

## **SIMPLIFIED PROSPECTUS**

November 2, 2021



### **CST SPARK EDUCATION PORTFOLIOS**

CST Spark Graduation Portfolio  
CST Spark 2026 Education Portfolio  
CST Spark 2029 Education Portfolio  
CST Spark 2032 Education Portfolio  
CST Spark 2035 Education Portfolio  
CST Spark 2038 Education Portfolio

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The Funds and the securities issued by the Funds offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission (SEC). The securities are not offered for sale or sold in the United States or to residents of the United States except in reliance on exemptions from registration with the SEC. In addition, the securities are not qualified, registered or permitted for public offering in any other foreign jurisdiction.

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## Introduction

This Simplified Prospectus contains selected important information to help you make an informed investment decision and to understand your rights as an investor in one or more of the CST Spark Education Portfolios, which are organized as mutual funds (each a “Fund” and, collectively, the “Funds”).

The Simplified Prospectus contains information about the Funds and the risks of investing in mutual funds generally as well as the name of the firms responsible for the management of the Funds.

This document is divided into two parts. The first part provides general information that applies to all of the Funds. The second part contains specific information about each of the Funds.

In this document, “we”, “us” and “our” refer to C.S.T. Spark Inc. The Funds offered under this simplified prospectus are referred to together as the Funds and individually as a Fund. The Funds managed and offered by C.S.T. Spark Inc. are referred to as the CST Spark Education Portfolios. In this document, we refer to *mutual fund representative* and *dealer*. The *mutual fund representative* is the individual with whom you consult for investment advice and the *dealer* is C.S.T. Spark Inc. that employs your *mutual fund representative*.

You’ll find more information about each Fund in the following documents:

- the Annual Information Form;
- the most recently filed Fund Facts;
- the most recently filed annual financial statements;
- any interim financial statements filed after those financial statements;
- the most recently filed annual management report of fund performance (once available);
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this simplified prospectus. That means they legally form part of this simplified prospectus just as if they were included in it.

You can get a copy of these documents at no cost by calling us at 1-800-461-7100, by sending us an e-mail at [info@cstspark.ca](mailto:info@cstspark.ca) or by asking one of our mutual fund representatives. You can also find these documents on our website at [www.cstspark.ca](http://www.cstspark.ca).

These documents and other information about the Funds are also available at [www.sedar.com](http://www.sedar.com).

## **What is a mutual fund and what are the risks of investing in a mutual fund?**

### **What is a mutual fund?**

A mutual fund is a pool of investments managed by professional money managers. When you invest in a mutual fund, you're actually pooling your money together with other people who have similar investment goals. A portfolio manager invests that money on behalf of the whole group. If the investments make money, everyone shares in the gain. If the investments lose money, the whole group shares in the loss.

When you invest in a mutual fund, you're buying a piece of the mutual fund. Each piece is called a unit in the case of a mutual fund organized as a trust. Mutual fund companies keep track of each investor's share of the pool by recording how many units you own. The more you invest, the more units you own and the bigger your share of the fund's income, gains and losses. As an investor, you also share a portion of the fund's expenses.

Mutual funds come in many varieties that are designed to meet the differing needs of investors. A fund could hold different types of investments like stocks, bonds, cash, derivatives, or other mutual funds and exchange traded funds or some combination of these, depending on its investment objectives.

The value of these investments can go up or down. They're affected by economic conditions in Canada or abroad, changes in interest rates or currency exchange rates, developments including war and occupation, terrorism and related geopolitical risks, natural disasters and public health emergencies such as an epidemic or pandemic and news about the companies the fund invests in. When the value of the investments change, it can make the price of the mutual fund securities rise or fall. That's why mutual fund investments can increase or decrease in value after you buy them and why the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

In order to withdraw an investment from a mutual fund, the units issued by the mutual fund can be redeemed by selling them back to the mutual fund. Under exceptional circumstances, a mutual fund may suspend redemptions. See ***Purchases, switches and redemptions*** for details.

### **Mutual fund investments are not guaranteed**

Unlike bank accounts or GICs, these funds aren't covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. It's important to remember that like all mutual funds, there's no guarantee that when you redeem your units of the funds, you'll get back the full amount of money you originally invested. Under exceptional circumstances, a mutual fund may not allow you to redeem your units. See page 13 for more information.

### **What advantages do mutual funds have?**

You could make many of the same investments that portfolio managers of mutual funds make. So why buy mutual funds? There are several advantages including:

#### ***Professional management***

Professional portfolio managers make all the decisions about exactly which securities to invest in and when to buy or sell them. It's their full-time job, so you don't have to spend the time making these investment decisions on your own. Portfolio managers may also prepare or have access to proprietary information and research that isn't as accessible to individual investors.

#### ***Diversification***

Diversification means owning several different investments at once. Here's why it's important. The value of your investments goes up and down over time but not all investments are likely to go up or down at the same time, or to the same extent, which can help to lessen the *volatility* of the mutual fund over the long-term.

Since mutual funds typically hold many investments, they offer a simple way to diversify your portfolio. In addition to diversifying through the number of investments, mutual funds often have access to investments individual investors generally cannot buy. A wider range of types of investments may increase *diversification*.

### ***Easy access to your money***

Unlike some other kinds of investments, mutual funds are *liquid*. This means that you can redeem your units at almost any time and get your money when you need it (even though you may get less than you invested).

### ***Record keeping***

Mutual funds make your investments easier to keep track of. Mutual fund companies help you with the details by sending you regular financial statements, fund performance reports, and tax slips.

## **What are the risks of investing in a mutual fund?**

Risk varies from one fund to another. You can measure risk by how often the fund's value changes and how big the changes tend to be. This is called volatility. The bigger and more often the changes in value, the more volatile the fund.

The value of each fund will vary with changes in the value of the fund's investments. Every fund has a different degree of volatility, which depends largely on the investments that the fund makes. For example, if a fund only invests in interest-paying money market instruments offered by the Canadian government, it will be subject to very little volatility. That's because the government guarantees payment of a certain interest rate and there's little chance it will fail to keep its promise. On the other hand, some funds may invest heavily in technology stocks. Technology stocks can have frequent, large changes in value as a company's products go in and out of favour, so funds that have heavy exposure to technology stocks can be quite volatile.

As a general rule, the higher the risk, the higher the potential for gains (and losses). The lower the risk, the lower the potential for gains (and losses). A key to reducing the overall volatility of your portfolio is to hold a wide variety of investments.

When you're deciding which funds to invest in, you need to ask yourself how comfortable you'll be with their volatility. Here are some important points that can help you decide:

- *the length of time you're prepared to invest.* The more time you have until you need to cash in your investments, the more you should be thinking about investing in funds that have exposure to equities. These can be volatile in the short-term, but over the long-term, they've tended to provide higher returns than other kinds of investments
- *your investment goals.* Your goals are unique and will influence the amount of risk that you are willing to take. If you can reach your goal only by earning higher returns on your investments, you may want to think about taking on more risk by making more volatile funds a larger part of your portfolio

**You must feel comfortable with the risk that you take. Before you invest, discuss it with one of our mutual fund representatives.**

## **Specific risks of investing in mutual funds**

The volatility of a fund or underlying fund within a portfolio depends on the kinds of investments it makes. Here are some of the common risks that cause the value of funds to change. Not all risks apply to all funds. Refer to the fund descriptions starting on page 21 to find out which risks apply to each Fund.

### **Credit risk**

Credit risk is the risk that the company, government or other entity (including a special purpose vehicle) that issued a bond or other fixed income security (including asset-backed and mortgage-backed securities) can't pay interest or repay principal when it's due. This risk is lowest among issuers that have a high credit rating from a credit rating agency. It's highest among issuers that have a low credit rating or no credit rating. Investments with a lower credit rating usually offer a better return than higher-grade investments, but have the potential for substantial loss as well as gain, as will the funds that buy them.

High yielding, higher risk income securities in which some of the funds may invest are subject to greater

risk of loss of principal and income than higher rated fixed income securities, and are considered to be less certain with respect to the issuer's ability to pay interest and repay principal.

A specialized credit rating agency, such as Standard & Poor's or DBRS, may reduce the credit rating of an issuer's debt securities. Unexpected downgrades in credit rating typically decrease the value of such securities.

### **Currency risk**

Funds that invest in foreign securities buy them using foreign currency. For example, funds use U.S. dollars to buy U.S. stocks or bonds. Because currencies change in value against each other, it's possible that an unfavourable move in the exchange rate may reduce, or even eliminate, any increase in the value of that investment. The opposite can also be true – the fund can benefit from changes in exchange rates.

### **Cyber Security risk**

With the increasingly prevalent use of technologies such as the internet to conduct business, the manager and the funds are potentially more susceptible to operational, information security, and related risks through breaches in cyber security. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the funds, the manager or the funds' service providers (including, but not limited to, sub-advisor(s) or the funds' custodian) have the ability to cause disruptions and impact each of their respective business operations, potentially resulting in financial losses, interference with the funds' ability to calculate their NAV, impediments to trading the portfolio securities of the funds, the inability of the funds to process transactions in units of the funds, such as purchases and redemptions of the funds' units, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs associated with the implementation of any corrective measures. Similar adverse consequences could result from cyber incidents affecting the issuers of securities in which the funds invest and counterparties with which the funds engage in transactions.

Similar to other operational risks, the manager and the funds have established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such systems will be successful in every instance. Inherent limitations exist in such systems including the possibility that certain risks have not been identified or anticipated. Furthermore, the manager and the funds cannot control the cyber security plans and systems of the funds' service providers, the issuers of securities in which the funds invest, the counterparties with which the funds engage in transactions, or any other third parties whose operations may affect the funds or their respective unitholders.

### **Derivative risk**

While derivatives can be useful for hedging against losses or as a substitute for the underlying assets, they involve a number of risks:

- the hedging strategy used by a fund may not be effective
- there's no guarantee that a market will exist when a fund wants to meet the terms of the derivative contract. This could prevent the fund from making a profit or limiting its losses
- the other party to a derivative contract may not be able to meet its obligations
- stock exchanges may set daily trading limits on futures contracts. This could prevent a fund from closing a contract
- the price of stock index options may be distorted if trading in some or all of the stocks that make up the index is interrupted. If a fund could not close out its position in these options because of interruptions or imposed restrictions, it may experience losses
- the price of a derivative may not accurately reflect the value of the underlying security or index
- an acceptable counterparty may not be willing to enter into contracts that allow the fund to link its performance to the underlying security
- if a fund is required to give a security interest in order to enter into a derivative, there is a risk that the other party may try to enforce the security interest against the fund's assets
- the cost of the derivative contracts may increase.

