also acts as custodian or depositary for the Plans and performs valuation services. The Bank of Nova Scotia Trust Company is unrelated to Children's Education Funds Inc. and the Foundation.
Insurance Provider		
Chubb Life Insurance Company of Canada	Toronto, Ontario	Chubb Life Insurance Company of Canada provides insurance coverage for the Plans and is unrelated to Children's Education Funds Inc. and the Foundation.
Independent Review Committee	Burlington, Ontario	The Independent Review Committee provides independent review and oversight of conflicts of interest relating to the management of the Plans.
Auditor		
KPMG LLP	Toronto, Ontario	The auditor is responsible for auditing the annual financial statements of the Plans.

YOUR RIGHTS AS AN INVESTOR

You have the right to withdraw from your Contract and get back all of your money including any sales charge paid but excluding any insurance premiums within 60 days of your Application Date. If your Plan is cancelled after 60 days, you will only get back your net Contributions.

Any Government Grants you've received will be returned to the government when your Plan is cancelled.

In several provinces and territories, securities legislation also

gives you the right to withdraw from a purchase and get back all of your money, or to claim damages, if the prospectus or any amendment contains a misrepresentation or is not delivered to you. You must act within the time limits set by the securities legislation in your province or territory.

You can find out more about these rights by referring to the securities legislation of your province or territory or by consulting a lawyer.

Group Option Plan

SPECIFIC INFORMATION ABOUT OUR PLANS – GROUP OPTION PLAN

Type of scholarship plan	Start date
Group Option Plan	May 2, 1991

WHO THIS PLAN IS FOR

You are eligible to enrol in this Plan if:

- your child is under 13 years of age;
- your child is a Canadian resident within the meaning of the *Income Tax Act* (Canada).

This Plan is suitable if:

- you are comfortable making Contributions on a regular basis and on time;
- you intend to stay in the Plan until the Maturity Date;
- you are planning for your Beneficiary to attend Eligible Studies.

If this doesn't describe you, then this Plan may not be appropriate for you and the Self-Initiated Option Plan or Achievers Plan may be more suitable for you.

Your Beneficiary Group

A Beneficiary Group is a group of Beneficiaries who have the same Year of Eligibility. They are typically born the same year. The amount of EAPs received by your Beneficiary will be based, in part, on the experience of your Beneficiary Group.

The Maturity Date is the date at which the Income earned on a Subscriber's net Contributions is transferred into the EAP Account (unless they have exercised their option to transfer into the Self-Initiated Option Plan prior to that date). The Maturity Date of the Plan is generally in the year your Beneficiary is expected to begin his or her first year of post-secondary studies and will be the anniversary of the date of your Contract in that year.

EAPs are in part based on the funds available in the EAP Account for each Beneficiary. The EAP Account receives Income on the Subscriber's net Contributions as well as Income earned on net Contributions of Subscribers who have cancelled their Plan or whose Plan was cancelled by us. Beneficiaries in the same Beneficiary Group will receive a proportionate share of the EAP Account according to the number of Units purchased on their behalf. For more information on EAPs, see "Educational Assistance Payments" on page 28.

Once your Plan is established, you will be notified of the actual Beneficiary Group your Beneficiary is in. However, the table below can help you estimate your Beneficiary Group. In general, the Beneficiary Group is determined by the age of the Beneficiary when you sign your Contract.

Approximate age of Beneficiary when the Plan is purchased (as at the date hereof)	Typical Beneficiary Group
12 years old	2031
11 years old	2032
10 years old	2033
9 years old	2034
8 years old	2035
7 years old	2036
6 years old	2037
5 years old	2038
4 years old	2039
3 years old	2040
2 years old	2041
1 year old	2042
Newborns	2043

SUMMARY OF ELIGIBLE STUDIES

The following is a description of the post-secondary programs that are Eligible Studies and qualify for EAPs under the Group Option Plan.

Contact us or your dealing representative to find out if the educational programs your Beneficiary is interested in are Eligible Studies. We can provide you with a current list of qualifying institutions and programs on request. This list is also available on our designated website at www.cefi.ca.

For more information about receiving EAPs, see "Educational Assistance Payments" on page 28.

What's Eligible

Beneficiaries must be enrolled in any post-secondary program that qualifies under the *Income Tax Act* (Canada). For full-time programs at eligible Canadian schools this means a program of at least three consecutive weeks duration with at least 10 hours of instruction work each week. For part-time studies, it means a program of at least three consecutive weeks with at least 12 hours per month spent on courses. Qualifying post-secondary educational institutions include universities, community colleges, certain trade schools, vocational schools, technical schools, religious schools, CEGEPs, as well as distance learning or correspondence learning programs. For eligible schools outside of Canada, the program must be at a university, college or other educational institution at which the Beneficiary was enrolled in a course of at least 13 consecutive weeks in duration or at a university in which the Beneficiary was enrolled on a full-time basis in a course of at least three consecutive weeks.

Group Option Plan

What's not Eligible

Any post-secondary program that would not qualify as Eligible Studies under the *Income Tax Act* (Canada) would not qualify for EAPs under the Plan.

Beneficiaries who don't enrol in Eligible Studies under the requirements of the Plan will also not receive payments of Government Grants.

RISKS OF INVESTING IN THIS PLAN

Plan Risks

You sign a Contract when you open a Plan with us. Read the terms of the Contract carefully and make sure you understand the Contract before you sign. If you or your Beneficiary does not meet the terms of your Contract, it could result in a loss of money to you and your Beneficiary could lose some or all of his or her EAPs.

Keep in mind that payments from the Plan are not guaranteed. We cannot tell you in advance if your Beneficiary will qualify to receive any EAPs 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.

In addition to the investment risks described under "Investment Risks" on page 10, the following is a description of the risks of participating in this Plan:

Termination of your Plan before the Maturity Date

If you withdraw from the Group Option Plan more than 60 days after the date of your Contract but before the Maturity Date, or if your Plan is terminated for failure to make required Contributions, you will forfeit any Government Grants and Income earned in the Plan. In addition, you will not be eligible for any EAP top-up or return of sales charges from the Scholarship Enhancement Fund Account. Any Government Grants received will be returned to the government. The Income earned on your net Contributions will be transferred to the EAP Account for your Beneficiary Group to be shared with other Beneficiaries. The Income earned on Government Grants will be paid to a designated educational institution chosen by us.

Missed Contributions

If you want to stay in the Plan, you'll have to make up the Contributions that were missed. You will have to pay an interest deficiency administrative adjustment, which is an amount equal to 0.583% per month of missed Contributions, compounded monthly. The annual rate of interest for the interest deficiency administrative adjustment is 7.23% (taking into account compounding), subject to the lifetime contribution limit of \$50,000 and all applicable fees. This can be costly.

The interest deficiency administrative adjustment for each month prior to September 1, 2020 that a Contribution was

outstanding is equal to 1% (compounded monthly) of the Contributions that each Contribution was overdue under the Contribution Schedule (being an effective rate of 12.68% per annum), subject to the lifetime contribution limit of \$50,000 and all applicable fees.

If you have difficulty making Contributions, you have options. You can reduce or suspend your Contributions, discontinue further Contributions resulting in a reduced number of Units that remain invested until maturity, transfer to another Plan or close your Plan. Restrictions and fees may apply. Some options will result in a loss of Government Grants and Income. If you suspend Contributions and do not take any action within 36 months, we will transfer your Plan to the Self-Initiated Option Plan.

Contributions allocated to Income

Certain changes to your Plan may require that a portion of your Contributions be allocated to your accumulated Income balance and result in an interest deficiency administrative adjustment. These changes include if you:

- backdate your Plan;
- change your Contribution Schedule;
- advance your Beneficiary's Maturity Date; or
- change the Beneficiary to an older child.

This allocation may result in certain adverse tax and other financial consequences to you and/or your Beneficiary, as described in "Making Changes to Your Plan" on page 23.

Qualification for Beneficiaries to collect EAPs

You may not be entitled to any Income earned on your net Contributions if your Beneficiary does not qualify to receive EAPs. If your Beneficiary does not attend Eligible Studies, he or she will not be eligible for EAPs or for any EAP top-up or return of sales charges from the Scholarship Enhancement Fund Account.

Level of EAPs

We cannot predict the actual amounts of EAPs, which are impacted by a number of factors including:

1. **The amount of Income earned.** The amount of Income earned on your net Contributions and Government grants may vary from year to year and past performance is not necessarily indicative of what will be earned in the future.
2. **Change in Attrition.** The amount of Attrition will change from year to year and cannot be predicted. As a result, the amount of EAPs available to Beneficiaries will be affected and can be more or less than what is being paid out today.
3. **Payments from the Scholarship Enhancement Fund Account.** EAP top-ups and return of sales charges with respect to the Group Option Plan depend on the amount of money available in respect of the Beneficiary Group

Group Option Plan

in the Scholarship Enhancement Fund Account and the allocation of that money as between EAP top-ups and return of sales charges.

- Payments from the Scholarship Enhancement Fund Account** are not guaranteed. You must not count on receiving a payment from the Scholarship Enhancement Fund Account. Payments will only be made if there is money in the Scholarship Enhancement Fund Account in respect of your Beneficiary Group. If there is a payment, you may get less than what has been paid in the past.

Your child doesn't complete their program

Your child may lose some or all of their EAPs if they do not complete their program of Eligible Studies or defer their studies for extended periods. Generally, your child may defer an EAP for a year. However, any such deferrals are at our discretion.

Temporary SINS

The Beneficiary and Subscriber must have social insurance numbers to enrol in the Group Option Plan. If the Beneficiary or Subscriber is issued a temporary social insurance number which is later revoked and not replaced with a permanent social insurance number, this could result in forfeiture of any Government Grants paid into the Plan and fees and expenses, including insurance premiums, paid to the Plan. Any Income earned in the Plan which is refunded to you is taxable in your hands.

However, a social insurance number is not required for a non-resident Beneficiary if the Beneficiary was not assigned a social insurance number before being designated under the Plan.

Risk of missing a notification deadline

Notification deadlines include the annual deadline to apply for or defer entitlement to EAPs and deadlines for making changes to your Plan (including changing a Beneficiary), as described in this prospectus. If your Beneficiary will not be enrolling in Eligible Studies, you have the option of transferring to the Self-Initiated Option Plan, provided that you transfer at least 60 days prior to the original Maturity Date in accordance with the conditions described in this prospectus. If you fail to notify us of your intent to transfer from the Group Option Plan into the Self-Initiated Option Plan prior to such date, you will remain in the Group Option Plan and your Beneficiary will need to qualify for payments from the Plan based on the requirements of the Group Option Plan.

We cannot guarantee that applications or deferrals with respect to EAPs will be processed after the August 1st deadline of the application year. Missing this deadline could result in you losing EAPs.

Missed insurance payments

Failure by a Subscriber to pay any premiums for insurance (including as a result of a missed Contribution, as premiums are deducted from Contribution amounts) could result in termination of insurance coverage.

Investment Risks

The prices of the investments held by the Plan can go up or down. You can find a list of risks that can cause the value of the Plan's investments to change under "Investment Risks" on page 10.

HOW THE PLAN HAS PERFORMED

The table below shows how the investments in the Group Option Plan performed in each of the past five financial years ended December 31. Returns are after expenses have been deducted. These expenses reduce the returns you get on your investment.

It's important to note that this doesn't tell you how the Plan's investments will perform in the future.

Year	2024	2023	2022	2021	2020
Annual Return	9.30%	8.53%	-5.79%	3.58%	8.02%

MAKING CONTRIBUTIONS

Minimum investment in the Group Option Plan is the greater of \$9.40 per month and one Unit. The maximum length of time a Subscriber can make Contributions under the Plan is for 204 months (which equals 17 years).

What is a Unit?

A Unit represents a share of the EAP Account for any given Beneficiary Group. The number of Units you have in your Plan depends on how much, how often and for how many years you make Contributions to your Plan. The number of Units you hold will determine your Beneficiary's proportionate share of the EAP Account for his or her Beneficiary Group.

The value of a Unit is based on the total size of the EAP Account for your Beneficiary Group and the number of Units held by Beneficiaries that qualify for a payment from the EAP Account.

Your Contribution Options

You may select from the following seven Contribution options:

1. Single Contribution - requires a one-time lump sum Contribution
2. Annual Contributions - requires one Contribution per year until the Contribution Schedule has been completed
3. Monthly Contributions - requires one Contribution each month until the Contribution Schedule has been completed
4. Five Year Annual Contributions - requires one Contribution per year for five years
5. Five Year Monthly Contributions - requires one Contribution per month for five years
6. 10 Year Annual Contributions - requires one Contribution per year for 10 years
7. 10 Year Monthly Contributions - requires one Contribution per month for 10 years

Group Option Plan



Group Option Plan

Contribution Schedule

The Contribution Schedule below shows how much you have to contribute to buy a Unit. The price you pay depends on your Beneficiary Group, when you join the Plan, the timing of the Contribution Schedule you choose, and whether you pay for your Units all at once or make periodic Contributions to pay for your Units. The Contribution amount for each option is determined so that the Contributions of each Subscriber for a

Beneficiary Group will generate approximately the same Income per Unit.

Certain fees and expenses are deducted from your Contributions. For more information, please see "Fees You Pay" on page 20.

The Contribution Schedule was prepared by a member of the Canadian Institute of Actuaries in 1990.

SAVINGS PLAN CONTRIBUTION SCHEDULE – GROUP OPTION PLAN

CONTRIBUTIONS PER UNIT (Canadian Dollars) THE CHILDREN'S EDUCATION TRUST OF CANADA

Deposit Method	Years to Beneficiary's Entry Into Post Secondary Education	18	17	16	15	14
<u>SINGLE CONTRIBUTION</u>		<u>T-1</u>	<u>T-2</u>	<u>T-3</u>	<u>T-4</u>	<u>T-5</u>
Total amount of Contributions		\$732.00	\$804.50	\$880.60	\$969.40	\$1,073.70
<u>ANNUAL CONTRIBUTIONS</u>		<u>A-1</u>	<u>A-2</u>	<u>A-3</u>	<u>A-4</u>	<u>A-5</u>
Amount of Contributions		\$104.90	\$119.00	\$136.30	\$157.40	\$183.40
Number of Contributions		17	16	15	14	13
Total amount of Contributions		\$1,783.30	\$1,904.00	\$2,044.50	\$2,203.60	\$2,384.20
<u>MONTHLY CONTRIBUTIONS</u>		<u>M-1</u>	<u>M-2</u>	<u>M-3</u>	<u>M-4</u>	<u>M-5</u>
Amount of Contributions		\$9.40	\$10.80	\$12.40	\$14.40	\$16.80
Number of Contributions		204	192	180	168	156
Total amount of Contributions		\$1,917.60	\$2,073.60	\$2,232.00	\$2,419.20	\$2,620.80
<u>ANNUAL CONTRIBUTIONS- 5 PAYMENTS ONLY</u>		<u>F-1</u>	<u>F-2</u>	<u>F-3</u>	<u>F-4</u>	<u>F-5</u>
Amount of Contributions		\$184.20	\$202.20	\$223.40	\$248.50	\$278.60
Number of Contributions		5	5	5	5	5
Total amount of Contributions		\$921.00	\$1,011.00	\$1,117.00	\$1,242.50	\$1,393.00
<u>MONTHLY CONTRIBUTIONS- 60 PAYMENTS ONLY</u>		<u>P-1</u>	<u>P-2</u>	<u>P-3</u>	<u>P-4</u>	<u>P-5</u>
Amount of Contributions		\$16.40	\$18.10	\$20.00	\$22.30	\$25.10
Number of Contributions		60	60	60	60	60
Total amount of Contributions		\$984.00	\$1,086.00	\$1,200.00	\$1,338.00	\$1,506.00
<u>ANNUAL CONTRIBUTIONS- 10 PAYMENTS ONLY</u>		<u>Y-1</u>	<u>Y-2</u>	<u>Y-3</u>	<u>Y-4</u>	<u>Y-5</u>
Amount of Contributions		\$130.00	\$144.00	\$160.00	\$179.00	\$207.00
Number of Contributions		10	10	10	10	10
Total amount of Contributions		\$1,300.00	\$1,440.00	\$1,600.00	\$1,790.00	\$2,070.00
<u>MONTHLY CONTRIBUTIONS- 120 PAYMENTS ONLY</u>		<u>X-1</u>	<u>X-2</u>	<u>X-3</u>	<u>X-4</u>	<u>X-5</u>
Amount of Contributions		\$11.80	\$13.00	\$14.50	\$16.30	\$18.90
Number of Contributions		120	120	120	120	120
Total amount of Contributions		\$1,416.00	\$1,560.00	\$1,740.00	\$1,956.00	\$2,268.00

The maximum amount that may be contributed to any RESP on behalf of any one child is a lifetime maximum principal accumulation of \$50,000.00.

The above Contribution Schedule was developed in 1990 by a member of the Canadian Institute of Actuaries. The Contribution Schedule was designed so that all of the options shown are expected to generate approximately the

same amount of Income per Unit by each Plan's Maturity Date, based on various underlying assumptions. The primary assumptions used include an annual interest rate of 10.25% and annual depository charges which were in effect at that

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How to use this table:

For example, let's assume your Beneficiary is a newborn. If you want to make monthly Contributions until maturity, it will cost \$9.40 each month for each Unit you buy. You would have to make 204 Contributions over the life of your Plan, for a total investment of \$1,917.60.

If your child is five years old and you want to make annual Contributions until maturity, it will cost \$216.30 each year for each Unit you buy. You would have to make 12 Contributions over the life of your Plan, for a total investment of \$2,595.60.

13	12	11	10	9	8	7	6
<u>T-6</u> \$1,197.30	<u>T-7</u> \$1,345.40	<u>T-8</u> \$1,525.10	<u>T-9</u> \$1,746.30	<u>T-10</u> \$2,023.90	<u>T-11</u> \$2,380.60	<u>T-12</u> \$2,852.80	<u>T-13</u> \$3,503.70
<u>A-6</u> \$216.30 12 \$2,595.60	<u>A-7</u> \$258.60 11 \$2,844.60	<u>A-8</u> \$313.80 10 \$3,138.00	<u>A-9</u> \$387.00 9 \$3,483.00	<u>A-10</u> \$487.90 8 \$3,903.20	<u>A-11</u> \$632.40 7 \$4,426.80	<u>A-12</u> \$848.50 6 \$5,091.00	<u>A-13</u> \$1,186.70 5 \$5,933.50
<u>M-6</u> \$19.90 144 \$2,865.60	<u>M-7</u> \$24.00 132 \$3,168.00	<u>M-8</u> \$29.30 120 \$3,516.00	<u>M-9</u> \$36.50 108 \$3,942.00	<u>M-10</u> \$46.50 96 \$4,464.00	<u>M-11</u> \$61.20 84 \$5,140.80	<u>M-12</u> \$83.60 72 \$6,019.20	<u>M-13</u> \$119.60 60 \$7,176.00
<u>F-6</u> \$314.90 5 \$1,574.50	<u>F-7</u> \$359.00 5 \$1,795.00	<u>F-8</u> \$414.30 5 \$2,071.50	<u>F-9</u> \$485.00 5 \$2,425.00	<u>F-10</u> \$578.80 5 \$2,894.00	<u>F-11</u> \$708.00 5 \$3,540.00	<u>F-12</u> \$895.70 5 \$4,478.50	N/A
<u>P-6</u> \$28.40 60 \$1,704.00	<u>P-7</u> \$32.60 60 \$1,956.00	<u>P-8</u> \$37.90 60 \$2,274.00	<u>P-9</u> \$44.70 60 \$2,682.00	<u>P-10</u> \$54.00 60 \$3,240.00	<u>P-11</u> \$67.20 60 \$4,032.00	<u>P-12</u> \$87.00 60 \$5,220.00	N/A
<u>Y-6</u> \$237.00 10 \$2,370.00	<u>Y-7</u> \$276.00 10 \$2,760.00	<u>Y-8</u> \$330.60 10 \$3,306.00	N/A	N/A	N/A	N/A	N/A
<u>X-6</u> \$21.80 120 \$2,616.00	<u>X-7</u> \$25.50 120 \$3,060.00	<u>X-8</u> \$30.80 120 \$3,696.00	N/A	N/A	N/A	N/A	N/A

time and which have since increased. No lapse assumption was used in developing the Contribution Schedule. Income per Beneficiary at the Beneficiary's Maturity Date will depend on

various factors, including rates of return, rates of attrition and payments from the Scholarship Enhancement Fund Account, and cannot be predicted with certainty.

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If You have Difficulty Making Contributions

If you miss one or more Contributions, you may be in default of your Plan. To stay in the Plan, you'll have to make up the Contributions you missed. You'll also have to pay an interest deficiency administrative adjustment. This can be costly.

For information about the steps you have to take to stay in the Plan after missing Contributions, see "Default, Withdrawal or Cancellation" on page 25.

Your Options

You must make all Contributions required to complete your Contribution Schedule in order for your Beneficiary to be eligible for EAPs.

If you feel that you cannot continue making Contributions over the long term, you have several options to reduce, delay or eliminate your payment obligations:

1. Reduce the number of Units

You can reduce the number of Units in your Plan (provided you maintain at least one Unit) to decrease or eliminate the amount of future Contributions. To decrease your future Contribution obligations, we will apply the net Contributions that you have already paid into the Plan as well as your future (reduced) Contributions to a reduced number of Units. To eliminate your future Contribution obligations, we will apply only the net Contributions that you have already paid into the Plan to the reduced number of Units and you will not have to pay any future Contributions. Choosing to decrease or eliminate your future Obligations under this option will reduce your Beneficiary's share of the EAP Account by the number of Units you cancel. A service fee of \$35.00 (plus applicable taxes) will apply.

