

April xx, 2019

[Sub1Name]  
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Dear Customer,

### Important News – It's Time to Vote!

On behalf of the Board of Directors of the Knowledge First Foundation (the "Foundation"), it is my pleasure to invite you to a Special Meeting of customers of the Family Single Student Education Savings Plan (the "Single Student Plan") to be held at the offices of Knowledge First Financial Inc., Suite 1000, 50 Burnhamthorpe Road West, Mississauga, Ontario L5B 4A5 on **Thursday, May 30, 2019 at 11:00 AM (EDT)**. If you cannot attend the meeting, please vote using one of the alternative methods shown on the enclosed Proxy Form.

#### The Proposed Changes

The Foundation, the sponsor and promoter of the Single Student Plan, is proposing changes to the Single Student Plan that will result in more certainty and transparency regarding fees associated with the Plan. The benefits of these changes are summarized below and are described in detail in the Notice of Meeting and Management Information Circular.

This Management Information Circular is available on our website at: [www.knowledgefirstfinancial.ca/subscribervote](http://www.knowledgefirstfinancial.ca/subscribervote).

1. **Eliminate Depository Fees:** Single Student Plan customers currently pay Depository Fees ranging from \$3.50 to \$10.00 per contribution, per year. Eliminating these out-of-pocket fees allows for increased growth of the assets in the customer's RESP.
2. **Create a consolidated Management Fee:** Replace the administration, custodial and portfolio management fees currently collected from the assets of the Single Student Plan, and the Depository Fees, with an all-in, consolidated Management Fee of **no greater than 1% per year**. Customers will enjoy the certainty of knowing the maximum amount of fees the Foundation can collect from the Single Student Plan and, at 1% per year, is a fair and reasonable amount.

These changes reflect a **modest increase** in the overall fees paid by customers. We estimate that the all-in Management Fee for the first year following the implementation will be between 0.75% and 0.80% per year, plus applicable taxes. This compares to the current fees including Depository fees, Administration, Custodial and Portfolio management fees of approximately 0.72 %, plus applicable taxes, for the year end December 31, 2018.

## **Reasons for the Changes**

The following outlines management's reasons for the change:

- Administration and Depository fees have not been increased since 1994 when the plan was initially launched;
- the increase is very modest for a customer. For example, for a customer with \$20,000 in their RESP, the fee will increase by about \$11 per year or \$1 per month;
- the new Management Fee is a consolidated all-in fee which is clear and capped at 1% per year; previously, the portfolio management and custodial fees could increase at any time and are not capped;
- the proposed Management Fee is comparable or lower to similar RESP plans;
- the Foundation is also holding a customer vote on the Family Group Education Savings Plan on May 30, 2019, proposing to transfer all customer assets from that Plan to the Single Student Plan on January 1, 2020. If this is approved, overall assets of the Single Student Plan will increase significantly, and customers will benefit from asset diversification in a conservative portfolio, including investments in blue-chip Canadian equities and exchange-traded funds.

I trust this helps you understand why these changes are important and beneficial to you.

## **Independent Review**

The Single Student Plan's Independent Review Committee has reviewed the proposed changes and has concluded that the proposed changes, if approved by customers, would result in fair and reasonable result for the Single Student Plan.

**AFTER CAREFUL CONSIDERATION, THE KNOWLEDGE FIRST FOUNDATION BOARD OF DIRECTORS HAS APPROVED THE PROPOSED PLAN CHANGES AND RECOMMENDS THAT CUSTOMERS VOTE IN FAVOUR OF THE PROPOSED CHANGES.**

## **Voting**

As a Single Student Plan customer, you are entitled to vote on the proposed changes. It is easy to vote and we encourage you to do so. You can vote online, by phone, by mail or in person at the Special Meeting on May 30, 2019. The Proxy Form enclosed gives you the opportunity to vote on the proposed changes, if you are not able to attend the Special Meeting. Please see "**Important Information for the Family Single Student Education Savings Plan Subscriber Vote**" also enclosed with this letter, for information on accessing and obtaining the Management Information Circular. If you have any questions or need help with voting, please call us at 1 800 363-7377 or, from outside of Canada, at 1 (647) 788-2923, or by email at [vote@kffinancial.ca](mailto:vote@kffinancial.ca).

Sincerely,

**KNOWLEDGE FIRST FINANCIAL INC.**



R. George Hopkinson  
President & Chief Executive Officer  
Encl.