## **Equity risk**

Businesses issue equity securities, such as shares or units, to help pay for their operations and finance future growth. Funds that buy equities become part owners of the company that issued the securities. Changes in the value of the businesses change the value of the fund. The price of a security is influenced by the outlook for the particular business, by the market activity and by economic condition both at home and abroad. When the economy is expanding, the outlook for many businesses may also be good and the value of their securities may rise. The opposite is also true.

Funds that invest in limited partnership units or trust units, such as oil and gas royalty trusts, real estate investment trusts and income trusts, will have varying degrees of risk depending on the sector and the underlying asset or business and may therefore be susceptible to risks associated with the industry in which the underlying business operates, to changes in business cycles, commodity prices, and to interest rate fluctuations and other economic factors.

## **Exchange Traded Fund Risk**

Exchange-traded funds ("ETFs") are securities that closely resemble mutual funds but can be bought and sold like common stocks. ETFs may invest in equities, bonds, commodities and/or other financial instruments. They may involve the following risks:

- an ETF may fail to accurately track the market segment or index that underlies its investment objective;
- an ETF may not be "actively" managed. Such ETFs would not necessarily sell a security because the security's issuer was in financial trouble, unless the security is removed from the applicable index being replicated. As a result, the performance of an ETF may be lower than the performance of an actively managed fund;
- the market price of an ETF may trade at a discount to its net asset value;
- an active trading market for an ETF's securities may not develop or be maintained;
- there is no assurance that the requirements of the exchange necessary to maintain the listing of an ETF will continue to be met or remain unchanged; and
- brokerage commissions may apply to the purchase and/or sale of an ETF's securities and may result in a reduction in the return that a fund would otherwise realize on its investment in the ETF.

## **Floating rate note risk**

Floating rate notes generally are subject to legal or contractual restrictions on resale. The liquidity of floating rate notes, including the volume and frequency of secondary market trading in such loans, varies significantly over time and among individual floating rate notes. During periods of infrequent trading, valuing a floating rate note can be more difficult, and buying and selling a floating rate note at an acceptable price can be more difficult and delayed. Difficulty in selling a floating rate note can result in a loss.

A decline in the credit quality of a floating rate may reflect a decline in the financial condition of the issuer of the note. Credit ratings assigned by rating agencies are based on a number of factors and may not reflect the issuer's current financial condition or the volatility or liquidity of the floating rate note.

In addition, floating rate notes generally can be prepaid before maturity. If this happens, the floating rate note can offer less income and/or potential for capital gains.

## **Foreign investment risk**

When a fund invests in foreign securities, its value is affected by financial markets and general economic trends in the countries where the securities are issued. While the U.S. market has standards that are similar to those in Canada, other foreign markets may not. For example, some foreign markets may not be as strictly regulated as Canadian and U.S. markets. Their laws might make it difficult to protect investor rights. The political climate might be less stable and social, religious and regional tensions may exist. Business disclosure and accounting standards may be less stringent than in Canada and the U.S., making it difficult to obtain complete information about a potential investment. Securities markets may be smaller than in more developed countries, making it more difficult to sell securities in order to take profits or avoid losses. As a result, the value of foreign securities, and the value of funds that hold them, may rise or fall more rapidly and to a greater degree than Canadian and U.S. investments. In general, securities issued in more developed markets have lower foreign investment risk. Securities issued in emerging or developing markets have higher foreign investment risk.

Funds that concentrate their investments in a single country or region of the world tend to be riskier than funds with greater geographic diversification because prices of securities in the same markets tend to move up and down together.

### **Fund of funds risk**

Mutual funds may invest directly in, or obtain exposure to, other investment funds including exchange traded funds as part of their investment strategy. Therefore, these funds will be subject to the risks of the underlying funds. Also, if an underlying fund suspends redemptions, the investment fund that invests in the underlying fund will be unable to value part of its portfolio and may be unable to redeem securities.

### **Indexing risk**

Certain mutual funds may seek to have all or a substantial portion of their returns linked to the performance of one or more recognized indices, one or more underlying mutual funds or a basket of securities. Indexing strategies involve tracking the performance of an index by tracking the performance of the investments included in the index. It's unlikely that a fund or an underlying mutual fund will be able to track an index perfectly because each of the fund and underlying mutual fund has its own operating and trading costs, which lower returns. Indices don't have these costs.

Also, a fund or an underlying mutual fund may, in basing its investment decisions on an index, be more concentrated than a typical mutual fund. In these circumstances, the fund or underlying mutual fund may tend to be more volatile and less liquid than more diversified mutual funds as it is affected more by the performance of individual issuers.

Further, concentrating its investments in the securities of a particular index allows a fund or an underlying mutual fund to focus on that index's potential, but it also means that the fund or underlying mutual fund may tend to be more volatile than a fund or underlying mutual fund that invests in the securities of a variety of indices because prices of securities on the same index tend to move up and down together. If required by its investment objectives, the fund or underlying mutual fund must continue to invest in the securities of the index, even if the index is performing poorly. That means the fund or underlying mutual fund won't be able to reduce risk by diversifying its investments into securities listed on other indices.

Also, if the stock market upon which the index is based is not open, the fund or underlying mutual fund may be unable to determine its net asset value per security, and so may be unable to satisfy redemption requests.

### **Interest rate risk**

The value of funds that invest in fixed income securities can move up or down as interest rates change. Here's why. Fixed income securities – including bonds, mortgages, treasury bills and commercial paper – pay a rate of interest that's fixed when they're issued. Their value tends to move in the opposite direction to interest rate changes. For example, when interest rates rise, the value of an existing bond will fall because the interest rate on that bond is less than the market rate. The opposite is also true. These changes in turn affect the value of any fund investing in fixed income securities.

In the case of money market funds, a fund's yield is affected by short-term interest rates, and will vary.

### **Large transaction risk**

A fund may have one or more investors who hold or acquire a significant amount of units of the fund, including another mutual fund. If one or more of these investors (including these investing funds) decides to redeem its investment in a fund, the fund may have to make large sales of units to meet these requests. The portfolio manager may have to change the composition of the fund's portfolio significantly or may be forced to sell investments at unfavourable prices, which can negatively impact the fund's returns. Conversely, if one or more of these investors decides to increase its investment in a fund, the fund may have to hold a relatively large position in cash for a period of time while the portfolio manager attempts to find suitable investments. This could negatively impact the fund's return.

There are tax loss restriction rules in the Income Tax Act (the "Tax Act") that will apply to a fund each time the fund experiences a "loss restriction event" for tax purposes, which generally occurs each time an investor (counted together with affiliates) becomes a holder of units representing more than 50% of the fair market value of the fund. This may occur because the investor or an affiliate acquires units of the fund or because another investor redeems units of the fund. If a fund experiences a loss restriction event, investors may



automatically receive an unscheduled distribution of income and capital gains from the fund. For more information about the tax consequences of a distribution, please see *Income tax considerations for investors* on page 15. Also, due to the loss restrictions, the amount of distributions paid by a fund after it experiences a loss restriction event may be larger than they otherwise would have been.

### **Liquidity risk**

Some securities may be difficult to buy or sell because they're not well known or because political or economic events significantly affect them. These include investments in specific sectors, especially commodity sectors, and investments in developing or smaller markets. In addition, smaller companies may be hard to value because they're developing new products or services for which there is not yet a developed market or revenue stream. They may only have a small number of shares in the market, which may make it difficult for a fund to buy or sell shares when it wants to. The value of funds that hold these investments may rise or fall substantially.

### **Regulatory risk**

Certain issuers involved in specially regulated industries, such as the energy or telecommunications industry, may experience an adverse impact on revenue or costs as a result of compliance with the relevant regulatory requirements. In addition, issuers in regulated industries may require permits and approvals before commencing projects. Delays or rejections of these proposed plans would hinder the issuer's growth and increase its costs. Such events could result in a decline in the value of an issuer's securities.

### **Securities lending, repurchase and reverse repurchase transactions risk**

The funds or the underlying exchange trade funds may engage in securities lending, repurchase and reverse repurchase transactions. These transactions will be used in conjunction with the other investment strategies in a manner considered appropriate to achieving the fund's or underlying exchange traded fund's investment objectives.

Securities lending is an agreement whereby a fund lends securities through an authorized agent in exchange for a fee and a form of acceptable collateral. The risks associated with securities lending arise when a counterparty defaults under the agreement evidencing the transaction and the fund is forced to make a claim in order to recover its investment. In a securities lending transaction, a fund could incur a loss if the value of the securities loaned has increased in value relative to the value of the collateral held by the fund.

Under a repurchase transaction, a fund agrees to sell securities for cash while, at the same time, assuming an obligation to repurchase the same securities for cash (usually at a higher price) at a later date. A reverse repurchase transaction is a transaction pursuant to which a fund buys securities for cash while, at the same time, agreeing to resell the same securities for cash (usually at a higher price) at a later date. The risks associated with securities lending, repurchase or reverse repurchase transactions arise when a counterparty defaults under the agreement evidencing the transaction and the fund is forced to make a claim in order to recover its investment. In a repurchase transaction, a fund could incur a loss if the value of the securities loaned or sold has increased in value relative to the value of the collateral held by the fund. In the case of a reverse repurchase transaction, a fund could incur a loss if the value of the securities purchased by the fund decreases in value relative to the value of the collateral held by the fund.

### **Zero-coupon securities risk**

Certain funds may invest in zero-coupon securities. Zero-coupon securities tend to be more highly sensitive to interest rate fluctuations than securities with similar term.

