

AUDITED ANNUAL FINANCIAL STATEMENTS

EDUCATORS FINANCIAL GROUP INC.



EDUCATORS MONEY MARKET FUND
EDUCATORS MORTGAGE & INCOME FUND
EDUCATORS BOND FUND
EDUCATORS BALANCED FUND
EDUCATORS MONTHLY INCOME FUND
EDUCATORS DIVIDEND FUND
EDUCATORS GROWTH FUND
EDUCATORS U.S. EQUITY FUND
EDUCATORS MONITORED CONSERVATIVE PORTFOLIO
EDUCATORS MONITORED BALANCED PORTFOLIO
EDUCATORS MONITORED GROWTH PORTFOLIO
EDUCATORS MONITORED AGGRESSIVE PORTFOLIO

Dated: December 31, 2019

Educators Financial Group Inc. Funds

Audited Annual Financial Statements

December 31, 2019

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Management's Responsibility for Financial Reporting

March 25, 2020

The accompanying financial statements of the Educators Financial Group Inc. Funds (the "Funds") have been prepared by Educators Financial Group Inc. (the "Manager-Trustee"). The Manager-Trustee of the Funds is responsible for the information and representations contained in these financial statements.

The Manager-Trustee maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance International Financial Reporting Standards and include certain amounts that are based on estimates and judgements. The significant accounting policies which management believes are appropriate for the Funds are described in Note 2 to the financial statements.

The Board of Directors of Educators Financial Group Inc. is responsible for reviewing and approving the financial statements of the Funds and reviewing management's report of its financial reporting responsibilities.

Grant Thornton LLP, the external auditors of the Funds, have been appointed by the Board of Directors. Grant Thornton LLP have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to unitholders their opinion on the financial statements. Their auditors' report is set out below.

Signed "Chuck Hamilton"

Chuck Hamilton
Chief Executive Officer, Educators Financial Group Inc.

Independent auditor's report

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To the Unitholders of

- Educators Financial Group Inc. Money Market Fund
- Educators Financial Group Inc. Mortgage & Income Fund
- Educators Financial Group Inc. U.S. Equity Fund
- Educators Financial Group Inc. Growth Fund
- Educators Financial Group Inc. Balanced Fund
- Educators Financial Group Inc. Dividend Fund
- Educators Financial Group Inc. Monthly Income Fund
- Educators Financial Group Inc. Bond Fund
- Educators Financial Group Inc. Monitored Aggressive Portfolio
- Educators Financial Group Inc. Monitored Balanced Portfolio
- Educators Financial Group Inc. Monitored Conservative Portfolio
- Educators Financial Group Inc. Monitored Growth Portfolio

Collectively referred to as the "Funds".

Opinion

We have audited the financial statements of each of the Funds, which comprise the statements of financial position as at December 31, 2019, and December 31, 2018 and the statements of comprehensive income, statements of changes in net assets attributable to holders of redeemable units and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of each of the Funds, present fairly, in all material respects, the financial position of each of the Funds as at December 31, 2019 and December 31, 2018, and its financial performance and its cash flows of each of the Funds for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. Other information contained in the Funds' Management Reports of Fund Performance to be filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Funds' Management Reports of Fund Performance to be filed with the relevant Canadian Securities Commissions as at the date of the auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Grant Thornton LLP

Markham, Canada
March 25, 2020

Chartered Professional Accountants
Licensed Public Accountants

Educators Money Market Fund**Statements of Financial Position***As at December 31*

	2019	2018
Assets		
Current assets		
Interest receivable	\$ 43,178	\$ 58,440
Subscriptions receivable	123,998	117,584
Investments	<u>22,752,546</u>	<u>17,498,297</u>
Total assets	\$ 22,919,722	\$ 17,674,321
Liabilities		
Current liabilities		
Bank overdraft	7,106	88,296
Redemptions payable	120,715	16,714
Distributions payable	205	292
Amounts due to Manager-Trustee (Note 6)	<u>9,654</u>	<u>8,054</u>
Total liabilities	137,680	113,356
Net assets attributable to holders of redeemable units	\$ 22,782,042	\$ 17,560,965
Net assets attributable to holders of redeemable units per class		
Class A	18,692,876	15,959,370
Class I	<u>4,089,166</u>	<u>1,601,595</u>
Number of redeemable units outstanding (Note 3)		
Class A	1,869,288	1,595,937
Class I	<u>408,916</u>	<u>160,159</u>
Net assets attributable to holders of redeemable units per class per unit		
Class A	10.00	10.00
Class I	<u>10.00</u>	<u>10.00</u>

