PLAN SUMMARY

REFLEX PLAN

Type of Plan: GROUP SCHOLARSHIP PLAN
Investment Fund Manager: KALEIDO GROWTH INC.
December 1st, 2020

This summary tells you some key things about investing in the Plan. You should read this Plan Summary and the Detailed Plan Disclosure carefully before you decide to invest.

If you change your mind

You have up to 60 days after 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 the sales charges already paid. You will lose the earnings on your money. Your government grants will be returned to the government. **Keep in mind that you pay sales charges up front. If you cancel your plan in the first few years, you could end up with much less than you put in.**

What is the group scholarship plan?	The REFLEX Plan is a group scholarship plan designed to help you save for a beneficiary's post-secondary education. When you open a REFLEX Plan, we will apply to the Canada Revenue Agency to register the plan as a Registered Education Savings Plan (RESP). This allows your savings to grow tax-free until the designated beneficiary of your plan enrols in his or her studies. The Government of Canada and some provincial governments offer government grants to supplement your savings. To register your plan as an RESP, we need social insurance numbers for yourself and the child you name in the plan as the beneficiary. In a group scholarship plan, you are part of a group of investors. Everyone's contributions are invested together. When the plan matures, each beneficiary in the group shares in the earnings on that money. Your share of those earnings, plus your government grant money is paid to or on behalf of your beneficiary as Educational Assistance Payments (EAPs). There are two main exceptions. Your beneficiary will not receive EAPs, and you could lose your earnings, government grants and grant contribution room if: → your beneficiary does not pursue studies that qualify under the *Income Tax Act* (Canada); or → you leave the plan before it matures. **If you leave the plan, your earnings go to the remaining members of the group. However, if you stay in the plan until it matures, you might share in the earnings of those who left early.**
Who is this plan for?	A group scholarship plan can be a long-term commitment. It is for investors who are planning to save for a beneficiary's post-secondary education and are fairly sure that: → they can make all of their contributions on time; → they will stay in the plan until it matures; → their beneficiary will pursue studies that qualify under the *Income Tax Act* (Canada). If this doesn't describe you, you should consider another type of plan. For example, the INDIVIDUAL Plan has fewer restrictions. See the summary of our INDIVIDUAL Plan on pages 39 and following in the Detailed Plan Disclosure for more information.
What does the plan invest in?	The plan invests mainly in fixed-income securities such as corporate bonds, Treasury bills, and bonds issued o guaranteed by a federal government, or by a provincial or municipal Canadian government. The earnings on your contributions are or could be invested in Canadian and U.S. equities. The Plan's investments have some risk. Returns will vary from year to year. All assets invested in the plan follow a sustainable investment policy that factors environmental, social, and governance (ESG) concerns into the investment process.
How do I make contributions?	With your contributions, you buy one or more units or fractional units of the plan. These units represent your share of the plan. You can pay for them all at once, or make annual or monthly contributions. You may change the amount of your contribution as long as you make the minimum contribution permitted under the *Income Tax Act* (Canada). You may also change your contribution schedule after you've opened the plan. All of the different contribution options for this plan are described in the Detailed Plan Disclosure, or you can ask your scholarship plan representative for more information. This plan requires a minimum total investment of $250 for a single contribution (including sales charges), or you can contribute as little as $10.50 per month to subscribe to the REFLEX Plan.

PLAN SUMMARY

What can I expect to receive from the plan?

You can recover all your contributions (net of sales charges) at any time even if the beneficiary does not pursue eligible studies. An amount equal to the sales charges is refunded to you at plan maturity. These sums can be paid to you or directly to your beneficiary in one or more instalments, at your discretion.

You may request an EAP at any time on or after the eligibility date, which is January 15th of the year your beneficiary turns 17 years of age. The request must be submitted to us by the last day of the life of the plan and must be supported by proof that the beneficiary is enrolled for eligible studies. An EAP can be made no later than 6 months following the date on which the beneficiary ceases to be enrolled for eligible studies.

The EAP is then made to or on behalf of the beneficiary in one or more instalments, according to your request. However, the investment fund manager reserves the right to set a maximum number of EAPs per year.

