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

Continuous Offering

PROSPECTUS

Detailed Plan Disclosure

August 26, 2015

knowledgefirst FINANCIAL

CELEBRATING FIFTY YEARS *of* EDUCATION SAVINGS

Education Savings Plans

Flex First
Flex First Plan
($500 total contribution minimum)

Group Plan
Family Group Education Savings Plan
($449 total contribution minimum)

Family Individual Plan
Family Single Student
Education Savings Plan
($449 total contribution minimum)

These investment funds are scholarship plans managed by Knowledge First Financial Inc.

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 Numbers = No government grants, no tax benefits

We need your social insurance number and the social insurance number of the child named as your 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 you have enrolled. If you don't provide the beneficiary's social insurance number when you sign your contract with us, we'll put your contributions into a holding account. The holding account is an unregistered education savings account and is not eligible for the RESP tax benefits or government grants. During the time your contributions are held in the holding account (see "Escrow Account" in the Education Assistance Agreement) we will deduct the sales charge and fees from your contributions as described under "Costs of investing in this Plan" in this prospectus. Any income earned in the holding account will be included in your taxable income in the year it is earned. If we receive your beneficiary's social insurance number within 18 months of your application date we'll transfer your contributions and the income they earned to the RESP savings account. If we do not receive the beneficiary's social insurance number within 18 months of your application date, we'll cancel your plan. You'll get back your contributions and the income earned, less the sales charge and fees paid to date. Since you pay sales charges up front, you could end up with much less than you put in if your plan cancels so soon after enrollment. **If you don't expect to get the social insurance number for your beneficiary within 18 months of your application date, you should not enrol or make contributions at this time, but rather wait until you are sure you can get the beneficiary's social insurance number within the 18-month time period.**

PAYMENTS NOT GUARANTEED

We cannot tell you in advance if your beneficiary will qualify to receive any educational assistance payments (EAPs) or any of the discretionary payments that are available from the Plan or from the Knowledge First Foundation (the "Foundation"), or how much your beneficiary will receive. We do not guarantee the amount of any payments or that they will cover the full cost of your beneficiary's post-secondary education.

PAYMENTS FROM THE GROUP PLAN DEPEND ON SEVERAL FACTORS

The amount of the EAPs from the group plan will depend on how much the plan earns and the number of beneficiaries in each particular beneficiary group income pool who do (and do not) qualify for EAPs from the pool. Payments to beneficiaries will also depend on the amount of money available for discretionary payment 'top-ups' to students from the group plan discretionary payment account and the Foundation's excess revenues. Historically, the Foundation has used available funds in the discretionary payment account to supplement the EAPs paid to students in the group plan which could include the return of an amount equivalent to all or a portion of the up-front sales charge paid. The amount of funds available in the discretionary payment account for these purposes is affected mostly by the amount of funds in the accounts from which income is earned for the discretionary payment account (the EAP account and the discretionary payment account itself) and the rate of return for the group plan. The Foundation expects to continue to use available discretionary payment account funds to supplement payments made to students in the group plan. However, since the amount of available funds in the discretionary payment account cannot be predicted these **discretionary payments are not guaranteed**.

You must not count on receiving a discretionary payment. The Foundation decides if it will make a payment in any year and how much the payment will be. If the Foundation makes a payment, you may get less than what has been paid in the past. We remain committed to exercising discretion with respect to the use of these funds in a manner that is in good faith and consistent with the stated mission of the Foundation to assist Canadian families in obtaining a post-secondary education.

PAYMENTS FROM THE FLEX FIRST PLAN DEPEND ON THESE FACTORS

The amount of the EAPs from a Flex First Plan will depend on how much the plan earns, and the amount of money available for the discretionary payment 'top-up' to students from the Foundation's excess revenues. **Discretionary payments are not guaranteed.** You must not count on receiving a discretionary payment. The Foundation decides if it will make a payment in any year and how much the payment will be. If the Foundation makes a payment, you may get less than what has been paid in the past. Flex First also pays a loyalty bonus at the time the beneficiary starts post-secondary studies, the amount of which will depend on how much loyalty bonus you have accumulated on behalf of your plan.

PAYMENTS FROM THE FAMILY INDIVIDUAL PLAN DEPEND ON THESE FACTORS

The amount of the EAPs from the family individual plan will depend solely on how much the plan earns. There are no discretionary payments under this Plan.

UNDERSTAND THE RISKS

If you withdraw your 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 the 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. If you (or we) cancel your plan after 60 days, you'll get back your contributions, less some or all of the sales charge and fees paid to date. Under the Flex First Plan you may receive back part of the sales charge you paid up front. See "return of sales charge feature" in the Detailed Plan Disclosure.

In the group plan you will lose the earnings on your contributions to your beneficiary group income pool; however, you might be eligible to receive your earnings on the government grants as an accumulated income payment. In Flex First and the family individual plan you might be eligible to receive your earnings on both your contributions and government grants as an accumulated income payment.

When you cancel your plan and withdraw your contributions, whether it is before or after the first 60 days:

- any government grants collected will be returned to the government;
- this government grant contribution room will be lost (with the exception of the Canada Learning Bond (CLB) as lifetime CLB entitlement is not affected by a repayment); and
- the withdrawn amount will be included as an RESP contribution when determining whether the $50,000 RESP contribution limit has been exceeded, even though the contributions were withdrawn.

Keep in mind that you pay the sales charge up front. If you cancel your group or family individual plan in the first few years, you could end up with much less than you put in. This risk is less in Flex First because of the return of sales charge feature built into that Plan.

Table of Contents

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 each 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 to you.

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

- the plan's most recently filed annual financial statements,
- any interim financial reports filed after the annual financial statements, and
- the most recently filed annual management report of fund performance.

These documents are incorporated by reference into the 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 at 1 800 363-7377 or by contacting us at contact@kff.ca. You'll also find these documents on our website at knowledgefirstfinancial.ca. These documents and other information about the Plans are also available at sedar.com. Once you are a subscriber in a Plan, these documents will be posted to your electronic account if you chose to set up electronic access to your account. Any documents of the type described above, if filed by the Plans after the date of this prospectus and before the termination of the distribution, are also deemed to be incorporated by reference in this prospectus.

Each Plan is required to prepare annual audited financial statements, semi-annual unaudited financial statements and an annual management report of fund performance that comply with applicable laws and accounting standards. Along with this prospectus, the Plans' financial statements and management reports of fund performance provide information that will help you assess the Plan, its past operations, its financial condition, its future prospects and its risks. The financial statements are made up of the statement of financial position, statement of comprehensive income, statement of changes in net assets attributable to subscribers and beneficiaries and the notes which comprise a summary of significant accounting policies and other explanatory information.

How the Plans manage the money deposited into them can say much about the Plans' ability to withstand market changes and unexpected events. The Plans' management reports of fund performance are reports written by Knowledge First Financial Inc. (the "Manager") explaining the events that have affected the Plans' investment performance. They also describe the investments made by the Plans and how those investments have performed. You can get a list of the investments in each Plan by reviewing the Plan's latest annual management report of fund performance and financial statements.

All National Instruments referenced in this Detailed Plan Disclosure have been established by the Canadian Securities Administrators (CSA).

Terms used in this prospectus

In this document, "we", "us" and "our" refer to Knowledge First Foundation and Knowledge First Financial Inc. "You", "your" and "subscriber" refer to the person or persons who enter into a Plan agreement with us as investors. "Beneficiary", "child" or "student" refer to the person you select to benefit from your plan.

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

Accumulated income payment (AIP): the earnings on your contributions and/or government grants that you may get from your plan if your beneficiary does not pursue post-secondary education and you meet certain conditions set by the federal government or by the Plan.

AIP: see accumulated income payment.

Application date: the date you opened your plan with us, which is the date you sign your application.

Attrition: under the group plan, a reduction in the number of beneficiaries who 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 plan who have the same year of eligibility and are associated with the same group income pool. They are typically going to start their post-secondary studies in the same year.

Contract: the agreement (the "Education Assistance Agreement") you enter into with us when you open your education savings plan.

Contribution: the amount you contribute to your plan after any insurance premiums have been deducted from your deposit. The sales charge and other fees are deducted from the contributions in your plan.

Discretionary payment: a payment, other than a fee refund or loyalty bonus, that the beneficiary may receive in addition to his or her EAPs as determined by the Foundation in its discretion.

Discretionary payment account: any account that holds money used to fund discretionary payments to beneficiaries (see "Income Account" in the group plan Education Assistance Agreement).

EAP: see educational assistance payment.

EAP account: for the group plan, an account that holds the income earned on contributions made by subscribers after their plan has matured or cancelled. There is a separate EAP account for each beneficiary group. An EAP account includes the income earned on contributions of subscribers whose plans have matured, or were cancelled before they matured either by the subscriber or by us. The money in this account is distributed to the remaining beneficiaries in the beneficiary group as part of their EAPs. This account is also referred to as the "beneficiary group income pool" (see also "FEAP Account" in the group plan Education Assistance Agreement).

Earnings: any money earned on your (i) contributions and (ii) government grants, such as interest and capital gains. For group plans, it does not include any income earned in the discretionary payment account, such as interest earned on income transferred to the group EAP account after the maturity date.

Educational assistance payment (EAP): an EAP is a payment made to your beneficiary for eligible studies. An EAP consists of your earnings, your government grants and earnings on government grants. For the group plan, an EAP consists of your government grants, earnings on your government grants, your beneficiary's share of the EAP account for their beneficiary group, and any money issued from the Foundation's discretionary payment account to the beneficiary. EAPs do not include the discretionary scholarship payment made from the Foundation's available excess revenues or fee refunds.

Eligible studies: a post-secondary year and educational program that meets that specific Plan's requirements for a beneficiary to receive EAPs.

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 (also known as "grant room"): the amount of government grant you are eligible for under a federal or provincial government grant program.

Income: has the same meaning as earnings.

Maturity date: for the group plan and family individual plan, July 31 in your plan's year of maturity; the date your plan matures. This date is usually in the year your beneficiary is expected to enrol in their first year of post-secondary education. There is no maturity date set for a Flex First Plan.

Plan(s): means the Flex First Plan ("Flex First"), the Family Group Education Savings Plan ("group plan") and/or the Family Single Student Education Savings Plan ("family individual plan"), each a scholarship plan offered by the Foundation that provides funding for a beneficiary's post-secondary education.

Post-maturity attrition: under the group plan, the number of beneficiaries who do not qualify for EAPs from their beneficiary group income pool after their maturity date. See also Attrition.

Pre-maturity attrition: under the group plan, the number of beneficiaries who will not qualify for EAPs because their plans have been cancelled, and their earnings were transferred to the beneficiary group income pool before their plan reached its maturity date. See also Attrition.

Subscriber: the person or persons who enters into a contract with the Foundation to make contributions to a Plan.

Unit: for the group and family individual plans. Your contributions correspond to units in your plan. The number of units you have in your plan depends on how much, how often and how many years you contribute to it. The more units you have in your plan, the higher your sales charge will be. In the group plan, a unit represents your beneficiary's proportionate share of your beneficiary group income pool. Therefore in the group plan, the more units you have, the higher your beneficiary's EAPs will be. The terms of the contract you sign determine the final value of a unit.

Year of eligibility: the year in which a beneficiary is first eligible to receive EAPs under the group plan. It is typically the year the beneficiary will enter his or her second year of eligible studies. The year of eligibility is scheduled to be one year after the maturity date, but this can be changed if needed.

Unless otherwise specified in this prospectus, all capitalized terms in this document have the meaning as set out in the Plans' Education Assistance Agreements.

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 contract under a scholarship plan ("your plan") must be registered as a Registered Education Savings Plan ("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 your plan with us. You make contributions to your plan. We invest your contributions for you and deduct applicable fees. You will get back your contributions, less fees, whether or not your beneficiary goes on to post-secondary education. The income earned in your plan is used to pay EAPs to the beneficiary. Your beneficiary will receive EAPs from their plan if they enrol in eligible studies and all the terms of the contract are met. Beneficiaries will receive EAPs if they meet the requirements under the Income Tax Act (Canada) (the "Tax Act"). Under the group plan up to three EAPs are available, one in each of the second, third and fourth years of eligible studies. Please read your Education Assistance Agreement carefully and make sure you understand it before you sign. If you or your beneficiary does not meet the terms of your contract, it could result in a loss and your beneficiary might not receive some or all of their EAPs.

TYPES OF PLANS WE OFFER

The Foundation sponsors and promotes the three education savings plans offered under this prospectus: the Flex First Plan ("Flex First"), the Family Group Education Savings Plan (the "group plan"), and the Family Single Student Education Savings Plan (the "family individual plan"). The enrolment criteria, contribution requirements, fees, eligible studies, payments to beneficiaries, options for receiving EAPs and options if the beneficiary does not pursue eligible studies vary among the three Plans offered. For example, the group plan uses a pooling concept, where beneficiaries in the same beneficiary group pool their income together. Beneficiaries in the group plan who qualify for EAPs share amongst themselves the income left by plans that are cancelled before the plan matures or by plans for beneficiaries who don't qualify for EAPs. Beneficiaries receiving EAPs from the group plan may also get discretionary payment supplements from the discretionary payment account and from the Foundation's excess revenues. EAPs in Flex First and the family individual plan are issued from the income earned on the subscriber's contributions and there is no pooling of income. Under Flex First subscribers can also receive a loyalty bonus and beneficiaries receiving educational assistance payments are eligible for discretionary top-ups from the Foundation's excess revenues. For more details on Flex First see page 15 of the Detailed Plan Disclosure. For more details on the group plan see page 25 of the Detailed Plan Disclosure. For more details on the family individual plan see page 47 of the Detailed Plan Disclosure

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 your plan matures so we can return your contributions and make payments to the beneficiary.

1 You enrol in a Plan

You choose the Plan that best suits you and your beneficiary. You complete enrolment and grant applications and enter into an Education Assistance Agreement with us.

2 You contribute to your plan

You contribute money to your plan in either a lump sum or a series of bi-weekly, semi-monthly, monthly or annual contributions (depending on the Plan type). In Flex First you can make ad hoc lump sum contributions as well. The amount of each contribution depends on what you can afford, and can be changed if your circumstances change. Grandparents, aunts and uncles, and family friends can also contribute to your plan on your behalf.

3 You pay fees (plus any applicable taxes)

a. under the group and family individual plan, insurance premiums to cover the cost of group life and total disability insurance that is included as a feature of the Plans.This insurance provides ongoing contribution completion protection in the event of death or total disability;

b. fees deducted from your contributions to cover the cost of enrolment and processing deposits to the Plans, and for specific transactions in the Plans; and

c. fees deducted from income to cover the cost of administration, portfolio management, the independent review committee and the custodian for the Plans.

The Flex First Plan offers subscribers a return of sales charge feature which allows a portion of the sales charge you have paid to be returned to you under certain conditions. See page 19 for more information on the return of sales charge feature for Flex First.

4 We apply for government grants on your behalf

If you ask us to we will apply for government grants on your behalf. Once your plan is registered, the government grants your beneficiary qualifies for will be contributed to your plan.

5 In the Flex First Plan, loyalty bonus accumulates for your plan

At the end of each calendar month, and if your plan qualifies at that time, we will calculate a loyalty bonus that will accumulate on behalf of your Flex First Plan. The monthly amount of this bonus is based on a percentage of the total amount of net contributions that were in your plan at the beginning of the calendar month (less any contribution withdrawals you may have made during the month).

6 We invest the money in your plan

We conservatively invest your contributions, government grants and the income they earn, mainly in Canadian fixed income securities, such as federal, provincial and/or municipal bonds, mortgage-backed securities, treasury bills and evidence of indebtedness of Canadian financial institutions with a designated rating, as that term is defined in National Instrument 81-102 ("Designated Rating"). The income earned on contributions and government grants, plus a portion of contributions and government grants in the Flex First Plan, may also be invested in Canadian equities directly, US equities via certain mutual funds (exchange-traded funds or "ETFs") that are traded on a stock exchange in Canada, and corporate bonds with a minimum credit rating of BBB or equivalent as rated by a Designated Rating Organization as that term is defined in National Instrument 25-101 ("BBB Rating"). All equities and ETFs must be traded on a Canadian stock exchange. Our goal is to protect the value of your contributions while generating income to help pay for your beneficiary's college or university education.

7 Your beneficiary is accepted into eligible studies

Your beneficiary can study at any post-secondary school that qualifies for an RESP under the Tax Act. This can include:

- Canadian universities, colleges, Collèges d'enseignement général et professionnel (CÉGEPs), other designated post-secondary educational institutions and some occupational training institutions
- Recognized universities, colleges and other educational institutions outside Canada.

Your beneficiary can be registered in any academic or professional program that qualifies for an RESP under the Tax Act and meets your plan's criteria. The program must be at least 10 hours a week for a minimum of three consecutive weeks in Canada or 13 consecutive weeks outside Canada. The program may also be at least 12 hours per month for a minimum of three consecutive weeks in Canada, or 13 consecutive weeks outside Canada if the beneficiary is at least 16 years old.

8 **We make payments**

You get your contributions (less fees) back whether or not your beneficiary goes to school. We use the income your contributions have earned – along with government grants and the income they've earned – to make EAPs to your beneficiary, as long as he or she is accepted into eligible studies.

9 **Educational assistance payments are taxed in the hands of the student**

EAPs are included in the beneficiary's taxable income. Because students usually have lower taxable income than subscribers, students may pay little or no tax on these payments.

ENROLLING IN A PLAN

You choose the Plan that best suits you and your beneficiary. In order to register your plan as an RESP your beneficiary must be a Canadian resident and have a valid social insurance number. You complete enrolment and grant applications and enter into an education assistance agreement with us. When you complete your applications, you'll be asking us to register your plan and apply for government grants on your behalf. We'll apply to the Canada Revenue Agency ("CRA") to register your plan as an RESP under the Tax Act. Once we have processed your application, you will have entered into an education assistance agreement with us. We'll deliver a copy of this agreement to you as part of your welcome package following enrolment. If you are not the beneficiary's parent or guardian, and the beneficiary is under 19 years old, we'll also send a note to his or her parent(s) or guardian telling them about this plan and giving them your name and address.

IF YOUR BENEFICIARY DOES NOT HAVE A SOCIAL INSURANCE NUMBER

If you are not able to provide a social insurance number for your beneficiary when you enrol, we will put your contributions in a holding account. The holding account is an unregistered education savings account and is not eligible for the tax benefits or government grants. Any income earned in the holding account will be included in your taxable income in the year it is earned. If we receive your beneficiary's social insurance number within 18 months of the day you opened your plan we will transfer your contributions and income earned to the RESP savings account. If we have not received the beneficiary's social insurance number within 18 months of the day you opened your plan, we'll cancel your plan. You also have the option to wait until the beneficiary has a social insurance number to enrol in a plan.

GOVERNMENT GRANTS

We can apply for the following seven federal and provincial government grants to help you save for higher education:

	What it provides
Canada Education Savings Grant (CESG) • sponsored by the federal government • Annual maximum = $500 • Lifetime maximum = $7,200 (including ACESG) • Maximize CESG with a $2,500 contribution each year	• 20% of first $2,500 you contribute each year • Carry forward unclaimed CESG from prior years to a maximum of an additional $500 each year
Additional Canada Education Savings Grant (ACESG) • sponsored by the federal government • Annual maximum = $100 • Maximize ACESG with a $500 contribution each year	An extra 10% or 20% of the first $500 you contribute every year, depending on your income
Canada Learning Bond (CLB) • sponsored by the federal government • Lifetime maximum = $2,000	• A first payment of $500 • Subsequent payments of $100 are available every year after that up to and including the year in which the child turns 15 years old, as long as the child continues to qualify
Quebec Education Savings Incentive (QESI) • sponsored by the government of Quebec • Annual maximum = $250 • Lifetime maximum = $3,600 (including AQESI) • Maximize QESI with a $2,500 contribution each year	• 10% of first $2,500 you contribute each year • Unused QESI accumulated rights of $250 per year can be claimed going back to January 1, 2007
Additional Quebec Education Savings Incentive (AQESI) • sponsored by the government of Quebec • Annual maximum = $50 • Maximize QESI with a $500 contribution each year	• An extra 5% or 10% of the first $500 you contribute every year, depending on your income
Saskatchewan Advantage Grant for Education Savings (SAGES) • sponsored by the government of Saskatchewan • Annual maximum = $250 • Lifetime maximum = $4,500 • Maximize SAGES with a $2,500 contribution each year	• Starting in December 2015, 10% of first $2,500 you contribute each year • In addition, up to $250 per year of unclaimed SAGES from prior years can be claimed going back to January 1, 2013
British Columbia Training and Education Savings Grant (BCTESG) • sponsored by the government of BC • Lifetime maximum = $1,200	• Starting in December 2015, one-time grant of $1,200

Qualification	Other details
• Available to Canadian residents up until the end of the calendar year in which they turn 17 years old • There are special rules for 16 and 17-year-olds • Your application for the CESG must be processed within 3 years of making an eligible contribution	• Unused CESG room can be carried forward for use in future years • There are various situations where CESG must be repaid to the government including if contributions are withdrawn when the beneficiary is not attending eligible studies, or if the beneficiary is not a resident of Canada when receiving EAPs
• Same as the CESG, but family income currently must be under $89,402 • Your application for ACESG must be processed within 3 years of making an eligible contribution	• Unused contribution room cannot be carried forward for use in future years • There are various situations where the ACESG must be repaid to the government, including if contributions are withdrawn when the beneficiary is not attending eligible studies, or if the beneficiary is not a resident of Canada when receiving EAPs
• Available to children who are Canadian residents born in 2004 or later whose primary caregiver is receiving the NCB Supplement, or payments under the Children's Special Allowances Act • You can read about the supplement at nationalchildbenefit.ca • You can apply for the CLB any time before your child turns 18 • After your child's 18th birthday, he or she will have three years to open an RESP (as the subscriber and beneficiary) and apply for the CLB for themselves. He or she must be under 21 years old at the time of CLB application	• There are various situations where the CLB must be repaid to the government, including if you transfer the RESP to another child or if your plan is cancelled • A beneficiary's lifetime CLB entitlement is not affeced by a repayment of CLB
• Available to Canadian children up to the end of the calendar year in which they turn 17 years old who are residents of Quebec • Your application for QESI must be processed within 3 years of making an eligible contribution	• Unused QESI accumulated rights can be carried forward for use in future years • There are various situations where the QESI must be repaid to the government, including if contributions are withdrawn when the beneficiary is not attending eligible studies, or if the beneficiary is not a resident of Quebec when receiving EAPs
• Same as the QESI, but family income currently must be under $83,865. • Your application for AQESI must be processed within 3 years of making an eligible contribution	• Unused contribution room cannot be carried forward for use in future years • There are various situations where the AQESI must be repaid to the government, including if contributions are withdrawn when the beneficiary is not attending eligible studies, or if the beneficiary is not a resident of Quebec when receiving EAPs
• Available to children who are residents of Saskatchewan up until the end of the calendar year in which they turn 17 years old • There are special rules for 16 and 17-year-olds • Your application for SAGES must be received within 3 years of making an eligible contribution	• Unused SAGES can be carried forward for use in future years • There are various situations where the SAGES must be repaid to the government, including if contributions are withdrawn when the beneficiary is not attending eligible studies, or if the beneficiary is not a resident of Canada when receiving EAPs
• Canadian children born on or after January 1, 2007 who are residents of British Columbia (BC) and whose parent is a BC resident at the time the grant application is made • Your application for BCTESG must be processed within 3 years following the later of the beneficiary's sixth (6th) birthday or August 15, 2015	• There are various situations where the BCTESG must be repaid to the government, including if no EAP is issued to the beneficiary, or if the plan is cancelled

Qualifying for the government grants is straightforward, but you need to make sure:

- you've received a social insurance number for your beneficiary. For this you will need to make sure that (i) your beneficiary's birth or adoption is registered and (ii) you have your beneficiary's birth certificate
- there is consistency between the spelling of your beneficiary's name on the social insurance card and on the enrolment application form you fill out
- your application for the CESG/ACESG, QESI/AQESI and SAGES (as applicable) is processed within three years of making an eligible contribution
- your application for BCTESG is processed before your beneficiary's ninth (9th) birthday or before August 15, 2018, whichever is later.

Once your plan is registered and your grant applications have been successfully processed with the Department of Employment and Social Development (Canada), the CESG and any other government grants your beneficiary qualifies for will be deposited directly into your plan and invested along with the rest of your plan assets following the investment strategies described on page 7. Government grants and the income they earn are held by the Trustee along with other plan assets and paid to beneficiaries who are attending eligible studies. The amount of grant in each payment is based on the ratio of the government grants in your plan to the total money available to be paid out as EAPs. In the group plan one-third of your government grants and grant income is paid with each of the three EAPs available under the Plan. If your beneficiary under the group plan is no longer eligible to receive EAPs from his or her beneficiary group income pool he or she still might be able to qualify to receive the government grants and grant income remaining in your plan as an educational assistance payment. Your government grants and grant income is not pooled with the government grants and grant income of other beneficiaries in either the group plan or the two non-group plans offered in this prospectus. Subscribers may contact their sales representative or the Manager about the grant applications the Manager will make on behalf of the subscriber.
See page 4 for more information about government grants.

CONTRIBUTION LIMITS

Under the Tax Act and the Plan rules you can contribute up to $50,000 for each beneficiary to an RESP (excluding government grants). Contributions can be made monthly, annually, bi-weekly, semi-monthly or in lump sums. The first $2,500 of contributions may qualify for government grants. You can't contribute to your plan after the 21st year (31st year for Flex First) following the year in which you opened it. You can transfer money into your plan from an RESP with another provider, as long as we approve and it meets the requirements of your plan agreement. Contributions over $50,000 per beneficiary are subject to a tax penalty that is described on page 12.

ADDITIONAL SERVICES

We include group life and total disability insurance in the group plan and family individual plan. This coverage makes sure your contributions will continue if you die or become totally disabled. Coverage is only for subscribers between 18 and 64 years old, and is administered by Sun Life Assurance Company. When you enrol in your plan, we'll give you an insurance certificate that outlines the terms of your coverage, including eligibility, limits of liability, exclusions and conditions for benefit payments. See "Fees for Additional Services" for the group plan and family individual plan in this Detailed Plan Disclosure for more information.

Key things to know:

- Coverage is required for the group and family individual plans, unless you're making a one-time contribution, or you're 65 years old or older, or you are a resident of Quebec and have specifically opted out of the insurance program.
- Insurance is not available under Flex First
- Your insurance coverage begins on the day we process and approve your application or when we receive your initial deposit, whichever is later
- We deduct a premium of 17 cents (plus taxes in some provinces) for every $10 you deposit to your plan until you and your joint subscriber, if you have one, turn 65 (except for one-time contributions). We may change this amount from time to time
- If you die or become totally disabled before you turn 65 years old, contributions will continue to be made to your plan according to your contribution schedule as long as you meet the terms outlined in your insurance certificate
- If you have a joint subscriber, he or she will also be covered, and contributions will continue to be made to your plan according to your contribution schedule when the first person dies or becomes totally disabled.
- The insurance coverage is there to protect your beneficiary's plan by ensuring contributions continue to be made. If you wish, you may designate an alternate beneficiary.

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' earnings. 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 the plan's returns which reduces the amount available for EAPs. The fees and expenses are the same for the group plan and the family individual plan, but are different for Flex First. The Plan you choose could affect the amount of compensation paid to the Manager or sales representatives.

ELIGIBLE STUDIES

EAPs will be paid to your beneficiary only if he or she enrols 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. The criteria for receiving EAPs are the same for Flex First and the family individual plan, but the group plan EAP criteria differ. We recommend that you carefully read the "Specific information about the Plan" sections for each Plan in this Detailed Plan Disclosure to better understand the differences among the Plans.

PAYMENTS FROM THE PLANS

Return of contributions

We always return your contributions (less any fees and withdrawals or adjustments you make) to you or to your beneficiary. Earnings from your plan will generally go to your beneficiary. If your beneficiary does not qualify to receive the earnings from your plan, you may be eligible to get back some of those earnings as an accumulated income payment (AIP). See the "Accumulated income payment" section in this Detailed Plan Disclosure for more information about AIPs.