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", CEO

Signed: "Stuart Mulcahy", CFO

Educators Money Market Fund
Statements of Comprehensive Income
Years ended December 31

	2019	2018
Income		
Interest for distribution purposes	\$ 348,540	\$ 247,021
Securities lending (Note 5)	4,269	4,363
Total income	<u>352,809</u>	<u>251,384</u>
Expenses		
Management fees (Note 6)	92,098	85,712
Independent review committee fees	391	-
Harmonised sales tax	11,840	10,393
	<u>104,329</u>	<u>96,105</u>
Less expenses waived/absorbed by Manager-Trustee (Note 6)	(810)	(4,063)
Total expenses	<u>103,519</u>	<u>92,042</u>
Increase in net assets attributable to holders of redeemable units	\$ <u>249,290</u>	\$ <u>159,342</u>
Increase in net assets attributable to holders of redeemable units per class		
Class A	\$ 193,065	\$ 145,351
Class I	\$ <u>56,225</u>	\$ <u>13,991</u>
Weighted average redeemable units outstanding during the year		
Class A	1,674,685	1,550,102
Class I	<u>263,290</u>	<u>81,035</u>
Increase in net assets attributable to holders of redeemable units per class per unit		
Class A	\$ 0.12	\$ 0.09
Class I	\$ <u>0.21</u>	\$ <u>0.17</u>

Educators Money Market Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units***Years ended December 31*

	2019	2018
Net assets attributable to holders of redeemable units, beginning of year		
Class A	\$ 15,959,370	\$ 14,624,377
Class I	<u>1,601,595</u>	<u>-</u>
	<u>17,560,965</u>	<u>14,624,377</u>
Increase in net assets attributable to holders of redeemable units		
Class A	193,065	145,351
Class I	<u>56,225</u>	<u>13,991</u>
	<u>249,290</u>	<u>159,342</u>
Distributions to holders of redeemable units		
From net investment income		
Class A	(194,136)	(147,003)
Class I	<u>(61,506)</u>	<u>(15,074)</u>
	<u>(255,642)</u>	<u>(162,077)</u>
Total distributions to holders of redeemable units	<u>(255,642)</u>	<u>(162,077)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	19,222,923	13,691,186
Class I	<u>2,599,126</u>	<u>1,738,865</u>
	<u>21,822,049</u>	<u>15,430,051</u>
Redemption of redeemable units		
Class A	(16,685,975)	(12,496,432)
Class I	<u>(155,125)</u>	<u>(149,825)</u>
	<u>(16,841,100)</u>	<u>(12,646,257)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	197,629	141,891
Class I	<u>48,851</u>	<u>13,638</u>
	<u>246,480</u>	<u>155,529</u>
Net increase from redeemable unit transactions	<u>5,227,429</u>	<u>2,939,323</u>
Net increase in net assets attributable to holders of redeemable units		
Class A	2,733,506	1,334,993
Class I	<u>2,487,571</u>	<u>1,601,595</u>
	<u>5,221,077</u>	<u>2,936,588</u>
Net assets attributable to holders of redeemable units, end of year		
Class A	18,692,876	15,959,370
Class I	<u>4,089,166</u>	<u>1,601,595</u>
	<u>22,782,042</u>	<u>17,560,965</u>

Educators Money Market Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (continued)***Years ended December 31*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the years ended December 31, 2019 and 2018.

Class A	2019	2018
Number of units, beginning of year	1,595,937	1,462,438
Units issued	1,921,625	1,368,548
Units issued from reinvested distributions	19,763	14,189
Units redeemed	(1,668,037)	(1,249,238)
Number of units, end of year	1,869,288	1,595,937

Class I	2019	2018
Number of units, beginning of year	160,159	-
Units issued	259,357	173,759
Units issued from reinvested distributions	4,885	1,364
Units redeemed	(15,485)	(14,964)
Number of units, end of year	408,916	160,159

Educators Money Market Fund**Statements of Cash Flows***Years ended December 31*

	2019	2018
Cash Flow from Operating Activities		
Increase in net assets attributable to holders of redeemable units	\$ 249,290	\$ 159,342
Adjustments for:		
Purchase of investments	(81,012,390)	(50,200,203)
Proceeds from disposal of investments	75,758,141	47,201,860
Decrease (increase) in interest receivable	15,262	(27,563)
Increase in amounts due to Manager-Trustee	1,600	1,118
Cash used by operating activities	(4,988,097)	(2,865,446)
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	21,815,635	15,451,187
Redemption of redeemable units	(16,737,099)	(12,656,296)
Distributions paid to holders of redeemable units, net of reinvested distributions	(9,249)	(6,339)
Cash provided by financing activities	5,069,287	2,788,552
Increase (decrease) in cash	\$ 81,190	\$ (76,894)
Bank overdraft, beginning of year	\$ (88,296)	\$ (11,402)
Bank overdraft, end of year	\$ (7,106)	\$ (88,296)
Supplemental cash flow information:		
Interest received	\$ 363,802	\$ 219,458