2. Change your Contribution Schedule

You can change your Contribution Schedule to reduce, delay or eliminate future Contributions. Under some circumstances, this may result in an allocation of your net Contributions to the Income portion of your Plan. A service fee of \$35.00 (plus applicable taxes) will apply.

3. Transfer to the Self-Initiated Option Plan

You can transfer to a new Self-Initiated Option Plan if you have been in the Group Option Plan by electing in writing to the Foundation no later than 60 days before the original Maturity Date, provided that the sales charge for each Group Option Plan Unit initially subscribed for has been collected in full. After transfer, you will no longer hold Units in the Group Option Plan and will forego the opportunity to receive any Attrition or payments from the Scholarship Enhancement Fund Account. See "Transferring to the Self-Initiated Option Plan" on page 24 for details. A sales charge of \$200.00 (plus applicable taxes) will be charged for opening the Self-Initiated Option Plan and a service fee of \$50.00 (plus applicable taxes) will be charged for the transfer of your Group Option Plan to a Self-Initiated Option Plan.

4. Cancel your Plan

On cancellation, your net Contributions will be returned to you. Any Government Grants received will be repaid to the government, and the Income earned on Contributions will remain in the EAP Account for your Beneficiary Group. Income earned on Government Grants will be paid to a designated educational institution. Repayment of Government Grants will result in the loss of the Beneficiary's Grant Contribution Room, which cannot be restored. A service fee of \$35.00 (plus applicable taxes) will be applied in respect of this option.

5. Temporarily suspend payments

Another option will allow you to temporarily suspend payment of Contributions until further notification by you for a period of up to three years. There is no service fee charged for this, however, an interest deficiency administrative adjustment will apply during the suspension period. Failure to resume making Contributions within three years from the date of your last honoured Contribution, whether an election for suspension is made or not, will result in your Plan being automatically transferred to the Self-Initiated Option Plan. Please see "Automatic Transfer to the Self-Initiated Option Plan" on page 26 for detailed information on the process, fees and implications associated with the automatic transfer process.

WITHDRAWING YOUR CONTRIBUTIONS

You are entitled to withdraw your total net Contributions at any time before the Maturity Date of your Plan by cancelling your Plan. The Plan does not permit partial withdrawals without cancellation. Please see "Default, Withdrawal or Cancellation" on page 25 for detailed information on the process and the implications associated with cancelling your Plan. A service charge of \$35.00 (plus applicable taxes) will apply.

COSTS OF INVESTING IN THIS PLAN

There are costs for joining and participating in the Group Option Plan. The following tables list the fees and expenses of this Plan. You may pay some of these fees and expenses directly from your Contributions. The Plan pays some of the fees and expenses, which are deducted from the Plan's Income.

Fees You Pay

These fees are deducted from your Contributions. They reduce the amount that gets invested in your Plan, which will reduce the amount available for EAPs.

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Fee	What you pay	What the fee is for	Who the fee is paid to
Sales Charge*	\$200.00 per Unit This can be between 2.8% and 27.3% of the 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.	This is for paying commissions to your dealing representative and covering the cost of selling your Plan	Children's Education Funds Inc.
Annual Depository Fee**	\$7.00*** for single Contribution method \$10.00*** for annual Contribution method \$15.00*** for monthly Contribution method	This is for processing your Contributions	Children's Education Funds Inc.

Notes:

* This sales charge may not be increased without Subscriber approval.

** Subject to change. Subscribers will be notified of any such changes.

*** Plus applicable taxes.

Paying off the sales charge. For example, assume that you buy one Unit of the Group Option Plan on behalf of a newborn child, and you commit to making monthly Contributions until maturity to pay for that Unit. All of your first 11 Contributions go toward the sales charge until half of the sales charge is paid off. Half of your next 21 Contributions go toward the sales charge until it's fully paid off. Altogether, it will take you 32 months to pay off the sales charge. During this time, 34% of your Contributions will be invested in your Plan.

Fees the Plan Pays

The following fees are payable from the Plan's Income. You don't pay these fees directly. 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
Annual Administration Fee*	0.5% of all net Contributions, plus Government Grant amounts, together with all Income earned**	Administering your plan including record keeping and coordination between depository, trustee and investment advisors	Children's Education Funds Inc.
Portfolio Management Fee	Annual weighted average of 0.162% of the assets managed by the investment counsel firms**	To cover the portfolio investment managers' expenses	Investment Advisors
Trustee and Custodian Fee	Annual rate of 0.011% on the first \$1 billion and 0.0085% on the balance. In addition, the trustee receives \$9 for each purchase or sale of securities**	To cover the trustee and custodian's expenses	Trustee and Custodian
Independent Review Committee (IRC)	The proportionate share allocated to the Plans of the annual fees of \$6,000 per member and other IRC expenses including insurance coverage, legal fees, travel cost and other reasonable out-of-pocket expenses. For the year ended December 31, 2024, the total fees and expenses related to the Independent Review Committee was \$18,474 which was proportionately shared by all the Plans	To cover the services of the Plan's Independent Review Committee	Independent Review Committee
Board of Directors	The proportionate share allocated to the Plans of the annual fees of \$6,000 per external Board member	Remuneration for Board of Directors	Members of the Board of Directors

* For Subscribers enrolled in Plans prior to October 9, 2012 the Administration Fee will be paid from Subscriber's Contributions.

** Plus applicable taxes.

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Transaction Fees

We will charge the following fees per mode (see “Contribution Schedule” on page 18) for the transactions listed below.

Fee	Amount*	How the fee is paid	Who the fee is paid to
Returned bank items, rejected credit card payments, missed Contributions	\$45.00	Deducted from your Contributions	Children’s Education Funds Inc.
Transfer to another RESP promoter or another CET Plan	\$50.00	Deducted from your Contributions	Children’s Education Funds Inc.
Late EAP or deferral application after the Foundation’s stated August 1 st deadline	\$75.00	Deducted from your EAP	Children’s Education Funds Inc.
Changing a Beneficiary or Subscriber	\$35.00	Deducted from your Contributions	Children’s Education Funds Inc.
Plan review	\$18.00	Deducted from your Contributions	Children’s Education Funds Inc.
Changing Maturity Date	\$35.00	Deducted from your Contributions	Children’s Education Funds Inc.
Changing your Contribution	\$35.00	Deducted from your Contributions	Children’s Education Funds Inc.
Default Charge	\$35.00	Deducted from your Contributions	Children’s Education Funds Inc.
Early Withdrawal or Termination	\$35.00	Deducted from your Contributions	Children’s Education Funds Inc.
Mailed paper copy of Annual or Semi-Annual Financial Statements and MRF ^{***}	\$5.00	Deducted from your Contributions	Children’s Education Funds Inc.
Mailed paper copy of Annual Subscriber Statement ^{***}	\$2.50	Deducted from your Contributions	Children’s Education Funds Inc.

* Plus applicable taxes.

** Fees are subject to change. Subscribers will be notified of any such changes.

*** Statements are delivered electronically at no charge. You will receive an email notification to the email address on record when available online.

Fees for Additional Services

The following is a general summary of the fees that are payable for the additional services listed below.

Fee	What you pay	How the fee is paid	Who the fee is paid to
Automatic Completion Insurance Premiums	\$0.50 to \$19.80 per Unit (plus applicable taxes), depending on the Contribution mode selected. Not charged: - on one-time Contributions - if Subscriber has opted out of Completion insurance - if all Subscribers of the Plan are under the age of 18 or if all Subscribers of the Plan are over the age of 72	Premiums are deducted from your Contributions	Paid to Chubb Life Insurance Company of Canada. Children’s Education Funds Inc. receives administration and processing fees of 40% of the premiums.
Optional Critical Illness Insurance Premiums	\$0.75 for every \$10.00 of Contributions (plus applicable taxes)	Premiums are deducted from your Contributions	Paid to Chubb Life Insurance Company of Canada. Children’s Education Funds Inc. receives administration and processing fees of 20% of the premiums.
Optional Beneficiary Insurance Premiums	\$0.75 per month (\$9.00 per year) (plus applicable taxes)	Premiums are deducted from your Contributions	Paid to Chubb Life Insurance Company of Canada. Children’s Education Funds Inc. receives administration and processing fees of 40% of the premiums.

Return of Sales Charge

You may receive a return of a portion of your sales charge from money held in the Scholarship Enhancement Fund Account. Return of sales charges with respect to the Group Option Plan depend on the amount of money available in respect of the Beneficiary Group in the Scholarship Enhancement Fund Account and the allocation of that money as between EAP top-ups and return of sales charges.

Payments toward a return of sales charges are not guaranteed. You must not count on receiving a payment toward a return of sales charges from the Scholarship Enhancement Fund Account. Payments will only be made if there is money in the Scholarship Enhancement Fund Account in respect of your Beneficiary Group. If there is a payment, you may get less than what has been paid in the past.

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MAKING CHANGES TO YOUR PLAN

Changing Your Contributions

You may change your Contribution Schedule. To do so, you may be required to make additional Contributions and pay any applicable fees, including transaction fees and interest deficiency administrative adjustments.

There are three ways you can change your Contribution Schedule:

1. Change your Contribution frequency

You may contact us at any time and ask to change your Contribution frequency. We will provide you with a summary of the changes, including:

- any additional Contributions required to change to the new frequency;
- any allocation of your Contributions to the Income portion of your Plan;
- any future Contributions required under the new Contribution Schedule; and
- any changes to the Maturity Date of the Plan.

A service fee of \$35.00 (plus applicable taxes) will apply in respect of the change.

2. Adding Units

Until your Beneficiary reaches age 13, and provided that Units continue to be offered on the same terms as described in this prospectus, you may add Units to your Plan.

To add Units to your Plan, you will need to meet with your sales representative who will complete the necessary application to purchase additional Units. You will pay additional sales charges of \$200 per Unit purchased as described in this prospectus.

3. Reducing Units

You may reduce Units purchased under your Plan without terminating the Plan as long as a minimum of one Unit is maintained.

If you reduce Units:

- the net Contribution for your remaining reduced Units will be used to reduce future Contributions on the remaining Units; and
- Any sales charge you paid on cancelled Units will be forfeited.

To make this change, please contact us and we will provide you with a form that you will need to complete, sign and return to us. You must agree with the terms of the change.

A service fee of \$35.00 (plus applicable taxes) will apply.

Changing the Maturity Date

You may change your Maturity Date based on the specific circumstances of your Beneficiary to ensure that the Plan aligns

with the Beneficiary's post-secondary education.

If your Beneficiary plans to enrol in Eligible Studies later than anticipated, or if your Beneficiary is uncertain of what they wish to do after secondary school, you may postpone your Maturity Date by giving us notice in writing at least 60 days prior to your Plan's original Maturity Date. You may postpone the Maturity Date for one year periods for up to six years from the Plan's original Maturity Date.

If your Beneficiary plans to enrol in Eligible Studies earlier than anticipated, you may advance your Plan's Maturity Date. If you elect this option, an interest deficiency administrative adjustment will be applied, which will be added to the amount transferred to the EAP Account for your Beneficiary Group.

To change the Maturity Date you must apply to the Foundation in writing no later than 60 days prior to the original Maturity Date. You must agree with the terms of the change. A service fee of \$35.00 will be applied in addition to any applicable interest deficiency administrative adjustment.

Changing Your Beneficiary's Year of Eligibility

If you change the Maturity Date, the Year of Eligibility will automatically change accordingly.

If your Beneficiary elects to enrol in an Eligible Studies program of one year or less, the Year of Eligibility will automatically be the same year as the Maturity Date, provided we are advised that the student is enrolled in a one year program prior to the original Maturity Date.

If, after the Maturity Date, you wish to defer your Beneficiary's Year of Eligibility, you must submit a written request to us regarding the proposed change by August 1st of a given year. When the Year of Eligibility is changed, the Income credited on the Plan of a Beneficiary will be transferred from the EAP Account for the original Year of Eligibility to the EAP Account for the new Year of Eligibility.

There is no fee associated with changing your Beneficiary's Year of Eligibility.

Changing the Subscriber

The Plan allows the Subscribers to be changed at any time during the life of your Plan if:

- (a) the original Subscriber(s) pass(es) away;
- (b) there is a court order requiring a change of Subscriber arising from marital breakdown; or
- (c) both spouses consent to the change.

The new Subscriber must meet the requirements in the *Income Tax Act* (Canada) including:

- the new Subscriber is the spouse or common-law partner, or where both are the legal parent of a beneficiary, ex-spouse or former common-law partner of the original Subscriber and gets the original Subscriber's rights under

Group Option Plan

the RESP as a result of a court order or written agreement for dividing property after a breakdown of the relationship;

- the new Subscriber acquired the Subscriber's rights under the RESP, or the new Subscriber continues to make Contributions into the RESP for the Beneficiary, after your death;
- the new Subscriber is your estate that acquired the Subscriber's rights under the RESP, or that continues to make Contributions into the RESP for the Beneficiary, after your death;
- the new Subscriber is a public primary caregiver who has under a written agreement acquired a public primary caregiver's rights under the Plan; or
- the new Subscriber is the Minister designated for the purposes of the *Canada Education Savings Act*, if that Minister entered into the Plan.

To make the change, we will require:

- original or notarized copy of the court order, if applicable;
- original or notarized death certificate and, if applicable, your will; or
- original or notarized copies of any other applicable legal documents.

To make the desired change, please contact us and we will provide a form to be completed, signed and return to us. There will be no losses incurred by the Subscriber or the Beneficiary if the change is made. A service fee of \$35.00 (plus applicable taxes) will apply.

Changing Your Beneficiary

You have the option to change your Beneficiary provided that you make this election prior to your Plan's original Maturity Date, subject to certain restrictions set out under the *Income Tax Act* (Canada) (as described below) and provided that the new Beneficiary is eligible for enrolment under the Plan and you supply the new Beneficiary's social insurance number to us at the time of the change.

A person other than your original Beneficiary may be nominated in place of your original Beneficiary at any time without income tax consequences provided that at the time of such election: (i) both the original Beneficiary and the new Beneficiary are under 21 years of age; and (ii) the new Beneficiary is the brother or sister of the original Beneficiary, or both the original Beneficiary and the new Beneficiary are related to you by blood or adoption. Under the Group Option Plan, if your new Beneficiary is older than your original Beneficiary, you must make the required payments including any adjustments to Contributions based on a new Contribution Schedule and any interest deficiency administrative adjustment that may apply. Contributions cannot be made later than 31 years after the Contract was entered into. If you wish to change your Beneficiary, please contact us for the required forms. The change of a Beneficiary will be subject to a service fee of

\$35.00 (plus applicable taxes).

We will transfer Government Grants to the new Beneficiary if the new Beneficiary is under the age of 21 and a sibling of the former Beneficiary. Otherwise, we must repay the Government Grants to the government, other than the "basic" CESG if no "additional" CESG has been received and the original Beneficiary and new Beneficiary are related by blood or adoption to the Subscriber. We cannot transfer Canada Learning Bonds to the new Beneficiary under any circumstances.

Death or Disability of the Beneficiary

If your Beneficiary dies before the Plan's Maturity Date, please contact us. An original or notarized death certificate must be provided.

If your Beneficiary becomes disabled before the Plan's Maturity Date, please contact us. Due to significant variation in disability types, we consider each situation on a case-by-case basis. Written verification of the disability must be provided in writing by a qualified medical doctor.

In the event of death or disability of the Beneficiary as described above, there are options for you. Please contact us so we can help you select the best possible option given your circumstances. Depending on the circumstances, options may include (i) naming another Beneficiary for the Plan, (ii) cancelling your Plan, or (iii) transferring to the Self-Initiated Option Plan where you may qualify to receive an AIP. Certain conditions apply. If you cancel your Plan as described in (ii) above, you will receive a refund of your Contributions including any sales charge paid but excluding any insurance premiums and certain applicable fees.

TRANSFERRING YOUR PLAN

Transferring to the Self-Initiated Option Plan

You may transfer from the Group Option Plan to the Self-Initiated Option Plan, subject to certain conditions, including that your sales charge have been paid in full, your Group Option Plan has not reached maturity, and satisfaction of the conditions of enrolment of the Self-Initiated Option Plan. Transfers from the Group Option Plan to the Achievers Plan are not permitted.

A transfer to the Self-Initiated Option Plan may be requested at any time but no later than 60 days before the original Maturity Date. If you transfer to the Self-Initiated Option Plan, you may choose the new Maturity Date so long as the new Maturity Date is within 31 years from the date of your Contract. If net Contributions are withdrawn before your Beneficiary is enrolled in an eligible post-secondary program, Government Grant monies (other than Income earned on the Government Grants, which will be treated in the same manner as any other Earnings being paid out of a Plan) and other applicable amounts will be returned to the government. If the transfer to the Self-Initiated Option Plan is completed prior to the maturity

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of your Group Option Plan, you will be entitled to the same return of net Contributions as under any other Self-Initiated Option Plan. A transfer from the Group Option Plan to the Self-Initiated Option Plan will result in the cancellation of any insurance purchased and the loss of all insurance premiums paid. A sales charge of \$200.00 (plus applicable taxes) will be charged for opening the Self-Initiated Option Plan and a service fee of \$50.00 (plus applicable taxes) will be charged for the transfer of your Group Option Plan to a Self-Initiated Option Plan.

Transferring to Another RESP Provider

You may transfer your Plan to another RESP provider subject to: (i) consideration of the Government Grant and tax issues described herein; (ii) the relevant forms being processed 60 days prior to your original Maturity Date, including RESP transfer forms; and (iii) payment of a service fee of \$50.00 (plus applicable taxes). Such transfer constitutes a withdrawal from your Plan. Income on Government Grants will be transferred from one RESP to another in the case of an “eligible transfer” (as described in the Scholarship Agreement) of a Plan to another RESP provider. Income on Contributions will not be transferred but instead will go to remaining members of the group. You will also lose amounts paid for the sales charge, insurance premiums and other fees, and may lose some or all Government Grants, depending on the Government Grants and the receiving RESP provider.

Transferring to this Plan from Another RESP Provider

You may purchase Units using contributions transferred from another RESP provider to the Plan, if:

- it is for the same Beneficiary;
- the Beneficiary is under 13 years of age; and
- an AIP has not been made from the transferring RESP.

When transferring contributions from another RESP provider to a Plan, you also need to transfer proportionate amounts of Government Grants into the Plan. Income you have earned that is being transferred into the Plan will be placed in your Plan and cannot be used to purchase Units. The Plan will expire on December 31st of the 35th year following the year of the earlier of the start dates of the transferring RESP and your Application Date.

To start the transfer, please see one of our dealing representatives in order to complete a new Plan enrolment application form and related documents. See “Enrolling in a Plan” at page 5.

We will not charge a transfer service fee for the transfer; however, there will be a sales charge payable with respect to the Units purchased. You might incur loss of sales charge and fees paid to the sending RESP provider or any other amount. You should check with your outgoing RESP provider for more details.

DEFAULT, WITHDRAWAL OR CANCELLATION

If You Withdraw from or Cancel Your Plan

You may withdraw from your Plan by giving written notice to Children’s Education Funds Inc. at 3221 North Service Road, Burlington, Ontario, L7N 3G2 within 60 days of the date of your Contract. Upon such withdrawal, all Contributions made by you are returned, including the sales charge, any applicable transaction fees or interest deficiency administrative adjustments, but excluding any insurance premiums, within 60 days of the date on which Children’s Education Funds Inc. receives your written and signed notice.

You may also withdraw or cancel your Plan at any time after the 60-day period by giving written notice to Children’s Education Funds Inc. at the address indicated above. Upon such withdrawal, your net Contributions will be refunded to you within 60 days of the date on which Children’s Education Fund Inc. receives your written and signed notice. Early withdrawal from, or a default under, your Plan will have negative financial consequences. The sales charge and any other fee or cost, including insurance premiums, paid up to the time of withdrawal, are not refundable. Any and all Income earned on net Contributions will be forfeited, unless you are eligible to receive a return of such Income.

If your Beneficiary is qualified yet fails to enrol in an eligible post-secondary program or if you cancel your Plan for any other reason, the Government Grants must be repaid to the government and net Contributions will be returned to you. The remaining Income earned on the Government Grants can be paid to you as an Accumulated Income Payment (including a transfer to the Subscriber’s RRSP or a qualifying RDSP) subject to certain requirements, including that you transfer into the Self-Initiated Option Plan subject to the conditions described herein (see “Transferring to the Self-Initiated Option Plan” on page 24 and “Accumulated Income Payments” on page 31); otherwise it will be paid to a designated educational institution chosen by us. The Income earned on your net Contributions will be reallocated among the remaining Beneficiaries in your Beneficiary Group.

If You Fail To Make Contributions

Interest deficiency administrative adjustment

If a Subscriber fails to make a Contribution payment in accordance with the terms of the Plan or elects for a change to the Plan including with respect to the timing or amount of Contribution obligations going forward, an “interest deficiency administrative adjustment” will be applied to the Subscriber’s account. The amount of the interest deficiency administrative adjustment is equal to 0.583% of the balance of any missed Contribution payment calculated on a monthly compound basis. The annual compound rate of interest for the interest deficiency administrative adjustment is 7.23% (taking into

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account compounding), subject to the lifetime contribution limit of \$50,000 and all applicable fees.

The interest deficiency administrative adjustment for each month prior to September 1, 2020 that a Contribution was outstanding is equal to 1% (compounded monthly) of the Contributions that each Contribution was overdue under the Contribution Schedule (being an effective rate of 12.68% per annum), subject to the lifetime contribution limit of \$50,000 and all applicable fees.

Payment of an interest deficiency administrative adjustment may be satisfied either (i) by the Foundation deducting the amount of the interest deficiency administrative adjustment from your previous Contributions, or (ii) by you sending a separate payment to the Foundation for the amount owing. Any interest deficiency administrative adjustment payment will be paid into the EAP Account.

