

## PLAN SUMMARY

# LEGACY EDUCATION SAVINGS PLAN (formerly “Global Educational Trust Plan”)

Individual Scholarship Plan  
Global Growth Assets Inc.

January 27, 2016

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 except optional insurance premiums (if applicable).

If you (or we) cancel your Plan after 60 days, you'll get back your Contributions, less sales charges, optional insurance premiums 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 LEGACY EDUCATION SAVINGS PLAN?**

The Legacy Education Savings Plan is an individual scholarship plan designed to help you save for a child's post-secondary education. When you open your Legacy Education Savings 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 the Plan enrolls in their studies. The Government of Canada and some provincial governments offer Government Grants to help you save even more. To register your Plan as an RESP, we will need social insurance numbers for yourself and the child you name in the Plan as the Beneficiary.

In an individual 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 are 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 enroll in a school or program that qualifies under this Plan, or
- you leave the Plan before it matures.

### **WHO IS THE PLAN FOR?**

An individual scholarship plan is for investors planning to save for a child's post-secondary education and who are fairly sure that:

- they want more flexibility over when and how much to contribute to their plan
- their child will enroll in a qualifying school and program under the plan

### **WHAT DOES THE PLAN INVEST IN?**

The Plan invests mainly in fixed income securities of mainly Canadian federal and provincial government bonds, guaranteed investment certificates (GICs), financial institution corporate bonds and principal protected notes (PPNs). 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 may pay for them all at once, or you may make Contributions either monthly or annually (as you choose) up to the maximum lifetime limit allowed per Beneficiary. Once you have decided how much you want to invest and the Contribution frequency (one time lump sum, monthly, or annually), your sales representative will work out a Contribution schedule for you. You may change your Contribution schedule after you’ve opened your Plan.

The minimum total investment permitted under this scholarship plan is \$504, which is the price of a Unit. You may own any number of Units based on your Contributions to the plan.

## 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 applicable fees. You can have this money paid to you or directly to your child.

Your child will be eligible to receive EAPs at any time throughout their course of study and within 6 months from the date they ceased being enrolled at an educational institution, as long as they were qualified to receive payments immediately before they left. Your child must show proof of enrollment in a school and program that qualifies under this program 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 four things that could result in a loss:

- 1. You leave the Plan before the Maturity Date.** People leave the Plan for many reasons. For example, if their financial situation changes and they can’t afford their Contributions. If your Plan is cancelled more than 60 days from signing your Contract and before your child begins to receive EAPs, you’ll lose part of your contribution to sales charges and fees. You’ll also lose the earnings on your investment unless you withdraw such earnings as an AIP, subject to the requirements described in the “Accumulated Income Payment” section on page 33. The Government Grants will be returned to the government while income on Government Grants will be paid to a designated educational institution of your choice. If you did not select an educational institution, the income will be paid to a designated educational institution selected by the Foundation.
- 2. You miss Contributions.** If you miss making Contributions and you do not make up the missed amounts within 12 months of missing the payments or at your Plan Maturity Date, the EAPs received by the Beneficiary will be less than you anticipated when you enrolled in the Plan. As long as the missed Contributions are made within 12 months, your Beneficiary will still qualify for Discretionary Payments. Discretionary Payments are not guaranteed.

If you have difficulty making Contributions, you have options. You can reduce or suspend your Contributions, transfer to an RESP offered by a different provider, or cancel your Plan. Restrictions and fees apply. Some options will result in a loss of Earnings and government grants.

- 3. You miss or your child misses a key 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.
  - **If your Beneficiary does not complete or advance in Eligible Studies.** If your Beneficiary does not complete or advance in Eligible Studies your Beneficiary may claim EAPs within 6 months

from the date they ceased being enrolled at an educational institution to the extent that they were qualified to receive payments immediately before they left. They can defer payment until they are enrolled at a qualifying program.

- 4. Your child doesn't enroll at a qualifying school or program.** For example, courses and programs that are not at the post-secondary level, or are at the post-secondary level but the duration is less than 10 hours per week and less than 3 consecutive weeks, or required enrollment at the course or program is intermittent and not consecutive don't qualify for EAPs under this Plan. If your child will not be going to a qualifying school or program under this Plan, you have the option to name another child as Beneficiary, request an Accumulated Income Payment (AIP) or cancel your Plan. Restrictions and fees apply. Some options can result in a loss of Earnings and Government Grants.

**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.

**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.

<b>Fee</b>	<b>What you pay</b>	<b>What the fee is for</b>	<b>Who the fee is paid to</b>
<b>Sales charge</b>	\$30 per Unit, or 5.95% of the cost of a Unit. Up to 100% of each of your initial Contributions goes towards the sales charge until such charge is paid in full.	To pay your sales representative and to cover the costs of selling and marketing your plan	Global RESP Corporation
<b>Account maintenance fee</b>	- \$6 per year for lump sum Contributions - \$12 per year for annual Contributions - \$18 per year for monthly Contributions	This is for processing your Contributions and maintaining your plan	Global RESP Corporation
<b>Account Setup Fee</b>	\$40 per new account	One-time fee for setup of the account.	Global RESP Corporation

**Paying Off the Sales Charge**

If, for example, you buy one Unit of the Legacy Education Savings Plan on behalf of your newborn child, and you commit to paying for that Unit by making monthly Contributions until the Maturity Date, then, based on how the sales charge is deducted from your Contributions, it will take up to 11 months to pay off the sales charge. During this time, approximately 100% of your Contributions will be used to pay the sales charge.

The Account Maintenance fee is subject to change upon 60 days prior written notice by us. Account Maintenance Fees are subject to provincial and federal sales taxes, specific to your province of residence.

**Fees the Plan pays**

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

**Other fees**

Other fees apply if you make changes to your plan. See page 27 in the Detailed Plan Disclosure for details.

Fee	What the Plan pays	What the fee is for	Who the fee is paid to
Management Fee	1.95% of Plan asset, paid annually - collected monthly	Operating and administering your Plan, including portfolio management, trustee, record-keeping and custodial services	Global Growth Assets Inc.
Independent review committee (IRC)	For the year ended March 31, 2015, \$10,000 was paid, shared by all investment funds managed by GGAI.  The Plan's share of this fee was \$8,500.	The IRC's fees for reviewing conflict of interest issues and concerns.	Independent Review Committee members

**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 insurer.

**LEGAL PROCEEDINGS**

The Ontario Securities Commission (OSC) completed a compliance review of, among others, the Manager, GGAI, and noted certain concerns that were referred to the Enforcement Branch of the OSC. On April 14, 2014, the Manager, the Plan and Sam Bouji entered into a settlement agreement with the OSC. For further information, refer to "Legal and Administrative Proceedings" at page 44 of the Detailed Plan Disclosure.

**For more information**

The Detailed Plan Disclosure delivered with this Plan Summary contains further details about this Plan, and we recommend you read it. You may also contact Global Growth Assets Inc. or your sales representative for more information about this Plan.

Global Growth Assets Inc.  
100 Mural Street, Suite 201  
Richmond Hill, ON L4B 1J3

Telephone: (416) 642-3532  
Email: [clientservices@globalfinancial.ca](mailto:clientservices@globalfinancial.ca)