Educational assistance payments

We will pay EAPs to your beneficiary if the terms of your plan are met, and your beneficiary qualifies for the payments under the Plan. The amount of EAPs will depend on the type of Plan you have, how much you contributed to it, the government grants in your plan and the performance of the Plan's investments. You should be aware that the Tax Act has restrictions on the amount of EAPs that can be paid out of an RESP at a time. The most your student can receive in EAPs from all Plans is $5,000, unless he or she has completed 13 consecutive weeks of eligible studies in the 12-month period before the payment is made. If your student's expenses are higher than $5,000 in the first 13 weeks, contact us and we'll apply to the Minister of Employment and Social Development Canada to have the limit increased. For a specified program this limit is $2,500.

UNCLAIMED FUNDS

Unclaimed funds are monies that belong to the subscriber or beneficiary, but either we can't locate them to send them their money, or they have not cashed a cheque that was issued to them. Under the group plan, if we can't locate you, or you or your beneficiary don't cash a cheque we've sent, we'll hold your money for three years from the date the cheque was (or would have been) issued, or the date upon which we cancel your plan (whichever is earlier). After three years, we'll transfer the contributions and/or income earned on your contributions to the discretionary payment account to be issued to beneficiaries attending eligible studies, the government grants will be returned to the appropriate government and income earned on government grants will be donated to a post-secondary institution that qualifies under the Tax Act. These unclaimed funds will be lost to the subscriber and/or beneficiary. Under Flex First and the family individual plan, if you do not or your beneficiary does not cash a cheque, or we can't locate you or your beneficiary to send it, the money will remain in your plan until the earlier of December 31 of the 35th year (25th year for the family individual plan) after the year in which you opened your plan or until you cancel it. We'll return any government grants remaining in your plan to the appropriate government, return any remaining contributions to you, and donate any income remaining in your plan to a post-secondary institution of our choice. Unclaimed funds can be obtained by contacting the Manager or your sales representative and requesting these funds.

HOW WE INVEST YOUR MONEY

Investment objectives

The investment objectives of the Plans are foremost to protect your contributions while maximizing their investment return over the long term, in accordance with the Plans' investment strategy. Each of the Plans invests mainly in Canadian fixed income securities. As of July 2014, the Plans may also invest in equities and certain ETFs that are traded on a stock exchange in Canada. The Manager can change the investment objectives for a Plan, or a Plan portfolio advisor, at its discretion without subscriber approval.

Investment strategies

We conservatively invest your contributions, government grants and the income they earn, mainly in Canadian fixed income securities, such as federal, provincial and/or municipal bonds, mortgage-backed securities, treasury bills and evidence of indebtedness of Canadian financial institutions with a Designated Rating. Income earned on your contributions and government grants, and a portion of principal and government grants in Flex First, may also be invested in Canadian equities directly, US equities via certain ETFs that are traded on a stock exchange in Canada, and corporate bonds with a minimum BBB Rating. All equities and ETFs must be traded on a Canadian stock exchange. Our goal is to protect the value of your contributions while generating income to help pay for your beneficiary's college or university education. The Plans' portfolio advisors use a combination of investment strategies to achieve the investment objectives. The principal strategies include:

Fixed Income

Duration management | Duration is a measure of price volatility of bonds and, in general, the price of longer duration bonds will be more sensitive to changes in interest rates than is the case for the price of shorter duration bonds. The fixed income portfolio advisors change the average duration or term to maturity of the investments based on the outlook for interest rates.

Yield curve positioning | The fixed income portfolio advisors invest in different bond maturities based on current and expected interest rates for bonds with different maturities.

Sector allocation | The fixed income portfolio advisors invest in different sectors of the bond market (e.g. Government of Canada bonds, provincial bonds) based on the current and expected relationship between interest rates in different sectors. In general, the fixed income portfolio advisors attempt to add value by anticipating changes in the direction of interest rates and by investing in bonds that are mispriced relative to the prices of other bonds.

Equities

Value | Value style managers typically invest in securities of well-established companies that have a low current price compared to the long term value of the security.

Growth | Growth style managers invest in securities of companies that are growing rapidly. Growth companies tend to reinvest all or most of their profits back in the company rather than pay dividends, therefore these funds are focused on generating capital gains rather than income.

Replicating equity index performance | Managers invest in ETFs to replicate the performance of a market index of Canadian or US equity securities.

INVESTMENT RESTRICTIONS

We follow the restrictions and practices in CSA National Policy No. 15, except where we have been given permission otherwise by the CSA, as described below, or by virtue of prospectus receipt in prior years. Changes to the investment restrictions require approval of the CSA.

INVESTMENTS OF PRINCIPAL, GRANTS AND INCOME

Group plan and family individual plan

Pursuant to an Undertaking with the Ontario Securities Commission and the other securities regulators in Canada (collectively, the Jurisdictions) dated May 3, 2013 (the "OSC Undertaking"), subsequently amended August 13, 2015 (the "Amended OSC Undertaking") which is incorporated herein by reference, the group plan and family individual plan may invest the principal and government grant monies in the following securities as these securities are defined in National Instrument 81-102:

i. government securities;

ii. guaranteed mortgages;

iii. mortgage-backed securities where the underlying mortgages are Guaranteed Mortgages;

iv. cash equivalents; and

v. guaranteed investment certificates (GICs) and other evidences of indebtedness of Canadian financial institutions (as defined in National Instrument 14-101) where such securities or the financial institution have a Designated Rating.

The group plan and the family individual plan may invest the income generated by subscribers' contributions and government grant monies in the following securities:

i. the same securities as listed above in (i) through (v);

ii. debt issued by corporations (corporate bonds), provided those corporate bonds have a minimum BBB Rating;

iii. equity securities listed on a stock exchange in Canada such as the TSX; and

iv. "Index participation units" as that term is defined in National Instrument 81-102, provided that they are securities of a mutual fund (ETF) and:

   a. the ETF trades only on a stock exchange in Canada such as the TSX,

   b. the ETF's investment objective is to replicate the performance of a specified widely quoted market index of Canadian or US equity securities,

c. the ETF seeks to do this by directly investing in the same equity securities in the same proportions as are represented in the respective index, and

d. the ETFs may only use derivatives for the purpose of currency hedging in a manner consistent with the requirements of National Instrument 81-102.

The Amended OSC Undertaking will terminate on the earlier of:

i. 365 days from the date of notice from the principal regulator of the Plans to the Manager that the Undertaking may no longer be relied upon;

ii. the Undertaking being superseded or replaced by a new, amended Undertaking, agreed to between the Manager and the Jurisdictions in respect of the same subject matter; and

iii. the coming into force of any rule of the Jurisdictions that regulates the subject matter of this Undertaking.

Flex First Plan

Pursuant to an Undertaking with the Jurisdictions dated August 13, 2015 (the "Flex First Undertaking") which is incorporated herein by reference, the Flex First Plan may invest the principal and government grant monies in the following securities as these securities are defined in National Instrument 81-102:

i. government securities;

ii. guaranteed mortgages;

iii. mortgage-backed securities where the underlying mortgages are Guaranteed Mortgages;

iv. cash equivalents; and

v. guaranteed investment certificates (GICs) and other evidences of indebtedness of Canadian financial institutions (as defined in National Instrument 14-101) where such securities or the financial institution have a Designated Rating.

The Flex First Plan may also invest the greater of: (a) all income generated by subscribers' contributions and government grant monies and (b) 30% of the sum of the income in (a) plus the subscribers' contributions and government grant monies, in one or more of the following types of securities (the "Permitted Investments"):

i. the same securities as listed above in (i) through (v);

ii. debt issued by corporations (corporate bonds), provided those corporate bonds have a minimum BBB Rating;

iii. equity securities listed on a stock exchange in Canada such as the TSX; and

iv. "Index participation units" as that term is defined in National Instrument 81-102, provided that they are securities of a mutual fund (ETF) and:

a. the ETF trades only on a stock exchange in Canada such as the TSX,

b. the ETF's investment objective is to replicate the performance of a specified widely quoted market index of Canadian or US equity securities,

c. the ETF seeks to do this by directly investing in the same equity securities in the same proportions as are represented in the respective index, and

d. the ETFs may only use derivatives for the purpose of currency hedging in a manner consistent with the requirements of National Instrument 81-102.

The Flex First Undertaking will terminate on the earlier of:

i. 365 days from the date of notice from the principal regulator of the Plans to the Manager that the Undertaking may no longer be relied upon;

ii. the Undertaking being superseded or replaced by a new, amended Undertaking, agreed to between the Manager and the Jurisdictions in respect of the same subject matter; and

iii. the coming into force of any rule of the Jurisdictions that regulates the subject matter of this Undertaking.

Notwithstanding the termination provisions for the Flex First Undertaking, the Manager will consult with the OSC not later than three years from the date the Flex First Undertaking is signed, for the purpose of reviewing the status of the Plan's investments and confirming that the Flex First Undertaking can continue until 30% of the sum of the income, subscribers' contributions and government grant monies are invested in Permitted Investments.

Investments in index-linked or other variable-rate debt securities

Pursuant to the OSC Undertaking, the Plans may not purchase linked notes, including principal protected and non-principal protected notes or other similar evidences of indebtedness issued by financial institutions or corporations, or linked GICs.

RISKS OF INVESTING IN A SCHOLARSHIP PLAN

If you do not or your beneficiary does not meet the terms of your Contract, it could result in a loss and your beneficiary might not receive 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.

Plan Risks

- We need your beneficiary's social insurance number.

If you don't give us the social insurance number for your beneficiary within 18 months of the day you opened your plan, we'll cancel your plan. The Tax Act will not allow us to register a plan for a beneficiary who doesn't have a valid social insurance number. Your plan has to be registered before it can:

- qualify for the tax benefits of an RESP
- receive any government grants

If you don't give us the social insurance number for your beneficiary when you enrol, we'll put your contributions into a holding account. Any income your contributions earn in the holding account will be included in your taxable income. The fees described under "Costs of Investing in this Plan" will be charged while your funds are in the holding account. If we haven't received the social insurance number within 18 months of the day you opened your plan, we'll cancel your plan and return the contributions in your holding account, plus income earned, less fees. If you re-instate your plan within two years of this cancellation we will give you a credit for some or all of the sales charge paid while in the holding account, but this fee credit will not attract government grants in your re-instated plan.

- We will need to successfully register your plan as an RESP.

If for any reason the CRA cannot confirm registration of your plan as an RESP, we'll have to cancel your plan. The Tax Act will not allow us to register a plan for a beneficiary who doesn't have a valid social insurance number and all other specified information. If the CRA cannot validate the social insurance number(s) provided, or for any other reason cannot register your plan, we will cancel your plan 60 days after December 31st of the year you enrolled and return the contributions in your plan, plus income earned, less fees.

- Fees are non-refundable after the first 60 days in the Plan.

If your group or family individual plan is cancelled more than 60 days after you opened it, the fees you've paid to date are not refundable and you could lose the income in your plan. You'll get back the contributions in your plan, less the fees you've already paid. If your Flex First Plan is cancelled more than 60 days after you opened it, some of the fees you have paid might be returned to you under the return of sales charge feature of that Plan. Most of the early contributions to your plan are used to pay the sales charge. If you withdraw RESP contributions, even within the first 60 days following signing the application, these amounts will be included as contributions when determining whether the $50,000 RESP contribution limit has been exceeded, even though the contributions were withdrawn.

- Your beneficiary needs to attend eligible studies.

If your beneficiary doesn't go to eligible studies, you could lose the income in your plan and you might have to repay government grants. Under Flex First and the family individual plan you may be eligible to withdraw income in your plan as an accumulated income payment if your beneficiary does not attend eligible studies. Under the group plan if your beneficiary no longer qualifies for a payment from his or her beneficiary group income pool, he or she might still be eligible to receive the government grants and grant income remaining in the plan if he or she is attending a post-secondary program that would qualify for an EAP under the Tax Act.

- Withdrawing contributions from your RESP could affect your government grants.

If you withdraw contributions from your plan at a time when your beneficiary is not attending a post-secondary school and program that would qualify for an EAP under the Tax Act, the CESG/ACESG, QESI/AQESI and/or SAGES will have to be returned to the government and this government grant contribution room will be lost. We withdraw contributions from your plan in the following order:

- first, contributions that were matched by government grants (matching government grants returned to government)
- next, contributions you made on or after January 1, 1998 that weren't matched by government grants
- last, contributions you made on or before December 31, 1997

Special rules prevent subscribers from recycling contributions (withdrawing contributions and then re-depositing them). If you withdraw more than $200 in a calendar year in contributions you made on or before December 31, 1997 any time while your beneficiary is not attending a post-secondary school and program that would qualify for an EAP under the Tax Act, your beneficiary won't be eligible for the CESG for the rest of that year, and for the following two calendar years. This contribution room can't be carried forward. If you withdraw contributions that were eligible for the CESG any time while your beneficiary is not attending a post-secondary school and program that would qualify for an EAP under the Tax Act, the CESG (and ACESG) related to those contributions will be returned to the government. In addition, your beneficiary won't be eligible for the ACESG for the rest of that year, and for the following two calendar years, which means they'll receive only the 20% rate. The ACESG contribution room can't be carried forward.

- If contributions are higher than the limits allowed by the Tax Act, you may have to pay a penalty tax.

The following changes to your plan could result in an over-contribution:

  - switching the beneficiary in your plan to a beneficiary who already has an RESP
  - transferring the money in your plan to another beneficiary's RESP.

- If you enrol with a temporary social insurance number, when it expires no more contributions can be made to the plan.

If contributions to your plan stop, your plan might be cancelled by the Manager unless:

- under the group plan and family individual plan, you change your contribution schedule to a one-time contribution; or
- under the family individual plan, the sales charge has been paid in full and the plan contributions (after fees) plus the income earned on those contributions together equal at least $350; or
- under Flex First you reduce your total contribution goal. Your total contribution goal must be at least $500.

Investment risks

The value of the investments held by the Plans can go up or down. Here is a description of some of the risks that can cause the value of the scholarship plans' investments to change, which will affect the amount of EAPs available to beneficiaries. Unlike bank accounts or guaranteed investment certificates, your investment in a scholarship plan is not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

We conservatively invest your contributions, government grants and the income they earn mainly in Canadian fixed income securities, such as federal, provincial and/or municipal bonds, mortgage-backed securities, treasury bills and evidence of indebtedness of Canadian financial institutions with a Designated Rating. Income earned on your contributions and government grants, and a portion of principal and government grants in Flex First, may also be invested in Canadian equities directly, US equities via certain ETFs that are traded on a stock exchange in Canada, and corporate bonds with a minimum BBB Rating. All equities and ETFs must be traded on a Canadian stock exchange.

Debt securities are interest-bearing loans to governments and companies. These kinds of securities are affected by interest rate risk and credit risk:

- Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. If interest rates go up, the value of these securities could fall. The reverse is also true.
- Credit Risk is the ability of the issuer of the debt securities to make interest payments and repay the original amount of the loan. We only invest in corporate debt securities issued by companies with a minimum BBB Rating.

Equities represent an ownership share in a company. Equity positions are affected by:

- company specific risk where decisions and performance of a company impact its returns and distribution of wealth.
- systematic risk where the value of the equity portfolio is impacted by movements in the overall level of the market. For example, an expanding economy usually leads to increased profits and a higher price for securities while a contracting economy may have the opposite effect.

HOW TAXES AFFECT YOUR PLAN

The Plans can be registered as RESPs. The CRA has accepted the form of the Plans, and all of the Plans comply and are expected to continue to comply with the conditions in the Tax Act to qualify as RESPs. This means that when you enrol in a Plan and provide all of the required information, we can apply to the CRA to register it as an RESP.

How your plan is taxed

Once your plan is registered as an RESP the income your contributions and government grants earn grows tax-deferred as long as it stays in your plan and is invested in qualified investments for RESPs as defined in the Tax Act. Your contributions to your plan are not tax-deductible. They are not subject to tax when they are returned to you or your beneficiary.

How you are taxed

(a) **Withdrawing contributions**. Contributions returned to you for any reason (either before or after your plan's maturity date) or paid to your beneficiary are not included in taxable income.

(b) **Return of sales charge**. Contributions returned to you under the Flex First return of sales charge feature are not included in taxable income.

(c) **Loyalty bonus**. Any Flex First loyalty bonus paid to you or your beneficiary is not included in taxable income.

(d) **Over-contributions**. If you contribute more than $50,000 to a plan, or plans, for any beneficiary any amount over the $50,000 limit will be subject to a tax penalty of 1% per month.

(e) **Income adjustments (“adjustments”)**. If an income adjustment is required under your group plan, the portion of any adjustment that represents income that would have been accumulated, made in after-tax dollars, will be pooled in your beneficiary group income pool and will be taxable when issued as an EAP. Income adjustments can occur if you backdate your plan, are making up missed contributions or are making changes to your plan.

If you receive an accumulated income payment

Any income you receive from your plan that isn’t part of an EAP will be included in your taxable income in the year you receive it. It will also be subject to an additional 20% tax. If you have enough unused contribution room in your RRSP you can transfer up to $50,000 of the accumulated income payment directly to your RRSP. This way you do not have to claim this money as taxable income in the year it is withdrawn from your plan, and you avoid paying the 20% additional tax.

How your beneficiary is taxed

EAPs (which can include income earned on contributions, government grants, income earned on government grants, supplements from the discretionary payment account and the return of an amount equivalent to all or part of the sales charge in the group plan) are included in the beneficiary’s taxable income. Because beneficiaries usually have lower taxable income than subscribers they may pay little or no tax on these payments. The discretionary supplemental payments issued to students from the Foundation’s available excess revenue qualify as scholarship payments for tax purposes. These scholarship payments issued to beneficiaries are not included in their taxable income if the beneficiary is a Canadian resident for tax purposes and if the beneficiary is enrolled in a school and program that entitles them to claim the education amount on their tax return.

WHO IS INVOLVED IN RUNNING THE PLANS

Sponsor and Promoter The Knowledge First Foundation 50 Burnhamthorpe Road West Suite 1000 Mississauga, Ontario L5B 4A5	• not-for-profit entity that sponsors and promotes the Plans • has overall responsibility for the Plans • oversees the investment of Plan assets • Parent of the Manager
Board of Directors of the Knowledge First Foundation	• provides overall direction for the administration of the Plans • makes decisions on all matters that are the responsibility of the Foundation
Investment Fund Manager Knowledge First Financial Inc. 50 Burnhamthorpe Road West Suite 1000 Mississauga, Ontario L5B 4A5	• a wholly owned subsidiary of the Foundation • maintains all Plan records and fund accounting • provides Plan and educational assistance payment administration • provides customer service • makes decisions on all matters that are the responsibility of the Investment Fund Manager • approves payments from the EAP accounts and discretionary payment account
Scholarship Plan Dealer Knowledge First Financial Inc. Mississauga, Ontario	• sells the Plans through a network of commissioned or salaried sales representatives
Trustee and Custodian RBC Investor Services Trust Toronto, Ontario	• holds the assets of the Plans in trust for the Foundation and the Manager
Portfolio Advisers Baker Gilmore & Associates Inc. Montreal, QC BMO Global Asset Management Montreal, Quebec Burgundy Asset Management Ltd. Toronto, Ontario Connor, Clark & Lunn Investment Management Inc. Vancouver, BC Fiera Capital Corporation Montreal, Quebec Guardian Capital LP Toronto, Ontario TD Asset Management Inc. Toronto, Ontario	• manage the Plans' assets, including investment analysis and selection • provide portfolio management • make decisions on all matters that are the responsibility of the portfolio advisors
The Independent Review Committee (IRC) Toronto, Ontario	• reviews and provides input on the Foundation's written policies and procedures that deal with conflict of interest matters • reviews conflict of interest matters referred to it by the Foundation and makes recommendations to the Foundation • provides a written report to subscribers, no less than annually, available at sedar.com or at knowledgefirstfinancial.ca • performs other duties as may be required of the IRC under applicable securities laws
Depository Royal Bank of Canada Toronto, Ontario	• receives subscriber deposits
Auditor PricewaterhouseCoopers LLP Toronto, Ontario	• audits the annual financial statements of the Plans

YOUR RIGHTS AS AN INVESTOR

You have the right to withdraw from an agreement to buy scholarship plan securities and get back all of your deposits (including any fees or expenses paid), within 60 days of signing the Contract. If a group or family individual plan is cancelled after 60 days you will only get back your contributions, less fees and expenses paid to date. If a Flex First Plan is cancelled after 60 days you will get back your contributions, less some or all of the fees and expenses paid to date. You may be eligible to withdraw income earned as an accumulated income payment under the Flex First and family individual plans. When you cancel your plan and withdraw your contributions, whether it is before or after the first 60 days:

- any government grants received will be returned to the government;
- this government grant contribution room will be lost (with the exception of the Canada Learning Bond (CLB) as lifetime CLB entitlement is not affected by a repayment); and
- the withdrawn amount will be included as an RESP contribution when determining whether the $50,000 RESP contribution limit has been exceeded, even though the contributions were withdrawn.

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 and any amendment contain a misrepresentation or are not delivered to you. You must act within the time limit 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.

Flex First
Flex First Plan

group plan
Family Group Education Savings Plan

family individual plan
Family Single Student Education Savings Plan

HOW TO REACH THE INVESTMENT FUND MANAGER

By phone
1 800 363-7377 (Customer Service)
1 866 701-7001 (Corporate Office)

By email
contact@kff.ca

At our website
knowledgefirstfinancial.ca

By mail
Knowledge First Financial Inc.
50 Burnhamthorpe Road West
Suite 1000
Mississauga, Ontario L5B 4A5

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

- the Plans' most recently filed annual financial statements,
- any interim financial reports filed after the annual financial statements, and
- the most recently filed annual management report of fund performance.

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 at 1 800 363-7377 or by contacting us at contact@kff.ca. You'll also find these documents on our website at knowledgefirstfinancial.ca. These documents and other information about the Plans are also available at sedar.com.

Specific information about our Plans

FLEX FIRST PLAN (“Flex First”)

Type of plan

Individual Plan	first sold as of August 17, 2012

WHO THIS PLAN IS FOR

This Plan is for a person who is planning to attend post-secondary studies. To become a beneficiary under Flex First the person must be a Canadian resident and have a valid social insurance number (“SIN”). The beneficiary can be you, your child or any other person. He or she does not have to be related to you and can be of any age. If the person is a beneficiary already under an RESP and you are transferring that plan to this Plan for the same beneficiary, he or she does not have to be a Canadian resident and does not need a SIN. However, if this is the case no other contribution can be made except the funds that are being transferred.

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

- they will stay in their plan until the beneficiary attends a post-secondary program
- their beneficiary will attend eligible studies as defined in the Tax Act

SUMMARY OF ELIGIBLE STUDIES

The following is a description of the post-secondary programs that are eligible studies and qualify for EAPs under Flex First. Contact the Manager or your sales representative to find out if the educational programs your beneficiary is interested in are eligible studies, or to obtain a list of eligible post-secondary institutions. You will also find a link on our website to the master list of qualifying educational institutions as defined under the Tax Act. For more information about receiving EAPs, see “Educational assistance payments” on page 23 of this Detailed Plan Disclosure.

What’s eligible

Your beneficiary can study at any post-secondary institution that qualifies for an RESP under the Tax Act. This can include:

- Canadian universities, colleges, CÉGEPs, other designated post-secondary educational institutions and some occupational training institutions
- universities, colleges and other educational institutions outside Canada.

The post-secondary program must,

In Canada;

- be at least 3 consecutive weeks in length and
- require at least 10 hours per week of instruction time, or
- require at least 12 hours per month of instruction time, provided student is over 16 years old (a “specified program”)

Outside of Canada;

- be at least 13 consecutive weeks in length at a university, college or other educational institution, or
- be at least 3 consecutive weeks in length of full-time studies at a university, and
- be at an institution and program that would qualify for an EAP under the Tax Act

Payments are made to the beneficiary when he or she attends eligible studies. You tell us how much each payment should be, based on your beneficiary’s educational expenses. The beneficiary must be a Canadian resident to receive the grant portion of an EAP. The beneficiary must be a resident of Quebec to qualify for the QESI portion of an EAP.

What’s not eligible

Your beneficiary can study at any post-secondary institution or program that qualifies for an EAP under the Tax Act.

Programs that are taken at post-secondary institutions which are located in Canada or outside of Canada and do not qualify as a designated educational institution may not qualify for an EAP under the Tax Act.

Beneficiaries who do not enrol in eligible studies will not be eligible to receive the government grants collected on their behalf.

RISKS OF INVESTING IN THIS PLAN

Plan risks

In addition to the Plan and investment risks described under “Risks of investing in a scholarship plan” on page 9, the following is a description of the risks of participating in this Plan.

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 do not, or your beneficiary does not, meet the terms of your contract, it could result in a loss and your beneficiary might not qualify for EAPs.

Keep in mind that payments from your plan are not guaranteed. We cannot tell you in advance if your beneficiary will qualify to receive any EAPs from your 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. The amount of the EAP will depend primarily on the investment performance of the Plan.

Discretionary payment supplements that are added to the EAPs from the Foundation's available excess revenues are not guaranteed. The Foundation decides if it will make a supplementary payment in any year and how much the payment will be. The amount of money available from the discretionary payment account and the excess revenues of the Foundation will vary each year and we cannot guarantee money will be available for these supplements when your beneficiary is receiving his or her payments from your plan.

Investment risks

The value of the investments held by Flex First 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 11.

HOW THE PLAN HAS PERFORMED

The table below shows how the investments in the Flex First Plan performed in the past two financial years ending on April 30. Returns are after fees have been deducted. These fees 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.

	April 30, 2015	April 30, 2014
Annual return	12.2%	-0.2%

Flex First was started on August 27, 2012 and has existed for only two full fiscal years as of the date of this prospectus. The Plan allocates income to each plan monthly as described below.

Income from fixed income investments

Interest is allocated to the Plan as it is earned. Realized gains and losses are spread over a 12-month period. Unrealized gains and losses are not allocated until they have been realized.

Income from equities

Dividends or distributions are allocated to the Plan in the month in which they are received. Capital gains and losses are allocated monthly whether they are realized or not.

This method of spreading the income allocated to the Plan results in smoother returns to your plan from year to year, which greatly reduces the volatility that can be found in your plan's annual investment rates of return, producing a more even distribution of income to your plan from year to year.

The investment portfolio return and the rate of income allocation may differ from year to year. In some years the investment portfolio return will be higher than the rate of income allocation, and other years, the reverse will be true. Over a longer period of time the rates of return between the two should be close to the same.

See our website at knowledgefirstfinancial.ca for allocated investment returns for the Plan.

MAKING CONTRIBUTIONS

You can contribute monthly, bi-weekly, semi-monthly, annually or make a one-time lump sum contribution to reach your Total Contribution Goal ("TCG"). Contributions can also be made on an ad hoc basis.

Contributions must be at least:

- $12.50 per bi-weekly or semi-monthly period, or
- $25.00 per month, or
- $300.00 per year, or a
- $500.00 lump sum contribution.

Subsequent lump sum contributions must be at least $50.00. The TCG for your plan can be between $500 and $50,000.

You can't contribute to your plan after the 31st year after the year in which you opened it. Your beneficiary must be a Canadian resident to be able to make contributions to your plan.

Your contribution options

If you are planning to make regular ongoing contributions to your plan, the maximum TCG that you can choose for your Flex First Plan should be equal to the amount of your regular planned contributions, times the number of expected contributions that will be made (based on the contribution frequency you have selected), between the date of your first contribution and December 31st of the year in which your beneficiary turns 17 years old.

If you are not planning to make regular ongoing contributions, but are making a one-time lump sum contribution, the TCG for your plan will equal the amount of your lump sum contribution.

If you wish to continue making contributions to your plan after December 31st of the year your beneficiary turns age 17 and after your current TCG has been reached, each subsequent contribution received will automatically increase the TCG by the amount of each contribution. These particular TCG increases, after December 31st of the year your beneficiary turns age 17, will not be charged a sales charge.

When your total contributions reach the TCG you have set for your plan, your contributions will stop. In a situation where your next planned contribution would make your total contributions greater than the TCG for your plan, we will automatically reduce your next contribution to the amount that will just reach your TCG.

If you qualify for the Canada Learning Bond or the BC Training and Education Savings Grant, you can open a Flex First Plan without making any contributions and just receive these government grants.