General

Under the Group Option Plan, if you fail to make a Contribution when required, we will provide notice to you of such failure, normally within 30 days, at your address on our records. Should you fail to remit the amount of all arrears, including missed Contributions, any required interest deficiency administrative adjustment or applicable fees and expenses within 90 days from the date of your missed Contribution, your Plan will be placed in default. In addition, on an annual basis, if you have outstanding amounts owing to us, we will send you a letter detailing your options. A Plan review fee of \$18.00 (plus applicable taxes) will apply in respect of each letter sent to you.

You may elect from the options as are in effect from time to time in respect of such defaults. Options include (i) making up arrears, (ii) reducing Contributions, (iii) transferring to the Self-Initiated Option (based on eligibility), and (iv) cancelling the Plan. The availability of these options is subject to conditions and may involve additional costs to you (such as the interest deficiency administrative adjustment or other fees, as described herein). See "Re-activation of Subscriber's Plan". Until you make a selection or until you fail to make three Contributions (whichever is earlier), the Foundation will proceed on the basis that you intend to choose the first option, i.e., making up arrears. This means that:

- (a) we will continue to take in subsequent Contributions submitted by you, including where post-dated cheques were previously provided, unless (a) we receive notice of stop-payments, or (b) the applicable account is closed;
- (b) the amount of the interest deficiency administrative adjustments accrued in respect of such missed Contributions will either be deducted from your continuing Contributions or made by way of separate payment which you may submit directly to the Foundation, until all arrears are satisfied; and
- (c) if after 90 days from your Application Date your account balance is \$0, your Plan will automatically be cancelled.

Default under your Plan will have negative financial consequences. A default fee of \$35.00 (plus applicable taxes) will apply if you go into default.

Automatic Transfer to the Self-Initiated Option Plan

If you have made contributions to your plan but have either (a) failed to make three or more Contributions and have not addressed that failure through one of the options above within 36 months of your last honoured Contribution, (b) requested and been granted a temporary suspension of Contributions and have not taken steps to end that suspension within 36 months of your last honoured Contribution, or (c) the date has passed that is 90 days before the last day of the year that is 35 years after the Plan was entered into (whichever of these three occurs first), then any net Contributions, Income on net Contributions, Government Grants, and Income on Government Grants with respect to your Group Option Plan will be automatically transferred to a Self-Initiated Option Plan. Any insurance you have for the Group Option Plan will be cancelled and the insurance premiums will not be refunded. A service fee of \$50.00 (plus applicable taxes) will be charged to you for the transfer.

You will then have the option to transfer back to the Group Option Plan for up to two years after the date of transfer as long as it is prior to the original Maturity Date of the Group Option Plan and the procedures described elsewhere in this prospectus (including the payment of any necessary Contributions and other payments) are complied with. Unless your Plan is transferred back to the Group Option Plan, you will be bound by the terms and conditions of the Self-Initiated Option Plan, and will lose any entitlement to a return of sales charge and any other Group Option Plan benefits.

If We Cancel Your Plan

Other than in connection with an event of default (as described under "If You Fail to Make Contributions"), your Plan may be cancelled by the Foundation under any one of the following circumstances:

- (a) if you have not provided the Foundation with your Beneficiary's social insurance number within 24 months of the acceptance of your enrolment application form by the Foundation (or such longer period as may be agreed to by the Foundation) or, if you previously provided a temporary social insurance number, you have not provided a permanent one prior to the expiry of the temporary number. In these circumstances, your net Contributions and any Income earned on your Contributions will be returned to you, and any Income earned on your Contributions will be as though earned by you directly. Should you subsequently obtain your Beneficiary's social insurance number, you may choose to re-enrol in a Plan upon providing the social insurance number to the Foundation and signing a new Contract;
- (b) if, after the Maturity Date, you cannot be located by the

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Foundation at your last known address by the end of six years from the original Maturity Date of your Contract. In these circumstances, your net Contributions and your Income will be forfeited; or

- (c) if after 90 days from your Application Date your account balance is \$0.

On cancellation of your Group Option Plan, your net Contributions will be returned to you. Any Government Grants received will be repaid to the government, and the Income earned in the Plan will remain in the EAP Account for the benefit of the remaining Beneficiaries in your Beneficiary Group. Repayment of Government Grants will result in the loss of the Beneficiary's Grant Contribution Room, which cannot be restored. The Income earned on Government Grants will be paid to a designated educational institution chosen by us. A service fee of \$35.00 (plus applicable taxes) will apply if your Plan is cancelled.

Re-activation of Subscriber's Plan

You need to contact us prior to the Beneficiary's 16th birthday to bring your Plan into good standing, if required. To re-activate the Plan, you will need to make up for any missed Contributions and any interest deficiency administrative adjustment and service fees that you may have incurred and have not been paid. If your Plan is brought to good standing prior to the Beneficiary's 16th birthday, you and your Beneficiary will qualify for the same payments under your Plan as if the conditions which had caused you to fail to be in good standing had not occurred.

If your Plan has been cancelled and you have received a refund of your net Contributions, it is no longer possible to re-activate your Plan.

If Your Plan Expires

Your Plan expires on December 31st of the 35th year following the year of your Application Date. If your Plan expires, it cannot be re-instated. On expiry of your Plan, you will forfeit:

- any unclaimed Income in your Plan (this will be paid to a designated educational institution of our choice); and
- any unclaimed Government Grants (these will be returned to the government).

WHAT HAPPENS WHEN YOUR PLAN MATURES

Prior to the Maturity Date, we will mail you a letter advising you of the upcoming maturity of the Plan. The letter will provide details on options available to you, including:

- postponing the Maturity Date;
- remaining in the Plan; or
- transferring to the Self-Initiated Option Plan.

On the Maturity Date, if the Plan is not transferred to the Self-Initiated Option Plan, the Income on your net Contributions is transferred to the EAP Account for distribution to qualified Beneficiaries along with their EAPs.

Provided we receive evidence by the applicable time that your Beneficiary is enrolled in Eligible Studies, we will, after the Maturity Date, return your net Contribution to you. Government Grants and Income on grants are available for distribution to the Beneficiary as part of EAPs.

If Your Beneficiary does not Enrol in Eligible Studies

A Beneficiary who does not enrol in Eligible Studies will not receive EAPs from the Plan.

If you do not anticipate that your Beneficiary will enrol in Eligible Studies, you may (i) at least 60 days prior to the original Maturity Date, defer the Beneficiary's Maturity Date for one-year periods for up to six years, or (ii) prior to the Maturity Date, change to a new Beneficiary, or (iii) transfer to the Self-Initiated Option Plan, provided that you make this election at least 60 days prior to the Group Option Plan's original Maturity Date.

If your Beneficiary is qualified yet fails to enrol in an eligible post-secondary program or if you terminate your Plan for any other reason, the Government Grants must be repaid to the government and net Contributions will be returned to you. The remaining Income earned on the Government Grants can be paid to you as an Accumulated Income Payment (including a transfer to the Subscriber's RRSP or a qualifying RDSP) subject to certain requirements, including that you transfer into the Self-Initiated Option Plan as described herein (see "Transferring to the Self-Initiated Option Plan" on page 24 and "Accumulated Income Payments" on page 31); otherwise it will be paid to a designated educational institution chosen by us. The Income earned on your net Contributions will be reallocated among the remaining Beneficiaries in your Beneficiary Group.

A Beneficiary may defer an EAP for a particular year by giving us written notice by August 1st of that year. Deferred EAPs must be collected by the Beneficiary before the Plan expires, subject to any limitations imposed under the Plan. See "If Beneficiary does not complete or continue in Eligible Studies" on page 30.

RECEIVING PAYMENTS FROM THE PLAN

Return of Contributions

You are entitled to a return of your net Contributions (which you can direct us to pay to your Beneficiary if you wish) after the Maturity Date at any time by writing to us.

If you withdraw your net Contributions after the Maturity Date but before your Beneficiary enrolls in Eligible Studies, we have to repay to the government:

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- CESGs ranging from 20% to 40% of the net Contribution amount withdrawn;
- if applicable, QESIs ranging from 10% to 20% of the net Contributions withdrawn (depending on whether you received additional QESI); and
- any other Grants as may be required to be repaid.

Our letter to you prior to the Maturity Date will remind you of your options.

Educational Assistance Payments

Your Beneficiary is eligible for up to three EAPs paid over one, two or three years, depending on the length of the program of Eligible Studies as determined by the original Maturity Date.

The three EAPs are paid out over programs of Eligible Studies. The length of such programs range between under one year to four (or more) years in length. If you anticipate that your Beneficiary will enrol in a program of Eligible Studies of less than four years, you must notify us in writing prior to the original Maturity Date so that the proper EAP payment schedule can be set up for your Beneficiary. Where a program of four (or more) years has been selected, a third of the EAPs will be paid out in each of the second, third and fourth years. To the extent payments are paid earlier than they would otherwise be paid in a program of four (or more) years, these payments will be subject to a present value adjustment to reflect the early payment. Please refer to the charts below which depict various EAP payment options for programs of different lengths.

Generally, most EAPs during a given year are paid to Beneficiaries in the months of September and October. The latest that a Beneficiary can receive an EAP is December 31st, in the 35th year following the year of your Application Date (or a later date if permitted by *the Income Tax Act (Canada)*).

Starting around the month of May in a Beneficiary's Year of Eligibility, we will send instructions and required forms to all eligible Beneficiaries. You should advise us by August 1st of each year as to whether your Beneficiary intends to collect an EAP in the coming year. If your Beneficiary will be qualifying for an EAP in any given year, he or she will need to provide us with proof of enrolment in Eligible Studies by August 1st to ensure that he or she receives the payment in a timely manner. Notification received after August 1st may be processed and paid at a later date. A late fee of \$75.00 applies to late EAP applications.

It is important that they continue to notify us by August 1st of each year of their intentions for the coming year. If you or the Beneficiary do not notify us of by that deadline you may forfeit some or all of that year's EAPs, and if you or the Beneficiary do not notify us by the end of that year, you will forfeit all of that year's EAPs.

How EAP amounts are determined

We will pay EAPs to your Beneficiary if your Beneficiary qualifies for the payments under the Plan and under the *Income Tax*

Act (Canada). Please contact us and we will provide you with the forms that you need to complete to receive EAPs. The amount and timing of each EAP depends on how much you contributed to the Plan, the Government Grants in your Plan, the performance of the Plan's investments and the amount of any EAP top-up from the Scholarship Enhancement Fund Account. Unrealized gains and losses on fixed income and equity investments in the Plan are allocated proportionately on a monthly basis based on the net contributions and investment income in your Plan. Unrealized gains and losses on fixed income investments in which Government Grants are invested and investment income on Government Grants are allocated proportionately on a monthly basis to your Beneficiary based on the Government Grants and investment income on Government Grants in your Plan. Any unpaid portion of Government Grants is returned to the government and any unpaid amounts attributable to Income on Government Grants is paid to designated educational institution of our choice.

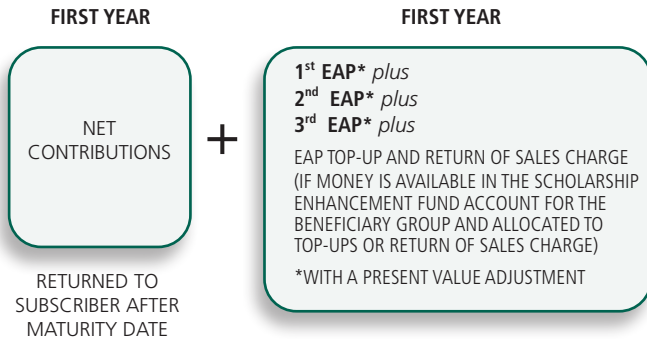
When calculating the per Unit payments from the EAP Account, the amount to be paid from the EAP Account per Unit is calculated based upon the total amount available for distribution to the members of the Group Option Plan Beneficiary Groups eligible to receive EAPs in the academic year and dividing that amount by the number of Units held by those Group Option Plan members. The per Unit payments from the EAP Account will be calculated separately for each of the three Group Option Plan Beneficiary Groups whose members are eligible for an EAP in that academic year. The per Unit payments will be calculated based upon the total amount available for distribution to members of the particular Group Option Plan Beneficiary Group, divided by the number of Units eligible to receive EAPs held by those members of the Group Option Plan Beneficiary Group.

You should be aware that the *Income Tax Act (Canada)* has restrictions on the amount of EAPs that can be paid out of an RESP at a time. A full-time student may not receive more than \$8,000 as an EAP unless he or she has completed at least 13 consecutive weeks of study in the previous 12 months. A part-time student can collect EAPs of up to \$4,000 for each 13-week period of study. If your student's expenses are expected to exceed these amounts, contact us and we'll apply to the Minister of Employment and Social Development to have the limit increased.

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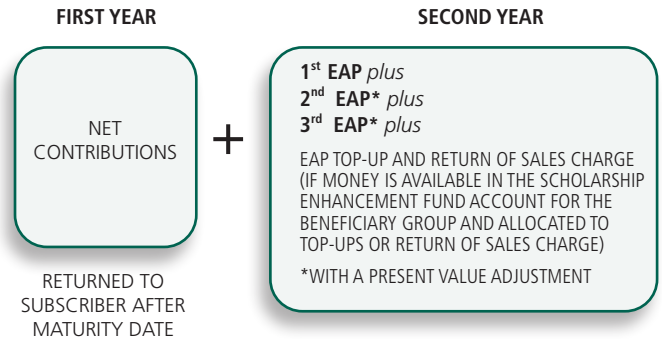
One year Eligible Studies program

The following is paid to a Beneficiary enrolled in a one year program of Eligible Studies:



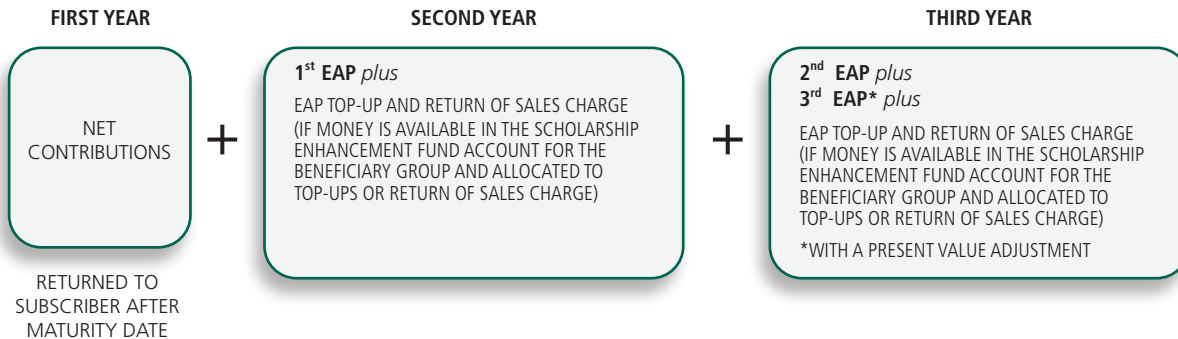
Two year Eligible Studies program

The following is paid to a Beneficiary enrolled in a two year program of Eligible Studies:



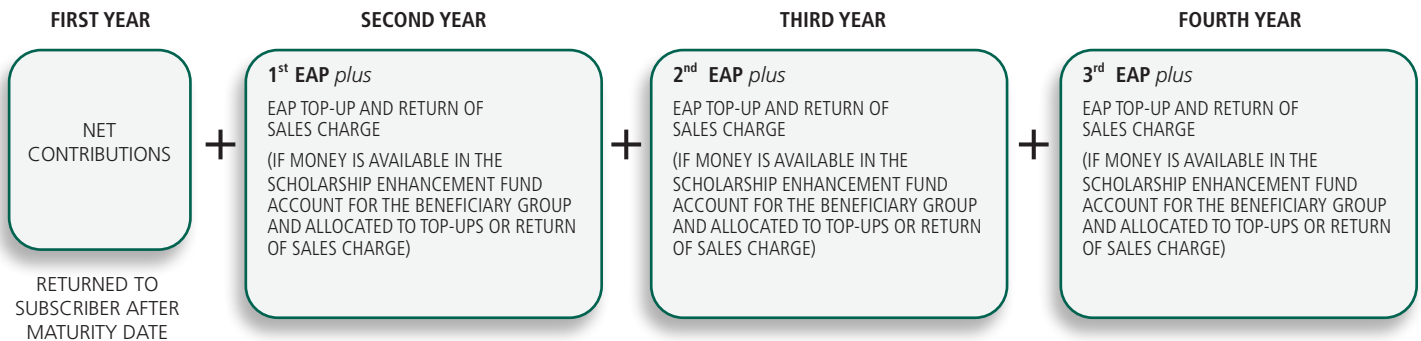
Three year Eligible Studies program

The following is paid to a Beneficiary enrolled in a three year program of Eligible Studies:



Four year Eligible Studies program

The following is paid to a Beneficiary enrolled in a four year program of Eligible Studies:



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EAP top-ups and return of sales charges are not guaranteed. You must not count on your Beneficiary receiving an EAP top-up or you receiving a return of sales charge. Payments will only be made if there is money in the Scholarship Enhancement Fund Account in respect of your Beneficiary Group, and will be allocated by the Foundation as between EAP top-ups and return of sales charges. If there is an EAP top-up and/or return of sales charge, it may be less than what has been paid in the past.

Past breakdown of Income in the EAP Account

The table below shows the breakdown of Income in the EAP Account at the Maturity Date for the five Beneficiary Groups that most recently reached their Year of Eligibility.

The breakdown of Income can vary by Beneficiary Group. The amount of Income earned on net Contributions depends on the performance of the Plan's investments. The amount of Income from cancelled Plans depends on how many Plans were cancelled, as well as the investment performance of those funds.

Beneficiary Group					
	2024	2023	2022	2021	2020
Income earned on net Contributions	87%	87%	86%	85%	84%
Income from cancelled Plans	13%	13%	14%	15%	16%
EAP account total	100%	100%	100%	100%	100%

Past payments from the EAP Account

The table below shows how much was paid from the EAP Account per Unit for the five Beneficiary Groups that most recently reached their Year of Eligibility.

Keep in mind that this Plan is generally a long-term investment. The payments shown largely reflect investments made years ago. It's important to note that this doesn't tell you how much a Beneficiary will receive in the future.

Past Payment from EAP Account (per Unit) by Beneficiary Group*					
	2024	2023	2022	2021	2020
Second Year	\$259	\$286	\$333	\$337	\$327
Third Year	N/A**	\$300	\$344	\$356	\$351
Fourth Year	N/A**	N/A**	\$392	\$400	\$413

* When calculating the per Unit payments from the EAP Account on this chart the amount to be paid from the EAP Account per Unit was calculated based upon the total amount available for distribution to the members of the Group Option Plan Beneficiary Groups eligible to receive EAPs in the academic year and dividing that amount by the number of Units held by those Group Option Plan members. The per Unit payments from the EAP Account will be calculated separately for each of the three Group Option Plan Beneficiary Groups whose members are eligible for an EAP in that academic year. The per Unit payments will be calculated based upon the total amount available for distribution to members of the particular Group Option Plan Beneficiary Group, divided by the number of Units eligible to receive EAPs held by those members of the Group Option Plan Beneficiary Group.

** No amount is shown because the Beneficiaries in this Beneficiary Group are not yet enrolled in that year of studies.

If Beneficiary does not complete or continue in Eligible Studies

If your Beneficiary does not complete or continue in their program as initially agreed to prior to the original Maturity Date, they may still claim all three EAPs, provided they continue to enrol in Eligible Studies. This can happen if your Beneficiary drops out of school before completing their program. Your Beneficiary may be able to defer a payment for a year if they go back to a qualifying program. You must submit your written application to defer by August 1st of that year. You may postpone the Maturity Date for one year periods for up to a maximum of six years from the Plan's original Maturity Date. However, deferrals are not guaranteed and are assessed at the discretion of the Foundation.

You may defer taking EAPs from your Plan provided that

all amounts are paid to qualified Beneficiaries by December 31st of the 35th year following the year of your Application Date. After that date, the Income that had accrued on the net Contributions of that Beneficiary remain in the EAP Account for the benefit of the remaining Beneficiaries in the Beneficiary Group and the Income on Government Grants foregone by that Beneficiary will be paid to a designated educational institution chosen by us.

If your Beneficiary does not complete or continue in their program, they may lose one or more EAPs. This can happen if your Beneficiary does not continue to enrol in Eligible Studies (for example, the Beneficiary drops out of school). In such a case, other Beneficiaries with the same Year of Eligibility will be entitled to share in the Income earned on your Contributions, as all such Income is applied to the EAP Account. See "Post-maturity Attrition" at page 33.

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Accumulated Income Payments

If your Beneficiary decides not to pursue post-secondary education and you wish to withdraw Income as an AIP, you may do so provided that:

- transfer is made to the Self-Initiated Option Plan in accordance with the terms of transfer as set out herein (certain fees apply in respect of such transfer; see “Transferring to the Self-Initiated Option Plan” on page 24;
- the AIP is made to only one person;
- the recipient is a resident of Canada at the time of the payment; and
- the recipient is a Subscriber under the Plan;

and one of the following conditions is met:

- (a) each person who is or was a Beneficiary (other than a deceased Beneficiary) has reached 21 years of age and is not enrolled in Eligible Studies at that time, and the Plan has existed for at least 10 years;
- (b) the payment is made in the 35th year following the year of your Application Date; or
- (c) the Beneficiary under the Plan has died.

You may request a waiver from condition (1) from the Minister of Revenue when a Beneficiary suffers from severe and prolonged mental impairment that prevents, or can reasonably be expected to prevent, the Beneficiary from enrolling in a qualifying educational program at a post-secondary educational institution.

If, following a transfer to the Self-Initiated Option Plan, you qualify for an AIP, you may:

- transfer up to \$50,000 of RESP Income (per Subscriber) to your RRSP or your spousal RRSP as long as you have unused RRSP contribution room;
- receive RESP Income as taxable income for the year, and pay an additional federal tax of 20% (in the case of Quebec residents, the additional tax is a federal tax of 12% and a provincial tax of 8%) on the RESP Income for that year; or
- transfer up to \$200,000 to an RDSP.