## Organization and Management of the Funds

<p>Investment Fund Manager and Principal Distributor: C.S.T. Spark Inc. 2235 Sheppard Avenue East, Suite 1600 Toronto, Ontario M2J 5B8</p> <p>1-800-461-7100 <a href="mailto:info@cstspark.ca">info@cstspark.ca</a> <a href="http://www.cstspark.ca">www.cstspark.ca</a></p>	<p>C.S.T. Spark Inc. is responsible for the overall management and administration of CST Spark Education Portfolios. As the manager of CST Spark Education Portfolios, we carry out the day-to-day management of CST Spark Education Portfolios.</p> <p>C.S.T. Spark Inc is also the principal distributor of the Funds which includes marketing and selling units of the Fund.</p>
<p>Trustee: RBC Investor Services Trust Toronto, Ontario</p>	<p>Each CST Spark Education Portfolio is organized as a trust. RBC Investor Services Trust is the Trustee and holds title to the securities owned by the Funds on behalf of unitholders. The Trustee also acts as Custodian for CST Spark Education Portfolios and performs valuation and fund accounting services.</p> <p>RBC Investor Services Trust is unrelated to C.S.T. Spark Inc.</p>
<p>Custodian: RBC Investor Services Trust Toronto, Ontario</p>	<p>RBC Investor Services Trust acts as Custodian for CST Spark Education Portfolios. The custodian holds the Funds' cash and securities on behalf of the Funds.</p> <p>RBC Investor Services Trust is unrelated to C.S.T. Spark Inc.</p>
<p>Registrar and Transfer Agent C.S.T. Spark Inc. Toronto, Ontario</p>	<p>As registrar, C.S.T. Spark Inc. keeps a record of all unitholders of the Funds, processes orders, and issues account statements and tax slips to unitholders.</p>
<p>Portfolio Manager: BlackRock Asset Management Canada Limited Toronto, Ontario</p>	<p>The portfolio manager manages the assets of CST Spark Education Portfolios according to a specific mandate including the provision of investment analysis or investment recommendations and making investment decisions. The portfolio manager is responsible for making brokerage arrangements relating to their portfolio.</p> <p>The portfolio manager is unrelated to C.S.T. Spark Inc.</p> <p>We may decide to change the portfolio manager(s), or the allocation of assets assigned to any portfolio manager(s) from time to time in our sole discretion.</p>
<p>Auditor: Deloitte LLP Toronto, Ontario</p>	<p>The auditor audits the annual financial statements of each Fund and provides an opinion on whether or not the annual financial statements are fairly presented in accordance with International Financial Reporting Standards.</p> <p>The auditor is independent of C.S.T. Spark Inc. and the Funds.</p>
<p>Independent Review Committee: Toronto, Ontario</p>	<p>The Funds are required to have an independent review committee ("IRC") in accordance with National Instrument 81-107 <i>Independent Review Committee for Investment Funds</i>. The mandate of the IRC is to review conflict of interest matters identified and referred to the IRC by the manager and to give its approval or recommendation, depending on the nature of the conflict of interest matter. In each instance where a conflict of interest matter is identified and referred to the IRC, the primary focus of the IRC is to determine</p>

if the manager's proposed action achieves a fair and reasonable result for the Funds.

The IRC is composed of three members and each member is independent of the Funds, the manager and other companies related to the manager. Each year, the IRC will prepare a report to unitholders that describes the IRC and its activities for the Fund's financial year. Unitholders can get a copy of this report, at no cost by contacting us toll free at 1-800-461-7100 or visiting our website at [www.cstspark.ca](http://www.cstspark.ca).

You can also get a copy of this report through the SEDAR website at [www.sedar.com](http://www.sedar.com).

Additional information about the IRC, including the names of IRC members, is available in the Funds' annual information form.

## **Manager of CST Spark Education Portfolios**

C.S.T. Spark Inc.

C.S.T. Spark Inc. is incorporated under the laws of Canada and is a wholly-owned subsidiary of the Canadian Scholarship Trust Foundation, a not-for-profit organization whose primary objective is to promote the benefits of higher education and improve access to post-secondary education by reducing barriers and providing wide distribution of education savings plan products. C.S.T. Spark Inc. commenced operations in 2017 and is the exclusive distributor of CST Bright Plan (scholarship plan) in addition to providing administration services to the Canadian Scholarship Trust Foundation and CST Bright Plan. C.S.T. Spark Inc. is also the investment fund manager of CST Bright Plan and carries out the overall management and administration of CST Bright Plan.

## **Purchases, switches and redemptions**

### **Opening an Account**

Before you can make an investment in the Funds, you need to open an RESP account on our secure website at [www.cstspark.ca](http://www.cstspark.ca) or by contacting one of our mutual fund representatives. Units of the CST Spark Education Portfolios may be purchased monthly, biweekly or on an ad hoc basis. Units are purchased based on the NAV per unit on the effective date of order.

### **How the Funds are structured**

When an RESP invests in a Fund, it buys units. Each Fund distributes its earnings by allocating its income and net realized capital gains to unitholders. In general, an RESP is not subject to Canadian tax on amounts it receives from the Funds. For more information about the tax consequences of a distribution, please see *Income tax considerations for investors* on page 15.

### **The price of a security**

When you buy or redeem securities of a mutual fund, you do so at the net asset value ("NAV") of the security. This is also called the Fund's unit price. We calculate the price of each unit for each Fund as at 4:00 p.m. Eastern Time ("ET") on each valuation day, unless the Toronto Stock Exchange ("TSX") closes earlier on that day. A valuation day is any day that the TSX is open for trading or such other time as we may from time to time determine to be a day for valuation for any Fund. The NAV per unit for the Funds are available each valuation day.

We calculate the NAV per unit for each of the Funds by:

- adding the market value of the investments and the assets of the Fund;
- subtracting the liabilities to determine the net assets for the Fund; and
- dividing the net assets by the total number of units investors hold.

## **How we process your order**

Generally, if we received your order before 4:00 p.m. ET on a valuation day (which is any day that the TSX is open for trading), we process your order as of that valuation date and you pay the NAV per unit calculated on that valuation day for the units that you buy. Otherwise, we process your order as of the next valuation day. If the TSX closes earlier than 4:00 p.m. ET on a valuation day, we may impose an earlier deadline for that valuation day. Any order received after this earlier deadline is processed as of the next valuation day.

The contributions you make into your RESP account will be used to pay for your units when you buy them. We do not accept cash, money orders, travelers' cheques or payments from foreign banks as contributions for the purchase of units. Once your payment has been received, we will proceed with your instructions to purchase units in the Fund. A business day is any day except Saturday, Sunday or a Canadian statutory holiday.

You will receive a confirmation once we process your purchase. The trade confirmation is a record of your purchase and includes details about the units that you bought. If you buy units through a monthly or bi-weekly pre-authorized payment plan, you will receive a confirmation for your first purchase. After that, you will receive regular account statements.

You can redeem your Fund by selling your units back to the Fund. This is called a redemption. You receive the NAV per unit calculated on the valuation day we receive your order to redeem your units. We will deposit the cash into the RESP account within two (2) business days.

We'll pay to the Fund you're buying any income earned between the time you make payment and the time the purchase is completed.

We generally don't issue certificates. We may accept or reject an order to buy within one business day of receiving the order. If we reject your order, we'll return any money we've received, without interest.

## **Short-Term Trading**

We discourage investors from short-term trading. Short-term trading can harm a Fund's performance and the value of other investors' holdings in a Fund because such trading can increase brokerage and other administrative costs of a Fund and interfere with the long-term investment decisions of the portfolio manager. Short-term trading may be particularly problematic when large sums are involved. Short-term trading can include buying and then redeeming or switching units of a fund within thirty (30) days of buying or switching them into the Fund. We have policies and procedures to detect and deter short-term trading that include the ability to refuse your present or future order(s) to buy or switch units. If, in our sole discretion, we determine that you are engaging in short-term trading, in addition to taking other available remedies, the relevant Fund may charge a short-term trading penalty to be paid directly to the Fund out of the redemption proceeds, reducing the amount otherwise payable to you on the redemption or switch (see page 15 for more information). We may waive this penalty at any time.

The restrictions imposed on short-term trading, including the short-term trading fees, will generally not apply in connection with redemptions or switches initiated by us under special circumstances, as determined by us in our sole discretion; or pursuant to Systematic Withdrawal Plans. The annual information form includes a description of all arrangements, whether formal or informal, with any person or company, to permit short-term trades of units of the Funds.

Despite these restrictions and our procedures to detect and deter short-term trading, we cannot ensure that such trading will be completely eliminated.

## **Your guide to buying, switching and redeeming the Funds**

### **Minimum Purchases**

No initial minimum purchase amount required.

Minimum Monthly Recurring Purchase: \$10 per transaction

Minimum Switch amount \$500

## **Switching Funds**

A switch involves moving your investment from one CST Spark Education Portfolio to another CST Spark Education Portfolio. When we receive your order, we'll switch your CST Spark Education Portfolio to another CST Spark Education Portfolio. This is a disposition or redemption of units of one of the Funds and the use of the proceeds to purchase units of another of the Funds. We will not charge a service fee for switching Funds; however, the minimum amount of any switch is \$500.

## **Redeeming Funds**

There is no minimum amount needed for redemptions.

For your protection, you must submit your order through your online RESP account.

If we have not received all the necessary documentation and/or information needed to settle your redemption request within ten (10) business days, we are required under securities legislation to purchase the equivalent number of units you asked to be redeemed as of the close of business on the tenth business day. If the purchase price of the units is less than the original redemption price, the Fund will keep the difference. If the amount of the purchase price exceeds the original redemption price, we will pay the difference to the Fund and may seek reimbursement from you.

## **When you may not be allowed to redeem your units**

The Funds may suspend your right to request a redemption for all or part of a period when:

- normal trading is suspended on a stock, options or futures exchange in Canada or outside Canada in which securities or derivatives that make up more than 50% of the value or underlying exposure of the Fund's total assets are traded; and
- those securities or derivatives are not traded on any other exchange that represents a reasonable alternative for the Fund.

A Fund may postpone a redemption payment for any period during which your right to request a redemption is suspended under the circumstances described above or otherwise with the approval of the Canadian securities regulators. A Fund may not accept orders for the purchase of units during any period when the redemption of its units has been suspended.

## **Optional services**

This section tells you about the plans and services that are available to CST Spark Education Portfolio investors. Call us toll free at 1-800-461-7100 or ask one of our mutual fund representatives for details.

## **Recurring Contributions**

We offer bi-weekly, monthly and annual recurring pre-authorized payments which let you invest a small amount at regular intervals. This can be an affordable and effective way to build your investment. We withdraw the money directly from your bank account, deposit it into your C.S.T. Spark RESP account and invest it in the Fund as per your instructions. You can change how much you invest and how often, or stop contributing, whenever you like. There are no fees to set up these payments. A recurring purchase of \$10 is the minimum requirement.

## **Fees and Expenses**

### **Fees and Expenses paid by CST Spark Education Portfolios**

There are costs for investing in CST Spark Education Portfolios. The following fees and expenses are paid by CST Spark Education Portfolios. Fees are paid by the Funds before they calculate their price per unit which will reduce the value of your investment in the CST Spark Education Portfolio. You don't pay these fees directly. These fees affect you because they reduce the overall value of the investment in the CST Spark Education Portfolios.