See accompanying notes to the financial statements

Educators Money Market Fund

Schedule of Investments

As at December 31, 2019

Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Short-Term Investments						
Bankers' Acceptances						
500,000	Bank of Nova Scotia	1.961%	21-Jan-2020	\$ 498,500	\$ 498,500	
300,000	Bank of Nova Scotia	1.879%	28-Jan-2020	298,742	298,742	
100,000	Canadian Imperial Bank of Commerce	1.854%	8-Jan-2020	99,823	99,823	
250,000	Canadian Imperial Bank of Commerce	1.866%	21-Jan-2020	249,415	249,415	
550,000	Firstbank	1.837%	8-Jan-2020	547,855	547,855	
130,000	Firstbank	1.969%	27-Jan-2020	129,735	129,735	
390,000	Royal Bank of Canada	1.837%	6-Jan-2020	388,577	388,577	
370,000	Royal Bank of Canada	1.834%	13-Jan-2020	368,372	368,372	
350,000	Toronto-Dominion Bank	0.310%	1-Sep-2020	349,160	349,160	
				2,930,179	2,930,179	12.86
Bearer Deposit Notes						
410,000	Toronto-Dominion Bank	1.855%	3-Jan-2020	406,191	406,191	
				406,191	406,191	1.78
Discount Commercial Paper						
1,000,000	Energir Inc.	1.996%	18-Feb-2020	997,280	997,280	
1,000,000	Central 1 Credit Union	1.999%	21-Jan-2020	998,800	998,800	
150,000	Central 1 Credit Union	1.907%	4-Mar-2020	149,285	149,285	
525,000	Central 1 Credit Union	1.927%	10-Mar-2020	522,470	522,470	
425,000	Central 1 Credit Union	1.964%	16-Mar-2020	422,935	422,935	
975,000	Clarity Trust	1.867%	19-Feb-2020	970,473	970,473	
1,000,000	Nestle Capital Canada Ltd.	1.959%	28-Jan-2020	998,450	998,450	
1,000,000	Nissan Canada Financial Services Inc.	2.040%	6-Jan-2020	999,610	999,610	
850,000	OMERS Finance Trust	1.846%	29-Jan-2020	846,158	846,158	
625,000	PACCAR Financial Ltd.	1.979%	21-Jan-2020	624,156	624,156	
1,000,000	Province of Alberta	2.053%	10-Feb-2020	997,650	997,650	
				8,527,267	8,527,267	37.43
Treasury Bills						
170,000	Canadian Treasury Bill	1.735%	6-Jan-2020	169,825	169,825	
480,000	Canadian Treasury Bill	1.665%	23-Jan-2020	476,360	476,360	
115,000	Canadian Treasury Bill	1.668%	6-Feb-2020	114,515	114,515	
1,215,000	Canadian Treasury Bill	1.674%	5-Mar-2020	1,202,624	1,202,624	
65,000	Canadian Treasury Bill	1.674%	19-Mar-2020	64,496	64,496	
3,265,000	Canadian Treasury Bill	1.660%	2-Apr-2020	3,244,849	3,244,849	
555,000	Canadian Treasury Bill	1.690%	16-Apr-2020	550,904	550,904	
125,000	Canadian Treasury Bill	1.659%	30-Apr-2020	123,821	123,821	
330,000	Canadian Treasury Bill	1.665%	28-May-2020	327,083	327,083	
725,000	Canadian Treasury Bill	1.735%	11-Jun-2020	718,968	718,968	
3,940,000	Canadian Treasury Bill	1.725%	20-Aug-2020	3,895,464	3,895,464	
				10,888,909	10,888,909	47.80
				22,752,546	22,752,546	99.87
Total Investments				\$ 22,752,546	\$ 22,752,546	99.87
Other Assets Less Liabilities					29,496	0.13
Net Assets Attributable to Holders of Redeemable Units				\$	\$ 22,782,042	100.00

Summary of Investment Portfolio

The fair value percentages of Net Assets Attributable to Holders of Redeemable Units by major portfolio category are shown in the following table:

Asset Type	As a % of Fund's Net Assets attributable to holders of redeemable units	
	2019	2018
Treasury Bills	47.80%	76.78%
Bankers' Acceptances	12.86%	17.34%
Discount Commercial Paper	37.43%	5.52%
Bearer Deposit Notes	1.78%	-
Net Other Assets	0.13%	0.36%
	100.00%	100.00%

Educators Mortgage & Income Fund

Statements of Financial Position

As at December 31

	2019	2018
Assets		
Current assets		
Cash	\$ 59,834	\$ 141,693
Interest receivable	381,624	385,960
Subscriptions receivable	63,049	-
Forward contracts (Note 10)	20,797	-
Investments	<u>128,853,294</u>	<u>140,203,593</u>
Total assets	\$ <u>129,378,598</u>	\$ <u>140,731,246</u>
Liabilities		
Current liabilities		
Redemptions payable	16,083	84,410
Amounts due to Manager-Trustee (Note 6)	141,330	142,012
Forward contracts (Note 10)	<u>-</u>	<u>21,470</u>
Total liabilities	<u>157,413</u>	<u>247,892</u>
Net assets attributable to holders of redeemable units	\$ <u>129,221,185</u>	\$ <u>140,483,354</u>
Net assets attributable to holders of redeemable units per class		
Class A	<u>129,221,185</u>	<u>140,483,354</u>
Number of redeemable units outstanding (Note 3)		
Class A	<u>11,485,494</u>	<u>12,668,872</u>
Net assets attributable to holders of redeemable units per class per unit		
Class A	<u>11.25</u>	<u>11.09</u>

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", CEO

Signed: "Stuart Mulcahy", CFO

Educators Mortgage & Income Fund

Statements of Comprehensive Income

Years ended December 31

	2019	2018
Income		
Interest for distribution purposes	\$ 3,798,012	\$ 4,624,186
Security lending (Note 5)	7,058	23,447
Other changes in fair value of investments:		
Net realized gain (loss)	87,043	(1,794,511)
Net realized gain (loss) on forward contracts	7,244	(60,379)
Net change in unrealized appreciation (depreciation) on forward contracts	42,267	(49,666)
Net change in unrealized appreciation (depreciation)	<u>1,995,780</u>	<u>(53,762)</u>
Total income	<u>5,937,404</u>	<u>2,689,315</u>
Expenses		
Management fees (Note 6)	1,470,019	1,808,327
Independent review committee fees	10,654	13,821
Withholding taxes	-	8,144
Harmonised sales tax	<u>188,249</u>	<u>222,744</u>
	1,668,922	2,053,036
Less expenses waived/absorbed by Manager-Trustee (Note 6)	<u>(14,109)</u>	<u>(85,628)</u>
Total expenses	<u>1,654,813</u>	<u>1,967,408</u>
Increase in net assets attributable to holders of redeemable units	<u>\$ 4,282,591</u>	<u>\$ 721,907</u>
Increase in net assets attributable to holders of redeemable units per class		
Class A	<u>\$ 4,282,591</u>	<u>\$ 721,907</u>
Weighted average redeemable units outstanding during the year		
Class A	<u>11,877,627</u>	<u>14,688,844</u>
Increase in net assets attributable to holders of redeemable units per class per unit		
Class A	<u>\$ 0.36</u>	<u>\$ 0.05</u>

Educators Mortgage & Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31

	2019	2018
Net assets attributable to holders of redeemable units, beginning of year		
Class A	\$ 140,483,354	\$ 188,011,275
Increase in net assets attributable to holders of redeemable units		
Class A	<u>4,282,591</u>	<u>721,907</u>
Distributions to holders of redeemable units		
From net investment income		
Class A	<u>(2,278,217)</u>	<u>(2,729,290)</u>
Total distributions to holders of redeemable units	<u>(2,278,217)</u>	<u>(2,729,290)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	15,138,763	13,748,467
Redemption of redeemable units		
Class A	<u>(30,643,536)</u>	<u>(61,954,398)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	<u>2,238,230</u>	<u>2,685,393</u>
Net decrease from redeemable unit transactions	<u>(13,266,543)</u>	<u>(45,520,538)</u>
Net decrease in net assets attributable to holders of redeemable units		
Class A	<u>(11,262,169)</u>	<u>(47,527,921)</u>
Net assets attributable to holders of redeemable units, end of year		
Class A	<u>129,221,185</u>	<u>140,483,354</u>

Educators Mortgage & Income Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (continued)***Years ended December 31*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the years ended December 31, 2019 and 2018.