Under these circumstances, to transfer funds to an RDSP, the Beneficiary must also be a beneficiary of the RDSP that is receiving the funds. In addition:

- the Beneficiary must have a severe and prolonged mental impairment that prevents, or can reasonably be expected to prevent, them from enrolling in Eligible Studies at a post-secondary educational institution; or
- each person who is or was a Beneficiary (other than a deceased Beneficiary) has reached 21 years of age and is not enrolled in Eligible Studies at that time, and the applicable plan has existed for at least 10 years.

In addition, the subscriber of the RESP must jointly elect on a prescribed form with the RDSP holder to have the transfer occur. Your RESP will be terminated before March of the year following the transfer to the RDSP. All Government Grants will be repaid to the government.

Prior Payments from the Scholarship Enhancement Fund Account

The table below shows the amount of payments paid per Unit from the Scholarship Enhancement Fund Account with respect to EAP top-ups and returns of sales charges for the five Beneficiary Groups that most recently reached their Year of Eligibility.

It's important to note that this doesn't tell you if a Beneficiary (or you as Subscriber) will receive a payment or how much will be received because, as previously stated, EAP top-ups and return of sales charges depend on the money available in the Scholarship Enhancement Fund Account in respect of your Beneficiary Group and the allocation of that money as between EAP top-ups and return of sales charges.

Payments from the Scholarship Enhancement Fund (per Unit) by Beneficiary Group					
Year of Studies	2024	2023	2022	2021	2020
Second Year	\$103	\$80	\$85	\$146	\$166
Third Year	N/A*	\$33	\$64	\$35	\$65
Fourth Year	N/A*	N/A*	\$19	\$36	\$21

* No amount is shown because the Beneficiaries in this Beneficiary Group are not yet enrolled in that year of studies.

ATTRITION

You and your Beneficiary must meet the terms of the Plan in order for your Beneficiary to qualify for all of the EAPs under the Plan. If Beneficiaries fail to qualify for some or all of their EAPs, there will be fewer Beneficiaries remaining in the Beneficiary Group to share the amount of money available for paying EAPs. This is known as “attrition”.

Your Beneficiary may not qualify for some or all of the EAPs if:

- Before the Maturity Date of the Plan, you cancel your Plan or transfer your Plan to another Plan or RESP, or we cancel your Plan because you failed to make Contributions on schedule and did not take action to keep your Plan in good standing. This is known as “Pre-maturity Attrition”.
- After the Maturity Date of the Plan, your Beneficiary decides not to pursue a post-secondary education, does not attend Eligible Studies, or does not complete the Eligible Studies program as confirmed with us prior to the Maturity Date. This is known as “Post-maturity Attrition”.

Group Option Plan

Pre-maturity Attrition

If you leave the Plan before it matures, you will get back your net Contributions. You will not get back any Income. The Income on your net Contributions up to the time your Plan is cancelled will go to the EAP Account and be paid to the remaining Beneficiaries in your Beneficiary Group along with their EAPs.

Income from cancelled Units

The table below shows the current value of the Income on net Contributions from cancelled Units by Beneficiary Group. The amount of Income from cancelled Plans available to Beneficiaries after the Maturity Date will depend on how many Subscribers cancel their Plan, how many Beneficiaries qualify for EAPs and the investment performance of the Plan.

Beneficiary Group	Percentage of Units that have been cancelled*	Total Income from cancelled Units available to remaining Units	Income from cancelled Units available to each remaining Unit
2025	29%	\$3,266,583	\$57
2026	21%	\$1,751,915	\$34
2027	26%	\$1,056,876	\$33
2028	25%	\$783,604	\$28
2029	25%	\$570,649	\$23
2030	24%	\$435,927	\$20
2031	22%	\$300,160	\$16
2032	19%	\$164,271	\$11
2033	17%	\$98,605	\$8
2034	18%	\$72,872	\$7
2035	14%	\$39,544	\$5
2036	17%	\$29,528	\$4
2037	9%	\$6,962	\$1
2038	9%	\$4,895	\$1
2039	2%	\$482	\$0
2040	3%	\$408	\$0
2041	1%	\$1	\$0
2042	0%	\$13	\$0
2043	0%	\$0	\$0

* The calculation only includes those Units cancelled that have Income to be shared with Beneficiaries in the same Beneficiary Group.

Plans that did not reach maturity

The table below shows the percentage of Plans that did not reach maturity for each of the five Beneficiary Groups shown below. The most common reasons why Plans did not reach maturity were because the Subscriber cancelled their Plan, we cancelled their Plan due to a default, the Subscriber transferred

to another type of Plan we offer, or the Subscriber transferred to another RESP provider.

Of the last five Beneficiary Groups, an average of 33% of the Plans in each group were cancelled before their Maturity Dates.

Group Option Plan

Maturity date of Beneficiary Group	Percentage of Plans that did not reach maturity
2024	26%
2023	30%
2022	33%
2021	38%
2020	39%
Average	33%

Post-maturity Attrition

If your Beneficiary does not pursue Eligible Studies, you will get back your net Contributions. You will not get back any Income.

Past payment of EAPs

The table below shows the percentage of Beneficiaries who received the maximum of three EAPs under the Plan and those who received some or no EAPs, for each of the five Beneficiary Groups that would have most recently completed their Eligible Studies.

	Beneficiary Group				
	2022	2021	2020	2019	2018
Beneficiaries who received all 3 EAPs	73%	73%	74%	71%	69%
Beneficiaries who received only 2 of 3 EAPs	13%	11%	11%	12%	13%
Beneficiaries who received only 1 of 3 EAPs	7%	7%	7%	8%	9%
Beneficiaries who received no EAPs	7%	9%	8%	9%	9%
Total	100%	100%	100%	100%	100%

OTHER IMPORTANT INFORMATION

Insurance Coverage

The following are descriptive outlines of the types of insurance coverage available to each eligible Subscriber under the Group Option Plan.

Like all insurance policies, the group policies, and the various types of coverage offered under them, contain terms of coverage including certain eligibility requirements, conditions for payment of benefits and exclusions, which may limit the protection afforded.

Except in the province of Quebec, under the Group Option Plan, Group Death and Permanent Total Disability Insurance is automatically available to you, as Subscriber, if you qualify. If you enrol in the Group Option Plan and qualify for automatic insurance, you will be provided with a contract which sets out a full description of the coverage provided. If you decide to purchase optional insurance coverage for your Group Option Plan, you will be provided with a contract which sets out a full description of the coverage provided. You should read the contract carefully.

If any one or more of the insurance plans described below are chosen, applicable Insurance Premiums for such insurance will be charged plus any applicable taxes.

Group Death and Permanent Total Disability Insurance (Completion Insurance)

We have entered into contractual arrangements with the Insurer whereby group life and permanent and total disability completion insurance is available to Subscribers to pay, upon the death or permanent and total disability of such a Subscriber (or, in the case of joint Subscribers, the death or permanent and total disability of either such Subscribers), the balance of unpaid Contributions, as they fall due, under the applicable Scholarship Agreement and Contribution Schedule.

For the Group Option Plan, except in the province of Quebec, this insurance is automatic for Subscribers who qualify, and who do not opt out, and the Insurance Premium for this Completion Insurance is included in the Contribution amounts set out in the Completion Insurance Payment Schedule on page 34. In the event of the termination of the Plan, the portion of the Contributions applicable to Insurance Premiums is non-refundable.

The issuance of Completion Insurance to a Subscriber is subject to the declaration(s) set out in your enrolment application form for a Plan being answered by you both truthfully and affirmatively.

Failure by a Subscriber to make the required Contributions under a Scholarship Agreement may terminate Completion Insurance. Termination of a Plan automatically terminates Completion Insurance.

Group Option Plan

Completion Insurance Payment Schedule

Deposit Method	Years to Beneficiary's Entry Into Post Secondary Education	18	17	16	15	14	13	12	11	10	9	8	7	6
INSURANCE PREMIUM ON EACH SCHOLARSHIP UNIT* (Paid at the time of Contributions for Units)														
ANNUAL DEPOSIT		\$5.50	\$5.50	\$5.50	\$5.50	\$8.80	\$8.80	\$8.80	\$13.20	\$13.20	\$13.20	\$16.50	\$16.50	\$16.50
MONTHLY DEPOSIT		\$0.50	\$0.50	\$0.50	\$0.50	\$0.80	\$0.80	\$0.80	\$1.20	\$1.20	\$1.20	\$1.50	\$1.50	\$1.50
ANNUAL DEPOSIT - 5 PAYMENTS ONLY		\$8.80	\$8.80	\$8.80	\$8.80	\$13.20	\$13.20	\$13.20	\$16.50	\$16.50	\$16.50	\$19.80	\$19.80	N/A
MONTHLY DEPOSIT - 60 PAYMENTS ONLY		\$0.80	\$0.80	\$0.80	\$0.80	\$1.20	\$1.20	\$1.20	\$1.50	\$1.50	\$1.50	\$1.80	\$1.80	N/A
ANNUAL DEPOSIT - 10 PAYMENTS ONLY		\$7.20	\$7.20	\$7.20	\$7.20	\$11.00	\$11.00	\$11.00	\$14.90	N/A	N/A	N/A	N/A	N/A
MONTHLY DEPOSIT - 120 PAYMENTS ONLY		\$0.70	\$0.70	\$0.70	\$0.70	\$1.00	\$1.00	\$1.00	\$1.40	N/A	N/A	N/A	N/A	N/A

*Insurance premium is subject to 8% sales tax in Ontario and Manitoba and 9% in Quebec.

Qualifying for Completion Insurance

You will qualify for Completion Insurance if: (i) you are not suffering from any serious injury, illness or disease at the date of enrolment; (ii) you are a resident of Canada; (iii) you are between the ages of 18 and 72 with respect to the life insurance benefit under Completion Insurance; (iv) you are between the ages of 18 and 65 with respect to the Total and Permanent Disability benefit under Completion Insurance; and (v) you select any Contribution method other than Single Contribution.

Critical Illness Insurance

We have entered into an agreement with the Insurer whereby the Subscriber may, subject to having elected to purchase and being eligible for Completion Insurance, elect to purchase critical illness insurance (**Critical Illness Insurance**) at a cost of \$0.75 (plus applicable taxes) per \$10.00 of Contributions insured.

The issuance of Critical Illness Insurance to a Subscriber is subject to the declaration(s) set out in your enrolment application form for a Plan being answered by you both truthfully and affirmatively.

Critical Illness Insurance will pay, in the event the Subscriber is first diagnosed after the Application Date with a critical illness, as defined in the insurance agreement, the balance of unpaid Contributions, as they fall due, under the applicable Plan and Contribution Schedule.

Beneficiary Insurance

We have entered into arrangements with the Insurer whereby the Subscriber may elect to purchase Beneficiary Insurance (**Beneficiary Insurance**) at a cost of \$0.75 per month (\$9.00 per year per agreement) plus applicable taxes.

Beneficiary Insurance provides beneficiary accidental death & dismemberment insurance for a maximum principal sum of \$25,000.

AIR MILES® Reward Miles Program

Earn AIR MILES® reward miles

Enrolling in the Group Option Plan allows you to earn AIR MILES® reward miles. There are two ways to earn AIR MILES® reward miles:

1. you will earn 10 AIR MILES® reward miles for every Unit purchased under the Group Option Plan; and
2. you will earn 1 AIR MILES® reward mile for every \$100.00 of net Contributions made where your Plan is in good standing at the time the Contribution is made.

To earn AIR MILES® reward miles, you must provide an AIR MILES® collector number. For greater certainty, any net Contributions made prior to providing an AIR MILES® collector number will not earn AIR MILES® reward miles.

We pay for AIR MILES® reward miles based solely on the number of miles issued each month, at a fixed rate per mile. These costs are paid using fees collected from Subscribers.

Withdrawal from the Plan may affect eligibility for AIR MILES® reward miles not yet issued.

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Self-Initiated Option Plan

SPECIFIC INFORMATION ABOUT OUR PLANS – SELF-INITIATED OPTION PLAN

Type of scholarship plan	Start date
Self-Initiated Option Plan	April 10, 1996

WHO THIS PLAN IS FOR

You are eligible to enrol in this Plan if:

- your child is a Canadian resident within the meaning of the *Income Tax Act* (Canada).

This Plan is suitable if:

- you want to save for one Beneficiary;
- you want flexibility over when and how much to contribute to your Plan;
- you are planning for your Beneficiary to attend Eligible Studies;
- you want control over when and how much to withdraw from your Plan for your Beneficiary's education.

If this doesn't describe you, then this Plan may not be appropriate for you and the Group Option Plan or Achievers Plan may be more suitable for you.

SUMMARY OF ELIGIBLE STUDIES

The following is a description of the post-secondary programs that are Eligible Studies and qualify for EAPs under the Self-Initiated Option Plan.

Contact us or your dealing representative to find out if the educational programs your Beneficiary is interested in are Eligible Studies. We can provide you with a current list of qualifying institutions and programs on request. This list is also available on our designated website at www.cefi.ca.

For more information about receiving EAPs, see "Educational Assistance Payments" on page 41.

What's Eligible

Beneficiaries must be enrolled in any post-secondary program that qualifies under the *Income Tax Act* (Canada). For full-time programs at eligible Canadian schools this means a program of at least three consecutive weeks duration with at least 10 hours of instruction work each week. For part-time studies, it means a program of at least three consecutive weeks with at least 12 hours per month spent on courses. Qualifying post-secondary educational institutions include universities, community colleges, certain trade schools, vocational schools, technical schools, religious schools, CEGEPs, as well as distance learning or correspondence learning programs. For eligible schools outside of Canada, the program must be at a university, college or other educational institution at which the Beneficiary was enrolled in a course of at least 13 consecutive weeks in duration or at a university in which the Beneficiary was enrolled on a full-time basis in a course of at least three consecutive weeks.

What's not Eligible

Any post-secondary program that would not qualify for Eligible Studies under the *Income Tax Act* (Canada) would not qualify for EAPs under the Plan.

Beneficiaries who don't enrol in Eligible Studies under the requirements of the Plan will also not receive payments of Government Grants.

RISKS OF INVESTING IN THIS PLAN

Plan Risks

You sign a Contract when you open a Plan with us. Read the terms of the Contract carefully and make sure you understand the Contract before you sign. If you or your Beneficiary does not meet the terms of your Contract, it could result in a loss of money and your Beneficiary could lose some or all of his or her EAPs.

Keep in mind that payments from the Plan are not guaranteed. We cannot tell you in advance if your Beneficiary will qualify to receive any EAPs 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.

In addition to the investment risks described under "Investment Risks" on page 10, the following is a description of the risks of participating in this Plan:

Termination of your Plan before the Maturity Date

If you cancel your Plan more than 60 days after the date of your Contract but before your Beneficiary becomes eligible for his or her EAPs and you are not eligible to receive an Accumulated Income Payment, you will forfeit any Government Grants and Income earned in the Plan. The Government Grants will be returned to the government. The Income earned on your net Contributions and Government Grants will be paid to a designated educational institution chosen by us.

Qualification for students to collect EAPs

You may not be entitled to any Income earned on your investment if your Beneficiary does not qualify to receive EAPs and if you are not eligible to take an AIP.

Level of EAPs

We cannot predict the actual amounts of EAPs, which are impacted by a number of factors including the amount of Income earned on your net Contributions, as this amount may vary from year to year and past performance is not necessarily indicative of what will be earned in the future.

Temporary SINS

The Beneficiary and Subscriber must have social insurance numbers to enrol in the Self-Initiated Option Plan. If the

Self-Initiated Option Plan

Beneficiary or Subscriber is issued a temporary social insurance number which is later revoked and not replaced with a permanent social insurance number, this could result in forfeiture of any Government Grants paid into the Plan and fees and expenses, including insurance premiums, paid to the Plan. Any Income earned in the Plan which is refunded to you is taxable in your hands.

However, a social insurance number is not required for a non-resident Beneficiary if the Beneficiary was not assigned a social insurance number before being designated under the Plan.

Investment Risks

The prices of the investments held by the Plan can go up or down. You can find a list of risks that can cause the value of the Plan's investments to change under "Investment Risks" on page 10.

HOW THE PLAN HAS PERFORMED

The table below shows how the investments in the Self-Initiated Option Plan performed in each of the past five financial years ended December 31. Returns are after expenses have been deducted. These expenses reduce the returns you get on your investment.

It's important to note that this doesn't tell you how the Plan's investments will perform in the future.

Year	2024	2023	2022	2021	2020
Annual Return	9.30%	8.53%	-5.79%	3.58%	8.02%

MAKING CONTRIBUTIONS

Minimum investment in the Self-Initiated Option Plan is \$300 within 12 months of the date of enrolment. We will waive the minimum investment requirement if your Beneficiary receives a Canada Learning Bond within the first 12 months of the date of enrolment.

Your Contribution Options

Other than meeting the minimum initial investment requirement, you decide the amount and timing of your Contributions.

WITHDRAWING YOUR CONTRIBUTIONS

Generally speaking, when you withdraw Contributions from your Plan prior to the Maturity Date for non-educational purposes any Government Grants (other than Earnings on the Government Grants, which will be treated in the same manner as any other Earnings being paid out of a Plan) must be repaid to the government, which could negatively affect your Beneficiary's eligibility for the Government Grants.

If your Beneficiary becomes a qualified student before your Plan's Maturity Date, you have the option to withdraw your net Contributions early. If you withdraw your net Contributions

before your Beneficiary enrolls in Eligible Studies, we will repay Government Grants on the withdrawn Contributions to the government. Repayment of Government Grants will result in a loss of the Beneficiary's Grant Contribution Room, which cannot be restored. On cancellation, we will pay you any Income earned as an AIP provided you qualify under the *Income Tax Act* (Canada). If you do not qualify, we will pay all of your Income to a designated educational institution determined by us.

You may withdraw your net Contributions at any time before the end of the 35th year following the year of your Application Date. There is no fee for withdrawing a portion of the amount of your net Contributions, but if you withdraw the full amount, your Plan will be terminated. Please see "Withdrawal or Cancellation" on page 40 for detailed information on the process and the implications associated with cancelling your plan. A termination fee of \$35.00 (plus applicable taxes) will be applied.

COSTS OF INVESTING IN THIS PLAN

There are costs for joining and participating in the Self-Initiated Option Plan. The following tables list the fees and expenses of this Plan. You may pay some of these fees and expenses directly from your Contributions. The Plan pays some of the fees and expenses, which are deducted from the Plan's Income.

Fees You Pay

These fees are deducted from your Contributions. They reduce the amount that gets invested in your Plan, which will reduce the amount available for EAPs. If the funds in your Plan consist solely of amounts attributable to a Canada Learning Bond that your Beneficiary has received, then we will waive the sales charge and annual depository fee that would otherwise apply.



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Fee	What you pay	What the fee is for	Who the fee is paid to
Sales charge*	\$200.00. All of your Contributions go toward this fee until \$100.00 of it has been paid off and then half of each contribution thereafter goes toward this fee until it has been paid in full.	This is for paying commissions and ongoing service fees to your dealing representative and covering the cost of selling your Plan**	Children's Education Funds Inc.**
Annual Depository Fee per Plan***	\$12.00****	This is for processing your Contributions	Children's Education Funds Inc.

Notes:

* The sales charge may not be increased without Subscriber approval.

** A service fee of 0.75% will be paid by Children's Education Funds Inc. to your dealing representative for the dealing representative's ongoing services to you during the life of your Plan, which will be paid quarterly for the life of your Plan based on the net Contributions, Government Grants and Income in the Plan at the end of each quarter.

*** Subject to change. Subscribers will be notified of any such changes.

**** Plus applicable taxes.

Fees the Plan Pays

The following fees are payable from the Plan's Income. You don't pay these fees directly. 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
Annual Administration Fee*	1.5% of all net Contributions, plus Government Grant amounts, together with all Income earned**	Administering your plan including record keeping and coordination between depository, trustee and investment advisors	Children's Education Funds Inc.
Portfolio Management Fee	Annual weighted average of 0.162% of the assets managed by the investment counsel firms**	To cover the portfolio investment managers' expenses	Investment Advisors
Trustee and Custodian fee	Annual rate of 0.011% on the first \$1 billion and 0.0085% on the balance. In addition, the trustee receives \$9 for each purchase or sale of securities**	To cover the trustee and custodian's expenses	Trustee and Custodian
Independent Review Committee (IRC)	The proportionate share allocated to the Plans of the annual fees of \$6,000 per member and other IRC expenses including insurance coverage, legal fees, travel cost and other reasonable out-of-pocket expenses For the year ended December 31, 2024, the total fees and expenses related to the Independent Review Committee was \$18,474, which was proportionately shared by all the Plans	To cover the services of the Plan's Independent Review Committee	Independent Review Committee
Board of Directors	The proportionate share allocated to the Plans of the annual fees of \$6,000 per external Board member	Remuneration for Board of Directors	Members of the Board of Directors

* For Subscribers enrolled in Plans prior to October 9, 2012 the Administration Fee will be paid from Subscriber's Contributions.

** Plus applicable taxes.

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Transaction Fees

We will charge the following fees for the transactions listed below.

Fee	Amount*	How the fee is paid	Who the fee is paid to
Returned bank items, rejected credit card payments, missed Contributions	\$45.00	Deducted from your Contributions	Children's Education Funds Inc.
Transfer to another RESP promoter or CET Plan	\$50.00	Deducted from your Contributions	Children's Education Funds Inc.
Changing a Beneficiary or Subscriber	\$35.00	Deducted from your Contributions	Children's Education Funds Inc.
Changing Maturity Date	\$35.00	Deducted from your Contributions	Children's Education Funds Inc.
Early Withdrawal or Termination	\$35.00	Deducted from your Contributions	Children's Education Funds Inc.
Mailed paper copy of Annual or Semi-Annual Financial Statements and MRF ^{***}	\$5.00	Deducted from your Contributions	Children's Education Funds Inc.
Mailed paper copy of Annual Subscriber Statement ^{***}	\$2.50	Deducted from your Contributions	Children's Education Funds Inc.