The *Income Tax Act* (Canada) has restrictions on the EAP amount that can be paid out of an RESP at a time. These restrictions are associated with programs of various durations, as follows:

→ for studies in a qualifying educational program (full-time), the beneficiary can receive up to $5,000, for the first 13 consecutive weeks in such a program. After the student has completed 13 consecutive weeks, there is no limit on the EAP amount that can be paid if the student continues to qualify to receive them, subject to the annual maximum set by the Government of Canada. If there is a 12-month period in which the student is not enrolled in a qualifying educational program for 13 consecutive weeks, the $5,000 maximum applies again;

→ for studies in a specified educational program (part-time), the beneficiary can receive up to $2,500 for each 13-week period of the program.

Note that the Government of Canada has established a maximum annual EAP amount a beneficiary can receive. In 2020, this limit was set at $24,432.

EAPs are taxed in the beneficiary's hands.

As of eligibility for EAPs under the REFLEX Plan, your beneficiary will also be able to receive earnings generated after plan maturity from your contributions (net of sales charges) still held at Kaleido Growth Inc., and for which the competitive rate of return is determined by Kaleido Growth Inc.

What are the risks?

If you do not meet the terms of the plan, you could lose some or all of your investment. Your beneficiary may not receive his or her EAPs.

You should be aware of five (5) things that could result in a loss:

Cancellation Rate

Of the last five beneficiary groups of the REFLEX Plan to reach maturity, an average of 25.3% of the plans in each group were cancelled before their maturity date*.

**Includes transfers to the INDIVIDUAL Plan.*

1. **You leave the plan before the maturity date.** People leave the plan for many reasons. For example, if their financial situation changes and they can't afford their contributions. If your plan is cancelled more than 60 days after signing your contract, you'll lose part of your contributions to sales charges. You'll also lose the earnings on your investment and your government grants will be returned to the government unless the plan is transferred to another RESP.

2. **You miss contributions.** If you want to stay in the plan, you'll have to make up the contributions you missed. You will also pay interest at the annual rate of 4% on all late contributions. This can be costly.

   If you have difficulty making contributions, you have options. You can defer, reduce or suspend your contributions, cease your contributions and reduce your financial commitment to the amount already accumulated in your account, transfer to another of our plans or to an RESP offered by a different provider, or cancel your plan. Restrictions and fees apply. Some options will result in a loss of earnings and government grants. If you miss a contribution and do not take any action within 60 days, we may cancel your plan.

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

   → **Maturity date – the deadline for making changes to your plan**

   You have until the maturity date to make changes to your plan and in some cases, even after this date. This includes switching the plan to a different beneficiary or transferring to another RESP. Restrictions apply and fees may be imposed.

   → **The EAP application deadline (cut-off date)**

   If your beneficiary is eligible for EAPs, you must apply no later than December 31st of the 35th year following the year the plan took effect. This date constitutes the end of the life of an RESP under the *Income Tax Act* (Canada). Otherwise, your beneficiary could lose this money. If your beneficiary is considered eligible, you may apply for EAPs at any time after the eligibility date via the Client Space on the Kaleido Foundation website or, if you do not have Internet access, by calling us so that the appropriate form can be sent by mail.

4. **Your beneficiary doesn't pursue eligible studies.** Under this plan, studies that qualify under the government's rules for RESPs will qualify for EAPs. If your beneficiary doesn't pursue eligible studies, you can name another beneficiary, receive an accumulated income payment, transfer to another of our plans or to an RESP offered by a different provider, or cancel your plan. Restrictions apply and fees may be charged. Some options will result in a loss of earnings and government grants. See the Detailed Plan Disclosure for more information.

	5. **Your beneficiary didn't receive all his or her EAPs before the cut-off date.** If you do not claim all the EAPs for your beneficiary while it is still possible to do so, or if your beneficiary ceases to pursue eligible studies and does not undertake other studies before the plan expires (35 years), he or she could lose the right to claim unpaid EAPs still in the Plan. **If any of these situations arise with your plan, contact us or speak with your scholarship plan representative to better understand your options to reduce your risk of loss.**
How much does it cost?	There are costs for joining and participating in the plan. The following tables show the fees and expenses of the plan. The fees and expenses of this plan are different than the other plans we offer.