Class A	2019	2018
Number of units, beginning of year	12,668,872	16,764,263
Units issued	1,344,398	1,236,118
Units issued from reinvested distributions	199,070	241,513
Units redeemed	<u>(2,726,846)</u>	<u>(5,573,022)</u>
Number of units, end of year	<u>11,485,494</u>	<u>12,668,872</u>

Educators Mortgage & Income Fund**Statements of Cash Flows***Years ended December 31*

	2019	2018
Cash Flow from Operating Activities		
Increase in net assets attributable to holders of redeemable units	\$ 4,282,591	\$ 721,907
Adjustments for:		
Net realized (gain) loss on sale of investments	(87,043)	1,794,511
Net change in unrealized (appreciation) depreciation in value of investments	(1,995,780)	53,762
Net change in unrealized (appreciation) depreciation on forward contracts	(42,267)	49,666
Purchase of investments	(53,094,586)	(78,531,196)
Proceeds from disposal of investments	66,527,708	124,077,249
Increase in interest receivable	4,336	172,505
Decrease in amounts due to Manager-Trustee	(682)	(36,156)
Cash provided by operating activities	<u>15,594,277</u>	<u>48,302,248</u>
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	15,075,714	13,748,467
Redemption of redeemable units	(30,711,863)	(61,956,449)
Distributions paid to holders of redeemable units, net of reinvested distributions	<u>(39,987)</u>	<u>(43,897)</u>
Cash used by financing activities	<u>(15,676,136)</u>	<u>(48,251,879)</u>
(Decrease) increase in cash	\$ <u>(81,859)</u>	\$ <u>50,369</u>
Cash, beginning of year	\$ <u>141,693</u>	\$ <u>91,324</u>
Cash, end of year	\$ <u>59,834</u>	\$ <u>141,693</u>
Supplemental cash flow information:		
Interest received	\$ 3,802,348	\$ 4,796,691