* Plus applicable taxes.

** Fees are subject to change. Subscribers will be notified of any such changes.

*** Statements are delivered electronically at no charge. You will receive an email notification to the email address on record when available online.

Fees for Additional Services

The following is a general summary of the fees that are payable for the additional services listed below.

Fee	What you pay	How the fee is paid	Who the fee is paid to
Optional Beneficiary Insurance Premium	\$0.75 per month (\$9.00 per year) (plus applicable taxes)	Premiums are deducted from your Contributions	Paid to Chubb Life Insurance Company of Canada. Children's Education Funds Inc. receives administration and processing fees of 40% of the premiums.

MAKING CHANGES TO YOUR PLAN

Changing Your Contributions

You may change or stop the amount of your Contributions at any time. There are no fees to make this change nor are any losses incurred by you or your Beneficiary.

Changing the Maturity Date

You may change your Maturity Date based on the specific circumstances of your Beneficiary to ensure that the Plan aligns with the Beneficiary's post-secondary education.

If your Beneficiary enrolls in Eligible Studies later than anticipated, or if your Beneficiary is uncertain of what they wish to do after secondary school, you may postpone your Maturity Date by giving us notice in writing at least 60 days prior to your Plan's Maturity Date.

If your Beneficiary enrolls in Eligible Studies earlier than anticipated, you may advance your Plan's Maturity Date.

To change the Maturity Date you must apply to the Foundation in writing no later than 60 days prior to the original Maturity Date. You must agree with the terms of the change. A service fee of \$35.00 will be applied.

Changing the Subscriber

The Plan allows the Subscribers to be changed at any time during the life of your Plan if:

- the original Subscriber(s) pass(es) away;
- there is a court order requiring a change of Subscriber arising from marital breakdown; or
- both spouses consent to the change.

The new Subscriber must meet the requirements in the *Income Tax Act* (Canada) including:

- the new Subscriber is the spouse or common-law partner, or where both are the legal parent of a beneficiary, ex-spouse or former common-law partner of the original Subscriber and gets the original Subscriber's rights under the RESP as a result of a court order or written agreement for dividing property after a breakdown of the relationship;
- the new Subscriber acquired the Subscriber's rights under the RESP, or the new Subscriber continues to make Contributions into the RESP for the Beneficiary, after your death;
- the new Subscriber is your estate that acquired the Subscriber's rights under the RESP, or that continues to make Contributions into the RESP for the Beneficiary, after your death;

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- the new Subscriber is a public primary caregiver who has under a written agreement acquired a public primary caregiver's rights under the Plan; or
- the new Subscriber is the Minister designated for the purposes of the *Canada Education Savings Act*, if that Minister entered into the Plan.

To make the change, we will require:

- original or notarized copy of the court order, if applicable;
- original or notarized death certificate and, if applicable, your will; or
- original or notarized copies of any other applicable legal documents.

To make the desired change, please contact us and we will provide a form to be completed, signed and returned to us. There will be no losses incurred by the Subscriber or the Beneficiary if the change is made. A service fee of \$35.00 (plus applicable taxes) will apply.

Changing Your Beneficiary

You have the option to change your Beneficiary provided that you make this election prior to your Plan's original Maturity Date, subject to certain restrictions set out under the *Income Tax Act* (Canada) (as described below) and provided that the new Beneficiary is eligible for enrolment under the Plan. You need to supply the Beneficiary's social insurance number to us at the time of the change.

A person other than your original Beneficiary may be nominated in place of your original Beneficiary at any time without income tax consequences provided that at the time of such election: (i) both the original Beneficiary and the new Beneficiary are under 21 years of age; and (ii) the new Beneficiary is the brother or sister of the original Beneficiary, or both the original Beneficiary and the new Beneficiary are related to you by blood or adoption.

We will transfer Government Grants to the new Beneficiary if the new Beneficiary is under the age of 21 and a sibling of the former Beneficiary. Otherwise, we must repay the Government Grants to the government, other than the "basic" CESG if no "additional" CESG has been received and the original Beneficiary and new Beneficiary are related by blood or adoption to the Subscriber. We cannot transfer Canada Learning Bonds to the new Beneficiary under any circumstances.

To make the desired change, please contact us and we will provide a form to be completed, signed and returned to us. There will be no losses incurred by the Subscriber or the Beneficiary if the change is made. A service fee of \$35.00 (plus applicable taxes) will apply.

Death or Disability of the Beneficiary

If your Beneficiary dies before the Plan's Maturity Date, please contact us. An original or notarized death certificate must be provided.

If your Beneficiary becomes disabled before the Plan's Maturity Date, please contact us. Due to significant variation in disability types, we consider each situation on a case-by-case basis. Written verification of the disability must be provided in writing by a qualified medical doctor.

In the event of death or disability of the Beneficiary as described above, there are options for you. Please contact us so we can help you select the best possible option given your circumstances. Depending on the circumstances, options may include (i) naming another Beneficiary for the Plan, (ii) cancelling your Plan, and (iii) qualifying to receive an AIP. Certain conditions apply. If you cancel your Plan as described in (ii) above, you will receive a refund of your Contributions including any sales charge paid but excluding any insurance premiums.

TRANSFERRING YOUR PLAN

Transferring to the Group Option Plan

You may transfer from the Self-Initiated Option Plan to the Group Option Plan, subject to certain conditions, including satisfaction of the conditions of enrolment of the Group Option Plan. Transfers from the Self-Initiated Option Plan to the Achievers Plan are not permitted.

A Subscriber has the option to transfer back to the Group Option Plan for up to two years after the date of transfer as long as it is prior to the original Maturity Date of the Group Option Plan and the procedures described elsewhere in this prospectus are complied with. A transfer from a Self-Initiated Option Plan back to a Group Option Plan shall be an "eligible transfer" for Government Grant purposes and will not result in Government Grant amounts having to be repaid. A service fee of \$50.00 (plus applicable taxes) will apply.

Transferring to Another RESP Provider

You may transfer your Plan to another RESP provider subject to: (i) consideration of the Government Grant and tax issues described herein; (ii) the relevant forms being processed 60 days prior to your original Maturity Date, including RESP forms; and (iii) payment of a service fee of \$50.00 (plus applicable taxes). Such transfer constitutes a withdrawal from your Plan. Income on Contributions and income on Grants will be transferred from one RESP to another in the case of an "eligible transfer" (as described in the Scholarship Agreement) of a Plan to another RESP provider. You will lose amounts paid for the sales charge, insurance premiums and other fees, and may lose some or all Government Grants, depending on the Government Grants and the receiving RESP provider.

Transferring to this Plan from Another RESP Provider

You may purchase Units using contributions transferred from another RESP provider to the Plan, if:

Self-Initiated Option Plan

- it is for the same Beneficiary; and
- an AIP has not been made from the transferring RESP.

When transferring Contributions, you also need to transfer proportionate amounts of Government Grants into the Plan. Income you have earned that is being transferred into the Plan will be placed in your account and cannot be used to purchase Units. The Plan will expire on December 31st of the 35th year following the year of the earlier of the start dates of the transferring RESP and your Application Date.

To start the transfer, please see one of our dealing representatives in order to complete a new Plan enrolment application form and related documents. See “Enrolling in a Plan” at page 5.

We will not charge any fee for the transfer; however, there will be a sales charge charged with respect to the Units purchased. You might incur loss of sales charges and fees paid to the sending RESP provider or any other amount.

WITHDRAWAL OR CANCELLATION

If You Withdraw from or Cancel Your Plan

You may withdraw from your Plan by giving written notice to Children’s Education Funds Inc. at 3221 North Service Road, Burlington, Ontario, L7N 3G2 within 60 days of the date of execution of the Contract. Upon such withdrawal, all Contributions made by you are returned, including the sales charge, any applicable transaction fees or interest deficiency administrative adjustments, but excluding any insurance premiums, within 60 days of the date on which Children’s Education Funds Inc. receives your written and signed notice.

You may also withdraw or cancel your Plan at any time after the 60-day period by giving written notice to Children’s Education Funds Inc. at the address indicated above. Upon such withdrawal, your net Contributions will be refunded to you within 60 days of the date on which Children’s Education Fund Inc. receives your written and signed notice. Early withdrawal from, or cancellation of, your Plan will have negative financial consequences. Sales charges and any other fees or costs, including insurance premiums (if applicable), paid up to the time of withdrawal, are not refundable. Any and all Income earned on net Contributions will be forfeited, unless you are eligible to receive a return of such net Contributions and Income.

If your Beneficiary is qualified yet fails to enrol in an eligible post-secondary program, the Government Grants must be repaid to the government. The remaining Income earned on the Government Grants can only be paid as either an Accumulated Income Payment (including a transfer to the Subscriber’s RRSP or a qualifying RDSP) or as a payment to a designated educational institution.

If We Cancel Your Plan

We may terminate your Plan if you have not satisfied the minimum amount requirement (or received a waiver by us from

that requirement) or if you have not provided the Foundation with your Beneficiary’s social insurance number within 24 months of our acceptance of your enrolment application form (or such longer period as we may agree to) or, if you previously provided a temporary social insurance number, you have not provided a permanent one prior to the expiry of the temporary number. In these circumstances, your net Contributions and any Income earned on your Contributions will be returned to you, and any Income earned on your Contributions will be taxed as though earned by you directly. Should you subsequently obtain your Beneficiary’s social insurance number, you may choose to re-enrol in a Plan upon providing the social insurance number to the Foundation and signing a new Contract.

Re-activation of Subscriber’s Plan

If you have not provided the Foundation with the Beneficiary’s social insurance number within 24 months of the acceptance of your Contract by the Foundation (or such longer period as may be agreed to by the Foundation), your Contributions (less applicable fees) and any Income earned on your Contributions will be returned to you, and any Income earned on your Contributions will be taxed as though earned by you directly. Should you subsequently obtain the Beneficiary’s social insurance number, you may choose to re-enrol in a Plan upon providing the social insurance number to the Foundation and signing a new Contract.

If Your Plan Expires

Your Plan will expire on December 31st of the 35th year following the year of your Application Date. If your Plan expires, it cannot be re-instated. Your net Contributions will be returned to you. Any Income remaining will be paid to a designated educational institution chosen by us.

WHAT HAPPENS WHEN YOUR PLAN MATURES

Prior to the Maturity Date, we will mail you a letter advising you of the upcoming maturity of the Plan. The letter will provide details on how to mature your Plan or postpone the Maturity Date.

After maturity, your net Contributions are returned to you (or to your Beneficiary if you so direct the Plan’s depository).

If Your Beneficiary does not Enrol in Eligible Studies

A Beneficiary who does not enrol in Eligible Studies will not receive EAPs from the Plan.

If you do not anticipate that your Beneficiary will enrol in Eligible Studies, you may (i) at least 60 days prior to the original Maturity Date, defer the Beneficiary’s Maturity Date by up to six years, (ii) prior to the Maturity Date, change to a new Beneficiary, or (iii) apply for an AIP.

If your Beneficiary is qualified yet fails to enrol in an eligible

Self-Initiated Option Plan

post-secondary program or if you terminate your Plan for any other reason, the Government Grants must be repaid to the government and net Contributions will be returned to you. The remaining Income earned on the Government Grants can be paid to you as an Accumulated Income Payment (including a transfer to the Subscriber's RRSP or a qualifying RDSP) subject to certain requirements; otherwise it will be paid to a designated educational institution chosen by us.

RECEIVING PAYMENTS FROM THE PLAN

Return of Contributions

You are entitled to a return of your net Contributions (which you can direct us to pay to your Beneficiary if you wish) after the Maturity Date at any time by writing to us.

If you withdraw your net Contributions after the Maturity Date but before your Beneficiary enrolls in Eligible Studies, we have to repay to the government:

- CESGs ranging from 20% to 40% of the net Contribution amount withdrawn;
- if applicable, QESIs ranging from 10% to 20% of the net Contributions withdrawn (depending on whether you received additional QESI); and,
- any other Grants as may be required to be repaid.

Our letter to you prior to the Maturity Date will remind you of your options.

Educational Assistance Payments

Your Beneficiary is eligible for EAPs when proof of enrolment in an eligible program is provided. EAPs can be made to your Beneficiary any time up until December 31st of the 35th year following the year of your Application Date (or a later date if permitted by *the Income Tax Act* (Canada)).

EAPs are made up of Government Grants, Income on Government Grants and Income on your net Contributions. Government Grants and Income on Government Grants are paid to your Beneficiary in proportion to the Income earned on your net Contributions. Please contact us and we will provide you with the forms that you need to complete to receive an EAP.

How EAP amounts are determined

We will pay EAPs to your Beneficiary if your Beneficiary qualifies for the payments under the Plan and under the *Income Tax Act* (Canada). Please contact us and we will provide you with the forms that you need to complete to receive EAPs. The amount and timing of each EAP depends on how much you contributed to the Plan, the Government Grants in your Plan and the performance of the Plan's investments. Unrealized gains and losses on fixed income and equity investments in the Plan are allocated proportionately on a monthly basis based on the net contributions and investment income in your Plan. Unrealized gains and losses on fixed income investments in which Government Grants are invested and investment income

on Government Grants are allocated proportionately on a monthly basis to your Beneficiary based on the Government Grants and investment income on Government Grants in your Plan. Any unpaid portion of Government Grants is returned to the government and, unless you are eligible to receive an AIP, any unpaid amounts attributable to Income on Government Grants is paid to designated educational institution of our choice.

You should be aware that the *Income Tax Act* (Canada) has restrictions on the amount of EAPs that can be paid out of an RESP at a time. A full-time student may not receive more than \$8,000 as an EAP unless he or she has completed at least 13 consecutive weeks of study in the previous 12 months. A part-time student can collect EAPs of up to \$4,000 for each 13-week period of study. If your student's expenses are expected to exceed these amounts, contact us and we'll apply to the Minister of Employment and Social Development to have the limit increased.

Accumulated Income Payments

If your Beneficiary decides not to pursue post-secondary education, you may withdraw Income as an AIP, provided that:

- the AIP is made to only one person;
- the recipient is a resident of Canada at the time of the payment; and
- the recipient is a Subscriber under the Plan;

and one of the following conditions is met:

- (a) each person who is or was a Beneficiary (other than a deceased Beneficiary) has reached 21 years of age and is not enrolled in Eligible Studies at that time, and the Plan has existed for at least 10 years;
- (b) the payment is made in the 35th year following the year of your Application Date; or
- (c) the Beneficiary under the Plan has died.

You may request a waiver from condition (1) from the Minister of Revenue when a Beneficiary suffers from severe and prolonged mental impairment that prevents, or can reasonably be expected to prevent, the Beneficiary from enrolling in a qualifying educational program at a post-secondary institution.

If you qualify for an AIP, you may:

- transfer up to \$50,000 of RESP Income (per Subscriber) to your RRSP or your spousal RRSP as long as you have unused RRSP contribution room;
- receive RESP Income as taxable income for the year, and pay an additional federal tax of 20% (in the case of Quebec residents, the additional tax is a federal tax of 12% and a provincial tax of 8%) on the RESP Income for that year; or
- transfer up to \$200,000 to an RDSP.

Self-Initiated Option Plan

Under these circumstances, to transfer funds to an RDSP, the Beneficiary must also be a beneficiary of the RDSP that is receiving the funds. In addition:

- the Beneficiary must have a severe and prolonged mental impairment that prevents, or can reasonably be expected to prevent, them from enrolling in Eligible Studies at a post-secondary educational institution; or
- each person who is or was a Beneficiary (other than a deceased Beneficiary) has reached 21 years of age and is not enrolled in Eligible Studies at that time, and the applicable plan has existed for at least 10 years

In addition, the subscriber of the RESP must jointly elect on a prescribed form with the RDSP holder to have the transfer occur. Your RESP will be terminated before March of the year following the transfer to the RDSP. All Government Grants will be repaid to the government.

OTHER IMPORTANT INFORMATION

Optional Beneficiary Insurance

We have entered into arrangements with the Insurer whereby the Subscriber may elect to purchase optional Beneficiary insurance (**Beneficiary Insurance**) at a cost of \$0.75 per month (\$9.00 per year per agreement) plus applicable taxes.

Beneficiary Insurance provides beneficiary accidental death & dismemberment insurance for a maximum principal sum of \$25,000.

AIR MILES® Reward Miles Program

Earn AIR MILES® reward miles

Enrolling in the Self-Initiated Option Plan and making Contributions allows you to earn AIR MILES® reward miles. Self-Initiated Option Plans that consist only of a Canada Learning Bond do not earn AIR MILES® reward miles:

1. you will earn 10 AIR MILES® reward miles for enrolling in a Self-Initiated Option Plan; and
2. you will earn 1 AIR MILES® reward mile for every \$100.00 of net Contributions made where your Plan is in good standing at the time the Contribution is made.

To earn AIR MILES® reward miles, you must provide an AIR MILES® collector number. For greater certainty, any net Contributions made prior to providing an AIR MILES® collector number will not earn AIR MILES® reward miles.

We pay for AIR MILES® reward miles based solely on the number of miles issued each month, at a fixed rate per mile. These costs are paid using fees collected from Subscribers.

Withdrawal from the Plan may affect eligibility for AIR MILES® reward miles not yet issued.

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SPECIFIC INFORMATION ABOUT OUR PLANS – ACHIEVERS PLAN

Type of scholarship plan	Start date
Achievers Plan	June 30, 2006

The Achievers Plan terms set out in this prospectus apply to Subscribers who enroll in the Achievers Plan on or after the date of this prospectus. Where an Achievers Plan held Contributions as of the date of this prospectus and the Subscriber wishes to increase their total Contributions for the benefit of the Beneficiary of the Plan, the Subscriber will be required to execute an Achievers Plan Scholarship Agreement for the increased Contributions, and the Achievers Plan terms set out in this prospectus will apply to the Subscriber in respect of the increased Contributions. **The Achievers Plan terms set out in this prospectus do not affect or alter those Achievers Plans opened under earlier prospectuses.**

WHO THIS PLAN IS FOR

You are eligible to enrol in this Plan if:

- your child is a Canadian resident within the meaning of the *Income Tax Act* (Canada).

This Plan is suitable if:

- you want to save for one Beneficiary;
- you are planning for your Beneficiary to attend Eligible Studies;
- you want control over how much to withdraw from your plan for your Beneficiary's education.

If this doesn't describe you, then this Plan may not be appropriate for you and the Group Option Plan or the Self-Initiated Option Plan may be more suitable for you.

SUMMARY OF ELIGIBLE STUDIES

The following is a description of the post-secondary programs that are Eligible Studies and qualify for EAPs under the Achievers Plan.

Contact us or your dealing representative to find out if the educational programs your Beneficiary is interested in are Eligible Studies. We can provide you with a current list of qualifying institutions and programs on request. This list is also available on our designated website at www.cefi.ca.

For more information about receiving EAPs, see "Educational Assistance Payments" on page 51.

What's Eligible

Beneficiaries must be enrolled in any post-secondary program that qualifies under the *Income Tax Act* (Canada). For full-time programs at eligible Canadian schools this means a program of at least three consecutive weeks duration with at least 10 hours of instruction work each week. For part-time studies,

it means a program of at least three consecutive weeks with at least 12 hours per month spent on courses. Qualifying post-secondary educational institutions include universities, community colleges, certain trade schools, vocational schools, technical schools, religious schools, CEGEPs, as well as distance learning or correspondence learning programs. For eligible schools outside of Canada, the program must be at a university, college or other educational institution at which the Beneficiary was enrolled in a course of at least 13 consecutive weeks in duration or at a university in which the Beneficiary was enrolled on a full-time basis in a course of at least three consecutive weeks.

What's not Eligible

Any post-secondary program that would not qualify for Eligible Studies under the *Income Tax Act* (Canada) would not qualify for EAPs under the Plan.

Beneficiaries who don't enrol in Eligible Studies under the requirements of the Plan will also not receive payments of Government Grants.

RISKS OF INVESTING IN THIS PLAN

Plan Risks

You sign a Contract when you open a Plan with us. Read the terms of the contract carefully and make sure you understand the Contract before you sign. If you or your Beneficiary does not meet the terms of your Contract, it could result in a loss of money and your Beneficiary could lose some or all of his or her EAPs.

Keep in mind that payments from the Plan are not guaranteed. We cannot tell you in advance if your Beneficiary will qualify to receive any EAPs 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.

In addition to the investment risks described under "Investment Risks" on page 10, the following is a description of the risks of participating in this Plan:

Termination of your Plan before the Maturity Date

If you cancel your Plan more than 60 days after the date of your Contract but before your Beneficiary becomes eligible for his or her EAPs and you are not eligible to receive an Accumulated Income Payment, or if your Plan is terminated for failure to make required Contributions, you will forfeit any Government Grants and Income earned in the Plan. The Government Grants will be returned to the government. The Income earned on your net Contributions and Government Grants will be paid to a designated educational institution chosen by us.

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Qualification for Beneficiaries to collect EAPs

You may not be entitled to any Income earned on your net Contributions if your Beneficiary does not qualify to receive EAPs and if you are not eligible to receive an Accumulated Income Payment.

Level of EAPs

We cannot predict the actual amounts of EAPs, which are impacted by a number of factors including:

- 1. The amount of Income earned.** The amount of Income earned on your net Contributions may vary from year to year and past performance is not necessarily indicative of what will be earned in the future.
- 2. Payments from the Enrichment Fund Account.** Payments from the Enrichment Fund Account are not guaranteed. You must not count on receiving a payment from the Enrichment Fund Account. Payments will only be made if there are funds in the Enrichment Fund Account in respect of Beneficiaries who are receiving EAPs that year. If there is a payment, you may get less than what has been paid in the past. You may also get less than what is paid to Beneficiaries in other years.