You can change the amount and frequency of your contributions at any time as long as they don't exceed the Tax Act RESP contribution limit of $50,000. See page 19 for more information on changing your contributions.

IF YOU HAVE DIFFICULTY MAKING CONTRIBUTIONS

You have the following options available to you if you are having difficulty maintaining your contributions.

Your options

- You can stop contributing and resume contributing later if you choose.

Note that if you qualify for the ACESG, you can't carry forward any previously unclaimed ACESG amounts your plan didn't receive in the years when you weren't making contributions.

- You can contribute less and/or change the frequency of when you make contributions.

You can reduce the amount you contribute to your plan at any time, subject to the minimum contributions corresponding to your chosen contribution frequency. You can also change how frequently you make contributions.

If you contribute less than $2,500 in a year, you won't receive the maximum CESG/ACESG, QESI/AQESI or SAGES available in that year.

- You can reduce your total contribution goal (TCG).

You may decrease your TCG at any time 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 TCG is at least $500.

Note that if you reduce your TCG to less than $2,500 you will not be eligible for the accumulating loyalty bonus feature of the Flex First Plan.

WITHDRAWING YOUR CONTRIBUTIONS

You can withdraw your contributions any time by making this request in writing to the Manager.

How it works:

- We'll return the contributions you have requested as long as they've cleared the banking system. You won't pay tax on this amount.
- If you withdraw your contributions at a time when your beneficiary is not attending a post-secondary school and program that would qualify for an EAP under the Tax Act, we will have to return the CESG/ACESG, QESI/AQESI and SAGES to the appropriate government and you'll lose this grant contribution room.
- If you request a withdrawal of contributions after you have had your plan for 60 days, some or all of the sales charge and other fees paid to date will not be refunded to you.

If you withdraw all of the contributions and income in your plan it will be cancelled. See page 21 for more information about cancelling a plan.

COSTS OF INVESTING IN THIS PLAN

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

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.

	FEE	WHAT YOU PAY	WHAT THE FEE IS FOR	WHO THE FEE IS PAID TO
Paying off the sales charge For example, assume that your total contribution goal for your Flex First Plan is $5,400 on behalf of your newborn child, and you will make 216 monthly contributions. All of your first 20.5 contributions go toward the sales charge until it's fully paid off. In this example, altogether, it will take you 21 months to pay off the sales charge. During this time, 100% of your contributions will be used to pay the sales charge and 0% of your contributions will be invested in your plan.	Sales charge	• Will not exceed 9.5% of the total contribution goal • Charged against your first contributions until the total sales charge has been paid	One-time commission for selling your plan	Paid to the Distributor Sales representatives receive compensation from the sales charge

The sales charge will not be increased without subscriber approval.

Fees the Plan pays

The following fees are payable from the Plan's earnings. You don't pay these fees directly. These fees affect you because they reduce the Plan's returns, which will reduce the amount available for EAPs.

FEE	WHAT THE PLAN PAYS	WHAT THE FEE IS FOR	WHO THE FEE IS PAID TO
Management fee	• Between 1.3% and 1.5% per year, plus applicable taxes • The management fee in the 2015 fiscal year was 0% as this fee was waived for a two-year period ending April 30, 2015. • This fee may be modified by the Manager from time to time, but will not exceed 1.5% per year, plus applicable taxes • Calculated based on the total amount of money all subscribers have in Flex First. • Deducted from total income before income is allocated to your plan. • The management fee is not charged on any accumulated loyalty bonus held on behalf of your plan.	Covers ongoing costs of managing the Plan including investment management, administration and for holding your plan's assets in trust	Paid to the Manager, portfolio advisors and custodian
Independent review committee (IRC) fee	For the year ended April 30, 2015 $107,420 was paid, shared by all Plans including the Classic Plan; $224 in respect of Flex First. This was paid as follows: Chairperson – $20,000 (plus tax) Each Member – $15,000 (plus tax) Secretariat fee – $40,000 (plus tax) Meetings – $5,062 (plus tax)	Fee for providing IRC services for subscribers as required for all publicly offered investment funds.	IRC members

The management fee will not be increased beyond 1.5% per year without subscriber approval.

Transaction fees

We will charge the following fees (plus applicable taxes) for the transactions listed below.

FEE	AMOUNT	HOW THE FEE IS PAID	WHO THE FEE IS PAID TO
• NSF payments • Transferring funds to an RESP offered by another provider	• $25 per item • $95 per transfer	• One-time fee that is deducted from your contributions • We'll notify you before we add to or change any transaction fee	Paid to the Manager

RETURN OF SALES CHARGE FEATURE

Our return of sales charge feature offers a return of a portion of the sales charge that you have already paid should you wish to cancel your plan, transfer your plan to another RESP or you make a request to reduce your plan's total contribution goal.

In the situations where the TCG is reduced by request the amount of the sales charge return 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 TCG for your plan

The new TCG for the plan must be greater than or equal to the total contributions that have been made to date.

In the situations where a plan is cancelled or transferred to another RESP, the amount of the sales charge return 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 TCG that is equal to the total contributions you have made to date.

If the above calculations result in a positive amount then this represents the sales charge return amount.

The sales charge return 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 the return of sales charge paid up until the earlier of:

- the day the total contributions made to your plan equals the total contribution goal, or
- the day payments are received from your plan relating to post-secondary education (such as an EAP or a withdrawal of contributions while your beneficiary is attending eligible studies), or
- the day you receive an accumulated income payment from your plan, or
- the day an educational institution payment is made as per the Tax Act, 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, the Manager will return this amount back to the contributions in your plan rather than issuing them as a direct payment to you. This is to avoid situations where government grants may have to be returned to the government if a sales charge return was paid directly to you instead of remaining in your plan. In situations where your plan is either cancelled or transferred to another RESP, the plan closure or transfer will occur after we have added the sales charge return to the contributions in your plan. The return of sales charge paid will not attract further government grants, is not considered a new contribution to the plan for tax purposes and will not be taxable when returned to you.

The return of sales charge feature of Flex First is part of the Education Assistance Agreement and is not offered at the discretion of the Foundation. If the conditions for qualifying for the return of sales charge are met the Manager will provide it.

MAKING CHANGES TO YOUR PLAN

Changing your contributions

You can change the amount and frequency of your contributions at any time as long as they don't exceed the Tax Act 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 increase your TCG. You may also decrease your TCG 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 TCG is at least $500.

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 agreement, then the maximum TCG pertaining to your agreement will be recalculated. The revised maximum TCG pertaining to your revised regular ongoing contributions will be recalculated as the greater of amounts A and B shown below:

Amount A: The TCG 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 TCG 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 December 31st of the year in which your beneficiary turns 17 years old.

If the current TCG you have set for your plan is higher than the revised maximum TCG, then your TCG will be automatically lowered to equal the revised maximum TCG.

The amount of sales charge due for your plan will also be lowered to equal your revised TCG multiplied by the sales charge rate for your plan.

Contact us if you wish to change your contributions and we will send you the appropriate paperwork.

Changing the subscriber

Under the Tax Act the subscriber of an RESP can be changed if you die or your marriage breaks down. Under these circumstances your spouse or common-law partner can become the subscriber of your plan. If the subscriber to the plan is a public primary caregiver, then another person or another public primary caregiver can replace this subscriber with appropriate written agreement between them.

The request to change the subscriber must be made to us in writing. We will also need appropriate paperwork to verify that the conditions under the Tax Act relating to a subscriber replacement have been met.

If the person who becomes the subscriber is not your spouse or common-law partner, any income he or she receives from the plan (other than as a part of an EAP) will be included in his or her taxable income in the year it's received. In this case, all income received from the plan as an accumulated income payment — whether it's contributed to an RRSP or not — will be subject to the additional 20% tax.

You can also add a joint subscriber to your plan but he or she must be your spouse or common-law partner.

Changing your beneficiary

You are able to switch the beneficiary in your plan. For example, if the original beneficiary in your plan won't be eligible for EAPs, switching the beneficiary is an option. You can switch the beneficiary in your plan any number of times during the life of the plan. You can even choose to be the beneficiary of your own plan if you're thinking of going back to school.

You will need to give us a valid SIN for the new beneficiary, and proof that he or she is a Canadian resident.

You will have to repay all of the Canada Learning Bond that might have been collected for the original beneficiary if you switch the beneficiary in the plan. You may have to repay all or some of the other government grants as well. Some government grants can be kept in the plan if:

- the new beneficiary is under 21 years old at the time of the switch, and both beneficiaries have at least one parent in common, or
- both beneficiaries are under 21 years old at the time of the switch, and are related to an original subscriber of your plan (by blood or adoption).

If the new beneficiary already has an RESP or contributions have already been made to the plan for the new beneficiary, total contributions for the new beneficiary may be higher than the maximum allowed by the Tax Act, and you may have to pay a penalty tax. See page 12 for more information. The plan will still cancel no later than December 31st of the 35th year following the year in which you opened it.

Death or disability of the beneficiary

If it appears as though your beneficiary will not attend eligible studies and not qualify for EAPs under Flex First as a result of a disability or death you have the option of requesting an accumulated income payment for income earned in your plan, or switching the beneficiary on your plan (See "Changing your beneficiary"). Both of these options are available to you any time prior to the day your plan cancels or expires.

Our current policy is to reimburse the subscriber an amount equal to the sales charge paid if the beneficiary will not attend eligible studies and will not qualify for EAPs under the plan as a result of a disability or death, and a switch of beneficiary has not been exercised. The disability must be one that will permanently prevent the beneficiary from pursuing eligible studies under Flex First, as certified by a medical doctor. A death certificate must be provided in the event of the beneficiary's death. Contact us to discuss these options and make appropriate arrangements.

TRANSFERRING YOUR PLAN

Transferring to the group plan or the family individual plan

You have the flexibility to transfer to the group plan or the family individual plan from the Flex First Plan, as long as it's allowed by the Tax Act.

How it works:

- you complete a plan transfer form and an application for the new RESP
- we'll transfer the contributions in your plan (less fees paid to date) and the income they've earned to the new RESP
- the loyalty bonus you accumulated in your Flex First plan will not be transferred to the new RESP
- we'll transfer the income the government grants have earned to the new RESP
- we'll transfer all or some of the government grants if:
  - the new RESP meets the requirements of the Tax Act and the government grants act, and
  - for the Canada Learning Bond, the same beneficiary is in both plans.

For all other government grants,

- either the beneficiary in the new plan is under 21 years old when the new Plan is entered into and has at least one parent in common with the beneficiary in the plan you're transferring from, or
- the same beneficiary is in both plans.

Otherwise, you may have to repay all or some of the government grants. There are special rules if the new RESP has more than one beneficiary.

If the plan is not for the same beneficiary and the new beneficiary already has an RESP, or contributions have already been made to the plan for the new beneficiary, total contributions for the new beneficiary may be higher than the maximum allowed by the Tax Act, and you may have to pay a penalty tax. Turn to page 12 for more information.

Transferring to another RESP provider

You have the flexibility to transfer to another RESP provider from the Flex First Plan, as long as it's allowed by the Tax Act.

How it works:

- you complete a plan transfer form and an application for the new RESP
- we'll transfer the contributions in your plan (less fees paid to date) and the income they've earned to the new RESP
- we'll transfer the income the government grants have earned to the new RESP
- the loyalty bonus you accumulated in your Flex Fist plan will not be transferred to the new RESP.

We'll transfer all or some of the government grants if:

- the new RESP meets the requirements of the Tax Act and the government grants act, and
- for the Canada Learning Bond, the same beneficiary is in both plans.

For all other government grants,

- either the beneficiary in the new plan is under 21 years old when the new Plan is entered into and has at least one parent in common with the beneficiary in the plan you're transferring from, or
- the same beneficiary is in both plans.

Otherwise, you may have to repay all or some of the government grants. There are special rules if the new RESP has more than one beneficiary, for example every beneficiary must be a brother or sister of every other beneficiary in the plan.

If the plan is not for the same beneficiary and the new beneficiary already has an RESP, or contributions have already been made to the plan for the new beneficiary, total contributions for the new beneficiary may be higher than the maximum allowed by the Tax Act, and you may have to pay a penalty tax. Turn to page 12 for more information.

There is a $95 transaction fee (plus tax) for this change.

Transferring to this Plan from another RESP Provider

You can transfer another RESP into the Flex First Plan, as long as it's allowed by the Tax Act.

How it works:

- you make a request to transfer your RESP and complete an application for Flex First
- your beneficiary must be a Canadian resident
- plan assets are transferred from the other RESP promoter into Flex First
- if the same beneficiary is on both Plans, he or she does not have to be a Canadian resident or have a SIN; however, if this is the case, no other contribution can be made to the plan (except the funds that are being transferred)

Government grants will be transferred if:

- Flex First offers those government grants, and
- for the Canada Learning Bond, the same beneficiary is in both plans.

For all other government grants,

- either the beneficiary in Flex First is under 21 years old when the new Plan is entered into and has at least one parent in common with the beneficiary in the plan you're transferring from, or
- the same beneficiary is in both plans.

Otherwise, you may have to repay all or some of the government grants.

If Flex First is not for the same beneficiary, and the new beneficiary already has an RESP, or contributions have already been made to the plan for the new beneficiary, total contributions for the new beneficiary may be higher than the maximum allowed by the Tax Act, and you may have to pay a penalty tax. Turn to page 12 for more information.

WITHDRAWAL OR CANCELLATION

If you withdraw from or cancel your plan

You have the right to withdraw from your plan and get back all of your deposits (including any fees or expenses paid) if you make this request to us, in writing, within 60 days of signing the application form for your plan.

When you cancel your plan and withdraw your contributions, whether it is before or after the first 60 days of enrolment:

- any government grants received will be returned to the government;
- this government grant contribution room will be lost (with the exception of the Canada Learning Bond (CLB) as lifetime CLB entitlement is not affected by a repayment); and
- the withdrawn amount will be included as an RESP contribution when determining the $50,000 RESP contribution limit, even though the contributions were withdrawn.

You can cancel your plan by:

- telling us in writing within 60 days from your application date that you wish to cancel your plan
- withdrawing all of your contributions within 60 days from your application date
- withdrawing all of the contributions and income in your plan
- transferring your plan to another RESP.

If we cancel your plan

We can cancel your plan:

- if you do not make a contribution that has cleared the banking system within the first 60 days after you opened your plan. This does not apply to plans that are intended to only receive the Canada Learning Bond or the BC Training and Education Savings Grant, where subscriber contributions are not required.
- if after three years in the Plan the sum of Contributions (less any fees or withdrawals) and income earned in your plan is less than $350.
- if you withdraw income from your plan that isn't part of an EAP, we'll cancel your plan on the last day of February in the year after you make the withdrawal.

If your plan expires

Your plan will expire on December 31 of the 35th year after the year in which you opened your plan. Once your plan is expired we will be unable to reinstate this plan.

Once your plan is cancelled or expired, it can never be re-activated.

How it works:

- Your plan will no longer be an RESP. We'll terminate your plan with the CRA.
- You will get your contributions back. We'll return the Net Contributions in your plan when your plan is cancelled as long as they've cleared the banking system. You won't pay tax on this amount.
- The sales charge paid on that part of your TCG that you have contributed as of the date of your plan is cancelled is non-refundable.
- You'll get back the sales charge that you paid up front for that part of your TCG that has not been contributed yet.
- Government grants in your plan will be returned to the appropriate government.
- Any accumulated loyalty bonus that remains for your plan may be forfeited.
- If your plan is cancelled before we receive confirmation that the beneficiary has enrolled in eligible studies, any loyalty bonus accumulated for your plan will be forfeited. Otherwise, you can receive any loyalty bonus remaining in your plan.
- You might be able to receive the income your contributions and government grants have earned as an accumulated income payment. See page 24.

If you don't qualify for the income and you don't withdraw it before your plan is cancelled, under the Tax Act we will be required to donate it to an educational institution of our choice.

IF YOUR BENEFICIARY DOES NOT ENROL IN ELIGIBLE STUDIES

A beneficiary who does not enrol in eligible studies will not receive EAPs from your plan.

You can switch the beneficiary in your plan

If it does not appear as though the original beneficiary in your plan will qualify for EAPs, switching the beneficiary in your plan is an option. See "Changing your beneficiary" on page 20 for more information on this option.

You can cancel your plan

You also have the option of cancelling your plan if your beneficiary does not enrol in eligible studies. See "Withdrawal or cancellation" on page 21.

RECEIVING PAYMENTS FROM YOUR PLAN

Return of contributions

You are entitled to a return of your contributions (less fees and withdrawals you make) at any time by writing to us. You can have this money paid to you or directly to your beneficiary.

We generally return your contributions (less fees and withdrawals or adjustments you make) to you or pay them to your beneficiary when, or any time after, your beneficiary enrols in eligible studies. You, or your beneficiary, are also eligible to receive the loyalty bonus that has accumulated on your beneficiary's behalf when he or she has enrolled in eligible studies. See below for details about the loyalty bonus. You can request any amount equal to or less than the total amount of contributions and loyalty bonus in your plan at that time. We will return these contributions and any loyalty bonus you are eligible for when you ask us to in writing (as long as your contributions have cleared the banking system).

If you withdraw contributions from your RESP while your beneficiary is not attending eligible studies, we will have to return any CESG/ACESG, QESI/AQESI and/or SAGES in your plan to the appropriate government.

Accumulating loyalty bonus

At the end of each calendar month, provided that it is before December 31st of the year your beneficiary turns 17 years old and if your plan qualifies at that time, we will calculate a loyalty bonus which will accumulate on behalf of your plan. The calculation of this bonus is based on a percentage of the total amount of Net Contributions that were in your plan at the beginning of the calendar month less any contribution withdrawals you may have made during that month. The loyalty bonus percentage will be no less than 0.66%, per year, expressed as a monthly nominal annualized rate, or 0.66% divided by 12, per month.

Any accumulated loyalty bonus credits missed due to not meeting eligibility requirements at the time of the monthly calculations will not be carried forward and credited retroactively if eligibility requirements are met later on.

Loyalty bonus payments are not eligible to attract grants from the CESG, SAGES or QESI programs. The loyalty bonus credited to your plan will count towards the maximum RESP contribution limit for your plan.

The loyalty bonus can be paid to you or your beneficiary when your beneficiary enrols in eligible studies.

The loyalty bonus payments are considered a partial return of the sales charge paid by the subscriber and can be received tax free by you or your beneficiary.

A plan's eligibility to receive a loyalty bonus is assessed at the end of each calendar month and must meet all of the following requirements:

- your plan is registered and open
- your beneficiary has not begun receiving EAPs, nor have post-secondary education contribution withdrawals been made from your plan
- you have not received an accumulated income payment
- the current total contribution goal you have set for your plan is not less than $2,500, and
- the total loyalty bonus amount you have accumulated does not exceed the total sales charge you have paid into your plan.

Educational assistance payments

Beneficiaries must attend a post-secondary institution and program that qualifies for an RESP under the Tax Act. See "Summary of Eligible Studies" on page 15 of this Detailed Plan Disclosure.

EAPs can be made to your beneficiary any time up until December 31 of the 35th year after the year in which you opened your plan.

Cheques are normally issued in September and December but can be issued at other times of the year depending on the beneficiary's post-secondary schedule. Under the Tax Act, beneficiaries are eligible to receive EAPs up to six months after they have stopped attending a program, provided that they would have otherwise qualified for that payment.

Please call us at 1 800 363-7377 if you have questions about qualifying for EAPs

How we determine educational assistance payment amounts

We use the income earned on the contributions in your plan, along with any government grants and the income they've earned, to make EAPs to your beneficiary if he or she qualifies. The amount of income earned depends on the performance of the invested securities in the Plan.

You tell us how much each EAP should be, based on your beneficiary's expenses. If you, or your beneficiary, request an EAP in excess of $22,501 for 2015, under the Tax Act we will need to see receipts that show the cost of education.

Each payment will include:

- part or all of the income in your plan

plus

- part or all of the government grants in your plan

plus

- part or all of the grant income in your plan

The income in your plan will be based on the income earned on your contributions and government grants. The amount of grant in each payment is based on the ratio of the government grants in your plan to the total money available to be paid out as EAPs from your plan.

The most your beneficiary can receive in EAPs from all Plans is $5,000, unless he or she has completed 13 consecutive weeks of eligible studies in the 12-month period before the payment is made. If your beneficiary's expenses are higher than $5,000 in the first 13 weeks, contact us and we'll apply to the Minister of Employment and Social Development

Canada to have the limit increased. This maximum amount is $2,500 for a specified program as noted on page 7 of this Detailed Plan Disclosure.

Discretionary payments

Beneficiaries who qualify for EAPs may receive a discretionary payment supplement in addition to their EAPs from the available excess revenues of the Foundation.

The Foundation is a not-for-profit corporation and it has no shareholders. The Foundation therefore is in a position to share its available excess revenue with beneficiaries in Flex First by supplementing their EAPs. The amount of money available from the excess revenues of the Foundation will vary each year and we cannot guarantee money will be available for this supplement when your beneficiary is receiving his or her payments from your plan. Whether the Foundation provides this supplement, and how much it might be is up to the Foundation each year. There is no funding formula or policy for this supplement. The amount of funds available from the Foundation to put towards these supplements will depend on its revenues and expenses. **Discretionary payments are not guaranteed.** You should not count on receiving a discretionary payment. The Foundation decides if it will make a payment in any year and how much the payment will be. If we make a payment you may get less than what we have paid in the past. You may also get less than what we pay beneficiaries in other RESP Plans.

Past discretionary payments

We paid some funds as EAPs from the Flex First Plan in the 2015 fiscal year; however, no discretionary payment supplements have been paid as of the date of this prospectus.

Accumulated income payments

You may be able to receive the income your contributions and government grants earned if you're a Canadian resident and:

- your plan is at least 10 years old, and
- every beneficiary who has been a beneficiary of your plan is at least 21 years old and not eligible for an EAP, or
- it's the end of the 35th year following the year in which you opened your plan, or
- every beneficiary who has been a beneficiary of your plan has died.

The Minister of National Revenue may allow us to waive some of these conditions if the beneficiary is suffering from a severe and prolonged mental impairment.

Any income you receive from your plan will be taxed as income in the year you receive it and may be subject to an additional tax of 20%, or you might be able to transfer up to $50,000 of this income to your RRSP or a spousal or common-law partner RRSP as long as you have enough unused contribution room. If you don't qualify for the income in your plan or you don't withdraw it, we'll donate it to an educational institution of our choice as required under the Tax Act.

OTHER IMPORTANT INFORMATION

What happens if you don't cash your cheque

If you do not or your beneficiary does not cash a cheque we send, the money will remain in your plan until the earlier of December 31 of the 35th year after the year in which you opened your plan or until you cancel it. Once your plan is cancelled or expired we'll return any government grants remaining in your plan to the appropriate government, return any remaining loyalty bonus and contributions to you (less fees), and donate any income remaining in your plan to an educational institution of our choice as required under the Tax Act.

Flex First is a Specified Plan

Further to the Flex First disclosure about when contributions to a plan must cease and rules around changing the plan beneficiary, if the beneficiary is entitled to a disability tax credit for the beneficiary's tax year that includes the 31st anniversary of the plan, contributions may continue to be made to the plan until the end of the year that includes the 40th anniversary of the plan, subject to the following restrictions:

- only transfers from another RESP may be made after the end of the year that includes the 35th anniversary of the plan; and
- no other individual can be designated as beneficiary under the plan at any time after the end of the year that includes the 35th anniversary of the plan.

A plan that meets these conditions is known as a "specified plan."

Specific information about our Plans

FAMILY GROUP EDUCATION SAVINGS PLAN (group plan)

Type of plan

Group Plan	first sold as of December 9, 1994

WHO THIS PLAN IS FOR

This Plan is for a child under 13 years old who is planning to attend eligible studies for three or four years. To become a beneficiary under the group plan the child must be a Canadian resident and have a valid social insurance number (SIN). The child does not have to be related to you. If the child is a beneficiary already under an RESP and you are transferring from that Plan to this Plan for the same beneficiary, he or she does not have to be a Canadian resident and does not need a SIN. However, if this is the case no other contribution can be made (except the funds that are being transferred).

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

- they can make all of their contributions following their contribution schedule
- they will stay in the Plan until their plan matures
- their child will attend eligible studies under their plan

If this doesn't describe you, you should consider another type of Plan. For example, if you believe that your beneficiary will attend post-secondary studies for two years or fewer, or if you prefer to make contributions on an "ad hoc" basis then perhaps an individual education savings plan is better suited for you. See the Plan Summaries for the Flex First Plan or the Family Single Student Plan, or pages 15 and 47 of the Detailed Plan Disclosure for more information on these two non-group Plans.

YOUR BENEFICIARY GROUP

Beneficiaries in the group plan who have the same year of eligibility are associated with the same beneficiary group. Typically these are beneficiaries who are going to start their post-secondary studies in the same year.

The group plan uses a pooling concept, where beneficiaries in each beneficiary group pool their income together on their plan's maturity date. Payments to beneficiaries are made from this pool of income. Group plans that cancel before they mature, or cancel because the beneficiary has not qualified for all three educational assistance payments, leave their income in the pool to be used by qualified beneficiaries in the same beneficiary group.

The maturity year for your plan is decided upon by you. Usually it is the year that you expect your beneficiary to start his or her first year of post-secondary studies. The contributions in your plan are scheduled to be returned in your plan's year of maturity. This money is usually used to assist with the costs of the beneficiary's first year of post-secondary studies. The income earned on your contributions will be transferred to your beneficiary group income pool on your plan's maturity date.

The year of eligibility is scheduled to be the calendar year following the maturity year – usually the year your beneficiary is expected to start their second year of post-secondary studies. Your beneficiary is eligible to receive payments from their plan in their year of eligibility.

The table below can help you determine your beneficiary group. In general, the beneficiary group is determined by the age of the beneficiary when you sign your contract.

AGE OF BENEFICIARY WHEN THEIR PLAN IS PURCHASED	TYPICAL BENEFICIARY GROUP*
12 years old	*2022*
11 years old	*2023*
10 years old	*2024*
9 years old	*2025*
8 years old	*2026*
7 years old	*2027*
6 years old	*2028*
5 years old	*2029*
4 years old	*2030*
3 years old	*2031*
2 years old	*2032*
1 year old	*2033*
Newborn	*2034*

*as of August 26, 2015

SUMMARY OF ELIGIBLE STUDIES

The following is a description of the post-secondary programs and school years that are eligible studies and qualify for EAPs under the group plan. Contact the Manager or your sales representative to find out if the educational programs your beneficiary is interested in are eligible studies, or to obtain a list of eligible post-secondary institutions. You will also find a link on our website to the master list of qualifying educational institutions as defined under the Tax Act. For more information about receiving EAPs, see "Educational assistance payments" on page 40 of this Detailed Plan Disclosure.

What's eligible

Your beneficiary can study at any post-secondary institution that qualifies for an RESP under the Tax Act. This can include:

- Canadian universities, colleges, CÉGEPs, other designated post-secondary educational institutions and some occupational training institutions;
- universities, colleges and other educational institutions outside Canada.

The post-secondary program must,

In Canada;

- be at least 3 consecutive weeks in length, and
- require at least 10 hours per week of instruction time, or
- require at least 12 hours per month of instruction time, provided the student is over 16 years old (a "specified program")

Outside of Canada;

- be at least 3 consecutive weeks in length of full time studies at a university, or
- be at least 13 consecutive weeks in length at a university, college or other educational institution, and
- be at an institution and program that would qualify for an EAP under the Tax Act

Payments are made to the beneficiary after their plan's maturity date in their second, third and fourth years of eligible studies, provided that the first EAP is received before the beneficiary turns 22 years old.

In addition:

- the beneficiary must be a Canadian resident to receive the grant portion of an EAP
- the beneficiary must be a resident of Quebec to qualify for the QESI portion of an EAP.

What's not eligible

Your beneficiary can study at any post-secondary institution or program that qualifies for an EAP under the Tax Act. However, EAPs are not issued for the first year of post-secondary studies. If your beneficiary attends eligible studies in only two or three calendar years, he or she will not qualify for all three of the available EAPs.