Paying off the sales charges

If, for example, you subscribe to a unit for your newborn and commit to pay for that unit by making monthly contributions until your plan's maturity date, it will take 29 months to pay off the sales charges according to the calculation method used to deduct these from your contributions. During this time, 34% of your contributions will be invested in the plan.

Fees you pay

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

Fee	What you pay	What the fee is for	Who the fee is paid to
Sales charges *Note: A sum equal to the sales charges paid is refunded at maturity or in the event of cancellation within 60 days of signing the contract. After this 60-day period, the sales charges are not refunded, but may be credited under certain conditions.*	→ Flat fee of $200 per whole unit → Per unit fraction: amount proportional to the fee for a whole unit → A sum equal to these sales charges is refunded at maturity The exact percentage of sales charges depends on the contribution option selected and the age of the beneficiary at the time the plan is opened. This percentage usually ranges from 0.9% to 22.9% of the contributions The first contributions you make are used solely to pay sales charges until 50% of these are paid off (equivalent to $100 for a whole unit). The balance is taken at a 50% rate on subsequent contributions	→ This is a commission for selling you the plan which is paid to your scholarship plan representative	The Distributor (Kaleido Growth Inc.)

Other fees

Other fees apply if you make changes to your plan. See page 28 of the Detailed Plan Disclosure for details.

Fees the plan pays

You do not pay these fees directly. They are paid from the Plan's earnings. However, they affect you because they reduce the Plan's returns and, consequently, the amount available for EAPs.

Fee	What the plan pays	What the fee is for	Who the fee is paid to
Administration fee	The administration fee may not exceed 1.18% (excluding applicable taxes) of the assets under management Any proportion of this fee that is not required to maintain and develop Kaleido Growth Inc. is deducted from excess revenues over the company's expenditures in order to return any surplus to the Plans by reducing the rate of the administration fee, if applicable Fee subject to applicable taxes	Covers the administration expenses of the plan as well as the trailing commissions paid to the representatives of Kaleido Growth Inc.	The investment fund manager (Kaleido Growth Inc.)

PLAN SUMMARY

Fee	What you pay	What the fee is for	Who the fee is paid to
Portfolio management fees	A declining percentage established by the portfolio manager based on total assets invested under its management As at December 31, 2019, this fee represented 0.09% of the average value of assets under management Fees subject to applicable taxes	Covers the management of the plan's investments	The portfolio managers: Fiera Capital Corporation AlphaFixe Capital Inc. Jarislowsky Fraser Limited Montrusco Bolton Investments Inc. State Street Global Advisors Ltd.
Trustee fee	→ Flat fee of $30,000 per year for all scholarship plans promoted by the Foundation → This fee is invoiced in proportion to the average value of the assets under management in each of the plans Fee subject to applicable taxes	Covers the costs to hold the plan's investments in trust	The trustee (Eterna Trust Inc.)
Custodian fee	→ 0.009% of the annual average assets under management → Flat fee of $8 per transaction on Canadian securities → Flat fee of $15 per wire transfer Fee subject to applicable taxes	It is used to safeguard the securities and other investments of the plan	The custodian (CIBC Mellon Trust Company)
Independent Review Committee (IRC) fee	This fee is invoiced to the different plans and is prorated to the average value of each Plan's assets under management. For the year ended December 31, 2019, the fee for the REFLEX Plan was $21,281 (including applicable taxes)	Covers the services of the Plan's IRC. The committee reviews conflict of interest issues between the investment fund manager and the Plan	The IRC members

Are there any guarantees?

We cannot tell you in advance if your beneficiary will qualify to receive any payments from the Plan or how much your beneficiary will receive, where applicable.

We do not guarantee the amount of any payments or that the payments will cover the full cost of your beneficiary's post-secondary education.

Unlike bank accounts or guaranteed investment certificates (GICs), investments in scholarship plans are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Information

The Detailed Plan Disclosure delivered with this Plan Summary contains further information about this plan. We recommend that you read it. For more information, you can also contact our Customer Service or your scholarship plan representative.

Kaleido Growth Inc.
1035 Wilfrid-Pelletier Avenue, Suite 500
Quebec (Quebec) G1W 0C5
Phone: 1-877-710-RESP (7377)
Fax: 418-651-8030
Email: info@kaleido.ca
Website: kaleido.ca