Temporary SINS

The Beneficiary and Subscriber must have social insurance numbers to enroll in the Achievers Plan. If the Beneficiary or Subscriber is issued a temporary social insurance number which is later revoked and not replaced with a permanent social insurance number, this could result in forfeiture of any Government Grants paid into the Plan and fees and expenses, including insurance premiums, paid to the Plan. Any Income earned in the Plan which is refunded to you is taxable in your hands.

However, a social insurance number is not required for a non-resident Beneficiary if the Beneficiary was not assigned a social insurance number before being designated under the Plan.

Missed insurance payments

Failure by a Subscriber to pay any premiums for insurance (including as a result of a missed Contribution, as premiums are deducted from Contribution amounts) could result in termination of insurance coverage.

Investment Risks

The prices of the investments held by the Plan can go up or down. You can find a list of risks that can cause the value of the Plan's investments to change under "Investment Risks" on page 10.

HOW THE PLAN HAS PERFORMED

The table below shows how the investments in the Achievers Plan performed in each of the past five financial years ended December 31. Returns are after expenses have been deducted. These expenses reduce the returns you get on your investment.

It's important to note that this doesn't tell you how the Plan's investments will perform in the future.

Year	2024	2023	2022	2021	2020
Annual Return	9.30%	8.53%	-5.79%	3.58%	8.02%

MAKING CONTRIBUTIONS

Minimum investment in the Achievers Plan is \$465.00. You may make Contributions into the Plan until the end of the 31st year after the date of the Contract or any other date if permitted under the *Income Tax Act* (Canada).

Your Contribution Options

Under the Achievers Plan, you choose your desired Plan Contribution Target and the frequency of Contributions. The amount of each Contribution will be determined based on your desired Plan Contribution Target and the frequency of Contributions selected. For example, if you wish to reach a Plan Contribution Target of \$5,100.00 and will be set out in your Contribution Schedule, and you select to contribute monthly over 17 years, then the monthly Contribution would be \$25.00.

A minimum of \$465.00 must be Contributed and you can choose to make Contributions on a regular or infrequent or *ad hoc* basis. The frequency of Contributions may be monthly, quarterly, semi-annually, annually, or a single lump sum, as chosen by you. If you choose to make a single lump sum Contribution, then that lump sum Contribution will equal your Plan Contribution Target.

You can change the amount and/or frequency of your Contributions at any time. Contributions may not exceed the lifetime contribution limit of \$50,000 under the *Income Tax Act* (Canada). The Maturity Date is chosen by you and it must be within 31 years from the date of your enrolment application. Please refer to page 48 for information on how you can change your Contributions.

If You have Difficulty Making Contributions

If you have difficulty making your Contributions, there are several options available to you. For information about the steps you have to take to stay in the Plan after missing Contributions, see "Withdrawal or Cancellation" on page 50.

Your Options

If you feel that you cannot continue making Contributions at your original Plan Contribution Target, you have several options to reduce, delay or eliminate your future Contributions obligations:

1. Reduce the Plan Contribution Target

You can opt to reduce your Plan Contribution Target. You can reduce your Plan Contribution Target at any time so long as the

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Plan Contribution Target is at least \$465.00 and it is equal to or exceeds your total Contributions already made.

2. Elect to Stop Contributions

You can stop making all Contributions but continue your Achievers Plan by electing to not make additional Contributions to your Plan and thereby reducing the Plan Contribution Target originally set, provided that the minimum Contribution requirement of \$465.00 is met. Stopping Contributions can be elected by a Subscriber at any time prior to the Maturity Date. You can return to making Contributions at any time before the Maturity Date.

3. Transfer to the Self-Initiated Option Plan

You can transfer to a new Self-Initiated Option Plan if you have been in the Achievers Plan by electing in writing to the Foundation no later than 60 days before the original Maturity Date. After transfer, you will forego the opportunity to receive any payments from the Enrichment Fund Account. See "Transferring to the Self-Initiated Option Plan" on page 49 for details. A sales charge of \$200.00 (plus applicable taxes) will be charged for opening the Self-Initiated Option Plan and a service fee of \$50.00 (plus applicable taxes) will be charged for the transfer of your Achievers Plan to a Self-Initiated Option Plan.

4. Cancel your Plan

On cancellation, your net Contributions (Contributions less fees and service charges) will be returned to you. Any Government Grants received will be repaid to the government, and the Income earned in the Plan will be paid to a designated educational institution of our choice. Repayment of Government Grants will result in the loss of the Beneficiary's Grant Contribution Room, which cannot be restored. A service fee of \$35.00 (plus applicable taxes) will apply.

Note: If you make Contributions that are less than the amounts specified under your Contribution Schedule or make Contributions less frequently than under your Contribution Schedule for more than six months, we will automatically re-calculate your Plan Contribution Target and your Plan Contribution Schedule.

WITHDRAWING YOUR CONTRIBUTIONS

Generally speaking, when you withdraw Contributions from your Plan prior to the Maturity Date for non-educational purposes any Government Grants (other than Earnings on the Government Grants, which will be treated in the same manner as any other Earnings being paid out of a Plan) must be repaid to the government, which could negatively affect your Beneficiary's eligibility for the Government Grants. Repayment of Government Grants will result in a loss of the Beneficiary's Grant Contribution Room, which cannot be restored.

If your Beneficiary becomes a qualified student before your Plan's Maturity Date, you have the option to withdraw your net

Contributions early. If you withdraw your net Contributions before your Beneficiary enrolls in Eligible Studies, we will repay Government Grants on the withdrawn Contributions to the government. On cancellation, we will pay you any Income earned as an AIP provided you qualify under the *Income Tax Act* (Canada). If you do not qualify, we will pay all of your Income to a designated educational institution determined by us.

You may withdraw your net Contributions at any time before the end of the 35th year following the year of your Application Date. There is no fee for withdrawing a portion of the amount of your net Contributions, but if you withdraw the full amount, your Plan will be terminated. Please see "Withdrawal or Cancellation" on page 50 for detailed information on the process and the implications associated with cancelling your plan. A service fee of \$35.00 (plus applicable taxes) will be applied.

COSTS OF INVESTING IN THIS PLAN

There are costs for joining and participating in the Achievers Plan. The following tables list the fees and expenses of this Plan. You may pay some of these fees and expenses directly from your Contributions. The Plan pays some of the fees and expenses, which are deducted from the Plan's Income.

Fees you pay

These fees are deducted from your Contributions. They reduce the amount that gets invested in your Plan, which will reduce the amount available for EAPs.



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Fee	What you pay	What the fee is for	Who the fee is paid to
Sales charge*	Will not exceed 10.9% of your Plan Contribution Target,** depending on the age of the beneficiary, as follows: 0 years: 10.9% 1 years: 10.4% 2 years: 9.8% 3 years: 9.2% 4 years: 8.6% 5 years: 8.0% 6 years: 7.4% 7 years: 6.8% 8 years: 6.2% 9 years: 5.6% 10 years: 5.0% 11 years: 4.4% 12 years: 3.8% 13 years: 3.4% 14 years: 3.0% 15 years: 2.6% 16 years: 2.2% 17 years: 1.8% Paid from your contributions until the total sales charge has been paid	This is for paying commissions to your dealing representative and covering the cost of selling your Plan	Children's Education Funds Inc.
Annual Depository Fee per Plan***	\$12.00 per Plan****	This is for processing your Contributions	Children's Education Funds Inc.

* This sales charge may not be increased without Subscriber approval.

** You may be eligible to receive a rebate of a portion of sales charge paid in the event that you choose to reduce your Plan Contribution Target or you elect to cancel or transfer your plan to another RESP before you have reached your Plan Contribution Target.

*** Subject to change. Subscribers will be notified of any such changes.

**** Plus applicable taxes.

Paying off the sales charge. For example, assume that your Plan Contribution Target is \$10,000 on behalf of your newborn child, and you will make 216 monthly contributions. All of your first 23.5 contributions go toward the sales charge until the sales charge is paid off. During this time, 100% of your Contributions will be used to pay the sales charge and 0% will be invested in your Plan.

Fees the Plan Pays

The following fees are payable from the Plan's Income. You don't pay these fees directly. 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
Annual Administration Fee*	1.0% of all net Contributions, plus Government Grant amounts, together with all Income earned**	Administering your Plan, including record keeping and coordination between depository, trustee and investment advisors	Children's Education Funds Inc.
Independent Review Committee (IRC)	The proportionate share allocated to the Plans of the annual fees of \$6,000 per member and other IRC expenses including insurance coverage, legal fees, travel cost and other reasonable out-of-pocket expenses For the year ended December 31, 2024, the total fees and expenses related to the Independent Review Committee was \$18,474, which was shared by all the Plans	To cover the services of the Plan's Independent Review Committee	Independent Review Committee
Board of Directors	The proportionate share allocated to the Plans of the annual fees of \$6,000 per external Board member	Remuneration for Board of Directors	Members of the Board of Directors

* For Subscribers enrolled in Plans prior to October 9, 2012 the Administration Fee will be paid from Subscriber's Contributions.

** Plus applicable taxes.

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Transaction Fees

We will charge the following fees, per mode as selected by you in your Contract, for the transactions listed below.

Fee**	Amount*	How the fee is paid	Who the fee is paid to
Returned bank items, rejected credit card payments, missed Contributions	\$45.00	Deducted from your Contributions	Children's Education Funds Inc.
Transfer to another RESP promoter or another CET Plan	\$50.00	Deducted from your Contributions	Children's Education Funds Inc.
Changing a Beneficiary or Subscriber	\$35.00	Deducted from your Contributions	Children's Education Funds Inc.
Termination	\$35.00	Deducted from your Contributions	Children's Education Funds Inc.
Mailed paper copy of Annual or Semi-Annual Financial Statements and MRFP***	\$5.00	Deducted from your Contributions	Children's Education Funds Inc.
Mailed paper copy of Annual Subscriber Statement***	\$2.50	Deducted from your Contributions	Children's Education Funds Inc.

* Plus applicable taxes.

** Fees are subject to change. Subscribers will be notified of any such changes.

*** Statements are delivered electronically at no charge. You will receive an email notification to the email address on record when available online.

Fees for Additional Services

The following is a general summary of the fees that are payable for the additional services listed below.

Fee	What you pay	How the fee is paid	Who the fee is paid to
Optional Beneficiary Insurance Premiums	\$0.75 per month (\$9.00 per year) (plus applicable taxes)	Premiums are deducted from your Contributions	Paid to Chubb Life Insurance Company of Canada. Children's Education Funds Inc. receives administration and processing fees of 40% of the premiums.

SALES CHARGE REBATE

The Achievers Plan offers a sales charge rebate feature which allows you to receive a rebate of a portion of the sales charge that you have already paid in the event that you choose to reduce your Plan Contribution Target or you cancel or transfer your Plan to another RESP before you have reached your Plan Contribution Target, subject to the eligibility conditions below. Where the Plan Contribution Target is reduced by request, the amount of the sales charge rebate is equal to:

- the amount of the total sales charge that you have paid to date, less
- the sales charge that is applicable to the reduced Plan Contribution Target for your Plan.

The Plan's new Plan Contribution Target must be greater than or equal to the total Contributions that have been made to date.

When a Plan is cancelled or transferred to another RESP, the amount of the sales charge rebate is equal to:

- the amount of the total sales charge that you have paid to date, less
- the sales charge that would have been applicable to a Plan Contribution Target that is equal to the total Contributions you have made to date.

If the result of the above calculations is positive, then this represents the sales charge rebate amount. The sales charge rebate calculations are not impacted by any Contribution withdrawals you may have already made from your Plan since the total Contributions in the calculations do not reflect these withdrawals.

You are eligible to receive a sales charge rebate up until the earlier of:

- the day the total Contributions made to your Plan equals the Plan Contribution Target, or
- the day payments are received from your Plan in connection with post-secondary education (such as upon Maturity, an EAP or a withdrawal of Contributions while your beneficiary is attending eligible studies), or
- the day you receive an AIP from your Plan, or
- the day an educational institution payment is made as per the *Income Tax Act* (Canada), or
- December 31st of the year in which your beneficiary turns 17 years of age. In all cases where a sales charge return amount is payable, such amount will be deposited into your account, rather than a payment being issued directly to you. This is to avoid situations where Government Grants may have to be returned.

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MAKING CHANGES TO YOUR PLAN

Changing Your Contributions

You can change the amount and frequency of your Contributions at any time subject to the RESP contribution limit of \$50,000.

For example, you could change from monthly or yearly Contributions to a one-time, lump-sum Contribution. At any time, you may elect to increase your Plan Contribution Target. You may also decrease your Plan Contribution Target to an amount that is equal to or greater than the total Contributions you have already made to your Plan, as long as the resulting Plan Contribution Target is at least \$465.00.

If you reduce your regular ongoing Contribution amount and/or change your Contribution frequency for a period of more than 6 months, and if you have not yet paid the entire sales charge for your Plan, then the maximum Plan Contribution Target pertaining to your Plan will be recalculated. The revised maximum Plan Contribution Target pertaining to your revised regular ongoing Contributions will be recalculated as the greater of amounts A and B shown below:

- Amount A: The Plan Contribution Target that corresponds to the amount of the sales charge collected to date divided by the sales charge rate for your Plan, or
- Amount B: The Plan Contribution Target that corresponds to the total amount of Contributions made to date plus the total amount of future anticipated Contributions that could be achieved up until the Maturity Date.

If the current Plan Contribution Target you have set for your Plan is higher than the revised maximum Plan Contribution Target, then your Plan Contribution Target will be automatically lowered to equal the revised maximum Plan Contribution Target. The amount of sales charge due for your Plan will also be lowered to equal your revised Plan Contribution Target multiplied by the sales charge rate for your Plan.

Changing the Maturity Date

You may change your Maturity Date based on the specific circumstances of your Beneficiary to ensure that the Plan aligns with the Beneficiary's post-secondary education.

If your Beneficiary plans to enrol in Eligible Studies later than anticipated, or if your Beneficiary is uncertain of what they wish to do after secondary school, you may postpone your Maturity Date by giving us notice in writing at least 60 days prior to your Plan's Maturity Date.

If your Beneficiary plans to enrol in Eligible Studies earlier than anticipated, you may advance your Plan's Maturity Date.

To change the Maturity Date you must apply to the Foundation in writing no later than 60 days prior to the original Maturity Date. You must agree with the terms of the change.

Changing the Subscriber

The Plan allows the Subscribers to be changed at any time during the life of your Plan if:

- (a) the original Subscriber(s) pass(es) away;
- (b) there is a court order requiring a change of Subscriber arising from marital breakdown; or
- (c) both spouses consent to the change.

The new Subscriber must meet the requirements in the *Income Tax Act* (Canada) including:

- the new Subscriber is the spouse or common-law partner, or where both are the legal parent of a beneficiary, ex-spouse or former common-law partner of the original Subscriber and gets the original Subscriber's rights under the RESP as a result of a court order or written agreement for dividing property after a breakdown of the relationship;
- the new Subscriber acquired the Subscriber's rights under the RESP, or the new Subscriber continues to make Contributions into the RESP for the Beneficiary, after your death;
- the new Subscriber is your estate that acquired the Subscriber's rights under the RESP, or that continues to make Contributions into the RESP for the Beneficiary, after your death;
- the new Subscriber is a public primary caregiver who has under a written agreement acquired a public primary caregiver's rights under the Plan; or
- the new Subscriber is the Minister designated for the purposes of the *Canada Education Savings Act*, if that Minister entered into the Plan.

To make the change, we will require:

- original or notarized copy of the court order, if applicable;
- original or notarized death certificate and, if applicable, your will; or
- original or notarized copies of any other applicable legal documents.

To make the desired change, please contact us and we will provide a form to be completed, signed and returned to us. There will be no losses incurred by the Subscriber or the Beneficiary if the change is made. A service fee of \$35.00 (plus applicable taxes) will apply.

Changing Your Beneficiary

You have the option to change your Beneficiary provided that you make this election prior to your Plan's original Maturity Date, subject to certain restrictions set out under the *Income Tax Act* (Canada) (as described below) and provided that the new Beneficiary is eligible for enrolment under the Plan. You must supply the new Beneficiary's social insurance number to us at the time of the change.

Achievers Plan

A person other than your original Beneficiary may be nominated in place of your original Beneficiary at any time without income tax consequences provided that at the time of such election: (i) both the original Beneficiary and the new Beneficiary are under 21 years of age; and (ii) the new Beneficiary is the brother or sister of the original Beneficiary, or both the original Beneficiary and the new Beneficiary are related to you by blood or adoption.

We will transfer Government Grants to the new Beneficiary if the new Beneficiary is under the age of 21 and a sibling of the former Beneficiary. Otherwise, we must repay the Government Grants to the government, other than the “basic” CESG if no “additional” CESG has been received and the original Beneficiary and new Beneficiary are related by blood or adoption to the Subscriber. We cannot transfer Canada Learning Bonds to the new Beneficiary under any circumstances.

To make the desired change, please contact us and we will provide a form to be completed, signed and returned to us. There will be no losses incurred by the Subscriber or the Beneficiary if the change is made. A service fee of \$35.00 (plus applicable taxes) will apply.

Death or Disability of the Beneficiary

If your Beneficiary dies before the Plan’s Maturity Date, please contact us. An original or notarized death certificate must be provided.

If your Beneficiary becomes disabled before the Plan’s Maturity Date, please contact us. Due to significant variation in disability types, we consider each situation on a case-by-case basis. Written verification of the disability must be provided in writing by a qualified medical doctor.

In the event of death or disability of the Beneficiary as described above, there are options for you. Please contact us so we can help you select the best possible option given your circumstances. Depending on the circumstances, options may include (i) naming another Beneficiary for the Plan, (ii) cancelling your Plan, and (iii) qualifying to receive an AIP. Certain conditions apply. If you cancel your Plan as described in (ii) above, you will receive a refund of your Contributions including any sales charge paid but excluding any insurance premiums.

TRANSFERRING YOUR PLAN

Transferring to the Self-Initiated Option Plan

You may choose to transfer from the Achievers Plan to the Self-Initiated Option Plan, subject to certain conditions, including that your Achievers Plan has not reached maturity, and satisfaction of the conditions of enrolment of the Self-Initiated Option Plan.

A transfer to the Self-Initiated Option Plan may be requested at any time but no later than 60 days before the original Maturity Date. If you transfer to the Self-Initiated Option Plan, you may

choose the new Maturity Date so long as the new Maturity Date is within 31 years from the date of your Contract. If net Contributions are withdrawn before your Beneficiary is enrolled in an eligible post-secondary program, Government Grant monies (other than Income earned on the Government Grants, which will be treated in the same manner as any other Earnings being paid out of a Plan) and other applicable amounts will be returned to the government. If the transfer to the Self-Initiated Option Plan is completed prior to the maturity of your Achievers Plan, you will be entitled to the same return of net Contributions as under any other Self-Initiated Option Plan. A transfer from the Achievers Plan to the Self-Initiated Option Plan will result in the cancellation of any insurance purchased and the loss of all insurance premiums paid. A sales charge of \$200.00 (plus applicable taxes) will be charged for opening the Self-Initiated Option Plan and a service fee of \$50.00 (plus applicable taxes) will be charged for the transfer of your Achievers Plan to a Self-Initiated Option Plan.

Transferring to Another RESP Provider

You may transfer your Plan to another RESP provider subject to: (i) consideration of the Government Grant and tax issues described herein; (ii) the relevant forms being processed 60 days prior to your original Maturity Date, including RESP forms; and (iii) payment of a service fee of \$50.00 (plus applicable taxes). Such transfer constitutes a withdrawal from your Plan. Income on Contributions and income on Grants will be transferred from one RESP to another in the case of an “eligible transfer” (as described in the Scholarship Agreement) of a Plan to another RESP provider. You will lose amounts paid for the sales charge, insurance premiums and other fees, and may lose some or all Government Grants, depending on the Government Grants and the receiving RESP provider.

Transferring to this Plan from Another RESP Provider

You may enroll in an Achievers Plan using contributions transferred from another RESP provider to the Plan, if:

- it is for the same Beneficiary; and
- an AIP has not been made from the transferring RESP.

When transferring Contributions, you also need to transfer proportionate amounts of Government Grants into the Plan. Income you have earned that is being transferred into the Plan will be placed in your account and cannot be used to fund Contributions. The Plan will expire on December 31st of the 35th year following the year of the earlier of the start dates of the transferring RESP and your Application Date.

To start the transfer, please see one of our dealing representatives in order to complete a new Plan enrolment application form and related documents. See “Enrolling in a Plan” at page 5.

We will not charge any fee for the transfer; however, there will be a sales charge charged with respect to the new Achievers Plan opening. You might incur loss of sales charge and fees paid to the sending RESP provider or any other amount.

Achievers Plan

WITHDRAWAL OR CANCELLATION

If You Withdraw from or Cancel Your Plan

You may withdraw from your Plan by giving written notice to Children's Education Funds Inc. at 3221 North Service Road, Burlington, Ontario, L7N 3G2 within 60 days of the date of execution of the Contract. Upon such withdrawal, all Contributions made by you are returned, excluding any insurance premiums, within 60 days of the date on which Children's Education Funds Inc. receives your written and signed notice.

You may also withdraw or cancel your Plan at any time after the 60-day period by giving written notice to Children's Education Funds Inc. at the address indicated above. Upon such withdrawal, your net Contributions will be refunded to you within 60 days of the date on which Children's Education Fund Inc. receives your written and signed notice. Early withdrawal from, or cancellation of, your Plan will have negative financial consequences. Any insurance premiums (if applicable), paid up to the time of withdrawal, are not refundable. Any and all Income earned on net Contributions will be forfeited, unless you are eligible to receive a return of such net Contributions and any Income earned on such Contributions and Government Grants.