If you believe that your beneficiary will be more interested in attending a post-secondary program that doesn't qualify for payments under the group plan, but would qualify for a payment under an individual plan, you should consider an individual plan. For example, in the Flex First Plan and family individual plan customers can choose the amount and timing of EAPs, and EAPs can be issued in the beneficiary's first year of post-secondary studies.

RISKS OF INVESTING IN THE GROUP PLAN

Plan risks

In addition to the investment and Plan risks described under "Risks of investing in a scholarship plan" on page 9, the following is a description of the risks of participating in this Plan.

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 do not, or your beneficiary does not, meet the terms of your contract, it could result in a loss and your beneficiary might not receive some or all of his or her EAPs.

Keep in mind that payments from your plan are not guaranteed. We cannot tell you in advance if your beneficiary will qualify to receive any EAPs from your 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. The amount of the EAP will depend, among other things, on the payment per unit that is available from your plan's beneficiary group income pool. Income from plans for beneficiaries who don't qualify for EAPs, or whose plans are cancelled before they reach their maturity date, stays in the beneficiary group income pool and is shared by the beneficiaries who do qualify for payments. Therefore the amount available for EAPs is affected to a large degree by the number of units owned by beneficiaries in the same beneficiary group income pool as you who qualify for EAPs from the pool.

Discretionary payment supplements that are added to the educational assistance payments from the discretionary payment account (which could include the return of an amount equivalent to all or part of the sales charge you paid) and from the Foundation excess revenues are not guaranteed. The Foundation decides if it will make a supplementary payment in any year and how much the payment will be. The amount of money available from the discretionary payment account and the excess revenues of the Foundation will vary each year and we cannot guarantee money will be available for these supplements when your beneficiary is receiving his or her payments from your plan.

Beneficiaries in the group plan have to contact us by November 1 to receive EAPs. You have or your beneficiary has to contact us by November 1 of each year, starting in the year of eligibility, to tell us whether we should:

- change the year of eligibility
- pay an EAP. Your beneficiary will need to provide proof that he or she has been accepted and is enrolled in eligible studies
- defer an EAP.

If we don't hear from you or your beneficiary by November 1 in any of these years, your beneficiary will no longer be eligible for EAPs. Beneficiaries in these circumstances may be able to re-establish their eligibility if they submit an appeal in writing to the Foundation. Re-instatements back into the RESP program following an appeal are at the discretion of the Foundation.

Investment risks

The value of the investments held by the group 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 11.

HOW THE PLAN HAS PERFORMED

The following table shows how the investments in the group plan performed in each of the past five financial years ending on April 30. Returns are after fees have been deducted. These fees reduce the returns you get on your investment. Calculations for these returns include all capital gains or losses whether they are realized or unrealized. These rates of return can go up or down from one year to the next. Sometimes the difference in year over year returns can be significant. These returns are calculated using market values and time-weighted cash flows during the period. They do not include the money received by beneficiaries from the discretionary payment account or from the Foundation's available excess revenues. It's important to note that this doesn't tell you how the Plan's investments will perform in the future.

Financial years ending April 30					
	2015	*2014*	*2013*	*2012*	*2011*
Annual Return	8.2%	-1.9%	5.9%	13.2%	6.8%

The Plan allocates income to each plan monthly as described below.

Income from fixed income investments

Interest is allocated to the Plan as it is earned. Realized gains and losses are spread over a five-year period. Unrealized gains and losses are not allocated until they have been realized.

Income from equities

Dividends or distributions are allocated to the Plan in the month in which they are received. Realized and unrealized gains and losses are allocated monthly.

This method of spreading the income allocated to the Plan results in smoother returns to your plan from year to year, which greatly reduces the volatility that can be found in your plan's annual investment rates of return; producing a more even distribution of income to your plan from year to year.

The investment portfolio return and the rate of income allocation may differ from year to year. In some years the investment portfolio return will be higher than the rate of income allocation, and in other years, the reverse will be true. Over a longer period of time the rates of return between the two should be close to the same.

See our website at knowledgefirstfinancial.ca for allocated investment returns for the Plan.

MAKING CONTRIBUTIONS

You can make one-time, monthly or annual contributions, following the contribution schedule on page 30.

Contributions must be at least:

- $9.90 per month, or
- $110 per year, or
- a lump sum of $449.

You can contribute up to a maximum of $50,000 per beneficiary to an RESP. You can't contribute to your plan after the 21st year after the year in which you opened it. Your beneficiary must be a Canadian resident to be able to make contributions to your plan.

The amount you contribute to your plan, after any insurance premiums have been deducted from your total deposit amount, is used to calculate the CESG, QESI and SAGES.

What is a unit

Your contributions correspond to units in your plan. The number of units you will have in your plan depends on how much you contribute, how often you contribute, and how many years until your beneficiary starts college or university. The number of units you have in your plan is your share of the beneficiary group income pool with which your beneficiary is associated. The more units you have in your plan, the higher your beneficiary's EAPs will be. The contribution schedule has been designed so that regardless of the age of the beneficiary at enrolment, the frequency of contribution, or the amount of the contribution, each unit will earn an approximately equal amount of income to put into their beneficiary group's income pool. The sales charge for your plan is calculated based on how many units you have in your plan. The more units you have the higher your sales charge will be.

Your contribution options

You have eight options for making contributions, including lump sum, annual or monthly contributions. The contribution schedule has been designed so that all of the options are expected to generate approximately the same amount of income per unit by each plan's maturity date, when it is pooled with the income from all other plans in the same beneficiary group.

You can change your contribution option at any time, but we may have to make an income adjustment to make sure that, on your plan's maturity date, the income per unit in your plan is the same as the income per unit in the other plans in your beneficiary group. See page 29 for more information on changing your contribution schedule.

Contribution schedule

The contribution schedule shows how much you have to contribute per unit. The contribution amount you make depends on your beneficiary group and whether you will make a one-time contribution to your plan or make periodic monthly or annual contributions. The contribution amount for each option is calculated so that the contributions of each subscriber in a beneficiary group will generate approximately the same earnings per unit by their maturity date.

Certain fees are deducted from your contributions. For more information, please see "Fees you pay" on page 32. The contribution schedule was prepared with the assistance of Collins Barrow Toronto Actuarial Services Inc., Toronto, Ontario and was reviewed in 2015.

How to use the contribution schedule table

For example, let's assume your beneficiary is a newborn. If you want to make monthly contributions for the full term of the contribution schedule (17.3 years), you will contribute $4.86 each month for each unit you buy. You would have to make 208 contributions over the life of your plan, for a total investment of $1,010.88 per unit.

If beneficiary is five years old and you want to make annual contributions for the full term of the contribution schedule (13 years), you will contribute $104.19 each year for each unit you buy. You would have to make 13 contributions over the life of your plan, for a total investment of $1,354.47.

The contribution schedule has been designed so that all of the options are expected to generate approximately the same amount of income per unit by each plan's maturity date as based on various assumptions including plan performance. These assumptions were selected by the Foundation for the purpose of determining the contribution amounts so that the expected income per unit at maturity will be approximately equal. The schedule is reviewed each year to ensure that it continues to be reflective of current conditions and circumstances. The actual annual interest rates experienced in the future may be lower or higher than the rate assumed for this schedule. The amounts shown include the sales charge of $100 per unit and the depository fee of between $3.50 and $10.00 per year (plus GST/HST).

Subscribers have the option of backdating the effective date of their contribution schedule. Backdating is available in 12-month increments (i.e.: backdate 12 months, 24 months, etc.). You cannot backdate to a date that is before the day the beneficiary was born. In order to backdate a plan we will require all contributions (plus any insurance premiums and applicable taxes) that would have been made if contributions were made as of the proposed contribution schedule effective date, plus any income that would have been earned on those contributions. The income adjustment is calculated based on the actual income earned in the group plan during that period. See "How you are taxed" on page 11.

IF YOU HAVE DIFFICULTY MAKING CONTRIBUTIONS

If you miss one or more contributions, you will be in arrears and may be in default of your plan. To keep the same number of active units in your plan, you'll have to make up the contributions you missed (plus any insurance premiums and applicable taxes) before your plan matures. You'll also have to make up what the contributions would have earned if you had made them on time. Depending on how many contributions have been missed, and for how long, this can become costly.

If your plan is in arrears and you do not, before your plan's maturity date, either: (i) make up the contribution arrears and income that would have accumulated on missed contributions (either with the same number of units or reduced units), or (ii) transfer the plan assets to a family individual plan, the Manager will automatically reduce the number of units in your plan just prior to your maturity date. The units will be reduced as appropriate to ensure that the income accumulated per unit in your plan is equivalent to the average income accumulated per unit on contributions made under other group plans that have the same year of eligibility as your plan. Your beneficiary will then be eligible for EAPs based on the reduced number of units.

Below are the options available to return your plan to good standing.

Your options

- You can miss contributions and make these contributions, and any income deficiency, up later.

If you have your sales charge paid in full plus a minimum plan balance of $350 (not including government grants or income earned on government grants), you can miss contributions specified under your contribution schedule as long as you make them (plus any insurance premiums and applicable taxes) up later. You will also have to make up the income that would have been accumulated if you had made your contributions as scheduled.

In order to keep the current number of units in your group plan you must make up these missed contributions and income before your plan's maturity date. You will need to make a lump sum deposit equal to the contributions you missed (plus any insurance premiums and applicable taxes) and the income that would have accumulated on them. The income required will be calculated based on the actual returns experienced by the group plan during that period. Your make-up deposit, plus any other contributions expected under your current contribution schedule, cannot exceed the lifetime contribution limit of $50,000. The portion of this make-up deposit that represents the income that would have accumulated, made in after-tax dollars, will be pooled at your plan's maturity date in your beneficiary group's income pool and it will be taxable when issued as an EAP to the beneficiary.

If making up the full amount of the lump sum deposit is onerous or otherwise not your desire, you have the option of reducing units at the time you are making up the missed contributions which will reduce the amount of the lump sum deposit.

If you temporarily stop making contributions your plan's insurance coverage will be suspended. Once you've made the lump sum deposit noted above and started contributing regularly again, your insurance coverage will resume.

Note that if you qualify for the ACESG, you can't carry forward the ACESG your plan didn't receive while you stopped making contributions.

- You can contribute less.

You can reduce the amount you contribute to your plan at any time by discontinuing units or partial units, as long you continue to make contributions of at least $9.90 per month or $110 per year.

If you decide to discontinue units, we'll:

- return the amount of your contributions related to these units, less any fees that you paid
- return all or part of the CESG/ACESG, QESI/AQESI and/or SAGES relating to the units to the applicable government. You will lose this grant room.

If you contribute less than $2,500 a year, you won't receive the maximum CESG, QESI or SAGES.

Reducing units in your plan will reduce your share of your beneficiary group's income pool and thereby reduce the amount of EAPs available to the beneficiary.

There is a $20 transaction fee for this change, plus taxes.

- You can change your contribution schedule.

You can change your contribution schedule at any time, for example from monthly or yearly contributions to a one-time, paid-up contribution. After this, no more contributions are required. Note that if contributions stop, so does any further CESG/ACESG, QESI/AQESI and/or SAGES you may be collecting.

You may need to pay an income adjustment, which will be calculated by the Foundation based on the actual returns experienced by the group plan during that period.

There is a $20 transaction fee for this change, plus taxes.

Years until your beneficiary goes to college or university	18	17	16	15	14
Contribution options					
Monthly contribution	D-18	D-17	D-16	D-15	D-14
Contribution amount per unit	$4.86	$5.55	$6.24	$7.22	$8.35
Total number of contributions	208	196	184	172	160
Total amount of contributions per unit	$1,010.88	$1,087.80	$1,148.16	$1,241.84	$1,336.00
Annual contribution	B-18	B-17	B-16	B-15	B-14
Contribution amount per unit	$54.06	$60.94	$69.30	$77.65	$89.45
Total number of contributions	18	17	16	15	14
Total amount of contributions per unit	$973.08	$1,035.98	$1,108.80	$1,164.75	$1,252.30
One-time contribution	F-18	F-17	F-16	F-15	F-14
Contribution amount per unit	$449.00	$480.00	$515.00	$555.00	$602.00
Total number of contributions	1	1	1	1	1
Total amount of contributions per unit	$449.00	$480.00	$515.00	$555.00	$602.00
Monthly contribution for 5 years	E-18	E-17	E-16	E-15	E-14
Contribution amount per unit	$9.24	$9.97	$10.81	$11.79	$13.27
Total number of contributions	60	60	60	60	60
Total amount of contributions per unit	$554.40	$598.20	$648.60	$707.40	$796.20
Annual contribution for 5 years	C-18	C-17	C-16	C-15	C-14
Contribution amount per unit	$106.16	$114.02	$123.85	$135.16	$147.94
Total number of contributions	5	5	5	5	5
Total amount of contributions per unit	$530.80	$570.10	$619.25	$675.80	$739.70
Monthly maximizer	J-18	J-17	J-16	J-15	J-14
Contribution amount per unit	$5.89	$6.29	$6.88	$7.86	$8.84
Total number of contributions	126	126	126	126	126
Total amount of contributions per unit	$742.14	$792.54	$866.88	$990.36	$1,113.84
Annual maximizer	G-18	G-17	G-16	G-15	G-14
Contribution amount per unit	$66.84	$72.74	$78.64	$88.47	$96.33
Total number of contributions	10.5	10.5	10.5	10.5	10.5
Total amount of contributions per unit	$701.82	$763.77	$825.72	$928.94	$1,011.47

- You can transfer out of the group plan to the family individual plan.

If it doesn't look like your beneficiary will qualify for EAPs in the group plan, you can transfer the contributions, income, government grants and grant income in your plan to the family individual plan for the same beneficiary any time before your group plan matures. The beneficiary must be under 19 years old at the time of the transfer.

Transferring to the family individual plan:

- may make it easier for your beneficiary to qualify for EAPs
- will keep your insurance coverage intact
- may allow you to withdraw income that isn't used for EAPs, or to roll it into your RRSP.

EAPs are calculated differently in the family individual plan and do not include group attrition, return of an amount equal to all or part of sales charge paid or payment supplements from the Foundation.

When you transfer to the family individual plan we'll offer you a credit for the sales charge you've paid to date per unit.

The transaction fee described on page 33 will not be charged if you transfer from the group plan to the family individual plan.

See page 36 for more information on transferring your group plan to a family individual plan.

	13	12	11	10	9	8	7	6	5	4
	D-13	D-12	D-11	D-10	D-09	D-08	D-07	D-06	D-05	D-04
	$9.87	$11.79	$14.25	$17.44	$20.64	$27.52	$36.37	$49.15	$71.75	$113.04
	148	136	124	112	100	88	76	64	52	40
	$1,460.76	$1,603.44	$1,767.00	$1,953.28	$2,064.00	$2,421.76	$2,764.12	$3,145.60	$3,731.00	$4,521.60
	B-13	B-12	B-11	B-10	B-09	B-08	B-07	B-06	B-05	B-04
	$104.19	$122.87	$147.45	$179.88	$224.12	$286.05	$379.43	$511.16	$717.59	$1,081.30
	13	12	11	10	9	8	7	6	5	4
	$1,354.47	$1,474.44	$1,621.95	$1,798.80	$2,017.08	$2,288.40	$2,656.01	$3,066.96	$3,587.95	$4,325.20
	F-13	F-12	F-11	F-10	F-09	F-08	F-07	F-06	F-05	F-04
	$655.00	$718.00	$793.00	$883.00	$1,020.00	$1,145.00	$1,350.00	$1,650.00	$1,980.00	$2,520.00
	1	1	1	1	1	1	1	1	1	1
	$655.00	$718.00	$793.00	$883.00	$1,020.00	$1,145.00	$1,350.00	$1,650.00	$1,980.00	$2,520.00
	E-13	E-12	E-11	E-10	E-09	E-08	E-07	E-06		
	$14.74	$16.71	$18.67	$22.11	$26.04	$30.96	$38.33	$50.13		
	60	60	60	60	60	60	60	60		
	$884.40	$1,002.60	$1,120.20	$1,326.60	$1,562.40	$1,857.60	$2,299.80	$3,007.80		
	C-13	C-12	C-11	C-10	C-09	C-08	C-07	C-06		
	$164.16	$183.82	$209.37	$243.78	$287.03	$337.16	$412.86	$526.88		
	5	5	5	5	5	5	5	5		
	$820.80	$919.10	$1,046.85	$1,218.90	$1,435.15	$1,685.80	$2,064.30	$2,634.40		
	J-13	J-12	J-11							
	$10.32	$12.09	$14.15							
	126	126	126							
	$1,300.32	$1,523.34	$1,782.90							
	G-13	G-12	G-11							
	$109.11	$125.82	$149.41							
	10.5	10.5	10.5							
	$1,145.66	$1,321.11	$1,568.81							

WITHDRAWING YOUR CONTRIBUTIONS

You can withdraw your contributions any time before your plan's maturity date by making this request in writing to the Manager.

Withdrawing funds without making any other plan adjustments will put your group plan in arrears, and could result in eventual plan cancellation. See page 38 for information about plan arrears and cancellation.

How it works:

- We'll return the contributions you have requested as long as they've cleared the banking system. You won't pay tax on this amount.
- If you withdraw your contributions at a time when your beneficiary is not attending a post-secondary school and program that would qualify for an EAP under the Tax Act, we will have to return the CESG/ACESG, QESI/AQESI and SAGES to the appropriate government and you'll lose this grant contribution room.
- If you withdraw contributions after you have had your plan for 60 days, the sales charge and other fees paid to date will not be refunded to you.
- If you withdraw all of the contributions in your group plan before its maturity date it will be discontinued. See page 38 for more information about discontinuing a group plan.

COSTS OF INVESTING IN THIS PLAN

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

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.

	FEE	WHAT YOU PAY	WHAT THE FEE IS FOR	WHO THE FEE IS PAID TO
Paying off the sales charge For example, assume that you buy one unit of the group plan on behalf of your newborn child, and you will make 208 monthly contributions. All of your first 10 contributions go toward the sales charge until half of the sales charge is paid off. Then after that half of your next 21 contributions go toward the sales charge until it's fully paid off. In this example, altogether, it will take you 31 months to pay off the sales charge. During this initial period, 67% of your contributions will be used to pay the sales charge and 33% of your contributions will be invested in your plan.	Sales charge	• $100 per unit Charged against your first contributions: • 100% of each contribution until half of the total fee has been paid, then • 50% of each contribution until the fee is paid in full. The percentage of the sales charge as compared to total contributions will vary between 2.2% and 22.2% depending on the contribution option selected – which will depend on the age of the beneficiary at enrolment and how frequently you wish to make contributions to your plan.	One-time commission for selling you your group plan	Paid to the Distributor Sales representatives receive compensation from the sales charge.
	Depository fee	Based on your contribution schedule: • $10/year if you're making monthly contributions (plus GST/HST) • $6.50/year if you're making annual contributions (plus GST/HST) • $3.50/year if you're making a single contribution (plus GST/HST)	Fee for processing your contributions	Paid to the Manager

The sales charge will not be increased without subscriber approval. Increases in the depository fee do not require subscriber approval.

Fees the Plan pays

The following fees are payable from the Plan's earnings. 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
Management fee	• Currently between 0.6 and 1.1 of 1% per year (plus GST/HST) • The Management fee weighted average (calculated on a market value basis) for the 2015 fiscal year was 0.7%. • Calculated based on the total amount all subscribers have in the group plan. • Deducted from total income monthly before income is allocated to your plan.	Covers ongoing costs of supporting the Plan including investment portfolio management, administration and for holding your plan's assets in trust	Paid to the Manager, portfolio advisors and custodian
Independent review committee (IRC) fee	For the year ended April 30, 2015 $107,420 was paid, shared by all Plans including the Classic Plan; $102,340 in respect of the group plan. This was paid as follows: Chairperson – $20,000 (plus tax) Each Member – $15,000 (plus tax) Secretariat fee – $40,000 (plus tax) Meetings – $5,062 (plus tax)	Fee for providing IRC services for subscribers as required for all publicly offered investment funds	IRC members

Increases in these plan fees do not require subscriber approval.

Transaction fees

We will charge the following fees (plus applicable taxes) for the transactions listed below.

FEE	AMOUNT	HOW THE FEE IS PAID	WHO THE FEE IS PAID TO
• NSF payments • Cheque replacement • Transferring funds to an RESP offered by another provider • Switching a beneficiary • Changing your contribution • Maturing your plan early	• $25 per item • $10 per cheque • $95 per transfer • $20 per change • $20 per change • $10 per change	• One-time fee for specific transactions or administration • Deducted from your contributions	Paid to the Manager

We will notify you before we add to or change any transaction fee.

Fees for additional services

The following fees are payable for the additional services listed below.

FEE	WHAT YOU PAY	HOW THE FEE IS PAID	WHO THE FEE IS PAID TO
Insurance premium	17 cents for every $10 you contribute (plus the applicable provincial sales tax in some provinces) Not charged: • on one-time contributions • if all subscribers to your plan are under 18 or over 64 • if subscriber resides in the province of Quebec and has opted out of insurance	An insurance premium for group life and total disability insurance is deducted from each of your deposits	• Paid to Sun Life Assurance Company • The Manager receives 25% of the premiums from the insurance company

Return of amount equivalent to all or part of the sales charge

The Foundation uses available funds in the discretionary payment account to supplement the EAPs paid to beneficiaries, which can include the return of an amount equivalent to all or part of the sales charge paid by you. To receive this supplement, beneficiaries must qualify for EAPs under their group plan. As part of the EAP to the beneficiary this supplement is taxable in their hands.

The amount of funds available in the discretionary payment account for these purposes is affected by the amount of funds in the EAP account from which investment income is earned for the discretionary payment account, the rate of return on group plan investments, and other sources of income for the discretionary payment account (such as EAPs that were deferred and then forfeited) and the amount of money in the discretionary payment account available from prior years. **Discretionary refunds are not guaranteed**. You should not count on receiving a discretionary refund. The Foundation decides if it will provide a fee refund in any year. The Foundation expects to continue to use available discretionary payment account funds to supplement EAPs in the group plan, including the fee refund. However, this supplement is not guaranteed and the amount of available funds cannot be reasonably predicted since the funds in the discretionary payment account are affected by the factors listed above. The Foundation does not guarantee that any portion of the discretionary payment account will be used to supplement future EAPs and therefore no specific funding policy exists with respect to these supplements. See page 44 to see what the Foundation has paid from the discretionary payment account in the past.

MAKING CHANGES TO YOUR PLAN

Changing your contributions

You can change your contribution amount and frequency at any time. For example you could change from monthly or yearly contributions to a one-time, lump sum contribution. Choosing to change your contribution schedule will not change the number of units in your plan. In some circumstances you may need to pay an income adjustment, which will be calculated by the Foundation based on actual returns experienced by the group plan during the period in question.

You can choose to increase or decrease your contribution amount without changing your contribution frequency. To increase your contribution amount you can either add units or partial units to your existing plan, or open a new plan. If you wish to add units to your existing plan you'll need to provide a lump sum deposit to make up the additional contributions (plus any insurance premiums and applicable taxes) that would have been made in respect of the additional unit(s) or partial unit going back to the beginning of your plan, plus any income that these additional contributions would have earned. Your make-up deposit, plus future contributions expected under your contribution schedule, cannot exceed the lifetime RESP contribution limit of $50,000. Your beneficiary must be under 13 years of age and a Canadian resident to add units to your plan.

For more details on reducing your contribution amount see "You can contribute less" on page 29 in this prospectus.

There is a $20 fee (plus tax) for changing your contributions. Contact us if you wish to change your contributions and we will send you the appropriate paperwork for your review and signature.

Re-activating discontinued units

We'll keep the sales charge paid to date and income related to the discontinued units in your plan as a future credit to you. You have two years to reactivate discontinued units. If you only reactivate some of the units, you will receive the sales charge credit only for the units you reactivate. The income that was earned on the units you don't reactivate will stay in the plan.

To reactivate units you'll need to make a lump sum deposit equal to:

- the contributions returned to you when you discontinued the units
- the contributions you missed (plus any insurance premiums and applicable taxes) that relate to the discontinued units
- the income that would have accumulated on the units if they had not been discontinued. This income adjustment is calculated based on the actual returns experienced by the group plan during that period.

Your make-up deposit, plus contributions expected under your current contribution schedule, cannot exceed the RESP lifetime contribution limit of $50,000.

Changing the maturity date

If your beneficiary is going to a post-secondary school and program sooner than expected, you can apply for an earlier year of maturity. We'll return the contributions in your plan earlier and your beneficiary will begin receiving EAPs sooner. Just write to us if you wish to change your maturity date and we'll send you the appropriate paperwork.

How it works:

- we'll change your year of maturity and year of eligibility to an earlier year
- we'll transfer the income to the EAP account for your new beneficiary group income pool
- we'll convert some of the contributions in your plan to treat them as income, based on what we estimate the money would have earned if it had remained in your plan until the original maturity date. These contributions won't be returned to you when your plan matures, and the income will be included in the beneficiary's taxable income when he or she receives it as part of an EAP.

There is a $10 fee (plus taxes) for this change.

If you know your beneficiary isn't going to be ready to start college or university in your plan's scheduled year of maturity, you can apply to delay the year of maturity and receive your contributions later. You will need to apply in writing to the Foundation before your currently scheduled maturity date.

Changing your beneficiary's year of eligibility

Choosing a later year of eligibility will allow you to delay your beneficiary's first EAP. Just write to us if you wish to change your beneficiary's year of eligibility.

The Foundation will approve the request as long as:

- the beneficiary receives the first EAP before he or she turns 22 years old
- he or she has enough time to receive all three EAPs before the end of the 35th year after the year in which you opened your plan, to meet the requirements of the Tax Act
- you make your request before November 1 of your plan's currently scheduled year of eligibility.

Although it is the policy of the Foundation that a change in the year of eligibility will be granted until the beneficiary turns age 22, a change in the year of eligibility beyond the year the beneficiary turns 22 years of age will also be considered by the Foundation.

Changing the subscriber

Under the Tax Act the subscriber of an RESP can be changed if you die or your marriage breaks down. Under these circumstances your spouse or common-law partner can become the subscriber of your plan. If the subscriber to the plan is a public primary caregiver, then another person or another public primary caregiver can replace this subscriber with appropriate written agreement between them.

The request to change the subscriber must be made to us in writing. We will also need appropriate paperwork to verify that the conditions under the Tax Act relating to a subscriber replacement have been met.

If the person who becomes the subscriber is not your spouse or common-law partner, any income he or she receives from the plan (other than as a part of an EAP) will be included in his or her taxable income in the year it's received. In this case, all income received from the plan as an accumulated income payment — whether it's contributed to an RRSP or not — will be subject to the additional 20% tax.

You can also add a joint subscriber to your plan but he or she must be your spouse or common-law partner.

Changing your beneficiary

You are able to switch the beneficiary in your plan. For example, if the original beneficiary in your plan won't be eligible for EAPs, switching the beneficiary is an option.

You will need to give us a valid social insurance number for the new beneficiary, and proof that he or she is a Canadian resident.

You can switch the beneficiary in your plan any time before the plan matures as long as the current beneficiary in the plan is under 19 years of age.

If the new beneficiary isn't the same age as the current beneficiary, you can change the maturity date to meet the needs of the new beneficiary. You will have to change the amount and number of contributions you're making to the plan to correspond to the new maturity date. If the new beneficiary is older than the original beneficiary, you will also have to pay an income adjustment, which will be calculated by the Foundation.

You will have to repay all of the Canada Learning Bond that might have been collected for the current beneficiary if you switch the beneficiary in the plan. You may have to repay all or some of the other government grants as well. Some government grants can be kept in the plan if:

- the new beneficiary is under 21 years old at the time of the switch, and both beneficiaries have at least one parent in common, or
- both beneficiaries are under 21 years old at the time of the switch, and are related to an original subscriber of your plan (by blood or adoption).

If the new beneficiary already has an RESP or contributions have already been made to the plan for the new beneficiary, total contributions for the new beneficiary may be higher than the maximum allowed by the Tax Act, and you may have to pay a penalty tax. See page 12 for more information

The plan will still expire no later than the end of the 35th year following the year you opened it.

There is a $20 fee (plus taxes) for this change.