Educators Mortgage & Income Fund Schedule of Investments

As at December 31, 2019

Par Value or No. of Units	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Short-Term Investments						
Treasury Bills						
325,000	Canadian Treasury Bill	1.654%	20-Feb-2020	324,111	324,111	
				<u>324,111</u>	<u>324,111</u>	<u>0.25</u>
Canadian Bonds						
Asset-Backed						
1,925,000	Institutional Mortgage Securities Canada Inc.	1.936%	12-Sep-2024	1,152,967	1,136,018	
1,200,000	MCAP CMBS Issuer Corp.	2.341%	12-Apr-2054	35,002	34,968	
300,000	MCAP CMBS Issuer Corp.	2.804%	12-Apr-2054	299,993	299,670	
300,000	MCAP CMBS Issuer Corp.	3.202%	12-Apr-2054	299,994	299,550	
300,000	MCAP CMBS Issuer Corp.	3.600%	12-Apr-2054	296,789	298,971	
890,000	Real Estate Asset Liquidity Trust	1.856%	12-Sep-2021	646,273	642,440	
350,000	Real Estate Asset Liquidity Trust	3.239%	12-May-2025	358,120	352,229	
2,075,000	Real Estate Asset Liquidity Trust	2.557%	12-Oct-2049	786,940	787,044	
780,000	Real Estate Asset Liquidity Trust	2.870%	12-Nov-2052	647,193	652,181	
560,000	Real Estate Asset Liquidity Trust	3.072%	12-Aug-2053	455,189	459,395	
				<u>4,978,460</u>	<u>4,962,466</u>	<u>3.83</u>
Corporate Bonds						
1,050,000	Alimentation Couche-Tard Inc.	3.899%	1-Nov-2022	1,107,833	1,093,421	
1,530,000	Bank of Montreal	2.700%	11-Sep-2024	1,497,717	1,559,053	
250,000	Bank of Montreal	3.320%	1-Jun-2026	249,965	253,620	
310,000	Bank of Montreal	2.880%	17-Sep-2029	309,972	310,330	
2,000,000	Bank of Nova Scotia	2.290%	28-Jun-2024	1,917,480	2,002,247	
290,000	Bank of Nova Scotia	2.490%	23-Sep-2024	289,986	289,494	
500,000	bclMC Realty Corp.	3.000%	31-Mar-2027	503,511	516,022	
590,000	Bell Canada Inc.	3.350%	22-Mar-2023	595,039	606,183	
210,000	Bell Canada Inc.	2.700%	27-Feb-2024	211,508	211,198	
1,230,000	BHP Billiton Finance Ltd.	3.230%	15-May-2023	1,260,354	1,259,936	
1,250,000	Brookfield Asset Management Inc.	4.540%	31-Mar-2023	1,325,580	1,328,069	
600,000	Brookfield Infrastructure Finance ULC	3.315%	22-Feb-2024	589,926	611,671	
1,400,000	Brookfield Property Finance ULC	4.346%	3-Jul-2023	1,400,540	1,454,007	
495,000	Bruce Power LP	3.000%	21-Jun-2024	505,385	502,453	
580,000	Canadian Imperial Bank of Commerce	2.350%	28-Aug-2024	580,000	575,477	
1,100,000	Canadian Natural Resources Ltd.	3.310%	11-Feb-2022	1,136,022	1,121,738	
420,000	Canadian Western Bank	2.737%	16-Jun-2022	419,655	422,935	
865,000	Canadian Western Bank	2.924%	15-Dec-2022	858,115	875,178	
455,000	Canadian Western Bank	2.597%	6-Sep-2024	455,000	451,991	
190,000	CARDS II Trust	3.127%	15-Nov-2024	190,000	190,794	
200,000	Choice Properties Real Estate Investment Trust	3.010%	21-Mar-2022	199,966	202,650	
590,000	Choice Properties Real Estate Investment Trust	3.196%	7-Mar-2023	595,901	600,733	
950,000	Coast Capital Savings Credit Union	2.620%	28-Feb-2020	950,000	949,715	
530,000	Coast Capital Savings Credit Union	5.000%	3-May-2028	530,000	551,562	
1,070,000	Empire Life Insurance Co.	3.383%	16-Dec-2026	1,074,620	1,087,972	
900,000	Empire Life Insurance Co.	3.664%	15-Mar-2028	902,770	928,340	
250,000	Enbridge Gas Distribution Inc.	3.310%	11-Sep-2025	259,903	263,243	
200,000	Enbridge Inc.	3.190%	5-Dec-2022	200,620	204,464	
175,000	Federation des Caisses Desjardins du Quebec	2.417%	4-Oct-2024	175,000	174,064	
480,000	First National Financial Corp.	3.582%	25-Nov-2024	480,000	479,783	
900,000	Genworth MI Canada Inc.	4.242%	1-Apr-2024	907,677	944,902	
1,220,000	Granite REIT Holdings LP	3.873%	30-Nov-2023	1,225,332	1,263,984	
900,000	Intact Financial Corp.	4.700%	18-Aug-2021	963,072	935,286	
310,000	Ivanhoe Cambridge II Inc.	2.909%	27-Jun-2023	310,000	316,979	
250,000	Manulife Financial Corp.	3.317%	9-May-2028	250,000	256,313	
1,075,000	Pembina Pipeline Corp.	3.770%	24-Oct-2022	1,145,200	1,113,848	
450,000	Royal Bank of Canada	2.880%	23-Dec-2029	449,960	450,266	
1,950,000	Royal Bank of Canada	3.296%	26-Sep-2023	2,001,818	2,011,890	
130,000	Royal Bank of Canada	2.352%	2-Jul-2024	130,000	129,362	
740,000	Royal Bank of Canada	2.609%	1-Nov-2024	740,000	743,417	
700,000	Royal Bank of Canada	2.740%	25-Jul-2029	700,000	697,757	