There are no sales charges to invest in CST Spark Education Portfolios. The Funds hold securities of underlying funds and fees and expenses are payable by the underlying fund in addition to the fees and expenses payable by the Fund. No management fees or incentive fees are payable by a Fund that, to a reasonable person, would duplicate a fee payable by an underlying fund for the same service. No sales fees or redemption fees are payable by a Fund in relation to its purchases or redemptions of the underlying fund that, to a reasonable person, would duplicate a fee payable by an investor in the Fund.

### All CST Spark Education Portfolios

Fee	What CST Spark Education Portfolios pay
<p><b>Management Fee</b></p>	<p>Each Fund pays an annual management fee (the “Management Fee”) that is calculated and payable monthly in arrears based on the daily average NAV for each Fund during the relevant month and is subject to harmonized sales tax and other applicable taxes. The Management Fee is used to pay certain expenses such as employee salaries, research costs, and promotional expenses and is consideration for the services outlined below:</p> <ul style="list-style-type: none"> <li>- developing applicable investment restrictions and/or policies;</li> <li>- preparation and filing of disclosure documents to permit continuous offering of units of the Funds;</li> <li>- preparation of all written and printed material for distribution to potential investors and exiting security holders in compliance with the registration, filing and reporting of similar requirements of all regulatory bodies having jurisdiction over the Funds;</li> <li>- the provision of registry and transfer agency services, distribution crediting services and all other security holder services and management services; and</li> <li>- the provision of portfolio manager services including monitoring investment portfolio decisions and execution of portfolio transactions.</li> </ul> <p>The Management Fee for each Fund can be found under the heading <b>Fund Details</b> in the fund-specific information section.</p> <p>C.S.T. Spark Inc., in its sole discretion, may waive or absorb a portion of a Fund’s Management Fee. Such waivers or absorptions may be terminated at any time without notice.</p> <p>Where a Fund holds units of another Fund, C.S.T. Spark Inc. will waive (all or) a portion of the management fees payable by the top Fund or the underlying Fund in order to ensure that there is no duplication of management fees for the same service.</p>
<p><b>Underlying Fund Fees and Expenses</b></p>	<p>Where a Fund invests in an underlying investment fund, including an exchange traded fund (ETF), the fees and expenses payable by that underlying fund are in addition to the fees and expenses payable by the Fund. No sales or redemption fees, other than brokerage fees, are payable by a Fund when it buys or sells securities of an underlying fund.</p> <p>Each Fund holds ETFs that are managed by BlackRock. The weighted average cost of these ETFs’ fees and expenses across the CST Spark Education Portfolios ranges from 0.18% to 0.20% of the Fund’s value based on their target asset mix and the ETFs’ management expense ratios, as reported in their most recent ETF Facts, which range from 0.06% to 0.72% of each ETF’s daily asset value. These fees are not paid directly by you but impact the prices of the ETFs that the Fund holds.</p> <p>C.S.T. Spark Inc. does not charge a management fee that would be reasonably expected to duplicate a fee payable by the underlying funds in which a Fund invests for the same service.</p>

<b>Independent Review Committee (IRC)</b>	Each CST Spark Education Portfolio will pay their proportionate share of the fees and expenses for the Canadian Scholarship Trust Plans' and CST Spark Education Portfolios' IRC. Each IRC member receives \$7,500 per annum, with a per meeting fee of \$1,000 (\$500 for conference calls). The Chair of the IRC receives an additional \$2,500 per annum. The Canadian Scholarship Trust Plans and CST Spark Education Portfolios also pay for certain expenses of its operation and share the annual secretariat fee of \$35,000.
<b>Operating Expenses of CST Spark Education Portfolios not paid out of the Management fee</b>	CST Spark Education Portfolios pay for certain expenses of its operation that are not paid for by the Manager out of the Management Fee. This includes brokerage fees and other fees, and disbursements directly relating to the investments made for CST Spark Education Portfolios, taxes payable by the Funds, expenses of any Subscriber meetings, and expenses related to out of the ordinary costs of the trustee and custodian. Any fees and expenses relating to compliance with a new requirement that may apply to CST Spark Education Portfolios will be charged to the Funds.

### Fees and other expenses payable directly by you

Fee	Amount	How the fee is paid
<b>Sales Charges</b>	\$0	There are no applicable fees.
<b>Switch Fees</b>	\$0	There are no applicable fees
<b>Redemption Fees</b>	\$0	There are no applicable fees
<b>Registered Tax Plan Fees</b>	\$0	There are no applicable fees
<b>Short-Term Trading Penalty</b>	2% of amount redeemed or switched	Deducted from your redemption or switch proceeds
<b>Returned (N.S.F.) payments</b>	\$40 per item	Directly by you
<b>Account Transfer-out Fees</b>	\$50 per transfer	Deducted from your account balance
<b>Cheque payment</b>	\$10 per cheque	Deducted from the cheque amount
<b>Lost cheque replacement or Stop Payment</b>	\$20 per item	Deducted from the new cheque amount
<b>Paper statements</b>	\$2 per statement	Deducted from your account balance

You may also have to reimburse your dealer if it suffers a loss as a result of our having to redeem your units for insufficient payment. See Your guide to buying, switching and *redeeming the Funds* on page 12 of this simplified prospectus.

### Dealer compensation

C.S.T. Spark Inc. is the principal distributor of CST Spark Education Portfolios. C.S.T. Spark Inc. does not receive any additional compensation from the Funds for acting as principal distributor.

C.S.T. Spark Inc. uses a web-based on-boarding process for Subscribers wishing to invest in a CST Spark Education Portfolio. The mutual fund representatives who will work with you to open your RESP account are employees of C.S.T. Spark Inc. and are paid a salary by C.S.T. Spark Inc., which is not based on how much you invest in CST Spark Education Portfolios. You do not pay any sales commissions to invest in CST Spark Education Portfolios.

The mutual fund representatives who will work with you to open your account and invest in CST Spark Education Portfolios are all registered representatives of C.S.T. Spark Inc.

## **Income tax considerations for investors**

This is a general summary of the current Canadian federal income tax rules applicable to you as the subscriber of a registered education savings plan (“RESP”) that invests in a Fund. This summary assumes that you are an individual (other than a trust) and, for purposes of the *Income Tax Act* (Canada) (the “Tax Act”) and at all relevant times, (i) are or are deemed to be resident in Canada, (ii) deal at arm’s length and are not affiliated with the Funds, and (iii) are the subscriber of an RESP properly created under the Tax Act that holds units of the Funds.

The manager has advised, and this summary assumes, that each Fund qualifies, or intends to qualify, at all material times, as a “mutual fund trust” as defined in the Tax Act. If a Fund were to fail to qualify at any time, the income tax consequences would be materially different from those described below.

**This summary is not intended to be legal or tax advice. Everyone’s tax situation is different. We suggest that you consult your tax advisor for details about your situation.**

## **How the Funds make money and how they are taxed**

The Funds make money in a number of ways, including:

- Earning income in the form of interest, dividends, income distributions from a trust, gains and losses from derivatives and other types of returns from investment
- Realizing capital gains when they sell an investment for more than their cost for acquiring the investment. Realized capital gains may be offset by realized capital losses on portfolio transactions.

Each Fund expects all of its net income and realized taxable capital gains will be paid or payable to unitholders in each taxation year. Accordingly, each Fund is not expected to have any material Canadian tax liability.

## **How you are taxed as the subscriber of an RESP holding units of a Fund**

### ***Taxation of units held in an RESP***

Units of the Funds are expected to be, at all relevant times, “qualified investments” under the Tax Act for an RESP. No tax is payable under Part I of the Tax Act on income from, or from the disposition of, units of the Funds provided the units are “qualified investments” held in an RESP of which you are the subscriber. You should consult your own advisers regarding the tax implications of establishing, amending, terminating or withdrawing amounts from their RESP.

You will be subject to adverse tax consequences if units of a Fund are a “prohibited investment” within the meaning of the Tax Act for an RESP of which you are the subscriber. Units of a Fund may be a “prohibited investment” for an RESP in certain circumstances where the subscriber: (i) does not deal at arm’s length with the Fund for purposes of the Tax Act, or (ii) alone or with persons with whom the subscriber does not deal at arm’s length holds 10% or more of the value of all units of the Fund.

Units of a Fund will not be a “prohibited investment” for a Fund if the units are “excluded property” as defined in the Tax Act for purposes of the prohibited investment rules. Generally, units of a Fund will be “excluded property” for a Fund if at the relevant time, (i) at least 90% of the value of all equity of the Fund is owned by persons dealing at arm’s length with the subscriber; (ii) the subscriber deals at arm’s length with the Fund; and (iii) certain other criteria set forth in the Tax Act are met.

## **About RESPs**

CST Spark Inc. manages registered education savings Plans (“RESPs”).

RESPs are designed to help families save for their children’s education. Contributions to an RESP are not tax deductible, but any income and capital gains earned in the RESP are generally tax-free until payments are made from the plan. The beneficiary must pay tax on amounts he or she receives from the RESP. The original contributions can be withdrawn by the contributor tax-free at any time. Contributions are limited to a lifetime limit of \$50,000 for each beneficiary. This limit includes all contributions



made by all contributors to RESPs for a particular beneficiary. You will have to pay a penalty tax of 1% a month on any contributions above this limit.

Contributions to an RESP may qualify for Canada Education Savings Grants. These grants are payable directly to the RESP, within certain limits. They must be repaid in some circumstances, for example, when contributions are withdrawn in certain circumstances. In addition, beneficiaries may also be eligible for the Canada Learning Bond.

You may direct us to transfer your RESP to another RESP provider if an accumulated income payment has not been made from your RESP. We will transfer the value of your RESP if the receiving RESP complies with Canada Revenue Agency and Employment and Social Development Canada (ESDC) requirements. We will charge a transfer-out fee of \$50 per RESP transferred.

Under certain circumstances, including if the beneficiary of the RESP does not pursue a higher education by the age 21 and the RESP has been established for at least 10 years, a contributor can transfer up to \$50,000 of the RESP's accumulated income and capital gains to the contributor's registered retirement savings plan ("RRSP") or spousal RRSP without having to include the transferred amount in the contributor's personal income. This assumes the contributor has enough unused RRSP contribution room. The contributor can also receive all or part of the payout of the RESP's accumulated income and capital gains as personal income. A 20% penalty tax applies to these payments in addition to any regular income tax payable.

### **What are your legal rights?**

Securities legislation in some provinces and territories gives you the right to withdraw from your agreement to buy mutual funds within two business days of receiving the Simplified Prospectus or Fund Facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund units and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form, Fund Facts or financial statements misrepresent any facts about the Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult a lawyer.