If your Beneficiary is qualified yet fails to enrol in an eligible post-secondary program, the Government Grants must be repaid to the government. The remaining Income earned on the Government Grants can only be paid as either an Accumulated Income Payment (including a transfer to the Subscriber's RRSP or a qualifying RDSP) or as a payment to a designated educational institution. If you terminate your Achievers Plan for any other reason, the Government Grants will be repaid from the Plan to the government and the Contributions, less administrative charges, will be returned to you. The remaining Income can only be paid as either an Accumulated Income Payment (including a transfer to the Subscriber's RRSP or a qualifying RDSP) or as a payment to a designated educational institution of our choice.

If We Cancel Your Plan

Your Plan may be terminated by the Foundation under any one of the following circumstances:

- (a) if you have not provided the Foundation with your Beneficiary's social insurance number within 24 months of the acceptance of your enrolment application form by the Foundation (or such longer period as may be agreed to by the Foundation). In these circumstances, your net Contributions and any Income earned on your Contributions will be returned to you, and any Income earned on your Contributions will be taxed in your hands. Should you subsequently obtain your Beneficiary's social insurance number, you may choose to re-enrol in a Plan upon providing the social insurance number to us and signing a new Contract; or

- (b) if after 90 days from your Application Date your account balance is \$0.

Re-activation of Subscriber's Plan

If your Plan was cancelled, you cannot re-activate it. You can, however, enrol in a new Plan, subject to meeting the applicable enrolment requirements as provided in this prospectus.

If Your Plan Expires

Your Plan will expire on December 31st of the 35th year following the year of your Application Date. If your Plan expires, it cannot be re-instated. Your net Contributions will be returned to you. Any Income remaining will be paid to a designated educational institution chosen by us.

WHAT HAPPENS WHEN YOUR PLAN MATURES

Prior to the Maturity Date, the administrator of the Plan will mail you a letter advising you of the upcoming maturity of the Plan. The letter will provide details on how to mature your Plan or postpone the Maturity Date.

After maturity, your net Contributions are returned to you (or to your Beneficiary if you so direct the Plan's depository).

Under the Achievers Plan, once a Plan has matured and you have received the return of net Contributions, Income remaining in the matured Plan may earn a targeted interest up to 80% of the yield on a one month Canada Treasury Bill as published by the Bank of Canada. If actual monthly returns are less than the yield on the one month Canada Treasury Bill, you will receive less than this rate. Any surplus between the targeted rate and actual return earned will be paid into the Enrichment Fund Account, to be distributed as described below.

If Your Beneficiary does not Enrol in Eligible Studies

If you do not anticipate that your Beneficiary will enrol in Eligible Studies, you may, (i) at least 60 days prior to the original Maturity Date, defer the Beneficiary's Maturity Date, or (ii) prior to the original Maturity Date, change to a new Beneficiary.

A Beneficiary who does not enrol in Eligible Studies will not receive EAPs from the Plan.

If your Beneficiary is qualified yet fails to enrol in an eligible post-secondary program, your net Contributions will be returned to you. The Government Grants must be repaid to the government and any Income earned on net Contributions and Government Grants can only be paid as either an Accumulated Income Payment (including a transfer to the Subscriber's RRSP or a qualifying RDSP) or as a payment to a designated educational institution (see "Accumulated Income Payments").

RECEIVING PAYMENTS FROM THE PLAN

Return of Contributions

You are entitled to a return of your net Contributions (which you can direct us to pay to your Beneficiary if you wish) after the Maturity Date at any time by writing to us.

If you withdraw your net Contributions after the Maturity Date but before your Beneficiary enrolls in Eligible Studies, we have to repay to the government:

- CESGs ranging from 20% to 40% of the net Contribution amount withdrawn;
- if applicable, QESIs ranging from 10% to 20% of the net Contributions withdrawn (depending on whether you received additional QESI); and
- any other Grants as may be required to be repaid.

Our letter to you prior to the Maturity Date will remind you of your options.

Educational Assistance Payments

Your Beneficiary is eligible for EAPs when proof of enrolment in Eligible Studies is provided. EAPs can be made to your Beneficiary any time up until December 31st of the 35th year following the year of your Application Date (or a later date if permitted by *the Income Tax Act* (Canada)). Please contact us and we will provide you with the forms that you need to complete to receive an EAP.

EAPs are made up of Government Grants, Income on Government Grants and Income on your net Contributions. Beneficiaries may receive a payment from the Enrichment Fund Account along with their EAP, as explained below. Government Grants and Income on Government Grants are paid to your Beneficiary in proportion to the Income earned on your net Contributions.

You must not count on receiving a payment from the Enrichment Fund Account. Payments will only be made if there are funds in the Enrichment Fund Account in respect of the eligible Beneficiaries that are receiving EAPs in the same year as your Beneficiary. If there is a payment, you may get less than what has been paid in the past. You may also get less than what is paid to Achievers Plan Beneficiaries in other years.

How EAP amounts are determined

We will pay EAPs to your Beneficiary if your Beneficiary qualifies for the payments under the Plan and under the *Income Tax Act* (Canada). Please contact us and we will provide you with the forms that you need to complete to receive EAPs. The amount and timing of each EAP depends on, how much you contributed to the Plan, the Government Grants in your Plan, the performance of the Plan's investments and the amount of any payment from the Enrichment Fund Account. Unrealized gains and losses on fixed income and equity investments in the Plan are allocated proportionately on a monthly basis based on the net contributions and investment income in your Plan.

Unrealized gains and losses on fixed income investments in which Government Grants are invested and investment income on Government Grants are allocated proportionately on a monthly basis to your Beneficiary based on the Government Grants and investment income on Government Grants in your Plan. Any unpaid portion of Government Grants is returned to the government and, unless you are eligible to receive an AIP, any unpaid amounts attributable to Income on Government Grants is paid to designated educational institution of our choice.

You should be aware that the *Income Tax Act* (Canada) has restrictions on the amount of EAPs that can be paid out of an RESP at a time. A full-time student may not receive more than \$8,000 as an EAP unless he or she has completed at least 13 consecutive weeks of study in the previous 12 months. A part-time student can collect EAPs of up to \$4,000 for each 13-week period of study. If your student's expenses are expected to exceed these amounts, contact us and we'll apply to the Minister of Employment and Social Development to have the limit increased.

Accumulated Income Payments

If your Beneficiary decides not to pursue post-secondary education, you may withdraw Income earned on as an AIP, provided that:

- the AIP is made to only one person;
- the recipient is a resident of Canada at the time of the payment; and
- the recipient is a Subscriber under the Plan;

and one of the following conditions is met:

- (a) each person who is or was a Beneficiary (other than a deceased Beneficiary) has reached 21 years of age and is not enrolled in Eligible Studies at that time, and the Plan has existed for at least 10 years;
- (b) the payment is made in the 35th year following the year of your Application Date; or
- (c) the Beneficiary under the Plan has died.

You may request a waiver from condition (a) from the Minister of Revenue when a Beneficiary suffers from severe and prolonged mental impairment that prevents, or can reasonably be expected to prevent, the Beneficiary from enrolling in a qualifying educational program at a post-secondary institution.

If you qualify for an AIP, you may:

- transfer up to \$50,000 of RESP Income (per Subscriber) to your RRSP or your spousal RRSP as long as you have unused RRSP contribution room;
- receive RESP Income as taxable income for the year, and pay an additional federal tax of 20% (in the case of Quebec residents, the additional tax is a federal tax of 12% and a provincial tax of 8%) on the RESP Income for that year; or
- transfer up to \$200,000 to an RDSP.

Achievers Plan

Under these circumstances, to transfer funds to an RDSP, the Beneficiary must also be a beneficiary of the RDSP that is receiving the funds. In addition:

- the Beneficiary must have a severe and prolonged mental impairment that prevents, or can reasonably be expected to prevent, them from enrolling in Eligible Studies at a post-secondary educational institution; or
- each person who is or was a Beneficiary (other than a deceased Beneficiary) has reached 21 years of age and is not enrolled in Eligible Studies at that time, and the applicable plan has existed for at least 10 years.

In addition, the subscriber of the RESP must jointly elect on a prescribed form with the RDSP holder to have the transfer occur. Your RESP will be terminated before March of the year following the transfer to the RDSP. All Government Grants will be repaid to the government.

Payments from the Enrichment Fund Account

Under the Achievers Plan, once a Plan has matured and you have received the return of net Contributions, Income remaining in the matured Plan may earn a targeted interest up to 80% of the yield on a one month Canada Treasury Bill as published by the Bank of Canada. If actual monthly returns are less than the yield on the one month Canada Treasury Bill, you will receive less than this rate. Any surplus between the targeted rate and actual return earned will be paid into the Enrichment Fund Account. Payments will be made to the eligible Beneficiaries that are receiving EAPs in that year consisting of the full amount paid into the Enrichment Fund Account as at May 31 of the payment year in respect of the Beneficiaries who are receiving an EAP in that year (namely, the surplus of the actual interest earned on matured plans in the current year in excess of the targeted interest) plus any prior pro rata allocation to Beneficiaries who are receiving an EAP in that year of surplus amounts in the Enrichment Fund Account. The payments will be allocated between EAP top-ups and return of sales charge as determined by the Foundation.

Payments from the Enrichment Fund Account are not guaranteed. You must not count on receiving a payment from the Enrichment Fund Account. Payments will only be made if there are funds in the Enrichment Fund Account in respect of the Beneficiaries who are receiving EAPs in that year. If there is a payment, you may get less than what has been paid in the past. You may also get less than what has been paid to Achievers Plan Beneficiaries in other years.

Payments from the Enrichment Fund Account in prior years

The table below shows the amount of payments per \$465 in Contributions (a "Unit" in these prior years) from the Enrichment Fund Account for the five most recent payment years.

It's important to note that this doesn't tell you if a Beneficiary will receive a payment or how much they will receive. If

payments are made, they could be less than what we've paid in the past.

Payments from the Enrichment Fund Account in prior years					
Year of studies	2024	2023	2022	2021	2020
Payment per \$465 in Contributions (a "Unit" in these prior years)	\$17	\$19	\$32	\$33	\$40

OTHER IMPORTANT INFORMATION

Insurance Coverage

The following are descriptive outlines of the insurance coverages available to each eligible Subscriber under the Achievers Plan.

Like all insurance policies, the group policies, and the various coverages offered under them, contain terms of coverage including certain eligibility requirements, conditions for payment of benefits and exclusions, which may limit the protection afforded.

If you decide to purchase optional insurance coverage for your Achievers Plan, you will be provided with a contract which sets out a full description of the coverage provided. You should read the contract carefully.

If any one or more of the insurance plans described below are chosen, applicable Insurance Premiums for such insurance will be charged plus any applicable taxes.

Beneficiary Insurance

We have entered into arrangements with the Insurer whereby the Subscriber may elect to purchase Beneficiary Insurance (**Beneficiary Insurance**) at a cost of \$0.75 per month (\$9.00 per year per agreement) plus applicable taxes.

Beneficiary Insurance provides beneficiary accidental death & dismemberment insurance for a maximum principal sum of \$25,000.

Achievers Plan

AIR MILES® Reward Miles Program

Earn AIR MILES® reward miles

Enrolling in the Achievers Plan allows you to earn AIR MILES® reward miles. There are two ways to earn AIR MILES® reward miles:

1. you will earn ten AIR MILES® reward miles for enrolling in an Achievers Plan; and
2. you will earn 1 AIR MILES® reward mile for every \$100.00 of net Contributions made where your Plan is in good standing at the time the Contribution is made.

To earn AIR MILES® reward miles, you must provide an AIR MILES® collector number. For greater certainty, any net Contributions made prior to providing an AIR MILES® collector number will not earn AIR MILES® reward miles.

We pay for AIR MILES® reward miles based solely on the number of miles issued each month, at a fixed rate per mile. These costs are paid using fees collected from Subscribers.

Withdrawal from the Plan may affect eligibility for AIR MILES® reward miles not yet issued.

®™ Trademarks of AM Royalties Limited Partnership used under license by AIR MILES Loyalty Inc. and Children's Education Funds Inc.

ABOUT CHILDREN'S EDUCATION FUNDS INC. AND THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA

AN OVERVIEW OF THE STRUCTURE OF OUR PLANS

Group Option Plan Self-Initiated Option Plan Achievers Plan

Sponsored by the Children's Educational Foundation of Canada
Managed and distributed by Children's Education Funds Inc.
3221 North Service Road
Burlington, Ontario L7N 3G2

The Plans are trusts established by way of trust indentures between the Foundation and The Bank of Nova Scotia Trust Company, as trustee of the Plans, and are subject to the laws of Province of Ontario and laws of Canada applicable therein. The Canada Revenue Agency has accepted the form of Plans and they comply, and are expected to continue to comply, with all of the conditions in the *Income Tax Act* (Canada). This means that when you enrol in a Plan and give us all of the information we need, we'll apply to the Canada Revenue Agency to register it as an RESP on your behalf.

The Children's Education Trust Of Canada

The Children's Education Trust of Canada consists of education savings plans to assist parents and others to save for post-secondary education on a tax-deferred basis. The securities qualified under this prospectus are Units in a Plan obtained by Subscribers who enter into a Contract. The Plans are not considered to be mutual funds under applicable securities legislation.

Manager of the Plans

Children's Education Funds Inc.

3221 North Service Road
Burlington, Ontario
L7N 3G2

Children's Education Funds Inc. is incorporated under the laws of Ontario. Children's Education Funds Inc. is wholly owned by Children's Financial Group Inc., a holding company. Children's Education Funds Inc. commenced operations in 1991 as the exclusive distributor of the Plans in addition to providing administration services to the Foundation and the Plans. In 2010, Children's Education Funds Inc. became the investment fund manager of the Plans and carries out the overall management and administration of the Plans.

Duties and services to be provided by the Children's Education Funds Inc.

As the manager of the Plans, Children's Education Funds Inc. carries out the day-to-day management of the Plans, including all accounting, record-keeping, and administrative services for Subscribers, processes transactions, issues account statements and tax reporting information, administers the Plans, and calculates EAPs for review and payment out of the Plans by the Foundation.

Details of the Enrolment Agreement

Pursuant to an Enrolment Agreement dated January 25, 1991, the Foundation appointed Education Fund Services Inc. (now Children's Education Funds Inc.) as its exclusive dealing representative to market, promote and administer the Plans. Children's Education Funds Inc. is the scholarship plan dealer and investment fund manager of the Plans.

Officers and Directors of the Children's Education Funds Inc.

Name and Address	Position	Principal Occupation
Donna J. Haid Burlington, Ontario	Ultimate Designated Person, CEO, President and Director since 2019	CEO and President of Children's Education Funds Inc. and the Foundation
Melissa Boughner Burlington, Ontario	Director and Vice President, Plan Administration since 2005	Vice President, Plan Administration, Children's Education Funds Inc.
Peter Wilson Burlington, Ontario	Director since 2013	Consultant
Allison Haid Caughey Carlisle, Ontario	Secretary since 2000, Vice President, Corporate and Legal Affairs since 2005, Chief Compliance Officer since 2024	Chief Compliance Officer and Secretary and Vice President, Corporate and Legal Affairs, Children's Education Funds Inc.
Mark Bejjani Mississauga, Ontario	Chief Financial Officer since 2020	Chief Financial Officer, Children's Education Funds Inc.

Trustee

The Plans are trusts. The Bank of Nova Scotia Trust Company is the trustee of the Plans (**Trustee**) and acts as depository for the Plans' assets. The Trustee principally provides its services to the Plans in Toronto, Ontario. Contributions are held in trust for the Subscriber by the Trustee, and are invested according to the established investment guidelines. Income earned on net Contributions is notionally transferred to the Trustee for deposit in the applicable scholarship fund. All funds held by the Trustee are held in trust for the Beneficiaries. The Trustee maintains the Income under the Group Option Plan by Year of Eligibility so as to apply the funds for the payment of EAPs for qualified students under the Group Option Plan. The Trustee

maintains the Income earned in respect of net Contributions under all Self-Initiated Option Plans and Achievers Plans for each Plan so as to apply the Income earned to the payment of EAPs to the particular qualified Beneficiary under the particular Self-Initiated Option Plans or Achievers Plans. The fees of the Trustee are paid from the Income earned on net Contributions except in the case of an Achievers Plan, where Children's Education Funds Inc. pays this fee.

The Trustee is not permitted to resign until a successor is appointed.

The Foundation

The Children's Educational Foundation Of Canada
3221 North Service Road
Burlington, Ontario
L7N 3G2

The Foundation is a non-profit corporation without share capital incorporated by Letters Patent under the laws of Canada in 1990 (subsequently amended by way of Supplementary Letters Patent on January 31, 1991 to reflect a change of name and continued under the *Canada Not-for-Profit Corporations Act* on October 14, 2014) for the purpose of providing financial and other assistance to Beneficiaries in order to encourage and promote the advancement of higher education.

The following are the directors and executive officers of the Foundation:

Name and Address	Position	Principal Occupation
Donna J. Haid Burlington, Ontario	Director, President and Chief Executive Officer since 1998	CEO and President of the Foundation and Children's Education Funds Inc.
Melissa Boughner Burlington, Ontario	Director and Chief Financial Officer since 2006	Vice President, Plan Administration for Children's Education Funds Inc.
Arie Gaertner Toronto, Ontario	Director since 2004	Partner, Gaertner Baron LLP
Kevin Smith St. John's, Newfoundland and Labrador	Director since 2006	Consultant
Allison Haid Caughey Carlisle, Ontario	Secretary since 2006 and Director since 2019	Chief Compliance Officer and Secretary and Vice President, Corporate and Legal Affairs, for Children's Education Funds Inc.

Independent Review Committee

An IRC has been established for the Plans in accordance with National Instrument 81-107 – *Independent Review Committee for Investment Funds*. The IRC is comprised of three members, each of whom is independent of the Foundation and Children's Education Funds Inc.

The members of the IRC are Stephan Frankel, Louis Mercier and Alain Baird. Mr. Baird joined the IRC in 2016. Mr. Mercier joined the IRC in 2014. Mr. Frankel has served on the IRC since 2007 and he serves as the IRC Chair.

The IRC has adopted a written charter that sets out its mandate, responsibilities and the policies that it will follow

when performing its functions. The IRC reviews all conflict of interest matters referred to it by the Foundation and will make recommendations on how the matter should be resolved.

At least annually, the IRC prepares a report of its activities for Subscribers that is available on our website at www.cefi.ca, or at the Subscriber's request at no cost, by contacting us at info@cefi.ca.

Third Party Dispute Resolution Service

If you have a complaint or a concern about our dealing representatives or the services you received from us, we will work with you to resolve your complaint or dispute. However, if you feel that a satisfactory resolution of the matter is not

achieved, you may refer your complaint to the Ombudsman for Banking Services and Investments (**OBSI**) or Autorité des marchés financiers (**AMF**) (Quebec residents only). Information about our complaint handling process is available on our website at www.cefi.ca.

Ombudsman for Banking Services and Investments
401 Bay Street, Suite 1505
P.O. Box 5
Toronto, Ontario, M5H 2Y4
Toll Free: (888) 451-4519
Fax: (888) 422-2865
Website: www.obsi.ca
E-mail: ombudsman@obsi.ca

Autorité des marchés financiers
Service du traitement des plaintes
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montreal (Quebec) H4Z 1G3
Telephone: (514) 395-0337
Toll Free: (1-877) 525-0337
Fax: (514) 873-3090
Toll Free Fax: (1-877) 285-4378

OBSI offers a free, independent and impartial resolution service. Legal representation is not required to participate fully with any investigation carried out by OBSI. If OBSI investigates a complaint against us and finds in your favour, it will recommend a course of action to resolve the complaint, which may include compensation.

If you are a resident of Quebec and are not satisfied with the resolution offered or with the handling of your complaint, you may request that we transfer our complaint file to the AMF. The AMF will assess the complaint and if necessary, offer mediation services to assist us in reaching a satisfactory settlement.

Compensation of Directors, Officers, Trustee and Independent Review Committee Members

The Foundation is a corporation without share capital whose board of directors receive nominal remuneration from the Foundation for services provided. Mrs. Donna J. Haid provides administrative services for Children's Education Funds Inc. and is remunerated for such services by Children's Education Funds Inc.

Portfolio Advisers

The Foundation utilizes the investment advisory services of the following three portfolio advisers to manage the portfolio assets of the Plans: Fiera Capital Corporation of Toronto, Ontario; Franklin Templeton Investments Corp. of Toronto, Ontario; and Guardian Capital LP of Toronto, Ontario.

Investment decisions made by the individuals employed by the portfolio advisers that are responsible for managing the portfolio assets of the Plans, as described below, are not subject to the oversight, approval or ratification of a committee.

Fiera Capital Corporation

Fiera Capital Corporation is a global independent asset management firm recognized for its excellence in portfolio management, innovative and personalized investment solutions, and its ability to surpass client expectations. Fiera offers a broad spectrum of investment strategies across asset classes, styles and capitalization ranges to institutional, financial intermediary and private wealth clients across North America, Europe and key markets in Asia. Fiera offers a unique expertise in Canadian active and structured fixed income, Canadian and foreign equity, asset allocation and non-traditional investment solutions through a broad range of strategies and services. Their competitive advantage includes the fact that they actively partner with their clients to deliver unique value-added fixed income strategies that meet or exceed clients' goals.

Fiera Capital Corporation is registered with the securities authorities of all Canadian provinces and territories in the categories of portfolio manager and exempt market dealer. Fiera Capital Corporation is also registered in the category of investment fund manager in the provinces of Ontario, Newfoundland and Labrador and Québec. It is also registered as commodity trading manager in the province of Ontario, derivatives adviser in the province of Manitoba and as a derivatives portfolio manager in the province of Québec. The head office of Fiera Capital Corporation being located in the province of Québec, the AMF acts as principal regulator of Fiera Capital Corporation.

