Appendix C
Sample Plan Summary

Plan summary
ABC Scholarship Plan

Type of Plan: Group scholarship plan

Investment Fund Manager: ABC Education Savings Plans Inc.

June 30, 201X

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 sales charges and fees. You will lose the earnings on your money. Your government grants will be returned to the government. **Keep in mind that you pay sales charges 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 ABC scholarship plan?	The ABC scholarship plan is a group scholarship plan designed to help you save for a child's post-secondary education. When you open your ABC plan, we will apply to the Canada Revenue Agency to register the plan as a Registered Education Savings Plan (RESP). This allows your savings to grow tax-free until the child named as the beneficiary of your plan enrols in their studies. The Government of Canada and some provincial governments offer government grants to help you save even more. To register your plan as an RESP, we need social insurance numbers for yourself and the child you name in the plan. In a group scholarship plan, you are part of a group of investors. Everyone's contributions are invested together. When the plan matures, each child in the group shares in the earnings on that money. Your share of those earnings, plus your government grant money is paid to your child as educational assistance payments (EAPs). There are two main exceptions. Your child will not receive EAPs, and you could lose your earnings, government grants and grant contribution room if: • your child does not enrol in a school or program that qualifies under this plan, 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 child's post-secondary education and are fairly sure that: • they can make all of their contributions on time • they will stay in the plan until it matures • their child will attend a qualifying school and program under the plan If this doesn't describe you, you should consider another type of plan. For example, an individual or family plan has fewer restrictions. See the Plan Summaries for our individual and family plans or pages ● of the Detailed Plan Disclosure for more information.
What does the plan	The plan invests mainly in fixed income securities, such as government treasury bills, guaranteed

invest in?	investment certificates (GICs), mortgages and bonds. The plan's investments have some risk. Returns will vary from year to year.
How do I make contributions?	With your contributions, you buy one or more "units" of the plan. These units represent your share of the plan. You can pay for them all at once, or you can make annual or monthly contributions. You may change the amount of your contribution as long as you make the minimum contribution permitted under the plan. You may also change your contribution schedule after you've opened the plan. A fee applies. All of the different contribution options for this plan are described in the Detailed Plan Disclosure, or you can ask your sales representative for more information. This plan requires a minimum total investment of one unit, and you can contribute as little as $● at a time.
What can I expect to receive from the plan?	In your child's first year of college or university, you'll get back your contributions, less fees. You can have this money paid to you or directly to your child. Your child will be eligible for EAPs in their second, third and fourth years of post-secondary education. For each year, your child must show proof they are enrolled in a school or program that qualifies under this plan to get an EAP. EAPs are taxed in the child's hands.

What are the risks?

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

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

Cancellation Rate

Of the last five beneficiary groups of the ABC scholarship plan to reach maturity, an average of ●% of the plans in each group were cancelled before their maturity date.

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

2. **You miss contributions.** If you want to stay in the plan, you'll have to make up the contributions. You'll also have to make up what the contributions would have earned if you had made them on time. This can be costly.

   If you have difficulty making contributions, you have options. You can reduce or suspend your contributions, transfer to another of our plans 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 don't take any action within 24 months, we may cancel your plan.

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

   - **Maturity date - the deadline for making changes to your plan**
     You have until the maturity date to make changes to your plan. This includes switching the plan to a different child, changing the maturity date if your child wants to start their program sooner or later than expected, and transferring to another RESP. Restrictions and fees apply.

   - **August 1 - the EAP application deadline**
     If your child qualifies for an EAP, he or she must apply by August 1 before each year of eligible studies to receive a payment for that year. Otherwise, your child may lose this money.

4. **Your child doesn't go to a qualifying school or program.** For example, apprenticeships, part-time studies and co-operative studies don't qualify under this plan. Under this plan, fewer programs will qualify for an EAP that would otherwise qualify under the government's rules for RESPs. See the Detailed Plan Disclosure for more information. If your child will not be going to a school or program that qualifies for EAP under this plan's rules, you have the options to name another child as beneficiary, 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 can result in a loss of earnings and government grants.

5. **Your child doesn't complete their program.** Your child may lose some or all of their EAPs if he or she takes time off from their studies, doesn't complete all required courses in a year or changes programs. In

some cases, your child may be able to defer an EAP for a year. Deferrals are at our discretion.

If any of these situations arise with your plan, contact us or speak with your sales representative to better understand your options to reduce your risk of loss.

How much does it cost?

There are costs for joining and participating in the plan. The following tables show the fees and expenses of the plan. The fees and expenses of this plan are different than the other plans we offer.

Paying off the sales charge

If, for example, you buy one unit of the plan on behalf of your newborn child, and you commit to paying for that unit by making monthly contributions until your plan's maturity date, then, based on how the sales charge is deducted from your contributions, it will take ● months to pay off the sales charge. During this time, ●% 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 charge	• $100 per unit • This can be between ●% and ●% of the cost of a unit, depending on the contribution option you select for your plan and how old your beneficiary is at the time you open you plan	• This is a commission for selling you the plan. It is paid to your sales representative and the company they work for. • All of your contributions go toward this fee until ½ of it has been paid off, and then ½ half of each of your contributions afterwards goes toward this fee until it has been paid in full.	The investment fund manager
Account maintenance fee	• $● each year for a one-time contribution • $● each year for annual contributions • $● each year for monthly contributions	This is for processing your contributions and for maintaining your plan	The investment fund manager
Insurance premium	• ● cents for every $● you contribute to the plan until you turn 65 unless you pay for all of your units up front	• This is for insurance that makes sure your contributions continue if you die or become totally disabled • We require all subscribers to buy this insurance except those in Quebec.	XYZ Insurance co.

Other fees

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

Fees the plan pays

You don't pay these fees directly. They're paid from the plan's earnings. These fees affect you because they reduce the plan's returns, which reduces the amount available for EAPs.

Fee	What the plan pays	What the fee is for	Who the fee is paid to
Administrative fee	●% per year	This is for operating your plan	The investment fund manager
Portfolio management fee	●% per year	This is for managing the plan's investments	The plan's portfolio managers
Custodian fee	●% per year	This is for holding the plan's investments in trust	The plan's custodian
Independent review committee	$●, in 201X	This is for the services of the plan's independent review committee. The committee reviews conflict of interest matters between the investment fund manager and the plan	The independent review committee

Are there any guarantees?	We cannot tell you in advance if your child will qualify to receive any payments from the plan or how much your child will receive. We do not guarantee the amount of any payments or that the payments will cover the full cost of your child's post-secondary education. Unlike bank accounts or GICs, investments in scholarship plans are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.
For more information	The Detailed Plan Disclosure delivered with this Plan Summary contains further information about this plan, and we recommend you read it. You may also contact ABC Education Savings Plans Inc. or your sales representative for more information about this plan. ABC Education Savings Plans Inc. 123 Main St. Toronto, ON M1A 2B3 Phone: (416) 555-1111 Toll-free: 1-800-555-2222 Email: clientservice@abcplans.ca www.abcplans.ca