## Specific information about each of the mutual funds described in this document

### Your Guide to Using the Fund Descriptions

You'll find all the key information about each Fund in the fund descriptions. Each fund description is organized into sections to make it easier for you to compare funds. Below is a short guide to what you'll find in each section of the fund descriptions.

#### 1. Fund details

The *Fund details* section provides an overview of some basic information about the Fund, like what kind of fund it is, when it was started and what type of securities it offers.

The Funds are organized as trusts. When you invest in a Fund, you are buying units of a trust.

The *Fund details* section tells you if the Fund is a qualified investment for RESPs.

This section shows the maximum management fee that we may charge and the range of management fees and expenses charged by the manager of the underlying funds.

#### 2. What does the Fund invest in?

This section tells you the *Investment objectives* and *Investment strategies* of the Fund.

##### Investment objectives

These are the goals of the Fund. You'll find details about the kinds of securities the Fund invests in.

We can't change a Fund's investment objectives unless we get approval from a majority of unitholders who vote at a special meeting.

##### Investment strategies

This section tells you how the portfolio manager tries to achieve the Fund's objectives. Each of the Funds follows the standard investment restrictions and practices established by Canadian securities legislation unless Canadian securities regulators have given the Fund approval to vary from these restrictions. If we and/or the Fund have obtained such an approval, we may discuss it here or under *Additional information* and we also discuss it in the annual information form.

Each Fund may deviate from its investment objectives by holding cash as a defensive strategy or while waiting to invest in other securities. A Fund may also buy short-term fixed income securities and money market instruments.

A Fund may purchase securities of exchange traded funds.

In some cases, the investment strategies section of a Fund may indicate that the Fund has percentage or other restrictions on its investment in certain types of securities. In these cases, if the restriction is adhered to at the time of investment and then later the market value of the investment, the rating of the investment, or the value of the Fund, changes in a manner that causes the restriction to be exceeded, it is not a violation of the restriction.

C.S.T. Spark Inc. may engage various portfolio managers to manage the asset classes associated with a Fund. Each portfolio manager may be provided with a specific mandate that it must follow in making investment decisions for the Fund. The portfolio manager may:

- determine the target weightings for each asset class;
- allocate assets among the underlying funds within the target weightings of the Fund as well as, based on each underlying fund's investment objectives and strategies, among other factors;
- rebalance the Fund's assets among the underlying funds to ensure the asset allocation of the Fund stays within its target weightings as set by the asset allocation strategy;
- hold a portion of its assets in cash or cash equivalent securities.

## Currency hedging strategies

Certain Funds may buy securities denominated in foreign currencies. The value of these securities will vary with changes in the value of the Canadian dollar. To protect against variations in exchange rates, these Funds may buy or sell forward currency contracts or currency futures contracts.

Each Fund that engages in currency hedging will exchange currency on a spot basis at prevailing rates or through forward contracts of one year or less. We enter currency hedging contracts only up to the market value of the assets a Fund holds in that currency. We may adjust the contracts from time to time.

## Fund Mergers

Where permitted by applicable securities laws, a merger of a Fund managed by C.S.T. Spark Inc. into another mutual fund managed by us or an affiliate of C.S.T. Spark Inc. can be effected without unitholder approval provided the Fund's Independent Review Committee approves the merger and unitholders of the Fund have been given written notice of at least 60 days before the effective date of the merger.

### 3. What are the risks of investing in the Fund?

When you're deciding which Funds to invest in, risk is one of the things you should think about. This section tells you the specific risks of investing in the Fund. You'll find a description of each risk under *What is a mutual fund and what are the risks of investing in a mutual fund?*

### 4. Who should invest in this Fund?

This section tells you the kind of investor the Fund may be suitable for and how the Fund could fit into your portfolio. When you're choosing a Fund to invest in, you need to ask yourself what you're expecting from your investments, how long you're planning to put your money away, and how much risk you're willing to accept.

### 5. Fund risk classification

The investment risk level of a Fund is determined in accordance with a standardized risk classification methodology that is based on the Fund's historical volatility as measured by the 10-year standard deviation of the returns of the Fund. If the historical performance of a Fund is less than the required 10-year period, the actual return history of the Fund is calculated and the standard deviation of the remaining period is imputed based on the return history of one or more reference index(es) or, if appropriate, a reference fund. The reference index selected by C.S.T. Spark Inc. must reasonably approximate, or for a newly established Fund, is expected to reasonably approximate, the standard deviation and risk profile of the Fund and have regard to specific factors outlined in the standardized risk classification methodology. The return history of a reference fund may be used if: (i) the Fund is a clone fund (as defined under NI 81-102) and the underlying reference fund has 10 years of performance history; or (ii) the reference fund is subject to NI 81-102, has 10 years of performance history and has the same manager, portfolio manager, investment objectives and investment strategies of the Fund.

The investment risk level is assigned based on the standard deviation ranges published by the Canadian Securities Administrators ("CSA") as set out in the table below.

Standard Deviation Range	Investment Risk Level
0 to less than 6	Low
6 to less than 11	Low to medium
11 to less than 16	Medium
16 to less than 20	Medium to High
20 or greater	High

These risk ratings do not necessarily correspond to an investor's risk tolerance assessment; please consult your financial advisor for advice regarding your personal circumstances.

Details about the method that we use to determine the investment risk level of each Fund are available on request, at no cost to you, by calling us at 1-800-461-7100 number or email us at [info@cstpark.ca](mailto:info@cstpark.ca).

For Funds that do not have 10-years of historical returns, the following indices or combinations of indices were used as proxies for Fund returns for periods between the inception of the Fund and ten years prior to

the inception of the Fund.

<b>Reference Index</b>	<b>Description of Reference Index</b>
FTSE Canada Universe Bond Index	The FTSE Canada Universe Bond Index is a broad measure of the total return of Canadian bonds that mature in more than one year.
MSCI All Country World Index	The MSCI All Country World Index is an equity index that measures the returns across 23 developed markets and 27 emerging markets globally.

## **6. Distribution policy**

This section tells you when you might receive distributions from a Fund and the character of the distribution. Distributions from a Fund held in a CST Spark Education Portfolio registered plan are reinvested in additional units of the Fund you hold, unless directed in writing by you to be received in cash. You'll find information about the taxation of distributions under *Income tax considerations for investors*.

## **7. Fund expenses indirectly borne by investors**

This section gives you a hypothetical example to help you compare the indirect cost of investing in the Fund with the indirect cost of investing in other mutual funds. These costs are paid out of a Fund's assets. While you don't pay them directly, they have the effect of lowering the Fund's returns. As the Funds are new, this information is not available because their expenses are not yet known. See *Fees and Expenses* for more information about the cost of investing in the Funds.

## Specific information about each of the mutual funds described in the document

### CST Spark Graduation Portfolio

#### Fund details

**Type of fund:** Short term Fixed Income

**Date started:** November 2, 2021

**Securities offered:** Units of a mutual fund trust

**Eligible for registered plans:** Expected to be a qualified investment

**Management Fee:** 1.3% per annum (excluding applicable taxes)

**Underlying Fund Fees and Expenses:** A weighted average of 0.18% (per annum including applicable taxes) of the Fund's net asset value based on the Fund's target asset mix and the ETFs' management expense ratios which range from 0.06% to 0.72% of each underlying fund's daily net asset value.

**Portfolio manager:** **BlackRock Asset Management Canada Limited**  
Toronto, Ontario  
(Portfolio Manager since November 2, 2021)

#### What does the Fund invest in?

##### Investment objectives

The Fund's investment objective is to provide security holders with a relatively stable level of income, preserving capital and maintaining liquidity.

The Fund will invest primarily in a diversified mix of ETFs providing exposure to fixed income, money market, cash equivalents and equity securities.

The fundamental investment objective of the Fund may not be changed without the approval of majority vote of the Fund's unitholders represented at a meeting called for that purpose.

##### Investment strategies

The portfolio manager uses the following strategies to try to achieve the Fund's investment objective:

- Invests in a diversified mix of ETFs that are primarily exposed to fixed income securities, money market securities and/or cash equivalents.
- May invest up to 20% of the fund's assets in ETFs that invest primarily in equity securities.
- The actual asset mix may also vary based on changes in the market conditions, the value of underlying securities and the portfolio manager's long-term outlook.

The portfolio manager will manage the allocation to an asset class so that it will be not exceed 10% above or below the weightings indicated in the chart below. This maximum equity allocation will change over time in line with the overall asset mix.

	Target Weighting
Fixed Income and Money Market Funds (%)	80
Equity Funds (%)	20

The maximum equity allocation is 20%.

The Fund's assets mix, underlying ETFs as well as the percentage holding in each underlying ETFs may be changed without notice to reflect market conditions and the portfolio manager's long-term outlook for each asset class.

The Fund or its underlying ETFs may use derivatives as permitted by Canadian securities regulators.

The Fund or its underlying ETFs may enter into securities lending transactions to earn additional income. These transactions will be used in conjunctions with other investment strategies in a manner considered appropriate to achieving the Fund's investment objectives.

### **What are the risks of investing in the Fund?**

The investment strategies may involve the following risks, which we explain starting on page 5:

- credit risk
- currency risk
- derivative risk
- exchange traded fund risk
- equity risk
- foreign investment risk
- fund of funds risk
- indexing risk
- interest rate risk
- large transaction risk
- regulatory risk
- securities lending risk

The risk rating of the Fund is low. Since the Fund is a new fund and has less than 10 years of performance history, we have used the performance history of the following reference indexes to calculate the risk rating of the Fund in the proportions noted in the table below:

<b>Reference Indexes</b>	<b>Percentage (%)</b>
FTSE Canada Universe Bond Index	80%
MSCI All Country World Index	20%

For more information, see the Fund risk classification section on page 19 in Your guide to understanding the Fund Descriptions.

### **Who should invest in this Fund?**

Consider this Fund if:

- you are seeking to fund post-secondary education that is about to commence or currently is in progress. You are looking for an investment product from which you can draw down the savings;
- you are comfortable with low investment risk, and willing to accept some fluctuations in the market value of your investment over the short-term.

### **Distribution policy**

The Fund distributes any net income and any net capital gains in December of each year. Distributions are automatically reinvested in additional units of the Fund. Please see page 20 for more information.

### **Fund expenses indirectly borne by investors**

This information is not available as the Fund has not commenced operations as at the date of this preliminary simplified prospectus.