The Fiera Tactical Fixed Income strategy is headed by Charles Lefebvre, BSc, CFA, FRM, who is a member of Fiera's Active & Strategic Fixed Income team. Mr. Lefebvre is the lead portfolio manager for all of Fiera's Active & Strategic fixed income strategies. He has 31 years of industry experience and has been with the firm since 2017. He is responsible for all aspects of corporate research analysis and portfolio management within the tactical fixed income mandates. He benefits from the support of the rest of the Active & Strategic Fixed Income team which includes 7 portfolio managers, one assistant portfolio manager and two analysts.

The Canadian Equity Strategy is managed by Fiera's Canadian Equity team headed by Nessim Mansoor, CPA, CA, CFA who benefits from 26 years of industry experience.

Franklin Templeton Investments Corp.

Franklin Templeton Investments Corp. (FTIC) is based in Toronto, Ontario, and is the legal entity for all Canadian-domiciled funds, including those currently managed by the ClearBridge Equity Group and the Franklin Fixed Income Group. Following the integration of the Bissett investment teams, CAD 13.4 billion in assets under management as of December 31, 2024, the Franklin Bissett fixed income team continues to function independently, reporting to the Franklin Templeton Fixed Income Chief Investment Officer, Dr. Sonal Desai, as they have for the past several years. This team is comprised of 7 portfolio managers, analysts and traders, all located in Calgary. The

Franklin Fixed Income Group is currently made of over 140 investment professionals globally.

Tom O’Gorman in Calgary, Canada. Mr. O’Gorman is responsible for co-leading development and implementation of Franklin fixed income strategy including Franklin Canadian Core Plus Bond Fund, Franklin Canadian Balanced Fund and Franklin Canadian Monthly Income and Growth Fund.

Mr. O’Gorman has over 30 years of experience in the financial services industry. Tom is a member of the Asset Mix committee, made up of members of the Franklin Fixed Income team and the Clearbridge equity team. Prior to his current role, Mr. O’Gorman was a credit analyst for Prudential Financial. He also was previously head of portfolio management with Munich Re. Mr. O’Gorman joined Franklin Templeton in 2010.

Mr. O’Gorman holds a Bachelor of Arts in Business Administration from William Paterson University, and an MBA from Rutgers University. He is a Chartered Financial Analyst (CFA) charterholder.

Darcy Briggs is the senior vice president and portfolio manager for Franklin Fixed Income in Calgary, Canada. Mr. Briggs is responsible for co-leading the Canadian Fixed Income team’s strategy development and implementation. He is also responsible for co-leading management of Franklin Canadian Core Plus Bond, Franklin Canadian Short Duration Bond, Franklin Canadian Corporate Bond, Franklin Canadian Bond, Franklin Canadian Government Bond, and Franklin Canadian Monthly Income and Growth strategies.

Mr. Briggs has over 26 years of experience in the financial services industry. Prior to his current role, Mr. Briggs was the Lead Manager of Franklin Bissett, vice president and portfolio manager for Franklin Templeton Fixed Income - Bissett Investment Management. He also was previously with AGON NV and Bank of Montreal. Mr. Briggs joined Franklin Templeton in 2005 as a research analyst and portfolio manager.

Mr. Briggs holds a Bachelor of Commerce in finance and business from the University of Saskatchewan. He is a Chartered Personal Accountant (CPA), Certified General Accountant (CGA), Financial Risk Manager (FRM), Canadian Investment Manager (CIM), Fellow of the Canadian Securities Institute (FCSI), and is a Derivative Market Specialist (DMS).

Brian Calder is a vice president, portfolio manager and senior trader for Franklin Fixed Income in Calgary, Canada. Mr. Calder is responsible for co-leading management of Franklin Canadian Government Bond Fund, Franklin Canadian Bond Fund, Franklin Canadian Ultra Short Term Bond ETF, Franklin Bissett Fixed Income SMA, Franklin Bissett Canadian Balanced SMA, and a number of institutional accounts. He also performs analysis on federal, provincial and municipal issuers, and is the lead trader for Franklin Fixed Income.

Mr. Calder has over 23 years of experience in the financial services industry. Prior to his current role, Mr. Calder was a senior trader and portfolio accountant for Franklin Bissett

Investment Management. He also was previously with Altamira Investment Services. Mr. Calder joined Franklin Templeton in 2001 as a portfolio accountant.

Mr. Calder holds a Bachelor of Arts in economics from the University of Calgary. He is a Chartered Investment Manager (CIM).

Guardian Capital LP

Toronto-headquartered Guardian Capital LP has been managing institutional assets since 1962. Along with its subsidiaries, GuardCap Asset Management Limited, Guardian Aurora General Partner (Cayman), L.P., and Galibier Capital Management Ltd (Canada), it manages investment strategies on behalf of pension plans, insurers, foundations, endowments, family offices and mutual funds around the world. Guardian Capital LP is wholly-owned by Guardian Capital Group Limited, a publicly listed company trading on the Toronto Stock Exchange.

The Guardian Capital Fixed Income mandate is managed on a team basis which is led by Aubrey Basdeo.

Aubrey Basdeo, MBA | Head of Fixed Income

Aubrey Basdeo is Head of Canadian Fixed Income, Guardian Capital LP. His mandate includes the responsibility to develop and execute the firm’s Fixed Income strategies for Institutional and Retail clients. Aubrey began his career in the financial services industry in 1990. From 2005 onwards, and directly prior to joining Guardian Capital LP, Aubrey worked at Blackrock/Barclays Global Investments (**BGI**) in a variety of roles in both San Francisco and Toronto, culminating in the role of Managing Director, Fixed Income Investment Strategist. Prior to joining BGI, Aubrey spent six years with the Ontario Teacher’s Pension Plan Board as a Fixed Income Portfolio Manager. Aubrey graduated with a Bachelor’s degree in Mechanical Engineering from the University of Waterloo. He earned his MBA from the University of Toronto, Rotman School of Management.

Details of the portfolio management agreements

Fiera Capital Corporation

Pursuant to an Investment Management Agreement dated July 28, 2006, as may be amended from time to time, Fiera Capital Inc. (now Fiera Capital Corporation) was appointed to manage the Plan investments on a discretionary basis subject to their Investment Policy Statement. The above agreement may be terminated at any time upon 90 days’ written notice. Fiera Capital Corporation is currently paid an annual fee of 0.075% of assets under management in the Tactical Fixed Income portfolio, 0.195% of Plan assets under management in the Equity portfolios and 0.05% of assets under management in the exchange traded funds. Fiera Capital Corporation is also paid a performance fee based on the performance of the Tactical Fixed Income portfolio. The performance fee is calculated by taking the ratio of the value add achieved over the value add expected and multiplying that by the management fees paid over the previous twelve month period. The performance fee is

calculated annually on June 1st and is capped at 0.30%.

Franklin Templeton Investments Corp.

Pursuant to an Investment Management Agreement dated December 11, 2015, as amended, Franklin Templeton Investments Corp. was appointed to manage the Plan investments on a discretionary basis subject to their Investment Policy Statement. The above agreement may be terminated at any time upon 30 days' written notice. Franklin Templeton Investments Corp. is currently paid an annual fee of 0.11% of Plan assets under management.

Guardian Capital LP

Pursuant to an Investment Management Agreement dated February 8, 2017, Guardian Capital LP was appointed to manage the Plan investments on a discretionary basis subject to their Investment Policy Statement. The above agreement may be terminated at any time upon 30 days' written notice. Guardian Capital LP is currently paid an annual fee of 0.08% of Plan assets under management. Guardian Capital LP is also paid a performance fee based on the performance of the portfolio. The performance fee is 50% of every basis point over the hurdle return (the benchmark return plus 0.25%). The performance fee is calculated annually on December 31st and is capped at 0.125%.

Principal Distributor

Children's Education Funds Inc.
3221 North Service Road
Burlington, Ontario
L7N 3G2

The Foundation is a non-profit corporation without share capital incorporated by Letters Patent (subsequently amended by way of Supplementary Letters Patent on January 31, 1991 to reflect a change of name) under the laws of Canada in 1990 for the purpose of providing financial and other assistance to Beneficiaries in order to encourage and promote the advancement of higher education.

Pursuant to an Enrolment Agreement dated January 25, 1991, the Foundation appointed Education Fund Services Inc. (now Children's Education Funds Inc.) as its exclusive dealing representative to market, promote and administer the Plans. Children's Education Funds Inc. is the scholarship plan dealer and investment fund manager of the Plans.

Dealer Compensation

In exchange for selling the Plans, Children's Education Funds Inc. receives a portion of the sales charge paid by Subscribers. Children's Education Funds Inc. uses this money to pay for its costs of distribution and to pay compensation to its dealer representatives for their services in distributing all of the Plans and, in respect of the Self-Initiated Option Plan, for their ongoing services to Subscribers during the life of those Plans.

All dealing representatives receive commissions and are eligible to earn awards. Children's Education Funds Inc. provides

sales incentives to its dealing representatives, including rewards, such as qualifications for annual off-site educational conferences that it pays for. Children's Education Funds Inc. policies and procedures require representatives to only make recommendations that are suitable for you, based on your financial circumstances and investment objectives, and that put your interests first. Dealing representatives are subject to financial penalties (deductions from future commission payments or rebates) if Children's Education Funds Inc. considers that your agreement to invest in a Plan is not suitable for you or if you cancel or change your Plan to reduce your investment within a specific period of time. Children's Education Funds Inc. also seeks to structure awards to ensure they do not influence recommendations. All costs for these awards are paid by Children's Education Funds Inc. from its own funds.

Dealer compensation from management fees

Compensation paid to Children's Education Funds Inc. in its capacity as distributor comes directly from sales charge paid by Subscribers and is not paid from the administration fees charged to the Plans. This means that the compensation that Children's Education Funds Inc. pays to its dealing representatives (including, for greater certainty, the service fees that Children's Education Funds Inc. pays to dealing representatives for their ongoing services to Subscribers of the Self-Initiated Option Plan) is not derived from the management fees charged to the Plans.

Custodian

The Bank of Nova Scotia Trust Company
Toronto, Ontario

The custodian acts as trustee of the Plans.

Auditor

KPMG LLP
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5

Promoter

Children's Education Funds Inc.
Burlington, Ontario

The promoter also acts as manager and distributor of the Plans.

Ownership of the Manager and Other Service Providers

Children's Education Funds Inc. is wholly owned by Children's Financial Group Inc., of which all the outstanding shares are beneficially owned by Donna Haid. Children's Education Funds Inc. is a for-profit corporation.

Designated Website

A scholarship plan is required to post certain regulatory disclosure documents on a designated website. The designated website of the scholarship plan this document pertains to can be found at the following location: www.cefi.ca

Subscriber Matters

Meetings of Subscribers

The Foundation or the Trustee must call a meeting of Subscribers in that type of Plan, on at least 21 days' notice to consider and approve all other such amendments. A resolution of the Subscribers may be passed by a majority of the votes cast by no less than three Subscribers represented at a meeting in person or by proxy. Each Plan carries the right to one vote.

Amendments to the Declaration of Trust

The Foundation and Trustee together may, without the concurrence of the Subscriber or his Beneficiary amend the provisions contained in a Plan, if the amendment is, in the opinion of the Trustee:

- (a) for the purpose of complying with any statute of Canada or province thereof or any order, rule or regulation made pursuant to such statute, including, without limitation, any amendment required to comply with the tax amendments; or
- (b) necessary to overcome administrative difficulties and the Subscriber and his or her Beneficiary are not adversely affected.

All other amendments to any of the Plans require the consent of the Foundation, the Trustee and Subscribers in that type of Plan.

Reporting to Subscribers and Beneficiaries

When you first enter into your Plan, we will send you a copy of your Contract, along with a trade confirmation and a copy of this prospectus, and other information relating to your relationship with us, information pertaining to material conflicts of interest and how we will operate your Plan. You should review this information and keep it for future reference, along with each annual statement referred to below.

We send Subscribers an annual statement which shows the total amount of your Contributions, Government Grants, Income, sales charge, accounting maintenance fees and other deductions since the date of the last annual statement or the date of your subscription, if less than one year.

We will also send you a form requesting instructions from you as to whether you would like to be sent the annual report of the appropriate Plan with audited financial statements including a management report of fund performance, and/or the semi-annual unaudited financial statements. Both the annual and semi-annual financial statements are accessible in the SEDAR+ Filing Database at www.sedarplus.ca, or on our website at www.cefi.ca.

Business Practices

Our Policies

The following policies, practices and guidelines of Children's Education Funds Inc. relate to business practices, sales practices, risk management controls and internal conflicts of interest.

- Compliance manual and code of conduct, which provide policies and procedures respecting the distribution of the Plans including: know your client practices, policies and disclosure regarding conflicts of interest and compliance.
- Training and procedures manual, which provides policies and procedures respecting the sale and administration of the Plans.

Valuation of Portfolio Investments

The Bank of Nova Scotia Trust Company, as custodian of the Plans, values bonds and short term notes at their fair value using bid prices at the period end. Equities are valued at their fair value using bid prices at the period end. Variable rate securities are valued at fair values using external pricing models to value their components. The Plans use an external pricing model that values its variable rate securities based on the price that the counterparty to these securities would purchase these securities from the Plans.

Proxy Voting

We view corporate governance and compliance as important to overall corporate performance and long-term investment returns and as such support the proxy voting guidelines established by our portfolio advisers. Investment restrictions contained in the *Income Tax Act* (Canada) and the undertaking, as well as our investment policies result in the Plans primarily investing in federal and provincial government fixed income securities.

We review each portfolio adviser's proxy voting policies and procedures which guide the portfolio adviser in determining whether and how to vote on any matter for which the Plans receive proxy materials. Each portfolio adviser's proxy voting policy is available on request by calling us toll-free at 1-800-246-1203 or by contacting us at info@cefi.ca.

The proxy voting record for each Plan for the most recent 12-month period ended June 30 of each year will be available at no cost to any Subscriber upon request by August 31 of that year.

Conflicts of Interest

Children's Financial Group Inc. owns 100% of the common shares of the Children's Education Funds Inc. While there may be a perceived conflict of interest between Mrs. Donna J. Haid sitting on the board of directors of the Foundation and, at the same time, indirectly owning 100% of the common shares of Children's Education Funds Inc. and acting as its President and Chief Executive Officer, the Foundation does not believe that such overlap will result in any conflicts of interest or potential conflicts of interest. No other Director of the Foundation has any significant financial interest in Children's Education Funds Inc. or in any other company connected in any way with the Plan. Mr. Gaertner, a partner of Gaertner Baron LLP, provides legal services to Children's Education Funds Inc. Mr. Smith is an independent consultant and has not provided consulting services to Children's Education Funds Inc. or the Foundation.

Key Business Documents

The following material contracts have been entered into:

1. a letter of agreement dated as of December 21, 1999, between the Foundation and the Depository providing for the opening and operation of an account into which Contributions are made and from which net Contributions are returned to Subscribers;
2. the Enrolment Agreement dated as of January 25, 1991, between the Foundation and Children's Education Funds Inc.;
3. an Amended and Restated Trust Agreement for the Children's Education Trust of Canada - Group Option dated May 31, 2006, between the Foundation and The Bank of Nova Scotia Trust Company as trustee of the Plans;
4. an Amended and Restated Trust Agreement for the Children's Education Trust of Canada - Self-Initiated Option dated May 31, 2006, between the Foundation and The Bank of Nova Scotia Trust Company as trustee of the Plans;
5. a Trust Agreement for the Children's Education Trust of Canada – Achievers Plan dated May 31, 2006, between the Foundation and The Bank of Nova Scotia Trust Company as trustee of the Plans;
6. an Administration Agreement dated May 31, 2006, between the Foundation and The Bank of Nova Scotia Trust Company as trustee of the Plans;
7. a Custodian Agreement dated May 31, 2006, between the Foundation and The Bank of Nova Scotia Trust Company as trustee of the Plans, respecting funds held in escrow awaiting a Beneficiary's SIN;
8. an Investment Management Agreement dated July 28, 2006, as amended as of July 1, 2021, between the Foundation and Fiera Capital Inc. (now Fiera Capital Corporation);
9. a Promoter Agreement dated June 28, 2005, as amended as of January 11, 2016, between the Department of Human Resources and Social Development and Children's Education Funds Inc., for the delivery of the Canada Education Savings Grant and the Canada Learning Bond;
10. a Promoter Agreement dated June 25, 2008, between the Minister of Revenue of Quebec and Children's Education Foundation of Canada, for the delivery of the Quebec Education Savings Incentive;
11. a Promoter Agreement dated September 17, 2015, between the Minister of Employment and Social Development and The Children's Educational Foundation of Canada, for the delivery of the British Columbia Training and Education Savings Grant;
12. an Investment Management Agreement dated December 11, 2015, as amended as of December 2, 2021 between the Foundation and Franklin Templeton Investments Corp;
13. an Investment Management Agreement dated February 8, 2017, as amended as of August 12, 2022, between the Foundation and Guardian Capital LP;
14. an Investment Management Agreement dated December 11, 2015, as amended as of December 29, 2023 between the Foundation and Franklin Templeton Investments Corp;
15. an Investment Management Agreement dated February 8, 2017, as amended as of January 2, 2024, between the Foundation and Guardian Capital LP;
16. an Investment Management Agreement dated July 28, 2006, as amended as of December 29, 2023, between the Foundation and Fiera Capital Corporation; and
17. an Investment Management Agreement dated February 8, 2017, as amended as of April 23, 2025, between the Foundation and Guardian Capital LP.

You may view copies of all material contracts at our offices at 3221 North Service Road, Burlington, Ontario, L7N 3G2 upon 10 days' notice.

Legal Matters

Exemptions and Approvals under Securities Laws

The Foundation has been previously granted, and continues to rely on, an exemption from the requirement under applicable securities laws to mail monthly and quarterly account statements to Subscribers.

We have been previously granted and rely on an exemption from the requirement to include the financial statements and the annual management reports of fund performance in its prospectus.

Legal and Administrative Proceedings

On June 15, 2018, a legal proceeding under the New Code of Civil Procedure was commenced in Superior Court of Quebec to authorize a class action against all registered scholarship plan dealers in Canada, including Children's Education Funds Inc., and The Children's Educational Foundation of Canada. The proceeding relates to the amount of enrolment fees that were charged to customers in Quebec who were party to a scholarship plan agreement since July 19, 2013. This proceeding was commenced immediately following the judgment dismissing the similar proceeding commenced on July 19, 2016. On March 31, 2021, the proceeding was authorized to proceed as a class action. Management cannot predict the final outcome or timing of the pending legal proceeding and any potential financial impact cannot be determined at this time. However, based on the information currently available and management's assessment of the legal proceeding, management believes that Children's Education Funds Inc., and The Children's Educational Foundation of Canada have strong defenses and management intends to vigorously defend the positions of Children's Education Funds Inc., and The Children's Educational Foundation of Canada.

CERTIFICATE OF THE SCHOLARSHIP PLANS

June 20, 2025

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus, as required by the securities legislation of each of the provinces and territories of Canada.

On behalf of

"Donna J. Haid"
Donna J. Haid
President and Chief Executive Officer

"Melissa Boughner"
Melissa Boughner
Chief Financial Officer

On behalf of the Board of Directors of The Children's Educational Foundation of Canada on behalf of the Plans

"Arie Gaertner"
Arie Gaertner
Director
"Allison Haid Caughey"
Allison Haid Caughey
Director

"Kevin Smith"
Kevin Smith
Director

CERTIFICATE OF THE PRINCIPAL DISTRIBUTOR AND PROMOTER

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus, as required by the securities legislation of each of the provinces and territories of Canada.

June 20, 2025

CHILDREN'S EDUCATION FUNDS INC.

"Donna J. Haid"
Donna J. Haid
President and Chief Executive Officer

"Melissa Boughner"
Melissa Boughner
Vice President

CERTIFICATE OF THE INVESTMENT FUND MANAGER

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus, as required by the securities legislation of each of the provinces and territories of Canada.

June 20, 2025

CHILDREN'S EDUCATION FUNDS INC.

"Donna J. Haid"
Donna J. Haid
Chief Executive Officer

"Mark Bejjani"
Mark Bejjani
Chief Financial Officer

On behalf of the Board of Directors

"Donna J. Haid"
Donna J. Haid
Director
"Melissa Boughner"
Melissa Boughner
Director

"Peter Wilson"
Peter Wilson
Director

Group Option Plan
Self-Initiated Option Plan
Achievers Plan

The Children's Educational Foundation of Canada
3221 North Service Road, Burlington, Ontario, L7N 3G2

You can find additional information about each Plan in the following documents:

- The Plan's most recently filed annual financial statements,
- Any interim financial reports filed after the annual financial statements,
- The most recently filed annual management report of fund performance, and
- The undertaking to the Ontario Securities Commission and each other provincial and territorial securities regulator.

These documents are incorporated by reference into this prospectus. That means they legally form part of this document just as if they were printed as part of this document.

You can get a copy of these documents at no cost by calling us toll-free at 1-800-246-1203 or by contacting us at info@cefi.ca.

You'll also find these documents on our website at www.cefi.ca.

These documents and other information about the Plans are also available at www.sedarplus.ca.

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OVER 30 YEARS OF EXCELLENCE
1991-2022

Since 1991, we have been serving Canadian families by offering a great selection of RESPs. We look forward to continuing to be of service to you in the years ahead. Congratulations on enrolling your child in our plans.



Corporate Headquarters

**Nurture
the Dream**



3221 North Service Rd.
Burlington, Ontario L7N 3G2

Telephone: 905.331.8377
Toll Free: 800.246.1203
Facsimile: 905.331.9977
Email: info@cefi.ca

Or visit us on our interactive
website at: www.cefi.ca



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