Death or disability of the beneficiary

If it appears as though your beneficiary will not attend eligible studies and not qualify for EAPs under the group plan as a result of a disability you have the option of transferring your plan to a family individual plan (see "Transferring your Plan"). Under the family individual plan you can request an accumulated income payment for income earned in your group plan, or your beneficiary might qualify for EAPs under the individual plan. You also have the option of switching the beneficiary on your plan (See "Changing your beneficiary"). Both of these options are available to you any time prior to your plan's maturity date provided that the current beneficiary is under 19 years old.

If your beneficiary dies before September 1 of your plan's year of eligibility, you can switch the beneficiary on your plan. You must let us know within 90 days of the beneficiary's death. We can switch the beneficiary provided that the new beneficiary, at that time, is not already qualified to receive EAPs under the group plan.

If it is after the maturity date of the plan, it is a current policy of the Manager to reimburse the subscriber an amount equal to the EAPs that would have been paid from that beneficiary's group income pool to the beneficiary, plus any sales charge paid, if the beneficiary will not attend eligible studies and will not qualify for EAPs under the group plan as a result of a disability or death, and a plan transfer or switch of beneficiary has not been exercised. In addition, income earned on government grants in your plan may be issued to you as an accumulated income payment. The disability must be one that will permanently prevent the beneficiary from pursuing eligible studies under the group plan, as certified by a medical doctor. A death certificate must be provided in the event of death of the beneficiary. Contact us to discuss these options and make appropriate arrangements.

TRANSFERRING YOUR PLAN

Transferring to the family individual plan

If it appears as though your beneficiary will not qualify for the EAPs under the group plan, you can transfer the contributions, income, government grants and grant income in your plan to the family individual plan for the same beneficiary any time before your group plan matures. The beneficiary must be under 19 years old at the time of the transfer.

Transferring to the family individual plan:

- may make it easier for your beneficiary to qualify for EAPs
- will keep your insurance coverage intact
- may allow you to withdraw income that isn't used for EAPs, or to roll it into your RRSP.

EAPs are calculated differently in the family individual plan and do not include group attrition, return of an amount equal to all or part of sales charge paid or discretionary payment supplements from the Foundation.

When you transfer to the family individual plan we'll offer you a credit for the sales charge you've paid to date per unit.

How it works:

- you make a request to transfer your plan and complete an application for the family individual plan.

We'll transfer:

- the contributions in your plan
- the income your contributions have earned, and
- government grants and the income they've earned.

The transaction fee for plan transfers described on page 33 will not be charged if you transfer from the group plan to the family individual plan.

Once you have transferred from the group plan to the family individual plan you cannot transfer back to the group plan.

Transferring to Flex First

If it appears as though your beneficiary will not qualify for the EAPs under the group plan, you can transfer the contributions, government grants and grant income in your plan to a Flex First Plan for the same beneficiary any time before your group plan matures. The beneficiary must be under 19 years old at the time of the transfer.

EAPs are calculated differently in Flex First and do not include group attrition or return of an amount equal to all or part of sales charge paid. The fee structure of Flex First is different than the group plan and could result in you paying more, or less, in fees if this transfer is made.

When you transfer to Flex First we'll offer you a credit for the sales charge you've paid to date.

How it works:

- you make a request to transfer your plan and complete an application for Flex First
- we'll transfer the contributions in your plan (less fees) and the income earned on government grants to Flex First
- the income earned on your contributions will remain in the group plan and be transferred to your beneficiary group income pool

We'll transfer all or some of the government grants if:

- for the Canada Learning Bond, the same beneficiary is in both RESPs.

For all other government grants,

- either the beneficiary in Flex First is under 21 years old when the Plan is entered into and has at least one parent in common with the beneficiary in the plan you're transferring from, or
- the same beneficiary is in both RESPs.

Otherwise, you may have to repay all or some of the government grants.

The transaction fee for plan transfers described on page 33 will not be charged if you transfer from the group plan to Flex First.

Once you have transferred from the group plan to Flex First you cannot transfer back to the group plan.

Transferring to another RESP Provider

You have the flexibility to transfer to another RESP provider at any time, as long as it's allowed by the Tax Act.

How it works:

- you make a request to transfer your plan and complete an application for the new RESP
- we'll transfer the contributions in your plan (less fees) and the income earned on government grants to the new RESP
- the income earned on your contributions will remain in the group plan and be distributed to other beneficiaries in your beneficiary group.

We'll transfer all or some of the government grants if:

- the new RESP meets the requirements of the Tax Act and the government grants act, and
- for the Canada Learning Bond, the same beneficiary is in both RESPs.

For all other government grants,

- either the beneficiary in the new RESP is under 21 years old when the new Plan is entered into and has at least one parent in common with the beneficiary in the plan you're transferring from, or
- the same beneficiary is in both RESPs.

Otherwise, you may have to repay all or some of the government grants. There are special rules if the new RESP allows more than one beneficiary, for example every beneficiary must be a brother or sister of every other beneficiary in the plan.

If the new RESP is not for the same beneficiary as your plan, and the new beneficiary already has an RESP, or contributions have already been made to the plan for the new beneficiary, total contributions for the new beneficiary may be higher than the maximum allowed by the Tax Act, and you may have to pay a penalty tax. Turn to page 12 for more information.

There is a $95 transaction fee (plus tax) for this change.

Transferring to this Plan from another RESP Provider

You can transfer an RESP from another provider into the group plan, as long as it's allowed by the Tax Act.

How it works:

- you make a request to transfer your RESP and complete an application for the group plan
- your beneficiary must be under 13 years old and a Canadian resident
- plan assets are transferred from the other RESP promoter into the group plan
- if the same beneficiary is on both Plans, he or she does not have to be a Canadian resident or have a SIN; however, if this is the case no other contribution can be made to the plan (except the funds that are being transferred).

Government grants will be transferred if:

- the group plan offers those government grants, and
- for the Canada Learning Bond, the same beneficiary is in both plans.

For all other government grants:

- either the beneficiary in the group plan is under 21 years old when the new Plan is entered into and has at least one parent in common with the beneficiary in the plan you're transferring from, or
- the same beneficiary is in both plans.

Otherwise, you may have to repay all or some of the government grants.

If the group plan is not for the same beneficiary, and the new beneficiary already has an RESP, or contributions have already been made to the plan for the new beneficiary, total contributions for the new beneficiary may be higher than the maximum allowed by the Tax Act, and you may have to pay a penalty tax. Turn to page 12 for more information.

DEFAULT, WITHDRAWAL OR CANCELLATION

If you withdraw from or cancel your plan

You have the right to withdraw from your plan and get back all of your deposits (including any fees or expenses paid) if you make this request to us, in writing, within 60 days of signing the application form for your plan.

You can also ask us to cancel your plan. This request must also be in writing. If you cancel your group plan after the first 60 days you will only get back your contributions, less fees and expenses paid to date. The income earned on the contributions in your plan will not be returned upon cancellation but rather will be transferred to the group income pool for your plan's beneficiary group. When you cancel your plan and withdraw your contributions, whether it is before or after the first 60 days of enrolment:

- any government grants received will be returned to the government;
- this government grant contribution room will be lost (with the exception of the Canada Learning Bond (CLB) as lifetime CLB entitlement is not affected by a repayment); and
- the withdrawn amount will be included as an RESP contribution when determining the $50,000 RESP contribution limit, even though the contributions were withdrawn.

Any government grants you've received will be returned to the appropriate government when you cancel your plan. Income earned on government grants can be issued to you as an accumulated income payment if you qualify under the Tax Act.

If your plan goes into default

If you miss two or more contributions under your contribution schedule your plan will be considered in default. We will advise you that your plan is in arrears on your annual statement of account, and through communications (such as letters, emails and/or phone calls) sent to you.

If you have your sales charge paid in full plus a minimum plan balance of $350 (not including government grants or income earned on government grants), you can miss contributions specified under your contribution schedule. In order to maintain eligibility for the same EAPs as if the default had not occurred, you must make up these missed contributions before your plan's maturity date. You will also have to make up the income that would have been accumulated if you had made your contributions as scheduled. This income adjustment is calculated based on the actual credited returns of the group plan during the period in question. So you will need to make a lump sum deposit equal to the contributions you missed (plus any insurance premiums and applicable taxes) and the income that would have accumulated on them. Your make-up deposit plus any other contributions expected under your current contribution schedule cannot exceed the lifetime contribution limit of $50,000. See "How taxes affect your plan" for more information.

If making up the full amount of the lump sum deposit is onerous or otherwise not your desire, you also have the option of reducing units which will reduce the amount of the lump sum deposit. Reducing units will reduce the EAPs that would otherwise be received if you had kept the same number of units in your plan.

If neither of these options suits you to make up the missed contributions you also have the option of transferring your plan to a family individual plan any time prior to your maturity date, as long as the beneficiary is under the age of 19. In the family individual plan there will be no need to make up the missed contributions if you do not want to. Note though that the family individual plan does not have a group pool and EAPs are made solely from the income earned in your family individual plan. See "Transferring to the family individual plan" on page 36 for more details.

Under securities legislation the income your plan has earned, per unit, at the maturity date needs to be similar to the amount of income earned, per unit, at the maturity date of other plans in your beneficiary group. If this is not the case by the time your plan reaches its maturity date because you have missed contributions and not made up the deficiency (both contributions and income), we will reduce the number of units in your plan as noted below.

If your plan is in arrears and you do not, before your plan's maturity date, either: (i) make up the contribution arrears and income that would have accumulated on those contributions (with the same number of units or reduced units), or (ii) transfer the plan assets to a family individual plan, the Manager will automatically reduce the number of units in your plan just prior to your maturity date. The units will be reduced as appropriate to ensure that the income accumulated per unit in your plan is equivalent to the average income accumulated per unit on contributions made under other group plans that have the same year of eligibility as your plan. Your beneficiary will then be eligible for EAPs based on the reduced number of units. See "If you have difficulty making contributions" for more information.

If we discontinue your plan

We can discontinue your plan:

- if you stop making contributions to your plan as per your contribution schedule and you have a plan balance of less than $350 (not including government grants or income earned on government grants) or your sales charge is not paid in full; or
- 15 days after we send you a final notice of arrears, if you have missed contributions specified under your contribution schedule, and haven't arranged to make them (plus any insurance premiums and applicable taxes), and the income deficiency, up prior to your plan's maturity date. We'll send the final notice at least 15 days after we send you the first notice. We'll send the first notice at least 90 days prior to your plan's maturity date.

How it works:

- Your insurance coverage will end.
- You will get your contributions back. We'll return the contributions in your plan (less fees) when your plan is discontinued, as long as they've cleared the banking system. You won't pay tax on this amount.
- We will hold the income earned in your plan for up to two years in case you wish to re-instate it.
- We'll return the CESG/ACESG, QESI/AQESI and/or SAGES in your plan when your contributions are returned, and you'll lose this grant contribution room.
- You may be able to receive the income your government grants earned as an accumulated income payment. See page 43 for more details.

If we discontinue your plan because you have stopped making contributions under the conditions noted above, and your beneficiary is under the age of 14, you will have to ask us to return your contributions because they won't be returned automatically.

Re-activating your group plan

You have up to two years to reactivate a discontinued group plan.

We'll keep the sales charge paid and income earned in your plan as a future credit to you for up to two years. We will also keep any government grants in your plan (other than any CESG/ACESG, QESI/AQESI and/or SAGES that we were required to return to the government if contributions were withdrawn upon discontinuation) until either you reactivate your plan or until it is cancelled. You will have two years to reactivate your plan, or until your beneficiary turns 14 years old (whichever comes first).

To reinstate your plan and maintain eligibility for the same EAPs as if the plan discontinuation had not occurred, you will need to make a lump sum deposit equal to the contributions we returned to you upon discontinuation, the contributions you missed (plus any insurance premiums and applicable taxes) and the income that would have accumulated on them if they had been made as per your contribution schedule. This income adjustment is calculated based on the actual returns experienced by the group plan during that period. Your make-up deposit plus any other contributions you've made to the plan cannot exceed a lifetime contribution limit of $50,000. If you only reactivate some of your units, you'll receive the sales charge credit only for the units you reactivate and the reduction in units will reduce the amount of EAPs. The income related to units you don't reactivate will stay in your plan.

Your insurance coverage will resume once you've given us your make-up deposit and started contributing regularly again.

If you don't reactivate your plan within two years, or before your beneficiary turns 14 years old (whichever comes first) it will cancel. Once this occurs we will be unable to reinstate this plan.

If your plan cancels or expires

Your group plan will expire on December 31 of the 35th year after the year in which you opened your plan. Once your plan is expired we will be unable to reinstate this plan.

Your group plan will cancel if:

- your plan has been transferred to another RESP,
- your plan has been discontinued for at least two years and not re-activated, or
- an accumulated income payment of grant income has been issued. We'll cancel your plan on the last day of February in the year after you receive an AIP.

How it works:

- your insurance coverage will end
- your plan will no longer be an RESP
- we'll terminate your plan with the CRA
- we'll return the contributions in your plan (less fees), as long as they've cleared the banking system. You won't pay tax on this amount
- you won't receive the income your contributions earned. Income earned in your plan will remain in the group plan and be transferred to your beneficiary group income pool
- government grants in your plan will be returned to the appropriate government
- you may be able receive the income your government grants earned as an accumulated income payment. See page 43 for more details

What happens when your plan matures

In your year of maturity, which is generally the first year of college or university for your beneficiary, we will return your contributions (less any fees and withdrawals or adjustments you make) to assist with the costs associated with first year of post-secondary studies. If we return your contributions before your beneficiary begins a post-secondary school and program that would qualify for an EAP under the Tax Act, you may have to pay back the CESG/ACESG, QESI/AQESI and/or SAGES.

To avoid this, we will send to you a notice in the months before your maturity date that outlines your options and can be used to provide us with your instructions regarding return of contributions. If you don't tell us when you want to receive your refund of contributions, we'll keep your contributions for up to two years after your plan's maturity date, to avoid having to return the CESG/ACESG, QESI/AQESI and/or SAGES. If we haven't heard from you by the end of the two-year period, we'll send you a cheque and return the government grants to the government.

If your plan doesn't have any CESG/ACESG, QESI/AQESI or SAGES we'll send the contributions in your plan to you within 60 days of your plan's maturity date, as long as we've received confirmation that your contributions have cleared the banking system.

At your plan's maturity date the income earned in your plan will be transferred into your beneficiary group income pool to be used by qualified beneficiaries receiving EAPs from the pool.

IF YOUR BENEFICIARY DOES NOT ENROL IN ELIGIBLE STUDIES

A beneficiary who does not enrol in eligible studies will not receive EAPs from the income transferred into his or her beneficiary group income pool.

You can switch the beneficiary in your plan

If it does not appear as though the original beneficiary in your plan will qualify for EAPs, switching the beneficiary in your plan is an option.

See "Changing your beneficiary" on page 35 for more information on this option.

You can transfer to the family individual plan before your group plan matures

If you are not sure that your beneficiary will receive EAPs in the group plan, you can transfer the contributions, income, government grants and grant income in your group plan to the family individual plan for the same beneficiary any time before your group plan matures. The beneficiary must be under 19 years old at the time of the transfer.

Transferring to the family individual plan:

- may make it easier for your beneficiary to qualify for EAPs
- will keep your insurance coverage intact
- may allow you to withdraw income that isn't used for EAPs, or to roll it into your RRSP.

See "Transferring to the family individual plan" on page 33 for more information on this option.

You can cancel your plan

You also have the option of cancelling your plan if your beneficiary does not enrol in eligible studies.

See "If you withdraw from or cancel your plan" on page 37.

RECEIVING PAYMENTS FROM YOUR PLAN

Return of contributions

You are entitled to a return of your contributions (less fees and withdrawals or adjustments you make) at any time by writing to us. You can have this money paid to you or directly to your beneficiary.

If there are government grants in your plan we will send you a notice before your plan's maturity date that you can use to provide us with your instructions regarding return of your contributions. If your beneficiary is not attending post-secondary studies in your maturity year you may wish to delay your maturity date. If you withdraw contributions from your RESP while your beneficiary is not attending a post-secondary school and program that would qualify for an EAP under the Tax Act, we will have to return the CESG/ACESG, QESI/AQESI and/or SAGES to the government.

If you do not have any CESG/ACESG, QESI/AQESI or SAGES in your plan we will automatically send you a cheque to return your contributions within 60 days of your maturity date, as long as they have cleared the banking system.

We'll also remind you at that time that you have the option to transfer to the family individual plan if it doesn't look like your beneficiary will attend eligible studies under the group plan.

Educational assistance payments (EAPs)

Beneficiaries must attend a post-secondary institution and program that qualifies for an RESP under the Tax Act and under the group plan. See Summary of Eligible Studies on page 26 of this prospectus. Your beneficiary is eligible for up to three educational assistance payments paid over three calendar years starting in his or her year of eligibility. One-third of the beneficiary group income pool will be disbursed in each of these three years.

EDUCATIONAL ASSISTANCE PAYMENTS		
First Payment	**Second Payment**	**Third Payment**
Second year of eligible studies (Year of eligibility) Usually paid in September and December, but can be made at different times depending on when the student attends classes	Third year of eligible studies Usually paid in September and December, but can be made at different times depending on when the student attends classes	Fourth year of eligible studies Usually paid in September and December, but can be made at different times depending on when the student attends classes
Paid to your beneficiary	**Paid to your beneficiary**	**Paid to your beneficiary**

If your beneficiary attends eligible studies in only one, two or three years, he or she will not qualify for all three EAPs and will receive a lower total amount from the income pool than beneficiaries who enrol in eligible studies for four years.

You or your beneficiary must contact us by November 1 of each year, starting with the year of eligibility, to tell us whether we should:

- change your year of eligibility (see page 35)
- pay an EAP (your beneficiary will need to provide proof that he or she has been accepted and is enrolled in eligible studies), or
- defer an EAP (see page 43)

We will send you a form each year your student is eligible to receive an educational assistance payment that can be used to verify post-secondary enrolment and provide payment instructions for that year. If we don't hear from you or your beneficiary by November 1 in any of these years, we will assume he or she is dropping out of the pooled RESP program and your beneficiary will no longer be eligible for EAPs in the future under the group plan.

The Foundation is committed to supporting post-secondary education in Canada and as such, if your beneficiary has been disqualified from receiving EAPs from the group plan and you believe there are extenuating circumstances that should be considered, the Foundation has an Appeals Process available.

Please call us at 1 800 363-7377 if you have questions about qualifying for EAPs.

How we determine educational assistance payment amounts

Each EAP has two components:

- the group plan payment per unit, and
- government grants and grant income in your plan

GROUP PLAN PAYMENT PER UNIT	GROUP PLAN PAYMENT PER UNIT	GROUP PLAN PAYMENT PER UNIT
Year of Eligibility (YOE)	**1st year following YOE**	**2nd year following YOE**
First Payment: one-third of the income in the beneficiary group income pool	**Second Payment: one-half of the remaining income in the beneficiary group income pool**	**Third Payment: the remaining income in the beneficiary group income pool**
divided by the number of units held by beneficiaries in your beneficiary group who qualify for EAPs that year **plus** • money the Foundation issues from the discretionary payment account **Government Grants** • one-third of the government grants in your plan **plus** • one third of the grant income in your plan	**divided by** the number of units held by beneficiaries in your beneficiary group who qualify for EAPs that year **plus** • money the Foundation issues from the discretionary payment account **Government Grants** • one half of the government grants remaining in your plan **plus** • one-half of the grant income in your plan	**divided by** the number of units held by beneficiaries in your beneficiary group who qualify for EAPs that year **plus** • money the Foundation issues from the discretionary payment account **Government Grants** • the remaining government grants in your plan **plus** • the remaining grant income in your plan

The amount your beneficiary receives will depend on:

- how much you've contributed to your plan
- the government grants in your plan
- how much income your contributions and government grants have earned (See "How the Plan Has Performed")
- how many units you have in your plan
- the group plan payment per unit calculated for your beneficiary group that year.

The Foundation determines the group plan payment per unit for each eligible beneficiary group in December. There are two components to the group plan payment:

1. a basic amount from money in the beneficiary group income pool (EAP account). This amount is affected by:
   - the number of units held by beneficiaries in your beneficiary group who qualify for EAPs
   - the amount of income from plans in your beneficiary group that cancel before they mature as this income is allocated to the EAP account for your beneficiary group
   - the amount of income from plans for beneficiaries in your beneficiary group who don't qualify for EAPs as this income remains in the EAP account for your beneficiary group

The income in each EAP account is shared by beneficiaries in the beneficiary group who qualify for EAPs.

2. a supplement to the basic amount from funds in the discretionary payment account. This amount is affected by:
   - the amount the Foundation issues from the discretionary payment account. This amount is at the Foundation's discretion and will change from year to year. In 2014, the Foundation paid $5.6 million from the discretionary payment account to group plan beneficiaries.

In addition, as a not-for-profit corporation, the Foundation is able to share available excess revenue with students receiving EAPs in the group plan, at its discretion. In 2014, we supplemented payments to group plan beneficiaries by $2.32 million.

If your beneficiary's EAP will be more than $5,000 but he or she hasn't completed 13 consecutive weeks of eligible studies in the 12 months before the payment is scheduled to be made, we'll pay $5,000 first, and then pay the balance after the beneficiary has completed 13 weeks of study. If your beneficiary's expenses are higher than $5,000 in the first 13 weeks, contact us and we'll apply to the Minister of Employment and Social Development to have the limit increased. This maximum amount is $2,500 for a specified program.

Under the Tax Act, beneficiaries are eligible to receive EAPs up to six months after they have stopped attending eligible studies, provided that they would have otherwise qualified for the payment.

Payments from the EAP accounts (beneficiary group income pools)

A portion of each EAP consists of a beneficiary's share of the EAP account for that beneficiary group. The rest of an EAP is made up of the beneficiary's government grants, the earnings on those government grants and the amount of money the Foundation issues from the discretionary payment account as a discretionary EAP supplement. The EAP accounts hold the income earned on contributions made by subscribers. Specifically it holds the income earned on contributions of subscribers whose plans have matured and of subscribers who have cancelled their plan or whose plan was cancelled by us. There is a separate EAP account for each beneficiary group.

Past breakdown of income in the EAP accounts

The table below shows the breakdown of income in the EAP accounts 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 contributions depends on the performance of the Plan's investments. The amount of income from cancelled plans depends on how many plans were cancelled and transferred income to the EAP account, as well as the investment performance of that money.

	BENEFICIARY GROUP				
	2014	2013	2012	2011	2010
Income earned on contributions from matured plans	96.5%	96.9%	96.8%	97.0%	97.14%
Income earned on contributions from cancelled plans	3.5%	3.1%	3.2%	3.0%	2.9%
EAP account total	100%	100%	100%	100%	100%

Past payments from the EAP accounts

The table below shows how much was paid from the EAP accounts per unit for the five beneficiary groups that most recently reached their year of eligibility. Keep in mind that scholarship plans are generally long-term investments. 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.

	PAYMENTS PER UNIT FROM EAP ACCOUNTS BY BENEFICIARY GROUP				
	2014	2013	2012	2011	2010
Second Year	$205	$217	$229	$234	$246
Third Year	See note 1	$226	$249	$262	$279
Fourth Year	See note 1	See note 1	$257	$281	$314

Note 1: The amount is not shown because the beneficiaries in this beneficiary group are not yet enrolled in that year of studies.

Changing the EAP payment schedule

If your beneficiary isn't entering the second year of eligible studies in his or her year of eligibility, you can choose a later year of eligibility. Choosing a later year of eligibility will allow you to delay your student's first educational assistance payment.

The Foundation will approve the request as long as:

- the student receives the first educational assistance payment before he or she turns 22 years old
- he or she has enough time to receive all three educational assistance payments before the end of the 35th year following the year in which you opened your plan, to meet the requirements of the Tax Act, and
- you make your request before November 1 of your plan's current year of eligibility.

If your beneficiary takes a year off after receiving an EAP from the Plan, you can ask us to defer his or her second or third EAP for one year. Or if your beneficiary does not continue eligible studies after receiving their first EAP from the Plan he or she may be able to defer a payment if they are planning to go back to eligible studies. Deferrals of more than one year are at our discretion.

We'll keep the deferred payment amount in a special account and pay it to the beneficiary a year later as long as he or she returns to eligible studies. Deferred payments cannot be issued after December 31 of the 35th year after the year in which you opened your plan.

If the beneficiary can't meet these criteria, we'll cancel your plan and any remaining income that was transferred to your beneficiary group income pool will stay in the group plan and be issued to qualified beneficiaries. You may be able to receive the grant income that remains in your plan as an accumulated income payment.

Accumulated income payments

You may be able to receive the income your government grants earned if you're a Canadian resident and:

- your plan is at least 10 years old, and
- every beneficiary who has been a beneficiary of your plan is at least 21 years old and not eligible for an EAP,

  or
- it's the 35th year after the year in which you opened your plan,

  or
- every beneficiary who has been a beneficiary of your plan has died

The Minister of National Revenue may allow us to waive some of these conditions if the beneficiary is suffering from a severe and prolonged mental impairment.

Grant income you receive will be taxed as income in the year you receive it and may be subject to an additional 20% tax, or you might be able to transfer up to $50,000 of the grant income to your RRSP or a spousal or common-law partner RRSP as long as you have enough unused RRSP contribution room. If you don't qualify for the grant income or you don't withdraw it, we'll donate it to an educational institution of our choice as required under the Tax Act.

Discretionary payments

Beneficiaries who qualify for EAPs may receive a discretionary payment supplement both in addition to, and as part of their EAPs from these two sources:

- a share of the Foundation's discretionary payment account, including an amount equivalent to up to one-third of the sales charge you paid, with each EAP
- a share in the Foundation's excess revenues

The amount of money available from the discretionary payment account and the excess revenues of the Foundation will vary each year and we cannot guarantee money will be available for these supplements when your beneficiary is receiving his or her EAPs from your plan. Whether the Foundation provides these supplements, and how much they might be is up to the Foundation each year.

The amount of funds available in the discretionary payment account for EAP supplements is affected by the amount of funds in the EAP account from which investment income is earned for the discretionary payment account, investment performance of the group plan, and other sources of income for the discretionary payment account (such as EAPs that were deferred and then forfeited) and the amount of money in the discretionary payment account available from prior years.

The Foundation is a not-for-profit corporation and it has no shareholders. The Foundation therefore is in a position to share its available excess revenue with beneficiaries in the group plans by supplementing their EAPs. In the past 11 years the Foundation has supplemented educational assistance payments to beneficiaries in the group plan by $9.97 million and to beneficiaries in the Classic plan (no longer offered) by $37.2 million from available excess revenue. The amount of funds available from the Foundation to put towards these supplements will depend on its revenues and expenses. In addition, since 1993, the Foundation has paid $145 million from the discretionary payment account of our Classic plan (no longer offered) and $30.4 million from the discretionary payment account of the group plan – including $5.6 million in 2014 – to supplement payments to beneficiaries.

The Foundation expects to continue to supplement EAPs paid to group plan beneficiaries from these two sources. However, there is no funding policy in place for these supplements and therefore the amount of available funds to provide these supplements cannot be reasonably predicted and are not guaranteed. These supplements are entirely at the discretion of the Foundation. **Discretionary payments are not guaranteed.** You should not count on receiving a discretionary payment. The Foundation decides if it will make a payment in any year and how much the payment will be. If we make a payment you may get less than what we have paid in the past. You may also get less than what is paid to beneficiaries in other beneficiary groups.

Past discretionary payments

The table below shows the amount of discretionary payments paid per unit 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 will receive a payment or how much they will receive. We may decide not to make these payments in future years. If we do make payments, they could be less than what we've paid in the past.

	DISCRETIONARY PAYMENTS PER UNIT FROM THE DISCRETIONARY PAYMENT ACCOUNT BY BENEFICIARY GROUP				
	2014	2013	2012	2011	2010
Second Year	$0	$38	$36	$51	$59
Third Year	See note 1	$29	$56	$63	$66
Fourth Year	See note 1	See note 1	$58	$84	$81

Note 1: The amount is not shown because the beneficiaries in this beneficiary group are not yet enrolled in that year of studies.