## CST Spark 2026 Education Portfolio

### Fund details

**Type of fund:** 2026 Target Date Portfolio

**Date started:** November 2, 2021

**Fund end date:** December 31, 2026

**Securities offered:** Units of a mutual fund trust

**Eligible for registered plans:** Expected to be a qualified investment

**Management fee:** 1.3% per annum (excluding applicable taxes)

**Underlying Fund Fees and Expenses:** A weighted average of 0.20% (per annum including applicable taxes) of the Fund's net asset value based on the Fund's target asset mix and the ETFs' management expense ratios which range from 0.06% to 0.72% of each underlying fund's daily net asset value.

**Portfolio manager:** **BlackRock Asset Management Canada Limited**  
Toronto, Ontario  
(Portfolio Manager since November 2, 2021)

### What does the Fund invest in?

#### Investment objectives

The Funds' fundamental investment objective is to provide the opportunity for capital appreciation and income for the purposes of funding a post-secondary education anticipated to begin between 2025 and 2027.

This Fund is an asset allocation fund specifically designed to meet the changing needs of investors who are saving money for the purpose of funding a post-secondary education that commences around 2026.

As the asset mix of the Fund transitions to an increased proportion of fixed income while equity securities decrease at an increasing pace. When the Fund approaches its end date, the asset mix transitions to a substantially more conservative mix with the majority of assets allocated to fixed income securities and/or money market and cash equivalent securities.

The Fund will invest primarily in a diversified mix of ETFs providing exposure to equity, fixed income, money market and cash equivalents.

The fundamental investment objective of the Fund may not be changed without the approval of majority vote of the Fund's unitholders represented at a meeting called for that purpose.

#### Investment strategies

The CST Spark Education Portfolios will meet its investment objectives by investing according to a proprietary glide path approach, that shifts the asset mix over time based on the expected date for attending post-secondary education.

The target asset allocations are not considered a fundamental investment objective and could change on an annual basis as we review them to achieve the Fund's investment objectives. The target mix for the Fund will change over time.

The actual asset mix of the glide path for the Fund will be adjusted on a quarterly basis as the investment portfolio transitions over time, from an emphasis on equities to an emphasis on fixed income securities, cash equivalents and money market instruments. The Fund will invest in underlying ETFs in each asset class in the weightings set out in the chart below. The actual asset mix may also vary based on changes in the market conditions, the value of underlying securities, the portfolio manager's long-term outlook and annual updates

to the asset allocation of the glidepath.

The portfolio manager will manage the allocation to an asset class so that it will be not exceed 10% above or below the weightings indicated in the chart below.

	Target Weightings		Fund end date*
	2021-2023	2024-2026	
Fixed Income and Money Market Funds (%)	40	60	80
Equity Funds (%)	60	40	20

\*The Fund will be rebalanced to this asset allocation on or about December 31, 2026.

The maximum equity allocation is 67%.

The Fund's assets mix, underlying ETFs as well as the percentage holding in each underlying ETF may be changed without notice to reflect market conditions and the portfolio manager's long-term outlook for each asset class.

The Fund or its underlying ETFs may use derivatives as permitted by Canadian securities regulators.

The Fund or its underlying ETFs may enter into securities lending transactions to earn additional income. These transactions will be used in conjunctions with other investment strategies in a manner considered appropriate to achieving the Fund's investment objectives.

Where permitted by applicable securities laws and subject to the approval of the IRC, once the Fund's target end date of December 31, 2026 is reached, it is expected that, within a period of no more than six months, the Fund will be merged into the CST Spark Graduation Portfolio or a similar fund managed by us or one of our affiliates. Unitholders will be notified at least 60 days prior to the merger date and notified of the process to be followed if they wish to redeem their units of the Fund and receive cash in lieu of units of the CST Spark Graduation Portfolio on the merger date. For more information, see the Fund Mergers section on page 19 in Your guide to understanding the Fund Descriptions.

### What are the risks of investing in the Fund?

The investment strategies may involve the following risks, which we explain starting on page 5:

- credit risk
- currency risk
- derivative risk
- exchange traded fund risk
- equity risk
- foreign investment risk
- fund of funds risk
- indexing risk
- interest rate risk
- large transaction risk
- regulatory risk
- securities lending risk

The risk rating of the Fund is low. Since the Fund is a new and has less than 10 years of performance history, we have used the performance history of the following reference indexes to calculate the risk rating of the Fund in the proportions noted in the table below:

Reference Indexes	Percentage (%)
FTSE Canada Universe Bond Index	50%
MSCI All Country World Index	50%

For more information, see the Fund risk classification section on page 19 in Your guide to understanding the



Fund Descriptions.

**Who should invest in this Fund?**

Consider this Fund if:

- you want an investment portfolio that becomes more conservative as the Fund end date approaches;
- you are seeking to fund post-secondary education that begins around the year 2026;
- you want a Fund that will actively manage a diversified asset mix appropriate for the Fund's time horizon;
- you are comfortable with low investment risk (i.e., you are willing to accept some fluctuations in the market value of your investment).

**Distribution policy**

The Fund distributes any net income and any net capital gains in December of each year. Distributions are automatically reinvested in additional units of the Fund. Please see page 20 for more information.

**Fund expenses indirectly borne by investors**

This information is not applicable as the Fund has not commenced operations as at the date of this preliminary simplified prospectus.

## CST Spark 2029 Education Portfolio

### Fund details

**Type of fund:** 2029 Target Date Portfolio

**Date started:** November 2, 2021

**Fund end date:** December 31, 2029

**Securities offered:** Units of a mutual fund trust

**Eligible for registered plans:** Expected to be a qualified investment

**Management fee:** 1.3% per annum (excluding applicable taxes)

**Underlying Fund Fees and Expenses:** A weighted average of 0.20% (per annum including applicable taxes) of the Fund's net asset value based on the Fund's target asset mix and the ETFs' management expense ratios which range from 0.06% to 0.72% of each underlying fund's daily net asset value.

**Portfolio manager:** **BlackRock Asset Management Canada Limited**  
Toronto, Ontario  
(Portfolio Manager since November 2, 2021)

### What does the Fund invest in?

#### Investment objectives

The Funds' fundamental investment objective is to provide the opportunity for capital appreciation and income for the purposes of funding a post-secondary education anticipated to begin between 2028 and 2030.

This Fund is an asset allocation fund specifically designed to meet the changing needs of investors who are saving money for the purpose of funding a post-secondary education that commences around 2029.

As the asset mix of the Fund transitions to an increased proportion of fixed income while equity securities decrease at an increasing pace. When the Fund approaches its end date, the asset mix transitions to a substantially more conservative mix with the majority of assets allocated to fixed income securities and/or money market and cash equivalent securities.

The Fund will invest primarily in a diversified mix of ETFs providing exposure to equity, fixed income, money market and cash equivalents.

The fundamental investment objective of the Fund may not be changed without the approval of a majority vote of the Fund's unitholders represented at a meeting called for that purpose.

#### Investment strategies

The CST Spark Education Portfolios will meet its investment objectives by investing according to a proprietary glide path approach, that shift the asset mix over time based on the expected date for attending post-secondary education.

The target asset allocations are not considered a fundamental investment objective and could change on an annual basis as we review them to achieve the Fund's investment objectives. The target mix for the Fund will change over time.

The actual asset mix of the glide path for the Fund will be adjusted on a quarterly basis as the investment portfolio transitions over time, from an emphasis on equities to an emphasis on fixed income securities, cash equivalents and money market instruments. The Fund will invest in underlying ETFs in each asset class in the weightings set out in the chart below. The actual asset mix may also vary based on changes in the market conditions, the value of underlying securities, the portfolio manager's long-term outlook and annual updates

to the asset allocation of the glidepath.

The portfolio manager will manage the allocation to an asset class so that it will not exceed 10% above or below the weightings indicated in the chart below

	<b>Target Weightings</b>			
	<b>2021-2023</b>	<b>2024-2026</b>	<b>2027-2029</b>	<b>Fund end date*</b>
Fixed Income and Money Market Funds (%)	30	40	60	80
Equity Funds (%)	70	60	40	20

\* The Fund will be rebalanced to this asset allocation on or about December 31, 2029.

The maximum equity allocation is 78%.

The Fund's assets mix, underlying ETFs as well as the percentage holding in each underlying ETF may be changed without notice to reflect market conditions and the portfolio manager's long-term outlook for each asset class.

The Fund or its underlying ETFs may use derivatives as permitted by Canadian securities regulators.

The Fund or its underlying ETFs may enter into securities lending transactions to earn additional income. These transactions will be used in conjunctions with other investment strategies in a manner considered appropriate to achieving the Fund's investment objectives.

Where permitted by applicable securities laws and subject to the approval of the IRC, once the Fund's target end date of December 31, 2029 is reached, it is expected that, within a period of no more than six months, the Fund will be merged into the CST Spark Graduation Portfolio or a similar fund managed by us or one of our affiliates. Unitholders will be notified at least 60 days prior to the merger date and notified of the process to be followed if they wish to redeem their units of the Fund and receive cash in lieu of units of the CST Spark Graduation Portfolio on the merger date. For more information, see the Fund Mergers section on page 19 in Your guide to understanding the Fund Descriptions.

### **What are the risks of investing in the Fund?**

The investment strategies may involve the following risks, which we explain starting on page 5:

- credit risk
- currency risk
- derivative risk
- exchange traded fund risk
- equity risk
- foreign investment risk
- fund of funds risk
- indexing risk
- interest rate risk
- large transaction risk
- regulatory risk
- securities lending risk

The risk rating of the Fund is low to medium. Since the Fund is a new fund and has less than 10 years of performance history, we have used the performance history of the following reference indexes to calculate the risk rating of the Fund in the proportions noted in the table below:

<b>Reference Indexes</b>	<b>Percentage (%)</b>
FTSE Canada Universe Bond Index	35%
MSCI All Country World Index	65%

For more information, see the Fund risk classification section on page 19 in Your guide to understanding the Fund Descriptions.

### **Who should invest in this Fund?**

Consider this Fund if:

- you want an investment portfolio that becomes more conservative as the Fund end date approaches;
- you are seeking to fund post-secondary education that begins around the year 2029;
- you want a Fund that will actively manage a diversified asset mix appropriate for the Fund's time horizon;
- you are comfortable with low to medium investment risk (i.e., you are willing to accept some fluctuations in the market value of your investment).

### **Distribution policy**

The Fund distributes any net income and any net capital gains in December of each year. Distributions are automatically reinvested in additional units of the Fund. Please see page 20 for more information.