Educators Mortgage & Income Fund Schedule of Investments

As at December 31, 2019

Par Value or No. of Units	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
1,000,000	Sun Life Financial Inc.	3.050%	19-Sep-2028	1,000,941	1,018,963	
800,000	Suncor Energy Inc.	3.100%	26-Nov-2021	839,081	812,493	
1,800,000	TMX Group Ltd.	4.461%	3-Oct-2023	1,985,148	1,924,078	
1,200,000	Toronto-Dominion Bank	1.994%	23-Mar-2022	1,177,859	1,196,889	
680,000	Toronto-Dominion Bank	3.005%	30-May-2023	680,000	698,148	
260,000	Toronto-Dominion Bank	2.850%	8-Mar-2024	260,000	264,276	
730,000	Toronto-Dominion Bank	3.226%	24-Jul-2024	748,278	760,413	
1,000,000	Toronto-Dominion Bank	3.224%	25-Jul-2029	1,018,760	1,018,854	
				<u>37,305,494</u>	<u>37,636,461</u>	<u>29.13</u>
Government Bonds						
2,140,000	Canadian Government Real Return Bond	6.987%	1-Dec-2021	3,893,230	3,782,123	
1,500,000	Municipal Finance Authority of British Columbia	2.600%	23-Apr-2023	1,533,450	1,530,411	
560,000	Municipal Finance Authority of British Columbia	2.800%	3-Dec-2023	581,997	576,677	
1,400,000	Province of Alberta	2.550%	1-Jun-2027	1,450,008	1,423,266	
2,755,000	Province of Manitoba	2.600%	2-Jun-2027	2,865,380	2,810,957	
362,000	Province of Ontario	2.850%	2-Jun-2023	373,812	372,912	
				<u>10,697,877</u>	<u>10,496,346</u>	<u>8.12</u>
				<u>52,981,831</u>	<u>53,095,273</u>	<u>41.08</u>
Canadian Mutual Funds						
140,459	HSBC Emerging Markets Debt Fund, Institutional Series			1,426,097	1,413,028	
6,064,284	HSBC Mortgage Fund, Institutional Series			64,666,473	64,321,433	
				<u>66,092,570</u>	<u>65,734,461</u>	<u>50.88</u>
Foreign Bonds						
Channel Islands						
1,000,000	Heathrow Funding Ltd.	3.250%	21-May-2025	1,005,340	1,025,629	
				<u>1,005,340</u>	<u>1,025,629</u>	<u>0.79</u>
United Kingdom						
700,000	Aviva PLC	4.500%	10-May-2021	729,434	718,536	
				<u>729,434</u>	<u>718,536</u>	<u>0.56</u>
United States						
1,050,000	Anheuser-Busch InBev Finance Inc.	2.600%	15-May-2024	1,026,943	1,050,080	
800,000	AT&T Inc.	2.850%	25-May-2024	808,896	802,449	
620,000	Bank of America Corp.	3.301%	24-Apr-2024	620,000	634,727	
1,300,000	Citigroup Inc.	3.390%	18-Nov-2021	1,349,849	1,327,859	
1,500,000	Goldman Sachs Group Inc.	2.433%	26-Apr-2023	1,500,000	1,498,421	
500,000	JPMorgan Chase & Co.	3.190%	5-Mar-2021	514,743	506,064	
1,000,000	Morgan Stanley	3.000%	7-Feb-2024	983,140	1,013,810	
825,000	QVC Inc.	4.850%	1-Apr-2024	914,998	1,121,874	
				<u>7,718,569</u>	<u>7,955,284</u>	<u>6.16</u>
				<u>9,453,343</u>	<u>9,699,449</u>	<u>7.51</u>
Total Investments				\$ 128,851,855	\$ 128,853,294	99.72
Other Assets Less Liabilities					367,891	0.28
Net Assets Attributable to Holders of Redeemable Units					<u>\$ 129,221,185</u>	<u>100.00</u>

Educators Mortgage & Income Fund

Schedule of Investments

As at December 31, 2019

Par Value or No. of Units	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
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Summary of Investment Portfolio

The fair value percentages of Net Assets Attributable to Holders of Redeemable Units by major portfolio category are shown in the following table:

As a % of Fund's Net Assets attributable to holders of redeemable units		
Asset Type	2019	2018
Canadian Mutual Funds	50.88%	51.91%
Corporate Bonds	36.64%	35.16%
Government Bonds	8.12%	6.02%
Asset-Backed Securities	3.83%	6.39%
Short-term investments	0.25%	0.32%
Net Other Assets	0.28%	0.20%
	100.00%	100.00%

Educators Bond Fund

Statements of Financial Position

As at December 31

	2019	2018
Assets		
Current assets		
Cash	\$ 28,435	\$ -
Interest receivable	167,167	77,766
Subscriptions receivable	121,036	68,870
Investments	33,330,734	15,620,225
Total assets	\$ 33,647,372	\$ 15,766,861
Liabilities		
Current liabilities		
Bank overdraft	-	18,903
Due to brokers	157,898	12,898
Redemptions payable	27,858	-
Amounts due to Manager-Trustee (Note 6)	9,991	7,276
Total liabilities	195,747	39,077
Net assets attributable to holders of redeemable units	\$ 33,451,625	\$ 15,727,784
Net assets attributable to holders of redeemable units per class		
Class A	9,232,830	6,879,990
Class I	24,218,795	8,847,794
Number of redeemable units outstanding (Note 3)		
Class A	910,353	705,316
Class I	2,329,983	888,105
Net assets attributable to holders of redeemable units per class per unit		
Class A	10.14	9.75
Class I	10.39	9.96