	DISCRETIONARY PAYMENTS PER UNIT FROM THE FOUNDATION EXCESS REVENUES BY BENEFICIARY GROUP				
	2014	2013	2012	2011	2010
Second Year	$15	$15	$15	$15	$15
Third Year	See note 1	$15	$15	$15	$15
Fourth Year	See note 1	See note 1	$15	$15	$15

Note 1: The amount is not 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 group 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 their EAPs if:

- before your maturity date, you cancel your plan or transfer your plan to another RESP, or we cancel your plan because you stop making contributions and (i) your plan balance is less than $350 (not including government grants or grant income) or (ii) your sales charge is not paid in full. This is known as "pre-maturity attrition;" or
- after your maturity date, your beneficiary decides not to pursue a post-secondary education or does not attend eligible studies for the maximum period (4 years) provided for in the Plan. This is known as"post-maturity attrition."

Pre-maturity attrition

If your group plan is cancelled before your plan matures, you will get back your contributions less fees. You will not get back any earnings. The earnings on your contributions up to the time your plan is cancelled will go to the EAP account for your beneficiary group and be paid to the remaining beneficiaries in your beneficiary group as part of their EAPs.

You may, however, be eligible to receive an accumulated income payment on the earnings from the government grants in your plan. See "accumulated income payments" for information on how to determine if you are eligible for an AIP from your plan.

Income from units relating to cancelled plans

The table below shows the current value of the income from units relating to cancelled plans by beneficiary group. The amount of income from cancelled plans that is 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 group plan.

BENEFICIARY GROUP	PERCENTAGE OF UNITS RELATING TO CANCELLED PLANS	TOTAL INCOME FROM CANCELLED UNITS AVAILABLE TO REMAINING UNITS	INCOME FROM CANCELLED UNITS AVAILABLE TO EACH REMAINING UNIT
2020	23%	$1,685,028.11	$7.08 per unit
2021	22%	$1,240,509.01	$5.09 per unit
2022	17%	$879,579.23	$3.59 per unit
2023	14%	$639,537.55	$2.53 per unit
2024	13%	$419,095.23	$1.67 per unit
2025	12%	$265,946.49	$1.09 per unit
2026	11%	$129,752.69	$0.56 per unit
2027	8%	$64,527.31	$0.28 per unit
2028	6%	$24,889.58	$0.11 per unit
2029	4%	$6,629.64	$0.03 per unit
2030	2%	$631.56	$0.00 per unit
2031	1%	$58.42	$0.00 per unit
2032	1%	$0.00	$0.00 per unit
2033	1%	$0.00	$0.00 per unit
2034	0%	$0.00	$0.00 per unit

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 his or her plan, we cancelled his or her plan due to arrears in certain circumstances, the subscriber transferred to another type of plan we offer or the subscriber transferred to another RESP provider.

Of the last five beneficiary groups of the group plan, an average of 39.1% of the plans in each group were cancelled before their maturity dates.

MATURITY DATE OF BENEFICIARY GROUP	PERCENTAGE OF PLANS THAT DID NOT REACH MATURITY
2014	45.2%
2013	44.6%
2012	37.4%
2011	34.1%
2010	34.0%
Average	39.1%

Post-maturity attrition

If your beneficiary does not pursue eligible studies, you will get back your contributions, less fees. You will not get back any earnings. A beneficiary will not receive all three EAPs if he or she does not enrol in four years of eligible studies.

Past payments of EAPs – four years of eligible studies

The table below shows the percentage of beneficiaries who received the maximum of three EAPs under the group 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				
	2012	2011	2010	2009	2008
Beneficiaries who received all 3 EAPs	59.8%	56.7%	53.3%	54.1%	54.4%
Beneficiaries who received only 2 out of 3 EAPs	4.4%	5.9%	8.1%	8.6%	8.2%
Beneficiaries who received only 1 out of 3 EAPs	8.8%	10.6%	11.3%	10.7%	10.6%
Beneficiaries who received no EAPs	27.0%	26.8%	27.2%	26.6%	26.9%
Total	100%	100.0%	100.0%	100.0%	100.0%

OTHER IMPORTANT INFORMATION

What happens if you don't cash your cheque

If you do not, or your beneficiary does not, cash a cheque we send (whether a return of contributions, or an EAP or an AIP) within three years of either the date we issued it, or by the date your plan cancels/expires (whichever is earlier), we'll transfer this money to the discretionary payment account. If the cheque is in respect of an EAP and there are government grants included as part of that EAP, those grants will remain in your plan until your plan is cancelled or expires at which point we'll return any government grants remaining in your plan to the appropriate government.

Specific information about our Plans

FAMILY SINGLE STUDENT EDUCATION SAVINGS PLAN (FAMILY INDIVIDUAL PLAN)

Type of plan

Individual Plan	first sold as of December 9, 1994

WHO THIS PLAN IS FOR

This Plan is for a person who is planning to attend post-secondary studies. To become a beneficiary under the family individual plan the person must be a Canadian resident and have a valid social insurance number ("SIN"). The beneficiary can be you, your child or any other person. He or she does not have to be related to you and can be of any age. If the person is a beneficiary already under an RESP and you are transferring that plan to this Plan for the same beneficiary, he or she does not have to be a Canadian resident and does not need a SIN. However, if this is the case no other contribution can be made except the funds that are being transferred.

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

- they can make all of their contributions following their contribution schedule for at least the first three years of their plan
- they will stay in their plan until it matures
- their beneficiary will attend eligible studies as defined in the Tax Act.

SUMMARY OF ELIGIBLE STUDIES

The following is a description of the post-secondary programs that are eligible studies and qualify for EAPs under the family individual plan. Contact the Manager or your sales representative to find out if the educational programs your beneficiary is interested in are eligible studies, or to obtain a list of eligible post-secondary institutions. You will also find a link on our website to the master list of qualifying educational institutions as defined under the Tax Act. For more information about receiving EAPs, see "Educational assistance payments" on page 57.

What's eligible

Your beneficiary can study at any post-secondary institution that qualifies for an RESP under the Tax Act. This can include:

- Canadian universities, colleges, CÉGEPs, other designated post-secondary educational institutions and some occupational training institutions,
- universities, colleges and other educational institutions outside Canada.

The post-secondary program must,

In Canada;

- be at least 3 consecutive weeks in length and
- require at least 10 hours per week of instruction time, or
- require at least 12 hours per month of instruction time, provided student is over 16 years old (a "specified program")

Outside Canada;

- be at least 13 consecutive weeks in length at a university, college or other educational institution, or
- be at least 3 consecutive weeks in length of full-time studies at a university, and
- be at an institute and program that would qualify for an EAP under the Tax Act

Payments are made to the beneficiary after his or her plan's maturity date. You tell us how much each payment should be, based on your beneficiary's educational expenses. The beneficiary must be a Canadian resident to receive the grant portion of an EAP. The beneficiary must be a resident of Quebec to qualify for the QESI portion of an EAP.

What's not eligible

Your beneficiary can study at any post-secondary institution or program that qualifies for an EAP under the Tax Act. Programs that are taken at post-secondary institutions which are located in Canada or outside of Canada and do not qualify as a designated educational institution may not qualify for an EAP under the Tax Act.

Beneficiaries who do not enrol in eligible studies will not be eligible to receive the government grants collected on their behalf.

RISKS OF INVESTING IN THIS PLAN

Plan risks

In addition to the Plan and investment risks described under "Risks of investing in a scholarship plan" on page 9, the following is a description of the risks of participating in this Plan.

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 do not, or your beneficiary does not, meet the terms of your contract, it could result in a loss and your beneficiary might not qualify for EAPs.

Keep in mind that payments from your plan are not guaranteed. We cannot tell you in advance if your beneficiary will qualify to receive any EAPs from your 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. The amount of the EAP will depend primarily on the investment performance of the Plan.

Investment risks

The value of the investments held by the family individual 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 11.

HOW THE PLAN HAS PERFORMED

The table below shows how the investments in the family individual plan performed in each of the past five financial years ending on April 30. Returns are after fees have been deducted. These fees 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.

	2015	*2014*	*2013*	*2012*	*2011*
Annual Return	7.4%	-1.4%	4.9%	9.5%	5.2%

The Plan allocates income to each plan monthly as described below.

Income from fixed income investments

Interest is allocated to the Plan as it is earned. Realized gains and losses are spread over a five-year period. Unrealized gains and losses are not allocated until they have been realized.

Income from equities

Dividends or distributions are allocated to the Plan in the month in which they are received. Realized and unrealized gains and losses are allocated monthly.

This method of spreading the income allocated to the Plan results in smoother returns to your plan from year to year, which greatly reduces the volatility that can be found in your plan's annual investment rates of return, producing a more even distribution of income to the plan from year to year.

The investment portfolio return and the rate of income allocation may differ from year to year. In some years the investment portfolio return will be higher than the rate of income allocation, and other years, the reverse will be true. Over a longer period of time the rates of return between the two should be close to the same.

See our website at knowledgefirstfinancial.ca for allocated investment returns for the Plan.

MAKING CONTRIBUTIONS

You can make one-time, monthly or annual contributions, following the contribution schedule on page 50.

Contributions must be at least:

- $9.90 per month, or
- $110 per year, or
- a lump sum of $449.

You can contribute up to a maximum of $50,000 per beneficiary to an RESP. You can't contribute to your plan after the 21st year (up to the 31st year with Foundation approval) after the year in which you opened it. Your beneficiary must be a Canadian resident to be able to make contributions to your plan.

If you qualify for the Canada Learning Bond or the BC Training and Education Savings Grant, you can open a family individual plan without making any deposits and just receive the government grants. The contribution schedule on page 50 has an option for this type of plan.

What is a unit

Your contributions correspond to units in your plan. The number of units you will have in your plan depends on how much you contribute, how often you want to contribute, and how many years until your beneficiary starts college or university. The sales charge for your plan is calculated based on how many units you have in your plan.

Your contribution options

You have eight options for making contributions, including lump sum, annual or monthly contributions. You can change your contribution option at any time. See page 49 for more information on changing your contribution schedule.

Contribution schedule

The contribution schedule shows how much you have to contribute per unit. The contribution amount you make depends on how long you wish to invest for and whether you will make a one-time contribution to your plan or make periodic monthly or annual contributions.

Certain fees are deducted from your contributions. For more information, please see "Fees you pay" on page 52. The contribution schedule was prepared with the assistance of Collins Barrow Toronto Actuarial Services Inc., Toronto, Ontario and reviewed in 2015.

How to use the contribution schedule table:

For example, let's assume your beneficiary is a newborn. If you want to make monthly contributions for the full term of the contribution schedule (17.3 years), you will contribute $4.86 each month for each unit you buy. You would make 208 contributions over the life of your plan, for a total investment of $1,010.88 per unit.

If your beneficiary is five years old and you want to make annual contributions for the full term of the contribution schedule (13 years), you will contribute $104.19 each year for each unit you buy. You would have to make 13 contributions over the life of your plan, for a total investment of $1,354.47 per unit.

The contribution schedule has been designed so that all of the options are expected to generate approximately the same amount of income per unit by each plan's maturity date as based on various assumptions including Plan performance. These assumptions were selected by the Foundation for the purpose of determining the contribution amounts so that the expected income per unit at maturity will be approximately equal. The schedule is reviewed each year to ensure that it continues to be reflective of current conditions and circumstances. The actual annual interest rates experienced in the future may be lower or higher than the rate assumed for this schedule. The amounts shown include the sales charge of $100 per unit and the depository fee of between $3.50 and $10.00 per year (plus GST/HST).

If you have difficulty making contributions

You have the following options available to you if you are having difficulty maintaining your contribution schedule.

Your options

- You can temporarily stop contributing.

You're required to follow the contribution schedule for the first three years of your plan. After you've had your plan for three years, you can choose how often you want to contribute to the plan, or stop making contributions altogether, provided at that time the contributions in your plan (not including fees deducted) plus the income earned on contributions equals at least $350.

If you don't make a scheduled contribution within six months of when it was due, your insurance coverage will be cancelled. Once you've started contributing regularly again, your insurance coverage will resume.

Note that if you qualify for the ACESG, you can't carry forward the ACESG your plan didn't receive while you stopped making contributions.

- You can contribute less.

If you have not had your plan for at least three years you might choose to reduce the amount you contribute to your plan by discontinuing units or partial units. You must continue to make contributions of at least $9.90 per month or $110 per year.

If you decide to discontinue units, we'll:

- return the amount of your contributions related to these units, less any fees that you paid
- return the CESG/ACESG, QESI/AQESI and/or SAGES relating to the withdrawn contributions to the applicable government. You will lose this grant room.

If you contribute less than $2,500 a year, you won't receive the maximum CESG, QESI or SAGES.

There is a $20 transaction fee for this change, plus taxes.

- You can change your contribution schedule.

You can change your contribution schedule at any time, for example from monthly or yearly contributions to a one-time, paid-up contribution. After this, no more contributions are required. Note that if contributions stop, so does any further CESG/ACESG, QESI/AQESI and/or SAGES you may be collecting.

There is a $20 transaction fee for this change, plus taxes.

WITHDRAWING YOUR CONTRIBUTIONS

You can withdraw your contributions any time before your plan's maturity date by making this request in writing to the Manager.

How it works:

- We'll return the contributions you have requested as long as they've cleared the banking system. You won't pay tax on this amount.

- If you withdraw your contributions at a time when your beneficiary is not attending a post-secondary school and program that would qualify for an EAP under the Tax Act, we will have to return the CESG/ACESG, QESI/AQESI and/or SAGES to the appropriate government and you'll lose this grant contribution room.
- If you withdraw contributions after you have had your plan for 60 days, the sales charge and other fees paid to date will not be refunded to you.
- If you withdraw all of the contributions and income in your plan it will be cancelled.

Years until your beneficiary goes to college or university	18	17	16	15	14
Contribution options					
Monthly contribution	D-18	D-17	D-16	D-15	D-14
Contribution amount per unit	$4.86	$5.55	$6.24	$7.22	$8.35
Total number of contributions	208	196	184	172	160
Total amount of contributions per unit	$1,010.88	$1,087.80	$1,148.16	$1,241.84	$1,336.00
Annual contribution	B-18	B-17	B-16	B-15	B-14
Contribution amount per unit	$54.06	$60.94	$69.30	$77.65	$89.45
Total number of contributions	18	17	16	15	14
Total amount of contributions per unit	$973.08	$1,035.98	$1,108.80	$1,164.75	$1,252.30
One-time contribution	F-18	F-17	F-16	F-15	F-14
Contribution amount per unit	$449.00	$480.00	$515.00	$555.00	$602.00
Total number of contributions	1	1	1	1	1
Total amount of contributions per unit	$449.00	$480.00	$515.00	$555.00	$602.00
Monthly contribution for 5 years	E-18	E-17	E-16	E-15	E-14
Contribution amount per unit	$9.24	$9.97	$10.81	$11.79	$13.27
Total number of contributions	60	60	60	60	60
Total amount of contributions per unit	$554.40	$598.20	$648.60	$707.40	$796.20
Annual contribution for 5 years	C-18	C-17	C-16	C-15	C-14
Contribution amount per unit	$106.16	$114.02	$123.85	$135.16	$147.94
Total number of contributions	5	5	5	5	5
Total amount of contributions per unit	$530.80	$570.10	$619.25	$675.80	$739.70
Monthly maximizer	J-18	J-17	J-16	J-15	J-14
Contribution amount per unit	$5.89	$6.29	$6.88	$7.86	$8.84
Total number of contributions	126	126	126	126	126
Total amount of contributions per unit	$742.14	$792.54	$866.88	$990.36	$1,113.84
Annual maximizer	G-18	G-17	G-16	G-15	G-14
Contribution amount per unit	$66.84	$72.74	$78.64	$88.47	$96.33
Total number of contributions	10.5	10.5	10.5	10.5	10.5
Total amount of contributions per unit	$701.82	$763.77	$825.72	$928.94	$1,011.47
Grant only plan with CLB or BCTES grants	Z-18	Z-17	Z-16	Z-15	Z-14
Contribution amount per unit	$0.00	$0.00	$0.00	$0.00	$0.00
Total number of contributions	0	0	0	0	0
Total amount of contributions per unit	0	0	0	0	0

	13	12	11	10	9	8	7	6	5	4
	D-13	D-12	D-11	D-10	D-09	D-08	D-07	D-06	D-05	D-04
	$9.87	$11.79	$14.25	$17.44	$20.64	$27.52	$36.37	$49.15	$71.75	$113.04
	148	136	124	112	100	88	76	64	52	40
	$1,460.76	$1,603.44	$1,767.00	$1,953.28	$2,064.00	$2,421.76	$2,764.12	$3,145.60	$3,731.00	$4,521.60
	B-13	B-12	B-11	B-10	B-09	B-08	B-07	B-06	B-05	B-04
	$104.19	$122.87	$147.45	$179.88	$224.12	$286.05	$379.43	$511.16	$717.59	$1,081.30
	13	12	11	10	9	8	7	6	5	4
	$1,354.47	$1,474.44	$1,621.95	$1,798.80	$2,017.08	$2,288.40	$2,656.01	$3,066.96	$3,587.95	$4,325.20
	F-13	F-12	F-11	F-10	F-09	F-08	F-07	F-06	F-05	F-04
	$655.00	$718.00	$793.00	$883.00	$1,020.00	$1,145.00	$1,350.00	$1,650.00	$1,980.00	$2,520.00
	1	1	1	1	1	1	1	1	1	1
	$655.00	$718.00	$793.00	$883.00	$1,020.00	$1,145.00	$1,350.00	$1,650.00	$1,980.00	$2,520.00
	E-13	E-12	E-11	E-10	E-09	E-08	E-07	E-06		
	$14.74	$16.71	$18.67	$22.11	$26.04	$30.96	$38.33	$50.13		
	60	60	60	60	60	60	60	60		
	$884.40	$1,002.60	$1,120.20	$1,326.60	$1,562.40	$1,857.60	$2,299.80	$3,007.80		
	C-13	C-12	C-11	C-10	C-09	C-08	C-07	C-06		
	$164.16	$183.82	$209.37	$243.78	$287.03	$337.16	$412.86	$526.88		
	5	5	5	5	5	5	5	5		
	$820.80	$919.10	$1,046.85	$1,218.90	$1,435.15	$1,685.80	$2,064.30	$2,634.40		
	J-13	J-12	J-11							
	$10.32	$12.09	$14.15							
	126	126	126							
	$1,300.32	$1,523.34	$1,782.90							
	G-13	G-12	G-11							
	$109.11	$125.82	$149.41							
	10.5	10.5	10.5							
	$1,145.66	$1,321.11	$1,568.81							
	Z-13	Z-12	Z-11	Z-10	Z-09	Z-08	Z-07	Z-06	Z-05	Z-04
	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0

COSTS OF INVESTING IN THIS PLAN

There are costs for joining and participating in the family individual plan. The following tables list the fees and expenses of this Plan. You pay some of these fees directly from your contributions. The Plan pays some of the fees and expenses, which are deducted from the Plan's earnings.

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.

	FEE	WHAT YOU PAY	WHAT THE FEE IS FOR	WHO THE FEE IS PAID TO
Paying off the sales charge For example, assume that you buy one unit of the family individual plan on behalf of your newborn child, and you will make 208 monthly contributions. All of your 10 contributions go toward the sales charge until half of the sales charge is paid off. Then after that half of your next 21 contributions go toward the sales charge until it's fully paid off. In this example, altogether, it will take you 31 months to pay off the sales charge. During this time, 67% of your contributions will be used to pay the sales charge and 33% of your contributions will be invested in your plan.	Sales charge	• $100 per unit Charged against your first contributions: • 100% of each contribution until half of the total fee has been paid, then • 50% of each contribution until the fee is paid in full. The percentage of the sales charge as compared to total contributions will vary between 2.2% and 22.2% depending on the contribution option selected – which will depend on the age of the beneficiary at enrolment and how frequently you wish to make contributions to your plan.	One-time commission for selling you your plan	Paid to the Distributor Sales representatives receive compensation from the sales charge.
	Depository fee	Based on your contribution schedule: • $10/year if you're making monthly contributions (plus GST/HST) • $6.50/year if you're making annual contributions (plus GST/HST) • $3.50/year if you're making a single contribution (plus GST/HST)	Fee for processing your contributions	Paid to the Manager

The sales charge will not be increased without subscriber approval. Increases in the depository fee do not require subscriber approval.

Fees the Plan pays

The following fees are payable from the Plan's earnings. You don't pay these fees directly. These fees affect you because they reduce the Plan's returns, which will reduce the amount available for EAPs.

FEE	WHAT THE PLAN PAYS	WHAT THE FEE IS FOR	WHO THE FEE IS PAID TO
Management fee	• Currently between 0.6 and 0.8 of 1% per year (plus GST/HST) • The Management fee weighted average (calculated on a market value basis) for the 2015 fiscal year was 0.6%. • Calculated based on the total amount all subscribers have in the family individual plan • Deducted from total income monthly before income is allocated to your plan	Covers ongoing costs of supporting the Plan, including portfolio management, administration and for holding your plan's assets in trust.	Paid to the Manager, portfolio advisors and custodian
Independent review committee (IRC) fee	For the year ended April 30, 2015 $107,420 was paid, shared by all Plans including the Classic Plan; $1,826 in respect of the family individual plan. This was paid as follows: Chairperson - $20,000 (plus tax) Each Member - $15,000 (plus tax) Secretariat fee - $40,000 (plus tax) Meetings - $5,062 (plus tax)	Fee for providing IRC services for subscribers as required for all publicly offered investment funds	IRC members

Increases in these plan fees do not require subscriber approval.

Transaction fees

We will charge the following fees (plus applicable taxes) for the transactions listed below.

FEE	AMOUNT	HOW THE FEE IS PAID	WHO THE FEE IS PAID TO
• NSF payments • Cheque replacement • Transferring funds to an RESP offered by another provider • Switching a beneficiary • Changing your contribution • Maturing your plan early	• $25 per item • $10 per cheque • $95 per transfer • $20 per change • $20 per change • $10 per change	One-time fee for specific transactions or administration that is deducted from your contributions	Paid to the Manager

We will notify you before we add to or change any transaction fee.

Fees for additional services

The following fee is payable for the additional services listed below:

FEE	WHAT YOU PAY	HOW THE FEE IS PAID	WHO THE FEE IS PAID TO
Insurance premium	• 17 cents for every $10 you contribute (plus the applicable provincial sales tax in some provinces) Not charged: • on one-time contributions • if all subscribers to your plan are under 18 or over 64 • if subscriber resides in the province of Quebec and has opted out of insurance	An insurance premium for group life and total disability insurance is deducted from each of your deposits	Paid to Sun Life Assurance Company. The Manager receives 25% of the premiums from the insurance company.

MAKING CHANGES TO YOUR PLAN

Changing your contributions

You can change your contribution amount and frequency at any time. For example you could change from monthly or yearly contributions to a one-time, lump sum contribution. Choosing to change your contribution schedule will not change the number of units in your plan.

You can choose to increase or decrease your contribution amount without changing your contribution frequency. To increase your contribution amount you can either add units or partial units to your existing plan, or open a new plan. The contributions expected under your new contribution schedule cannot exceed the lifetime RESP contribution limit of $50,000 per beneficiary. Your beneficiary must be a Canadian resident to add units to your plan.

For more details on reducing your contribution amount see “You can contribute less” on page 49.

There is a $20 fee (plus taxes) for changing the contribution frequency. Just contact us if you wish to change your contributions and we will send you the appropriate paperwork for your review and signature.

Re-activating discontinued units

We’ll keep the sales charge paid to date and income related to the discontinued units in your plan as a future credit to you. You have two years to reactivate discontinued units. If you only reactivate some of the units, you will receive the sales charge credit only for the units you reactivate. The income that was earned on the units you don’t reactivate will stay in the plan.

If you had your plan for less than three years before discontinuing the units, you'll need to make a lump sum deposit equal to:

- the contributions returned to you when you discontinued the units
- the contributions you missed (plus any insurance premiums and taxes) that relate to the discontinued units.

Your make-up deposit, plus contributions expected under your current contribution schedule, cannot exceed the RESP lifetime contribution limit of $50,000.

If you had your plan for three years or more before discontinuing the units, you can reactivate them by making a lump sum deposit as above, or by making a minimum deposit of:

- $9.90 per month, or
- $110 per year, or
- a lump sum of $449.

Changing the maturity date

If your beneficiary is going to college or university sooner than expected, you can ask for an earlier year of maturity. We'll return the contributions in your plan earlier and your beneficiary will begin receiving EAPs sooner. Just write to us if you wish to change your maturity date and we'll send you the appropriate paperwork.

How it works:

- we'll change your year of maturity to an earlier year
- your beneficiary will be eligible to start receiving EAPs once your plan is matured.

There is a $10 fee (plus taxes) for this change.

If you know your beneficiary isn't going to be ready to start college or university in your plan's scheduled year of maturity, you can apply to delay the year of maturity and receive your contributions later. You will need to apply in writing to the Foundation before your currently scheduled maturity date.

Changing the subscriber

Under the Tax Act the subscriber of an RESP can be changed if you die or your marriage breaks down. Under these circumstances your spouse or common-law partner can become the subscriber of your plan. If the subscriber to the plan is a public primary caregiver, then another person or another public primary caregiver can replace this subscriber with appropriate written agreement between them.

The request to change the subscriber must be made to us in writing. We will also need appropriate paperwork to verify that the conditions under the Tax Act relating to a subscriber replacement have been met.

If the person who becomes the subscriber is not your spouse or common-law partner, any income he or she receives from the plan (other than as a part of an EAP) will be included in his or her taxable income in the year it's received. In this case, all income received from the plan as an accumulated income payment — whether it's contributed to an RRSP or not — will be subject to the additional 20% tax.

You can also add a joint subscriber to your plan but he or she must be your spouse or common-law partner.

Changing your beneficiary

You are able to switch the beneficiary in your plan. For example, if the original beneficiary in your plan won't be eligible for EAPs, switching the beneficiary is an option. You can switch the beneficiary in your plan any number of times during the life of the plan. You can even choose to be the beneficiary of your own plan if you're thinking of going back to school.

You will need to give us a valid SIN for the new beneficiary, and proof that he or she is a Canadian resident.

You will have to repay all of the Canada Learning Bond that might have been collected for the current beneficiary if you switch the beneficiary in the plan. You may have to repay all or some of the other government grants as well. Some government grants can be kept in the plan if:

- the new beneficiary is under 21 years old at the time of the switch, and both beneficiaries have at least one parent in common, or
- both beneficiaries are under 21 years old at the time of the switch, and are related to an original subscriber of your plan (by blood or adoption).

If the new beneficiary already has an RESP or contributions have already been made to the plan for the new beneficiary, total contributions for the new beneficiary may be higher than the maximum allowed by the Tax Act, and you may have to pay a penalty tax. See page 12 for more information.

The plan will still expire no later than 25 years (up to 35 years with Foundation approval) from the year you originally opened it.

There is a $20 fee (plus taxes) for this change.

Death or disability of the beneficiary

If it appears as though your beneficiary will not attend eligible studies and not qualify for EAPs under the family individual plan as a result of a disability or death you have the option of requesting an accumulated income payment for income earned in your plan, or switching the beneficiary on your plan (See "Changing your beneficiary"). Both of these options are available to you any time prior to the day your plan cancels or expires.

Our current policy is to reimburse the subscriber an amount equal to the sales charge paid if the beneficiary will not attend eligible studies and will not qualify for EAPs under the plan as a result of a disability or death, and a switch of beneficiary has not been exercised. The disability must be one that will permanently prevent the beneficiary from pursuing eligible studies under the family individual plan, as certified by a medical doctor. A death certificate must be provided in the event of death of the beneficiary. Contact us to discuss these options and make appropriate arrangements.

TRANSFERRING YOUR PLAN

Transferring to Flex First or the family group plan

You have the flexibility to transfer to Flex First or the group plan from the family individual plan, as long as it's allowed by the Tax Act.

How it works:

- you complete a plan transfer form and an application for the new RESP
- we'll transfer the contributions in your plan (less fees paid to date) and the income they've earned to the new RESP
- we'll transfer the income the government grants have earned to the new RESP and
- we'll transfer all or some of the government grants if:
  - the new RESP meets the requirements of the Tax Act and the government grants act, and
  - for the Canada Learning Bond, the same beneficiary is in both plans.

For all other government grants,

- either the beneficiary in the new plan is under 21 years old when the new Plan is entered into and has at least one parent in common with the beneficiary in the plan you're transferring from, or
- the same beneficiary is in both plans.