### **Fund expenses indirectly borne by investors**

This information is not available as the Fund has not commenced operations as at the date of this preliminary simplified prospectus.

## CST Spark 2032 Education Portfolio

### Fund details

**Type of fund:** 2032 Target Date Portfolio

**Date started:** November 2, 2021

**Fund end date:** December 31, 2032

**Securities offered:** Units of a mutual fund trust

**Eligible for registered plans:** Expected to be a qualified investment

**Management fee:** 1.3% per annum (excluding applicable taxes)

**Underlying Fund Fees and Expenses:** A weighted average of 0.20% (per annum including applicable taxes) of the Fund's net asset value based on the Fund's target asset mix and the ETFs' management expense ratios which range from 0.06% to 0.72% of each underlying fund's daily net asset value.

**Portfolio manager:** **BlackRock Asset Management Canada Limited**  
Toronto, Ontario  
(Portfolio Manager since November 2, 2021)

### What does the Fund invest in?

#### Investment objectives

The Fund's fundamental investment objective is to provide the opportunity for capital appreciation and income for the purposes of funding a post-secondary education anticipated to begin between 2031 and 2033.

This Fund is an asset allocation fund specifically designed to meet the changing needs of investors who are saving money for the purpose of funding a post-secondary education that commences around 2032.

As the asset mix of the Fund transitions to an increased proportion of fixed income while equity securities decrease at an increasing pace. When the Fund approaches its end date, the asset mix transitions to a substantially more conservative mix with the majority of assets allocated to fixed income securities and/or money market and cash equivalent securities.

The Fund will invest primarily in a diversified mix of ETFs providing exposure to equity, fixed income, money market and cash equivalents.

The fundamental investment objective of the Fund may not be changed without the approval of majority vote of the Fund's unitholders represented at a meeting called for that purpose.

#### Investment strategies

The CST Spark Education Portfolios will meet its investment objectives by investing according to a proprietary glide path approach that shifts the asset mix over time based on the expected date for attending post-secondary education.

The target asset allocations are not considered a fundamental investment objective and could change on an annual basis as we review them to achieve the Fund's investment objectives. The target mix for the Fund will change over time.

The actual asset mix of the glide path for the Fund will be adjusted on a quarterly basis as the investment portfolio transitions over time, from an emphasis on equities to an emphasis on fixed income securities, cash equivalents and money market instruments. The Fund will invest in underlying ETFs in each asset class in the weightings set out in the chart below. The actual asset mix may also vary based on changes in the market conditions, the value of underlying securities, the portfolio manager's long-term outlook and annual updates to the asset allocation of the glidepath.

The portfolio manager will manage the allocation to an asset class so that it will not exceed 10% above or below the weightings indicated in the chart below.

	<b>Target Weightings</b>				<b>Fund end date*</b>
	<b>2021-2023</b>	<b>2024-2026</b>	<b>2027-20290</b>	<b>2030-2032</b>	
Fixed Income and Money Market Funds (%)	25	30	40	60	80
Equity Funds (%)	75	70	60	40	20

\* The Fund will be rebalanced to this asset allocation on or about December 31, 2032.

The maximum equity allocation is 85%.

The Fund's assets mix, underlying ETFs as well as the percentage holding in each underlying ETF may be changed without notice to reflect market conditions and the portfolio manager's long-term outlook for each asset class.

The Fund or its underlying ETFs may use derivatives as permitted by Canadian securities regulators.

The Fund or its underlying ETFs may enter into securities lending transactions to earn additional income. These transactions will be used in conjunctions with other investment strategies in a manner considered appropriate to achieving the Fund's investment objectives.

Where permitted by applicable securities laws and subject to the approval of the IRC, once the Fund's target end date of December 31, 2032 is reached, it is expected that, within a period of no more than six months, the Fund will be merged into the CST Spark Graduation Portfolio or a similar fund managed by us or one of our affiliates. Unitholders will be notified at least 60 days prior to the merger date and notified of the process to be followed if they wish to redeem their units of the Fund and receive cash in lieu of units of the CST Spark Graduation Portfolio on the merger date. For more information, see the Fund Mergers section on page 19 in Your guide to understanding the Fund Descriptions.

### **What are the risks of investing in the Fund?**

The investment strategies may involve the following risks, which we explain starting on page 5:

- credit risk
- currency risk
- derivative risk
- exchange traded fund risk
- equity risk
- foreign investment risk
- fund of funds risk
- indexing risk
- interest rate risk
- large transaction risk
- regulatory risk
- securities lending risk

The risk rating of the Fund is low to medium. Since the Fund is a new fund and has less than 10 years performance history, we have used the performance history of the following reference indexes to calculate the risk rating of the Fund in the proportions noted in the table below:

<b>Reference Indexes</b>	<b>Percentage (%)</b>
FTSE Canada Universe Bond Index	25%
MSCI All Country World Index	75%

For more information, see the Fund risk classification section on page19 in Your guide to understanding the

Fund Descriptions.

**Who should invest in this Fund?**

Consider this Fund if:

- you want an investment portfolio that becomes more conservative as the Fund end date approaches;
- you are seeking to fund post-secondary education that begins around the year 2032;
- you want a Fund that will actively manage a diversified asset mix appropriate for the Fund's time horizon;
- you are comfortable with low to medium investment risk (i.e., you are willing to accept some fluctuations in the market value of your investment).

**Distribution policy**

The Fund distributes any net income and any net capital gains in December of each year. Distributions are automatically reinvested in additional units of the Fund. Please see page 20 for more information.

**Fund expenses indirectly borne by investors**

This information is not available as the Fund has not commenced operations as at the date of this preliminary simplified prospectus.

## CST Spark 2035 Education Portfolio

### Fund details

**Type of fund:** 2035 Target Date Portfolio

**Date started:** November 2, 2021

**Fund end date:** December 31, 2035

**Securities offered:** Units of a mutual fund trust

**Eligible for registered plans:** Expected to be a qualified investment

**Management fee:** 1.3% per annum (excluding applicable taxes)

**Underlying Fund Fees and Expenses:** A weighted average of 0.20% (per annum including applicable taxes) of the Fund's net asset value based on the Fund's target asset mix and the ETFs' management expense ratios which range from 0.06% to 0.72% of each underlying fund's daily net asset value.

**Portfolio manager:** **BlackRock Asset Management Canada Limited**  
Toronto, Ontario  
(Portfolio Manager since November 2, 2021)

### What does the Fund invest in?

#### Investment objectives

The Fund's fundamental investment objective is to provide the opportunity for capital appreciation and income for the purposes of funding a post-secondary education anticipated to begin between 2034 and 2036.

This Fund is an asset allocation fund specifically designed to meet the changing needs of investors who are saving money for the purpose of funding a post-secondary education that commences around 2035.

The asset mix of the Fund transitions to an increased proportion of fixed income while equity securities decrease at an increasing pace. When the Fund approaches its end date, the asset mix transitions to a substantially more conservative mix with the majority of assets allocated to fixed income securities and/or money market and cash equivalent securities.

The Fund will invest primarily in a diversified mix of ETFs providing exposure to equity, fixed income, money market and cash equivalents.

The fundamental investment objective of the Fund may not be changed without the approval of a majority vote of the Fund's unitholders represented at a meeting called for that purpose.

#### Investment strategies

The CST Spark Education Portfolios will meet its investment objectives by investing according to a proprietary glide path approach, that shifts the asset mix over time based on the expected date for attending post-secondary education.

The target asset allocations are not considered a fundamental investment objective and could change on an annual basis as we review them to achieve the Fund's investment objectives. The target mix for the Fund will change over time.

The actual asset mix of the glide path for the Fund will be adjusted on a quarterly basis as the investment portfolio transitions over time, from an emphasis on equities to an emphasis on fixed income securities, cash equivalents and money market instruments. The Fund will invest in underlying ETFs in each asset class in the weightings set out in the chart below. The actual asset mix may also vary based on changes in the market



conditions, the value of underlying securities, the portfolio manager's long-term outlook and annual updates to the asset allocation of the glidepath.

The portfolio manager will manage the allocation to an asset class so that it will be no more than 10% above or below the weightings indicated in the chart below.

	<b>Target Weightings</b>					<b>Fund end date*</b>
	<b>2021-2023</b>	<b>2024-2026</b>	<b>2027-2029</b>	<b>2030-2032</b>	<b>2033-2035</b>	
Fixed Income and Money Market Funds (%)	20	25	30	40	60	80
Equity Funds (%)	80	75	70	60	40	20

\* The Fund will be rebalanced to this asset allocation by December 31, 2035.

The maximum equity allocation is 90%.

The Fund's assets mix, underlying ETFs as well as the percentage holding in each underlying ETFs may be changed without notice to reflect market conditions and the portfolio manager's long-term outlook for each asset class.

The Fund or its underlying ETFs may use derivatives as permitted by Canadian securities regulators.

The Fund or its underlying ETFs may enter into securities lending transactions to earn additional income. These transactions will be used in conjunctions with other investment strategies in a manner considered appropriate to achieving the Fund's investment objectives.

Where permitted by applicable securities laws and subject to the approval of the IRC, once the Fund's target end date of December 31, 2035 is reached, it is expected that, within a period of no more than six months, the Fund will be merged into the CST Spark Graduation Portfolio or a similar fund managed by us or one of our affiliates. Unitholders will be notified at least 60 days prior to the merger date and notified of the process to be followed if they wish to redeem their units of the Fund and receive cash in lieu of units of the CST Spark Graduation Portfolio on the merger date. For more information, see the Fund Mergers section on page 19 in Your guide to understanding the Fund Descriptions.

### **What are the risks of investing in the Fund?**

The investment strategies may involve the following risks, which we explain starting on page 5:

- credit risk
- currency risk
- derivative risk
- exchange traded fund risk
- equity risk
- foreign investment risk
- fund of funds risk
- indexing risk
- interest rate risk
- large transaction risk
- regulatory risk
- securities lending risk

The Manager has assessed this Fund's risk as low to medium. Since the Fund is a new fund, we have used the performance history of the following reference indexes to calculate the risk rating of the Fund in the proportions noted in the table below:

<b>Reference Indexes</b>	<b>Percentage (%)</b>
FTSE Canada Universe Bond Index	15%
MSCI All Country World Index	85%

For more information, see the Fund risk classification section on page 19 in Your guide to understanding the Fund Descriptions.