Otherwise, you may have to repay all or some of the government grants. There are special rules if the new RESP has more than one beneficiary.

If the plan is not for the same beneficiary and the new beneficiary already has an RESP, or contributions have already been made to the plan for the new beneficiary, total contributions for the new beneficiary may be higher than the maximum allowed by the Tax Act, and you may have to pay a penalty tax. Turn to page 12 for more information.

Transferring to another RESP Provider

You have the flexibility to transfer to another RESP provider at any time, as long as it's allowed by the Tax Act.

How it works:

- you complete a plan transfer form and an application for the new RESP
- we'll transfer the contributions in your plan and the income they've earned to the new RESP
- we'll transfer the income the government grants have earned to the new RESP
- we'll transfer all or some of the government grants if:
  - the new RESP meets the requirements of the Tax Act and the government grants act, and
  - for the Canada Learning Bond, the same beneficiary is in both plans.

For all other government grants,

- either the beneficiary in the new plan is under 21 years old when the new Plan is entered into and has at least one parent in common with the beneficiary in the plan you're transferring from, or
- the same beneficiary is in both plans.

Otherwise, you may have to repay all or some of the government grants. There are special rules if the new RESP has more than one beneficiary, for example every beneficiary must be a brother or sister of every other beneficiary in the plan.

If the plan is not for the same beneficiary and the new beneficiary already has an RESP, or contributions have already been made to the plan for the new beneficiary, total contributions for the new beneficiary may be higher than the maximum allowed by the Tax Act, and you may have to pay a penalty tax. Turn to page 12 for more information.

There is a $95 transaction fee (plus tax) for this change.

Transferring to this Plan from another RESP Provider

You can transfer another RESP into the family individual plan, as long as it's allowed by the Tax Act.

How it works:

- you make a request to transfer your RESP and complete an application for the family individual plan
- your beneficiary must be a Canadian resident
- plan assets are transferred from the other RESP promoter into the family individual plan
- if the same beneficiary is on both Plans, he or she does not have to be a Canadian resident or have a SIN; however, if this is the case no other contribution can be made (except the funds that are being transferred).

Government grants will be transferred if:

- the family individual plan offers those government grants, and
- for the Canada Learning Bond, the same beneficiary is in both plans.

For all other government grants:

- either the beneficiary in the family individual plan is under 21 years old when the new Plan is entered into and has at least one parent in common with the beneficiary in the plan you're transferring from, or
- the same beneficiary is in both plans.

Otherwise, you may have to repay all or some of the government grants.

If the family individual plan is not for the same beneficiary, and the new beneficiary already has an RESP, or contributions have already been made to the plan for the new beneficiary, total contributions for the new beneficiary may be higher than the maximum allowed by the Tax Act, and you may have to pay a penalty tax. Turn to page 12 for more information.

WITHDRAWAL OR CANCELLATION

If you withdraw from or cancel your plan

You have the right to withdraw from your plan and get back all of your deposits (including any fees or expenses paid) if you make this request to us, in writing, within 60 days of signing the application form for your plan.

You can cancel your plan by:

- telling us in writing within 60 days from your application date that you wish to cancel your plan
- withdrawing all of your contributions within 60 days from your application date
- withdrawing all of the contributions and income in your plan
- transferring your plan to another RESP.

When you cancel your plan and withdraw your contributions, whether it is before or after the first 60 days of enrolment:

- any government grants received will be returned to the government;
- this government grant contribution room will be lost (with the exception of the Canada Learning Bond (CLB) as lifetime CLB entitlement is not affected by a repayment); and
- the withdrawn amount will be included as an RESP contribution when determining the $50,000 RESP contribution limit, even though the contributions were withdrawn.

If we cancel your plan

We can cancel your plan:

- if you withdraw income from your plan that isn't part of an EAP, we'll cancel your plan on the last day of February in the year after you make the withdrawal
- if after three years in the Plan the sum of your contributions (less fees) and income earned in your plan is less than $350.

If your plan expires

Your plan will expire on December 31 of the 25th year (up to the 35th year with Foundation approval) after the year in which you opened your plan. Once your plan is expired we will be unable to reinstate this plan.

Once your plan is cancelled or expired, it can never be re-activated

How it works:

- your insurance coverage will end
- your plan will no longer be an RESP
- we'll terminate your plan with the CRA
- you will get your contributions back (less fees) when your plan is cancelled as long as they've cleared the banking system. You won't pay tax on this amount
- government grants in your plan will be returned to the appropriate government
- you might be able to receive the income your contributions and government grants have earned as an accumulated income payment. See page 58 for more details.

If you don't qualify for the income and you don't withdraw it before your plan is cancelled, under the Tax Act we will be required to donate it to an educational institution of our choice.

What happens when your plan matures

In your year of maturity, which is generally the first year of college or university for your beneficiary, we will return your contributions (less fees and withdrawals or adjustments you make) to assist with the costs associated with first year of post-secondary studies. If we return your contributions before your beneficiary begins eligible studies, you may have to pay back the CESG/ACESG, QESI/AQESI and/or SAGES.

To avoid this, we will send to you a notice in the months before your maturity date that outlines your options and can be used to provide us with your instructions regarding return of contributions. If you don't tell us when you want to receive your refund of contributions, we'll keep your contributions for up to two years after your plan's maturity date, to avoid having to return the CESG/ACESG, QESI/AQESI and/or SAGES. If we haven't heard from you by the end of the two-year period, we'll send you a cheque and return the government grants to the government.

If your plan doesn't have any CESG/ACESG, QESI/AQESI or SAGES, we'll send the contributions in your plan to you within 60 days of your plan's maturity date, as long as we've received confirmation that your contributions have cleared the banking system.

At your plan's maturity date the income earned in your plan, your government grants and income earned on government grants will become available to be issued as EAPs to your beneficiary.

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.

You can switch the beneficiary in your plan

If it does not appear as though the current beneficiary in your plan will qualify for EAPs, switching the beneficiary in your plan is an option.

See "Changing your beneficiary" on page 54 for more information on this option.

You can cancel your plan

You also have the option of cancelling your plan if your beneficiary does not enrol in eligible studies.

See "If you withdraw from or cancel your plan" on page 56.

RECEIVING PAYMENTS FROM YOUR PLAN

Return of contributions

You are entitled to a return of your contributions (less fees and withdrawals you make) at any time by writing to us. You can have this money paid to you or directly to your beneficiary.

If there are government grants in your plan we will send you a notice before your plan's maturity date that you can use to provide us with your instructions regarding return of your contributions. If your beneficiary is not attending post-secondary studies in your maturity year you may wish to delay your maturity date. If you withdraw contributions from your RESP while your beneficiary is not attending eligible studies, we will have to return any CESG/ACESG, QESI/AQESI and/or SAGES in your plan to the appropriate government.

If you do not have any CESG/ACESG, QESI/AQESI or SAGES in your plan we will send you a cheque to return your contributions within 60 days of your maturity date, as long as they have cleared the banking system.

Educational assistance payments

Beneficiaries must attend a post-secondary institution and program that qualifies for an RESP under the Tax Act. See Summary of Eligible Studies on page 47.

EAPs can be made to your beneficiary any time after your plan's maturity date, up until December 31 of the 25th year (up to 35th year with the Foundation's approval) after the year in which you opened your plan.

Cheques are normally issued in September and December, but can be issued at other times of the year depending on the beneficiary's post-secondary schedule. Under the Tax Act, beneficiaries are eligible to receive EAPs up to six months after they have stopped attending eligible studies, provided that they would have otherwise qualified for that payment.

Please call us at 1 800 363-7377 if you have questions about qualifying for EAPs.

How we determine educational assistance payment amounts

We use the income earned on the contributions in your plan, along with any government grants and the income they've earned, to make EAPs to your beneficiary if he or she qualifies. The amount of income earned depends on the performance of the invested securities in the Plan.

You tell us how much each EAP should be, based on your beneficiary's expenses. If you, or your beneficiary, request an EAP in excess of $22,501 for 2015, under the Tax Act we will need to see receipts that show the cost of education.

Each payment will include:

- part or all of the income in your plan

plus

- part or all of the government grants in your plan

plus

- part or all of the grant income in your plan

The income in your plan will be based on the income earned on your contributions and government grants. The amount of grant in each payment is based on the ratio of the government grants in your plan to the total money available to be paid out as EAPs from your plan.

The most your beneficiary can receive in EAPs from all Plans is $5,000, unless he or she has completed 13 consecutive weeks of eligible studies in the 12-month period before the payment is made. If your beneficiary's expenses are higher than $5,000 in the first 13 weeks, contact us and we'll apply to the Minister of Employment and Social Development Canada to have the limit increased. This maximum amount is $2,500 for a specified program.

Accumulated income payments

You may be able to receive the income your contributions and government grants earned if you're a Canadian resident and:

- your plan is at least 10 years old, and
- every beneficiary who has been a beneficiary of your plan is at least 21 years old and not eligible for an EAP,

  or
- it's the end of the 25th year (up to the 35th year with Foundation approval) after the year in which you opened your plan,

  or
- every beneficiary who has been a beneficiary of your plan has died.

The Minister of National Revenue may allow us to waive some of these conditions if the beneficiary is suffering from a severe and prolonged mental impairment.

Any income you receive from your plan will be taxed as income in the year you receive it and may be subject to an additional 20% tax, or you might be able to transfer up to $50,000 of this income to your RRSP or a spousal or common-law partner RRSP as long as you have enough unused contribution room. If you don't qualify for the income in your plan or you don't withdraw it, we'll donate it to an educational institution of our choice as required under the Tax Act.

OTHER IMPORTANT INFORMATION

What happens if you don't cash your cheque

If you do not or your beneficiary does not cash a cheque we send, the money will remain in your plan until the earlier of December 31 of the 25th year following the year in which you opened your plan or until you cancel it. Once your plan is cancelled or expired we'll return any government grants remaining in your plan to the appropriate government, return any remaining contributions to you (less fees), and donate any income remaining in your plan to an educational institution of our choice as required under the Tax Act.

About the Foundation

An overview of the structure of our Plans

The Foundation is the sponsor and promoter of the Plans in this prospectus:

- Flex First Plan
- Family Group Education Savings Plan
- Family Single Student Education Savings Plan

The Plans are trusts established under the laws of Ontario and the laws of Canada applicable therein pursuant to their respective amended and restated trust agreement between RBC Investor Services Trust (by its predecessor The Royal Trust Company) and the Foundation dated as of July 27, 2012. The head office and principal place of business of the Plans is 50 Burnhamthorpe Road West, Suite 1000, Mississauga, Ontario, L5B 4A5.

The CRA has accepted the form of Plans and they comply, and are expected to continue to comply, with all of the conditions in the Tax Act. This means that when you enrol in a Plan and give us all of the information we need, we'll apply to the CRA to register it as an RESP on your behalf.

Investment Fund Manager ("the Manager") of the Plans

Knowledge First Financial Inc.
50 Burnhamthorpe Road West
Suite 1000
Mississauga, Ontario L5B 4A5
Tel: 1 800 363-7377
E-Mail: contact@kff.ca
Website: knowledgefirstfinancial.ca

Knowledge First Financial Inc. is registered as the investment fund manager with the provincial and territorial securities commissions across Canada and is a wholly owned subsidiary of the Foundation. The company has been an administrator and/or distributor of scholarship plans since 1965 and previously was known under the name USC Education Savings Plans Inc.

Duties and services to be provided by the Manager

The Manager is responsible for directing Plan affairs and maintaining all Plan records, including:

- total contributions to, and deductions from, the savings accounts
- income earned on contributions
- deposits of CESG and other government grants in the plans
- income earned on the government grants
- investment fund management
- legal and regulatory affairs
- Plan administration

Details of the management agreement

The Manager's roles and responsibilities are outlined in both a corporate services agreement and a fund management agreement entered into between the Foundation and Knowledge First Financial Inc. Knowledge First Financial Inc. receives fees for the services provided:

- from the Foundation, a reimbursement of expenses (plus taxes) as remitted annually by the Manager to the Foundation pursuant to the corporate services agreement
- from the Plans, the Plan fees as disclosed herein, with the exception of the Sales Charge and the IRC Fee, pursuant to the fund management agreement.

Directors and officers of the Manager

The table below lists the directors and executive officers of Knowledge First Financial, their residences and principal occupations in the past five years. Directors are appointed annually for one-year terms.

NAME AND MUNICIPALITY OF RESIDENCE	POSITION HELD WITH KNOWLEDGE FIRST FINANCIAL	PRINCIPAL OCCUPATION DURING THE LAST FIVE YEARS
Stuart H.B. Smith, B.A., CPA, CA Toronto, Ontario	Chairman and Director Director since August 2006	Chairman and Director, Knowledge First Foundation and Knowledge First Financial; Chairman, Epic Realty Partners Inc. (realty consulting and management services); prior to 2013, Executive Chairman and Acting Chief Executive Officer, Altus Group Ltd.
Andrea Bolger, B.Com., M.B.A. Toronto, Ontario	Director since May 2015	Retired; prior to February 2015 Executive Vice President, RBC Royal Bank; prior to 2013 Senior Vice President, RBC Royal Bank
Lili de Grandpré, B.A., M.B.A. Montréal, Québec	Director since July 2007	Managing Partner, CenCeo Consulting (organizational transformation and corporate governance)
Karimah Es Sabar, B.Sc., M.Sc. Vancouver, BC	Director since July 2011	President and Chief Executive Officer, Life Sciences British Columbia; prior to June 2012, Senior Vice-President Strategic Affairs, the Centre for Drug Research and Development (promotion and development of commercial biotechnology industry)
Donald W. Hunter, FCPA, FCA, ICD.D Toronto, Ontario	Director since July 2007	Retired; prior to 2005, Partner, PricewaterhouseCoopers LLP
Yvonne C. Jerred, CPA, CGA Toronto, Ontario	Director since August 2006	Retired; prior to 1996, Senior Vice-President and Chief Financial Officer, AGF Management Ltd.
John B.M. Moore, Ph.D., P.Eng. Waterloo, Ontario	Director since August 2006	Management and IT Consultant, Professor Emeritus, University of Waterloo and President, MFAM Ltd. (computer software services) and Co-CEO & Chair, SportSavvy Inc. (sports league management software)
William Terrence Wright, Q.C. Winnipeg, Manitoba	Director since July 2007	Counsel, Pitblado, LLP (corporate and personal legal services)
R. George Hopkinson, B.A., M.B.A. Toronto, Ontario	President and Chief Executive Officer since April 2009	President and Chief Executive Officer, Knowledge First Foundation and Knowledge First Financial
Darrell Bartlett, CA, CIA Oakville, Ontario	Chief Compliance Officer since April 2014	Chief Compliance Officer, Knowledge First Foundation and Knowledge First Financial; prior to April 2014 Vice President, Risk Management & Chief Compliance Officer, Investment Planning Counsel
Alison Hughes, B.Math Burlington, Ontario	Vice-President, Project Management Office and Customer Operations since May 2014	Vice-President, PMO and Customer Operations, Knowledge First Financial; prior to May 2014 Vice-President, Compliance Operations, Knowledge First Financial; prior to August 2013 Vice-President, Project Management Office, Knowledge First Financial; prior to January 2013 Interim Vice-President Information Technology, Knowledge First Financial; prior to April 2012, Director, Customer Experience Planning & Process and Continuous Improvement; prior to March 2011, Project Director, Temenos Group

NAME AND MUNICIPALITY OF RESIDENCE	POSITION HELD WITH KNOWLEDGE FIRST FINANCIAL	PRINCIPAL OCCUPATION DURING THE LAST FIVE YEARS
Carma Lecuyer, B.A. Oakville, Ontario	Vice-President, Human Resources and Administration since July 2010	Vice-President, Human Resources and Administration, Knowledge First Financial
Suzanne Martyn-Jones, B.A Oakville, Ontario	Vice-President, Marketing and Customer Service since May 2013	Vice-President, Marketing and Customer Service, Knowledge First Financial; prior to May 2013 Vice-President, Marketing and Product, Knowledge First Financial; prior to July 2012, Head of Marketing RBC Insurance, RBC Royal Bank
Jacques Naud, B.A., M.B.A. Toronto, Ontario	Vice-President, Sales and Distribution since August 2013	Vice-President, Sales and Distribution, Knowledge First Financial; prior to November 2012 Vice-President Retail and Commercial Banking, National Bank of Canada
Cherisse Norman, M.B.A, C.P.A., C.M.A. Oakville, Ontario	Vice-President, Finance since January 2013 Acting Chief Financial Officer since January 2013	Vice-President, Finance, Knowledge First Financial; prior to January 2013 Controller, Knowledge First Financial; prior to January 2012 Manager, Client Financial Management, Accenture Inc.
Peter Thompson, B. Sc. Mississauga, Ontario	Vice-President, Information Technology since January 2013	Vice-President, Information Technology, Knowledge First Financial; prior to January 2013, President, E.A. Designs Inc.; prior to April 2012, Vice-President Software Development Americas, Temenos Group
Candace Watson-Hiscox, B.A.A., LL.B, B.C.L. Toronto, Ontario	General Counsel & Corporate Secretary since November 2014	General Counsel and Corporate Secretary, Knowledge First Foundation and Knowledge First Financial and Lawyer and Founder CWHlaw

Trustee and Custodian

RBC Investor Services Trust
155 Wellington Street West
7th Floor
Toronto, Ontario
M5V 3L3

The Plans are trusts. RBC Investor Services Trust is the trustee of the Plans and acts as custodian for the Plan assets. The trustee holds all Plan assets in trust. The trustee charges a fee which is deducted from the income earned on contributions and government grants held in the Plans. This fee is included in the Management Fee disclosed in this prospectus. If the Manager or the Foundation resigned or were unable to perform their duties relating to the administration of the Plans, the trustee would become responsible for administering the Plans. The continued administration of the Plans is provided for in the trust agreements.

The Foundation

Knowledge First Foundation
50 Burnhamthorpe Road West
Suite 1000
Mississauga, Ontario L5B 4A5
Tel: 1 800 363-7377
E-Mail: contact@kff.ca
Website: knowledgefirstfinancial.ca

Knowledge First Foundation was founded in Alberta in 1965 and incorporated federally as a not-for-profit corporation in 1990 without share capital. The Foundation's mission is to encourage and assist Canadians in obtaining a post-secondary education by providing peace of mind savings solutions.

We offer families an affordable, disciplined way to save, individually or by pooling their money. The Foundation is a not-for-profit corporation and it has no shareholders. The Foundation is therefore in a position to share its available excess revenue with students in the group plan and the Flex First Plan by supplementing their EAPs.

The Foundation sponsors and promotes the Plans and has overall responsibility for the Plans including overseeing the investment of all Plan assets.

Directors and officers of the Foundation

The table below lists the directors and executive officers of Knowledge First Foundation, their residences and principal occupations in the past five years. Directors are appointed annually for one-year terms.

NAME AND MUNICIPALITY OF RESIDENCE	POSITION HELD WITH THE FOUNDATION	PRINCIPAL OCCUPATION DURING THE LAST FIVE YEARS
Stuart H.B. Smith, B.A., CPA, CA [1,2,3,4] Toronto, Ontario	Chairman and Director Director since September 1999	Chairman and Director, Knowledge First Foundation and Knowledge First Financial; Chairman, Epic Realty Partners Inc. (realty consulting and management services); prior to 2013, Executive Chairman and Acting Chief Executive Officer, Altus Group Ltd.
Andrea Bolger, B.Com., M.B.A. [1,2] Toronto, Ontario	Director since May 2015	Retired; prior to February 2015 Executive Vice President, RBC Royal Bank; prior to 2013 Senior Vice President, RBC Royal Bank
Lili de Grandpré, B.A., M.B.A. [1,4] Montréal, Québec	Director since July 2007 Chair, Human Resources Committee	Managing Partner, CenCeo Consulting (organizational transformation and corporate governance)
Karimah Es Sabar, B.Sc., M.Sc. [2,4] Vancouver, BC	Director since July 2011	President and Chief Executive Officer, Life Sciences British Columbia; prior to June 2012, Senior Vice-President Business and Strategic Affairs, The Centre for Drug Research and Development (promotion and development of commercial biotechnology industry)
Donald W. Hunter, FCPA, FCA, ICD.D [1,3] Toronto, Ontario	Director since July 2007 Chair, Audit, Finance and Risk Management Committee	Retired; prior to 2005, Partner, PricewaterhouseCoopers LLP
Yvonne C. Jerred, CPA, CGA [1,3,4] Toronto, Ontario	Director since August 1997 Chair, Investment Committee	Retired; prior to 1996, Senior Vice-President and Chief Financial Officer, AGF Management Ltd.
John B.M. Moore, Ph.D., P.Eng. [3] Waterloo, Ontario	Director since March 1994	Management and IT Consultant, Professor Emeritus, University of Waterloo and President, MFAM Ltd. (computer software services) and Co-CEO & Chair, SportSavvy Inc. (sports league management software)
William Terrence Wright, Q.C. [2,3] Winnipeg, Manitoba	Director since July 2007 Chair, Governance Committee	Counsel, Pitblado, LLP (corporate and personal legal services)
R. George Hopkinson, B.A., M.B.A. Toronto, Ontario	President and Chief Executive Officer since April 2009	President and Chief Executive Officer, Knowledge First Foundation and Knowledge First Financial
Darrell Bartlett, CA, CIA Oakville, Ontario	Chief Compliance Officer since April 2014	Chief Compliance Officer, Knowledge First Foundation and Knowledge First Financial; prior to April 2014 Vice President, Risk Management & Chief Compliance Officer, Investment Planning Counsel
Cherisse Norman, M.B.A, C.P.A., C.M.A. Oakville, Ontario	Vice-President, Finance since January 2013 Acting Chief Financial Officer since January 2013	Vice-President, Finance, Knowledge First Financial; prior to January 2013 Controller, Knowledge First Financial; prior to January 2012 Manager, Client Financial Management, Accenture Inc.
Candace Watson-Hiscox, B.A.A., LL.B., B.C.L. Toronto, Ontario	General Counsel & Corporate Secretary since November 2014	General Counsel & Corporate Secretary, Knowledge First Foundation and Knowledge First Financial; and Lawyer and Founder CWHlaw

1 Member of the audit, finance and risk management committee.

2 Member of the governance committee.

3 Member of the investment committee.

4 Member of the human resources committee.

Independent Review Committee

National Instrument 81-107 Independent Review Committee for Investment Funds ("NI 81-107"), requires all publicly offered investment funds to establish an independent review committee (the "IRC").

The IRC engages in the following activities:

- reviews and provides input on the Manager's written policies and procedures that deal with conflict of interest matters
- reviews conflict of interest matters referred to it by the Manager and makes recommendations to the Manager regarding whether the Manager's proposed actions in connection with the conflict of interest matter achieve a fair and reasonable result for the Plan
- considers and, if deemed appropriate, approves the Manager's decision on a conflict of interest matter that the Manager refers to the IRC for approval
- performs other duties as may be required of the IRC under applicable securities laws.

The current members of the IRC for the Plans, who were appointed as of May 1, 2015, are W. William Woods (chairman), Ann Harris and Bill McNeill.

At least annually, the independent review committee prepares a report of its activities for subscribers that is available on Knowledge First Financial's website (knowledgefirstfinancial.ca), or at the subscriber's request at no cost, by contacting Knowledge First Financial Inc. by e-mail at contact@kff.ca, or by regular mail at 50 Burnhamthorpe Road West, Suite 1000, Mississauga, Ontario L5B 4A5 or by telephone: 1 800 363-7377.

COMMITTEES OF THE FOUNDATION'S BOARD OF DIRECTORS

Audit, finance and risk management committee

This sub-committee of the Foundation is responsible for reviewing the accounting, financial reporting, audit control and risk management responsibilities of the Manager. It reviews the independence, qualifications and effectiveness of the external auditors. It also provides oversight of the Foundation's financial affairs and activities.

Governance committee

This sub-committee of the Foundation is responsible for governance and stewardship for the Board including Board structure, function, training, director assessment, compensation, nomination, succession, ethics and compliance.

Investment committee

This sub-committee of the Foundation is responsible for monitoring the performance of the Plans' portfolio advisors and the overall performance of the Plans' investments, including any required modifications to the Plans' investment policy, asset mix, portfolio advisors, depository, or to their custodian and trustee.

Human resources committee

This sub-committee of the Foundation is responsible for the human resource strategy, policies and organizational structure of the Manager. This includes recruitment, selection and hiring of the President and Chief Executive Officer (CEO) and the executives who report directly to the CEO. This committee conducts an annual performance review of the President and CEO, and develops and approves compensation strategy and policies.

The members of all of the above sub-committees of the Foundation are independent of the Manager.

COMPENSATION OF DIRECTORS, OFFICERS, TRUSTEES AND INDEPENDENT REVIEW COMMITTEE MEMBERS

The Manager, Knowledge First Financial Inc., pays the Foundation's directors annual directors' fees, meeting attendance fees and meeting expenses which totalled $473,000 for the year ending April 30, 2015. The Foundation's directors do not receive any payment from the Plans' funds held by the Foundation or the trustee on behalf of subscribers and beneficiaries. Except where noted, no director or officer of the Foundation has any financial interest in Knowledge First Financial Inc. or in any other company connected in any way with a Plan.

The Plans will pay expenses to the IRC directly and without reimbursement from the Manager with respect to all of the Education Savings Plans sponsored by the Foundation. The Plans have paid the following for IRC expenses: chairperson - $20,000, each member - $15,000, secretariat fee - $40,000, meetings - $5,062.

For the year ended April 30, 2015 $107,420 (including tax) was paid to the IRC by all Plans including the Classic Plan.

For the period from May 1, 2015 to April 30, 2016, the Plans will continue to pay for the IRC's expenses which, based on our arrangement with them, will be approximately $97,000 plus applicable taxes.

Custodial Fee to Trustee

The Plans pay an annual custodial fee to the trustee for holding the Plans' assets in trust. This fee is included as part of the management fee. The amount is based on the total amount in all education savings plans sponsored by the Foundation (except money in holding accounts) as follows:

- 0.006 of 1%
- plus additional service charges
- deducted from total Plan income at the end of every month, before any income is allocated to your plan.

During the fiscal year ending on April 30, 2015 the total amount paid to the trustee for these services was $389,703.

PORTFOLIO ADVISORS

As of the date of this prospectus, we have retained the services of the following seven firms to manage the assets of the group and family individual plans and provide portfolio management:

- Baker Gilmore & Associates Inc.
- BMO Global Asset Management
- Burgundy Asset Management Ltd.
- Connor, Clark & Lunn Investment Management Ltd.
- Fiera Capital Corporation
- Guardian Capital LP
- TD Asset Management Inc.

As of the date of this prospectus, we have retained the services of the following firm to manage the assets of Flex First and provide portfolio management:

- Guardian Capital LP

Each portfolio advisor manages a portion (or in some cases all) of the assets of the Plans according to specific mandates we have assigned them. The Manager monitors the investment management of the Plans and oversees the activities of each portfolio advisor. The Foundation's Audit, Finance and Risk Management committee monitors the portfolio advisor's performance on a quarterly basis. Fees associated with portfolio advisor services are included as part of the management fee.

Baker Gilmore & Associates Inc. (Montreal, Quebec)

Baker Gilmore is part of the Connor, Clark & Lunn Financial Group, an affiliation of ten independent investment management firms. Plan assets are managed by Baker Gilmore's portfolio manager(s) who work in a team environment with all members providing investment ideas and recommendations. These investment decisions are not subject to the approval or ratification of a committee. In addition to the oversight of the Foundation and Manager noted above, these decisions are subject to the investment objectives and restrictions in place under the agreement between Baker Gilmore and the Manager.

The people principally responsible for the management of a portion of the fixed income portfolio of the group plan are:

NAME AND TITLE	LENGTH OF SERVICE WITH THE PORTFOLIO ADVISOR	PRINCIPAL OCCUPATION IN THE LAST FIVE YEARS
Harold Scheer Chief Investment Officer, President and Director	14 years	Chief Investment Officer, President Baker Gilmore & Associates Inc.
Darren Ducharme Chairman, Director, CEO and UDP	13 years	Chairman, Director, CEO and UDP Baker Gilmore & Associates Inc.