### **Who should invest in this Fund?**

Consider this Fund if:

- you want an investment portfolio that becomes more conservative as the Fund end date approaches;
- you are seeking to fund post-secondary education that begins around the year 2035;
- you want a Fund that will actively manage a diversified asset mix appropriate for the Fund's time horizon;
- you are comfortable with low to medium investment risk (i.e., you are willing to accept some fluctuations in the market value of your investment).

### **Distribution policy**

The Fund distributes any net income and any net capital gains in December of each year. Distributions are automatically reinvested in additional units of the Fund. Please see page 20 for more information.

### **Fund expenses indirectly borne by investors**

This information is not available as the Fund has not commenced operations as at the date of this preliminary simplified prospectus.

## CST Spark 2038 Education Portfolio

### Fund details

**Type of fund:** 2038 Target Date Portfolio

**Date started:** November 2, 2021

**Fund end date:** December 31, 2038

**Securities offered:** Units of a mutual fund trust

**Eligible for registered plans:** Expected to be a qualified investment

**Management fee:** 1.3% per annum (excluding applicable taxes)

**Underlying Fund Fees and Expenses:** A weighted average of 0.20% (per annum including applicable taxes) of the Fund's net asset value based on the Fund's target asset mix and the ETFs' management expense ratios which range from 0.06% to 0.72% of each underlying fund's daily net asset value.

**Portfolio manager:** **BlackRock Asset Management Canada Limited**  
Toronto, Ontario  
(Portfolio Manager since November 2, 2021)

### What does the Fund invest in?

#### Investment objectives

The Funds' fundamental investment objective is to provide the opportunity for capital appreciation and income for the purposes of funding a post-secondary education anticipated to begin between 2037 and 2039.

This Fund is an asset allocation fund specifically designed to meet the changing needs of investors who are saving money for the purpose of funding a post-secondary education that commences around 2038.

As the asset mix of the Fund transitions to an increased proportion of fixed income while equity securities decrease at an increasing pace. When the Fund approaches its end date, the asset mix transitions to a substantially more conservative mix with the majority of assets allocated to fixed income securities and/or money market and cash equivalent securities.

The Fund will invest primarily in a diversified mix of ETFs providing exposure to equity, fixed income, money market and cash equivalents.

The fundamental investment objective of the Fund may not be changed without the approval of a majority vote of the Fund's unitholders represented at a meeting called for that purpose.

#### Investment strategies

The CST Spark Education Portfolios will meet its investment objectives by investing according to a proprietary glide path approach, shifts the asset mix over time based on the expected date for attending post-secondary education.

The target asset allocations are not considered a fundamental investment objective and could change on an annual basis as we review them to achieve the Fund's investment objectives. The target mix for the Fund will change over time.

The actual asset mix of the glide path for the Fund will be adjusted on a quarterly basis as the investment portfolio transitions over time, from an emphasis on equities to an emphasis on fixed income securities, cash equivalents and money market instruments. The Fund will invest in underlying ETFs in each asset class in the weightings set out in the chart below. The actual asset mix may also vary based on changes in the market conditions, the value of underlying securities, the portfolio manager's long-term outlook and annual updates

to the asset allocation of the glidepath.

The portfolio manager will manage the allocation to an asset class so that it will not exceed 10% above or below the weightings indicated in the chart below.

	<b>Target Weighting</b>						<b>Fund end date*-</b>
	<b>2021-2023</b>	<b>2024-2026</b>	<b>2027-2029</b>	<b>2030-2032</b>	<b>2033-2035</b>	<b>2036-2038</b>	
Fixed Income and Money Market Funds (%)	10	20	25	30	40	60	80
Equity Funds (%)	90	80	75	70	60	40	20

\* The Fund will be rebalanced to this asset allocation on or about December 31, 2038.

The maximum equity allocation is 90%.

The Fund's assets mix, underlying ETFs as well as the percentage holding in each underlying ETF may be changed without notice to reflect market conditions and the portfolio manager's long-term outlook for each asset class.

The Fund or its underlying ETFs may use derivatives as permitted by Canadian securities regulators.

The Fund or its underlying ETFs may enter into securities lending transactions to earn additional income. These transactions will be used in conjunctions with other investment strategies in a manner considered appropriate to achieving the Fund's investment objectives.

Where permitted by applicable securities laws and subject to the approval of the IRC, once the Fund's target end date of December 31, 2038 is reached, it is expected that, within a period of no more than six months, the Fund will be merged into the CST Spark Graduation Portfolio or similar fund managed by us or one of our affiliates. Unitholders will be notified at least 60 days prior to the merger date and notified of the process to be followed if they wish to redeem their units of the Fund and receive cash in lieu of units of the CST Spark Graduation Portfolio on the merger date. For more information, see the Fund Mergers section on page 19 in Your guide to understanding the Fund Descriptions.

### **What are the risks of investing in the Fund?**

The investment strategies may involve the following risks, which we explain starting on page 5:

- credit risk
- currency risk
- derivative risk
- exchange traded fund risk
- equity risk
- foreign investment risk
- fund of funds risk
- indexing risk
- interest rate risk
- large transaction risk
- regulatory risk
- securities lending risk

The risk rating of the Fund is low to medium. Since the Fund is a new fund and has less than 10 years of performance history, we have used the performance history of the following reference indexes to calculate the risk rating of the Fund in the proportions noted in the table below:

<b>Reference Indexes</b>	<b>Percentage (%)</b>
FTSE Canada Universe Bond Index	10%
MSCI All Country World Index	90%

For more information, see the Fund risk classification section on page 19 in Your guide to understanding the Fund Descriptions.

### **Who should invest in this Fund?**

Consider this Fund if:

- you want an investment portfolio that becomes more conservative as the Fund end date approaches;
- you are seeking to fund post-secondary education that begins around the year 2038;
- you want a Fund that will actively manage a diversified asset mix appropriate for the Fund's time horizon;
- you are comfortable with low to medium investment risk (i.e., you are willing to accept some fluctuations in the market value of your investment).

### **Distribution policy**

The Fund distributes any net income and any net capital gains in December of each year. Distributions are automatically reinvested in additional units of the Fund. Please see page 20 for more information.

### **Fund expenses indirectly borne by investors**

This information is not available as the Fund has not commenced operations as at the date of this preliminary simplified prospectus.

## Glossary

**Business day** means any day except Saturday, Sunday or a Canadian statutory holiday.

**Capital gain** is generally, the amount an investment has risen in value since it was bought. A capital gain is realized when the investment is sold. Net capital gains are capital gains after deducting capital losses.

**Counterparty** is the other party to a *derivatives* contract.

**CRA** is the Canada Revenue Agency.

**Dealer** is C.S.T. Spark Inc., the company that employs your mutual fund representative.

**Derivative** is an investment that bases its value on how well another kind of investment, like a stock, bond, currency, or market index, is doing. Derivatives usually take the form of a contract with another party to buy or sell an asset at a later time. Funds that invest in *derivatives* are in a position to make or lose money based on changes in the underlying interest, such as interest rates, securities prices, or currency exchange rates.

**Diversification** means owning several different investments at once.

**Dividends** are the portion of any profit a company earns that are paid to you when you invest in equity securities of that company.

**ETF** is an exchange-traded fund.

**Fair value pricing** is the method used to determine value if the price is not a true reflection of the value of the security.

**Fixed income securities** are the obligations of an issuer to repay a sum of money, usually with interest. They're usually corporate and government bonds.

**Fund** means a CST Spark Education Portfolio, and **Funds** collectively means the CST Spark Education Portfolios, which are organized as mutual funds.

**Fund Costs** are certain costs that are not included in the Management Fee. Each Fund is responsible for its proportionate share of common fund costs.

**Hedging** is when mutual funds use derivatives to help offset risks or losses that other investments might suffer because of changes in stock prices, commodity prices, interest rates, or currency exchange rates.

**IRC** is the independent review committee, which is the fund governance agency for the CST Spark Education Portfolios, as contemplated by NI 81-107.

**Liquid** means that you can redeem your units at almost any time and get your money when you need it, even though you may get less than you invested. Unlike some other kinds of investments, mutual funds are liquid.

**Liquidity** is how easy it is for a fund to buy and sell a security, like a stock, bond or mutual fund unit. The easier it is, the more liquid the investment.

**Management Expense Ratio** or **MER** is the management fee and certain operating expenses divided by the mutual fund's average net asset value for the year.

**Management Fee** is a fixed rate management fee that is paid by all of the Funds.

**Money Market Securities or Money Market Instruments** is an investment that the government or company agrees to pay back within a year or less. Examples are short-term bonds and government treasury bills.

**Mutual fund representative** is the individual with whom you consult for investment advice.

**Net income** of a fund is interest, dividends and other investment income earned after deducting all expenses. It does not include capital gains or capital losses.

**NI 81-102** is National Instrument 81-102 *Investment Funds*.

**NI 81-107** is National Instrument 81-107 *Independent Review Committee for Investment Funds*.

**Risk tolerance** is the amount of risk you are willing to take with your investment.

**Sales Tax** is harmonized sales tax and other applicable taxes that the management and advisory fees, administration fees and most of the Fund Costs are subject to.

**Standard deviation** is one of the most widely accepted ways to quantify the *volatility* of investment returns.

**Tax Act** is the *Income Tax Act* (Canada).

**TSX** means Toronto Stock Exchange.

**Underlying funds** are funds in ETFs managed by third parties.

**Valuation day** is any day that the Toronto Stock Exchange is open for trading or such other time as we may from time to time determine to be a day for valuation for any Fund.

**Volatility** is swings in the prices of investments. Higher- risk investments, such as stocks and *high yield securities*, are likely to have changes in their prices from day to day. And some may have bigger changes than others.

**Yield** is the annual income distributed from an investment expressed as a percentage of the investment's current value. For example, a money market instrument that pays \$30 in interest with a current value of \$1,000 has a yield of 3%.

**CST Spark Education Portfolios are offered by C.S.T. Spark Inc.**

CST Spark Graduation Portfolio  
CST Spark 2026 Education Portfolio  
CST Spark 2029 Education Portfolio  
CST Spark 2032 Education Portfolio  
CST Spark 2035 Education Portfolio  
CST Spark 2038 Education Portfolio

You can find additional information about each Fund in the Funds' Annual Information Form, Fund Facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this simplified prospectus just as if they were printed in it.

You can get a copy of these documents at no cost by calling us at 1-800-461-7100 or by contacting us at [info@cstspark.ca](mailto:info@cstspark.ca). You'll also find these documents and other information about the Funds on our website at [www.cstspark.ca](http://www.cstspark.ca) or on [www.sedar.com](http://www.sedar.com).

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