BMO Global Asset Management Inc. (Montreal, Quebec)

BMO Global Asset Management Inc. (BMO GAM) is a multi-asset management business characterized by specialized regional investment teams providing a range of investment solutions to global clients. BMO Asset Management Inc. (BMO AM) was originally established in 1982 as Jones Heward Investment Counsel Inc. Now wholly owned by BMO Financial Group, the company was renamed in May 2010 following an amalgamation. BMO AM manages passive US stocks for the Plan through the BMO S&P 500 Index ETF. The portfolio is managed on a team basis overseen by Rob Bechard. As well, the BMO AM investment committee meets monthly to review processes and investment results.

The people principally responsible for the management of a portion of the equity portfolio of the group plan are:

NAME AND TITLE	LENGTH OF SERVICE WITH THE PORTFOLIO ADVISOR	PRINCIPAL OCCUPATION IN THE LAST FIVE YEARS
Kevin Gopaul Senior Vice President, Chief Investment Officer, Global Structured Investments and Mutual Funds	6 years	2012 – present Senior Vice President & Chief Investment Officer, Global Structured Investments and Mutual Funds BMO Asset Management Inc. 2009 – 2012 Senior Vice President, Global Structured Investments BMO Asset Management Inc.
Rob Bechard Senior Vice President and Head of ETF Portfolio Management, Global Structured Investments	6 years	2013 – present Senior Vice President, Global Structured Investments BMO Asset Management Inc. 2009 – 2013 Vice President, Global Structured Investments BMO Asset Management Inc.

Burgundy Asset Management Ltd. (Toronto, Ontario)

Burgundy Asset Management Ltd. ("Burgundy") provides discretionary investment management services to pension funds, foundations, endowments, corporations and high-net-worth individuals. Burgundy is a privately owned corporation, which is 100% independent and wholly owned by its key employees. David Vanderwood, CFA is the portfolio manager for Burgundy's Canadian Large Cap Equity strategy and is responsible for all buy and sell decisions made within the portfolio. While there are two investment analysts who conduct research and make investment recommendations, in all cases the final decision rests with the portfolio manager and is not subject to the approval or ratification of a committee. These decisions are subject to the investment objectives and restrictions in place pursuant to the agreement between Burgundy and the Manager.

The person responsible for the management of a portion of the equity portfolio of the group plan is:

NAME AND TITLE	LENGTH OF SERVICE WITH THE PORTFOLIO ADVISOR	PRINCIPAL OCCUPATION IN THE LAST FIVE YEARS
David Vanderwood Portfolio Manager, Canadian Large Cap Equities	14 years	Portfolio Manager, Canadian Equities Strategy Burgundy Asset Management

Connor, Clark & Lunn Investment Management Ltd. (Vancouver, BC)

Connor, Clark and Lunn Investment Management Ltd. ("Connor") is a partnership of investment professionals and employs a team approach to the management of portfolios. The investment decisions made by the portfolio manager(s) appointed by Connor to manage Plan assets are not subject to the approval or ratification of a committee. In addition to the oversight of the Foundation and Manager noted above, they are subject to the investment objectives and restrictions in place under the agreement between Connor and the Manager.

The people principally responsible for the management of a portion of the Canadian equity portfolio of the group plan are:

NAME AND TITLE	LENGTH OF SERVICE WITH THE PORTFOLIO ADVISOR	PRINCIPAL OCCUPATION IN THE LAST FIVE YEARS
Martin Gerber President & CIO; Portfolio Manager – Head of Quantitative Equities Team	24 years	2013 – Present President & CIO Connor, Clark & Lunn Investment Management Ltd. Director, Head of Quantitative Equity Team Connor, Clark & Lunn Investment Management Ltd.
Steven Huang Director and Portfolio Manager, Quantitative Equities	20 years	2014 – present Director and Portfolio Manager, Quantitative Equities Connor, Clark & Lunn Investment Management Ltd. 2008 – 2014 Vice President and Portfolio Manager, Quantitative Equities Connor, Clark & Lunn Investment Management Ltd.

Fiera Capital Corporation (Montréal, Québec)

Fiera Capital is a publicly traded company controlled and partly owned by its principals and is one of the few independent, multi-product investment management firms in Canada.

The portfolio is managed by the Active Fixed Income team and investment decisions are made by the two senior portfolio managers. In addition to the oversight by the Foundation and Manager as noted above, these decisions are subject to the investment objectives and restrictions in place under the agreement between the Portfolio Advisor and the Manager.

The people principally responsible for the management of a portion of the fixed income portfolio of the group plan and the fixed income portfolio of the family individual plan are:

NAME AND TITLE	LENGTH OF SERVICE WITH THE PORTFOLIO ADVISOR	PRINCIPAL OCCUPATION IN THE LAST FIVE YEARS
Art Yeates Vice-President and Senior Portfolio Manager, Fixed Income	22 years	Vice-President and Portfolio Manager, Fixed Income Fiera Capital Corporation
Gaétan Dupuis Vice-President and Senior Portfolio Manager, Fixed Income	14 years	Vice-President and Portfolio Manager, Fixed Income Fiera Capital Corporation

Guardian Capital LP (Toronto, Ontario)

Guardian Capital LP ("Guardian Capital") was formed in 1962 and offers its investment management expertise to pension funds, institutions, endowment funds, charitable organizations, mutual funds and high-net-worth individuals. Guardian Capital is wholly owned by Guardian Capital Group Limited, a publicly listed company trading on the Toronto Stock Exchange. Guardian Capital is registered as a portfolio manager with the securities commissions in all Canadian provinces and with the SEC in the United States. The investment decisions made by the portfolio manager appointed by Guardian Capital to manage Plan assets are not subject to the approval or ratification of a committee. In addition to the oversight of the Foundation and Manager as noted, these decisions are subject to the investment objectives and restrictions in place under the agreement between the portfolio advisor and the Manager.

The person principally responsible for the management of a portion of the fixed income portfolio of the group plan and the fixed income portfolio of Flex First is:

NAME AND TITLE	LENGTH OF SERVICE WITH THE PORTFOLIO ADVISOR	PRINCIPAL OCCUPATION IN THE LAST FIVE YEARS
Peter Hargrove Managing Director, Fixed Income	20 years	Managing Director, Fixed Income Guardian Capital LP

The person principally responsible for the management of a portion of the equity portfolio of Flex First is:

NAME AND TITLE	LENGTH OF SERVICE WITH THE PORTFOLIO ADVISOR	PRINCIPAL OCCUPATION IN THE LAST FIVE YEARS
Ted Macklin Managing Director, Canadian Equity	15 years	Managing Director, Canadian Equity Guardian Capital LP

TD Asset Management Inc. (Toronto, Ontario)

TD Asset Management ("TDAM") operates through TD Asset Management Inc. in Canada and through TDAM USA Inc. in the United States. Both are wholly owned subsidiaries of The Toronto-Dominion Bank. TDAM operates across three offices in Canada and the United States and is headquartered in Toronto, Ontario. Investment decisions are the responsibility of the portfolio manager(s) appointed by TDAM to manage Plan assets and are not subject to the approval or ratification of a committee. In addition to the oversight of the Foundation and Manager as noted above, these decisions are subject to the investment objectives and restrictions in place under the agreement between TDAM and the Manager.

The people principally responsible for the management of a portion of the fixed income portfolio of the group plan are:

NAME AND TITLE	LENGTH OF SERVICE WITH THE PORTFOLIO ADVISOR	PRINCIPAL OCCUPATION IN THE LAST FIVE YEARS
Michelle Hegeman, CFA Vice-President & Director, Fixed Income	10 years	Vice-President & Director, Fixed Income TD Asset Management Inc
Matthew Pauls, CFA Vice-President & Director, Fixed Income	11 years	Vice President, Fixed Income TD Asset Management Inc.

Details of the portfolio advisory agreements

We have entered into the following portfolio management agreements on behalf of the Plans.

- Investment management agreement between Fiera Capital Corporation and the Manager dated as of July 10, 2008 providing for investment management services on a discretionary basis by Fiera Capital Corporation. This agreement can be terminated by either party upon 30 days' prior written notice.
- Investment management agreement between Guardian Capital LP and the Manager dated as of May 2, 1997, as amended and restated on April 2, 2012, providing for investment management services on a discretionary basis by Guardian Capital LP for the group plan and the family individual plan. This agreement can be terminated by either party immediately upon written notice to the other party.
- Investment management agreement between Guardian Capital LP and the Manager dated as of December 1, 2011 as amended and restated on April 30, 2015 providing for investment management services on a discretionary basis by Guardian Capital LP for Flex First. This agreement can be terminated by either party immediately upon written notice to the other party.
- Investment management agreement between TD Asset Management Inc. and the Manager dated as of May 30, 2006, as amended on July 10, 2008 and on December 16, 2008, providing for investment management services on a discretionary basis by TD Asset Management Inc. This agreement can be terminated by either party upon 30 days' prior written notice.

- Investment management agreement between Baker Gilmore & Associates Inc. and the Manager dated as of June 20, 2014 providing for investment management services on a discretionary basis by Baker Gilmore & Associates Inc. This agreement can be terminated by either party upon 30 days' prior written notice.
- Investment management agreement between Connor, Clark & Lunn Investment Management Ltd. and the Manager dated as of June 20, 2014 providing for investment management services on a discretionary basis by Connor, Clark & Lunn Investment Management Ltd. This agreement can be terminated by either party upon 30 days' prior written notice.
- Investment management agreement between Burgundy Asset Management Ltd. and the Manager dated as of June 12, 2014 providing for investment management services on a discretionary basis by Burgundy Asset Management Ltd. This agreement can be terminated by either party upon 30 days' prior written notice.
- Investment management agreement between BMO Global Asset Management and the Manager dated as of June 9, 2014 providing for investment management services on a discretionary basis by BMO Global Asset Management. This agreement can be terminated by either party upon 30 days' prior written notice by BMO Global Asset Management, or 60 days' prior written notice by the Manager.

Principal Distributor

Knowledge First Financial Inc.
50 Burnhamthorpe Road West
Suite 1000
Mississauga, Ontario L5B 4A5
Tel: 1 800 363-7377
E-Mail: contact@kff.ca
Website: knowledgefirstfinancial.ca

There is a distribution agreement between the Foundation and the Manager dated May 1, 2008, providing for distribution services for the group and family individual plans. In addition there is an amended distribution agreement between the Foundation and the Manager dated November 10, 2011 providing for services as distributor for the Plans. The amended distribution agreement can be terminated by either party by giving six months' notice prior to the relevant anniversary date.

Dealer compensation

The Manager is responsible for selling the Plans through a network of sales representatives who are registered to distribute the Plans. For this service the Manager receives:

- a sales charge of $100 for each unit or partial unit sold under the group plan and the family individual plan
- a sales charge of no greater than 9.5% of the total contribution goal for each plan sold under Flex First.

As part of their compensation, some distribution branches can receive funds to support marketing initiatives and sales representatives can earn awards based on the number of units sold and retained, and skills development programs completed. These awards can include trophies or an annual trip to attend the National Business Conference. The main criteria to qualify is a qualitative examination of a sales representative's business, as measured by the percentage of sales retention. Qualifying sales representatives are then assessed by looking at (1) the number of units sold, and sales credits sold in respect of Flex First and retained, (2) the successful completion of RESP proficiency courses, and (3) recruitment and branch development activities.

The distributor and registered sales representatives follow the sales practices as specified in the Knowledge First Financial Inc. Compliance Policies and Procedures Manual.

Dealer compensation from the sales charge

For the year ended April 30, 2015, approximately 64.5% of the sales charge received by the Manager went towards commissions to registered sales representatives, branch management or other promotional activities associated with distributing the Plans.

Auditor

PricewaterhouseCoopers LLP
PwC Tower
18 York Street
Suite 2600
Toronto, Ontario M5J 0B2

OTHER SERVICE PROVIDERS

Depository

Royal Bank of Canada
Toronto, Ontario

The Royal Bank of Canada offers personal and business financial services and products. It has been retained by us to act as the depository for the Plans. The depository receives the deposits you and other subscribers make to your plan. Contributions are sent to the trustee on a regular basis. Funds with the depository (not including the amounts to be paid as insurance premiums) are included in the calculation of savings account balances.

Group life and total disability insurance

Sun Life Assurance Company
Waterloo, Ontario

The Sun Life Assurance Company offers insurance and financial planning services and products. It has been retained by us to administer the group life and total disability insurance coverage included with the group plan and the individual plan.

Ownership of the Manager and other service providers

To the knowledge of the Plans, the Foundation, or the Manager no person or company owns beneficially, directly or indirectly, more than 10% of the total value of the Plans.

Experts who contributed to this prospectus

The Plans' auditor is PricewaterhouseCoopers LLP, who has prepared independent auditor's reports dated July 21, 2015 in respect of each of the Plans' financial statements as at April 30, 2015, April 30, 2014 and May 1, 2013 and for the years ended April 30, 2015 and April 30, 2014. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Plans within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

The matters referred to under "How taxes affect your plan" and certain other legal matters relating to the Plans have been reviewed by McCarthy Tétrault LLP.

Interests of Experts

To the knowledge of the Plans, the Foundation, or the Manager no expert referenced in this prospectus owns beneficially, directly or indirectly, more than 1% of the units of any of the Plans.

SUBSCRIBER MATTERS

Meetings of subscribers

The Foundation, with the consent of the Trustee, shall have the power at any time to call meetings of the subscribers of a Plan at such time and place as directed by the Foundation for purpose of approving amendments to a trust agreement or any other matter determined by the Foundation to be submitted to the subscribers.

Notice of all meetings of the subscribers of a Plan shall be mailed or delivered by the Foundation to each subscriber of a Plan at his or her address appearing in the register not less than 10 or more than 35 business days before the meeting. Notice of any meeting of subscribers of a Plan shall state the purposes of the meeting.

At least three subscribers shall constitute a quorum for such meeting. If a quorum is present at the opening of a meeting of subscribers, the subscribers may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of a meeting of subscribers, the subscribers present may adjourn the meeting to a fixed time and place but may not transact any other business. Notice of the adjourned meeting shall be mailed or delivered by the Foundation to each subscriber at his address appearing in the register not less than 5 or more than 20 business days before the adjourned meeting and the notice shall state that the subscribers present at the adjourned meeting, whatever their number, will form a quorum. The chairman of the meeting of subscribers shall be an officer of the Foundation.

Whenever the vote or consent of subscribers is required or permitted under the relevant trust agreement, a subscriber entitled to vote at a meeting of subscribers may by means of a proxy appoint a proxy holder or one or more alternate proxy holders, who are not required to be subscribers, to attend and act at the meeting in the manner and to the extent authorised by the proxy and with the authority conferred by the proxy.

Whenever the vote or consent of subscribers is required or permitted under the relevant trust agreement, a resolution approved in one or more counterparts by a majority of the votes cast by the subscribers with respect to the resolution (a "Resolution of Subscribers") is as valid as if it had been passed at a meeting of subscribers. Each subscriber shall be entitled to one vote for each whole unit held. A Resolution of Subscribers shall be conducted by the solicitation of written voting instruments, which shall be counted by the Trustee no sooner than 15 business days and no later than 20 business days after such written voting instruments are mailed to subscribers. Such written voting instruments shall be in such form as the Trustee and the Foundation shall approve and shall be mailed by the Foundation by ordinary prepaid mail to each subscriber at his last known address as shown on the records of the Foundation. The Foundation and Trustee may jointly determine all rules of procedure in connection with the administration of a Resolution of Subscribers.

Matters requiring subscriber approval

Where, in the opinion of the Trustee on the advice of counsel to the Foundation, an amendment, modification, alteration or addition to a trust agreement and/or the Education Assistance Agreement would not be permitted without the approval of subscribers, the relevant trust agreement and the Education Assistance Agreement may be so amended, modified, altered or added to only by the vote of a majority of the votes cast at a meeting of subscribers duly called for that purpose.

Amendments to trust agreement

The Foundation may, with the approval of the Trustee, but without the approval of subscribers: (a) amend, modify, alter or add to the provisions of a trust agreement and/or the Education Savings Plans for the purpose of adapting a Plan to any change in the Tax Act or Part III.1 of the *Department of Employment and Social Development Act* (Canada) ("HRD Act"), the *Canada Education Savings Act* (CESA) or the *Alberta Centennial Education Savings Plan Act* or any similar act governing a designated provincial program established under the laws of a province to encourage the financing of children's post-secondary education through savings in registered education savings plans, or ensuring continuing compliance with the applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustee or over a Plan, including for the purpose of maintaining the status of a Plan as an education savings plan registered under the Tax Act and their ability to qualify for government grants; or (b) amend, modify, alter or add to the provisions of the relevant trust agreement and/or the Education Savings Plans for any other purpose provided that, in the opinion of the Foundation, such amendment, modification, alteration or addition is necessary or desirable and, in the opinion of the Trustee on the advice of counsel to the Foundation, is not prejudicial to the subscribers or any person named by a subscriber as a beneficiary under an Education Savings Plan, or any person duly substituted for such beneficiary. Notice of any such material amendment shall be given by the Foundation in writing to the subscribers and shall take effect on a date to be specified therein. The date shall be not less than 30 days after notice of the amendment is given to subscribers.

Notice of any other amendment shall be given by the Foundation in writing to the subscribers which notice may be provided at any time within 15 months of the effective date of such amendment.

Reporting to subscribers and beneficiaries

Every year, we will send to you:

- an account statement
- the audited annual financial statements for the Plan to which you have subscribed, if you ask us to
- the unaudited semi-annual interim financial statements for the Plan to which you have subscribed, if you ask us to
- the annual management report on fund performance for the Plan to which you have subscribed, if you ask us to.

The annual IRC report is posted on our website at knowledgefirstfinancial.ca

BUSINESS PRACTICES

Our policies

The following policies, practices and guidelines of the Manager relate to business practices, sales practices, risk management controls and internal conflicts of interest.

- Compliance Policies and Procedures Manual, which provides policies and procedures respecting the distribution of the Plans including: know your client practices, policies regarding conflicts of interest and risk management and regulatory compliance.
- Standard Operating Procedures Manual, which provides policies and procedures respecting the administration of the Plans.

Valuation of portfolio investments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on a measurement date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. To establish the fair value of equities, the Plan uses the last traded market price where the last traded price falls between that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. To establish the fair value of bonds, the Plan uses mid prices.

Proxy voting disclosure for portfolio securities held

Primarily, the Plans' investments are limited to government bonds, guaranteed investment certificates, cash and short term investments, mortgages, mortgage-backed securities, other debt securities, variable rate securities and corporate bonds. None of these securities require the issuer to call meetings of holders, or carry a right to vote.

The exercise of proxy voting rights relative to equity securities is delegated by the Manager to the equity portfolio advisor(s) who perform this responsibility consistent with the Foundation's investment policy objectives. The Foundation's investment committee reserves the right to personally exercise its voting rights by giving the equity portfolio advisor(s) reasonable notice of its intention to do so. The portfolio advisors will take reasonable steps to ensure that proxies are received and voted in accordance with the best interests of the Plans. The financial interest of the Plans is the primary consideration in determining how proxies should be voted. The portfolio advisors generally do not vote proxies when the cost of voting on a particular proxy proposal could exceed the expected benefit to the Plan.

The portfolio advisors, the Manager and the Foundation are committed to resolving all conflicts in the Plans' best interests. Possible resolutions of conflicts may include: (i) voting in accordance with the guidance of an independent consultant or outside counsel; (ii) erecting information barriers around the person or persons making voting decisions; and (iii) voting in other ways that are consistent with the Plans' best interests.

The policies and procedures that the Plans follow when voting proxies relating to portfolio securities are available on request, at no cost, by calling 1 800 363-7377 or by writing to 50 Burnhamthorpe Road West, Suite 1000, Mississauga, Ontario, L5B 4A5. The Plans' proxy voting record for the most recent period ended June 30 of each year is available free of charge to any security holder of the Plans upon request at any time after August 31 of that year. The proxy voting record is available on the Plans' website knowledgefirstfinancial.ca.

Conflicts of interest

The Foundation sponsors and promotes the Plans and has overall responsibility for the Plans including overseeing the investment of Plan assets. The Manager is responsible for directing Plan affairs and maintaining all Plan records and receives fees from all Plans including any special processing fees and Canada Learning Bond fees it receives. As of the date of this prospectus, all the officers and directors of the Foundation are also officers and directors of the Manager. These relationships may create potential conflicts of interest. In accordance with the provisions of NI 81-107, the Foundation has established an Independent Review Committee to which conflict of interest matters are referred.

Interests of Management and Others in Material Transactions

No director or officer of the Foundation or Knowledge First Financial Inc. has a material interest that has materially affected or is reasonably expected to materially affect the Plans.

Key business documents

- Education assistance agreement with respect to the group plan detailing the terms and conditions of the Family Group Education Savings Plan.
- Education assistance agreement with respect to Flex First detailing the terms and conditions of the Flex First Plan.
- Education assistance agreement with respect to the family individual plan detailing the terms and conditions of the Family Single Student Education Savings Plan.
- Amended and restated trust agreement between RBC Investor Services Trust (by its predecessor The Royal Trust Company) and the Foundation dated as of July 27, 2012 providing for the offering of education savings plans under the group plan. See "About the Foundation."
- Amended and Restated trust agreement between RBC Investor Services Trust and the Foundation dated as of July 27, 2012 providing for the offering of education savings plans under the Flex First Plan. See "About the Foundation."
- Amended and restated trust agreement between RBC Investor Services Trust (by its predecessor The Royal Trust Company) and the Foundation dated as of July 27, 2012 providing for the offering of education savings plans under the family individual plan. See "About the Foundation."
- Investment management agreement between Guardian Capital LP and Knowledge First Financial Inc. dated as of May 2, 1997, as amended and restated on April 2, 2012, providing for investment management services on a discretionary basis by Guardian Capital LP. See "Details of the portfolio advisory agreements."
- Investment management agreement between Guardian Capital LP and Knowledge First Financial Inc. dated as of December 1, 2011, as amended and restated April 30, 2015 providing for investment management services on a discretionary basis by Guardian Capital LP. See "Details of the portfolio advisory agreements."
- Investment management agreement between TD Asset Management Inc. and Knowledge First Financial Inc. dated as of May 30, 2006, as amended on July 10, 2008 and on December 16, 2008, providing for investment management services on a discretionary basis by TD Asset Management Inc. See "Details of the portfolio advisory agreements."
- Investment management agreement between Fiera Capital Corporation and Knowledge First Financial Inc. dated as of July 10, 2008 providing for investment management services on a discretionary basis by Fiera Capital Corporation. See "Details of the portfolio advisory agreements."
- Investment management agreement between Baker Gilmore & Associates Inc. and Knowledge First Financial Inc. dated as of June 20, 2014 providing for investment management services on a discretionary basis by Baker Gilmore & Associates Inc. See "Details of the portfolio advisory agreements."
- Investment management agreement between Connor, Clark & Lunn Investment Management Ltd. and Knowledge First Financial Inc. dated as of June 20, 2014 providing for investment management services on a discretionary basis by Connor, Clark & Lunn Investment Management Ltd. See "Details of the portfolio advisory agreements."

- Investment management agreement between Burgundy Asset Management Ltd. and Knowledge First Financial Inc. dated as of June 12, 2014 providing for investment management services on a discretionary basis by Burgundy Asset Management Ltd. See “Details of the portfolio advisory agreements.”
- Investment management agreement between BMO Global Asset Management and Knowledge First Financial Inc. dated as of June 9, 2014 providing for investment management services on a discretionary basis by BMO Global Asset Management. See “Details of the portfolio advisory agreements.”
- Corporate Services Agreement between the Foundation and the Manager dated May 1, 2013 providing for Plan administration, governance and other corporate services. See “Details of the management agreement.”
- Fund Manager Agreement between the Foundation and the Manager dated May 1, 2013 providing for services as investment fund manager for the Plans. See "Details of the management agreement."
- Amended distribution agreement dated November 10, 2011 providing for services as distributor of the Plans. See “Principal distributor.”
- Administrative service agreement with Sun Life Assurance Company dated December 1, 1997, as amended on January 1, 2003 providing for group life and total disability insurance coverage.
- Agreements between the Department of Employment and Social Development (Canada) and the Foundation for the delivery of the Alberta Centennial Education Savings Plan Grant, the Canada Learning Bond and the CESG (including the ACESG).
- Agreement between Revenue Québec and the Foundation for the delivery of the QESI (including AQESI).
- CESG Agreement between RBC Investor Services Trust (by its predecessor The Royal Trust Company) and the Foundation dated October 31, 1998 for the delivery of the CESG.

You can view copies of the plan documents and other of these key business documents during normal business hours at the Foundation office: 50 Burnhamthorpe Road West, Suite 1000, Mississauga, Ontario L5B 4A5.

LEGAL MATTERS

Exemptions and approvals under securities laws

In 2011, the Ontario Securities Commission, on behalf of the other securities regulators in Canada, granted us relief from the requirement to include the audited financial statements and management reports of fund performance for each Plan in the prospectus of the Plans sponsored by the Foundation. This relief was granted on the condition that the audited financial statements and management reports of fund performance be incorporated by reference into the Plans' prospectus with an explanation in plain language of the importance of these documents and the reasons why you may wish to read them before purchasing a plan. We will also remind you about the importance of these documents on the trade confirmation and on our website where these documents are posted. You may ask for copies of these documents which we will send to you at no cost within two business days of receiving your request.

Legal and administrative proceedings

(i) In 2012 the Ontario Securities Commission (the “OSC”) completed a compliance review of the Manager which is registered as a scholarship plan dealer and investment fund manager with the OSC and other members of the Canadian Securities Administrators. As a result of that review, on August 10th, 2012, the OSC, with the consent of the Manager, issued a Temporary Order (the “Order”) which imposed certain terms and conditions on the Manager’s registration (the “Terms”). The Terms required Knowledge First to retain an independent compliance consultant (the “Consultant”) to assist it in examining and improving its compliance system, retain an independent monitor to review applications from new clients to ensure they contained adequate “know your client” information in order to determine the suitability of the investment, and to refrain from opening new sales offices or hiring net new sales representatives.

The Terms were removed from the Manager’s registration on October 23rd, 2013, a Settlement Agreement was signed March 5th, 2014, an order was issued on March 7th, 2014 and the Manager provided the OSC with a report from the Consultant on May 7, 2015 confirming that improvements to its compliance system as set out in the Consultant’s Plan, as well as any subsequent revisions thereto, are being followed, working appropriately and being adequately administered and enforced.

(ii) On July 17, 2015 a legal proceeding under the Class Proceedings Act, 1992 was commenced in the Ontario Superior Court of Justice naming certain RESP providers and other individuals, inclusive of the Manager, seeking damages of approximately $352 million. The proceeding has not been certified as a class action and no certification hearing has been scheduled. The Plans have not been named as a defendant in the proceeding. While the Manager cannot predict the final outcome or timing of the pending legal proceeding, based on the information currently available and our assessment of the legal proceeding, the Manager believes that it has strong defenses and any potential financial impact cannot be determined at this time. The Manager intends to vigorously defend its position.

Certificate of the Plans and the Promoter, Knowledge First Foundation

August 26, 2015

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 this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

On behalf of the Plans

(signed)	(signed)
R. George Hopkinson President and Chief Executive Officer	Cherisse Norman Signing in the capacity of Chief Financial Officer

On behalf of the Board of Directors of Knowledge First Foundation and on behalf of the Plans

(signed) Donald W. Hunter Director	(signed) Stuart Smith Director

Certificate of the Investment Fund Manager

August 26, 2015

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 this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

On behalf of Knowledge First Financial Inc.

(signed)
R. George Hopkinson
President and Chief Executive Officer

(signed)
Cherisse Norman
Signing in the capacity of Chief Financial Officer

On behalf of the Board of Directors of Knowledge First Financial Inc.

(signed)
Donald W. Hunter
Director

(signed)
Stuart Smith
Director

Certificate of the Principal Distributor

August 26, 2015

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 this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

On behalf of Knowledge First Financial Inc.

(signed)
Stuart Smith
Chairman and Director

How to reach us

BY PHONE

1 800 363-7377 (Customer Service)
1 866 701-7001 (Corporate Office)

ONLINE

By email: contact@kff.ca
At our website: knowledgefirstfinancial.ca

BY MAIL

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