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", CEO

Signed: "Stuart Mulcahy", CFO

Educators Bond Fund

Statements of Comprehensive Income

Years ended December 31

		2019		2018
Income				
Interest for distribution purposes	\$	642,418	\$	345,381
Securities lending (Note 5)		3,156		1,514
Other changes in fair value of investments:				
Net realized gain (loss)		487,350		(141,392)
Net change in unrealized appreciation		71,073		66,841
Total income		1,203,997		272,344
Expenses				
Management fees (Note 6)		87,209		87,278
Independent review committee fees		1,986		1,107
Harmonised sales tax		11,258		11,249
Total expenses		100,453		99,634
Increase in net assets attributable to holders of redeemable units	\$	1,103,544	\$	172,710
Increase in net assets attributable to holders of redeemable units per class				
Class A	\$	345,532	\$	12,635
Class I	\$	758,012	\$	160,075
Weighted average redeemable units outstanding during the year				
Class A		780,823		811,563
Class I		1,487,492		444,018
Increase in net assets attributable to holders of redeemable units per class per unit				
Class A	\$	0.44	\$	0.02
Class I	\$	0.51	\$	0.36

Educators Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31

	2019	2018
Net assets attributable to holders of redeemable units, beginning of year		
Class A	\$ 6,879,990	\$ 8,953,082
Class I	<u>8,847,794</u>	<u>-</u>
	<u>15,727,784</u>	<u>8,953,082</u>
Increase in net assets attributable to holders of redeemable units		
Class A	345,532	12,635
Class I	<u>758,012</u>	<u>160,075</u>
	<u>1,103,544</u>	<u>172,710</u>
Distributions to holders of redeemable units		
From net investment income and return of capital		
Class A	(108,421)	(103,083)
Class I	<u>(422,000)</u>	<u>(133,462)</u>
Total distributions to holders of redeemable units	<u>(530,421)</u>	<u>(236,545)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	3,515,226	620,993
Class I	<u>15,515,858</u>	<u>8,994,145</u>
	<u>19,031,084</u>	<u>9,615,138</u>
Redemption of redeemable units		
Class A	(1,507,933)	(2,706,659)
Class I	<u>(902,759)</u>	<u>(306,462)</u>
	<u>(2,410,692)</u>	<u>(3,013,121)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	108,436	103,022
Class I	<u>421,890</u>	<u>133,498</u>
	<u>530,326</u>	<u>236,520</u>
Net increase from redeemable unit transactions	<u>17,150,718</u>	<u>6,838,537</u>
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class A	2,352,840	(2,073,092)
Class I	<u>15,371,001</u>	<u>8,847,794</u>
	<u>17,723,841</u>	<u>6,774,702</u>
Net assets attributable to holders of redeemable units, end of year		
Class A	9,232,830	6,879,990
Class I	<u>24,218,795</u>	<u>8,847,794</u>
	<u>33,451,625</u>	<u>15,727,784</u>

Educators Bond Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units** (continued)Years ended December 31

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the years ended December 31, 2019 and 2018.

Class A	2019	2018
Number of units, beginning of year	705,316	909,935
Units issued	343,742	63,915
Units issued from reinvested distributions	10,610	10,580
Units redeemed	(149,315)	(279,114)
Number of units, end of year	<u>910,353</u>	<u>705,316</u>
Class I	2019	2018
Number of units, beginning of year	888,105	-
Units issued	1,489,007	905,695
Units issued from reinvested distributions	40,323	13,449
Units redeemed	(87,452)	(31,039)
Number of units, end of year	<u>2,329,983</u>	<u>888,105</u>

Educators Bond Fund
Statements of Cash FlowsYears ended December 31

	2019	2018
Cash Flow from Operating Activities		
Increase in net assets attributable to holders of redeemable units	\$ 1,103,544	\$ 172,710
Adjustments for:		
Net realized (gain) loss on sale of investments	(487,350)	141,392
Net change in unrealized (appreciation) depreciation in value of investments	(71,073)	(66,841)
Purchase of investments	(65,660,811)	(40,889,674)
Proceeds from disposal of investments	48,653,725	34,105,619
Increase in interest receivable	(89,401)	(37,641)
Increase (decrease) in amounts due to Manager-Trustee	2,715	(1,655)
Cash used by operating activities	<u>(16,548,651)</u>	<u>(6,576,090)</u>
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	18,978,918	9,548,239
Redemption of redeemable units	(2,382,834)	(3,013,121)
Distributions paid to holders of redeemable units, net of reinvested distributions	(95)	(25)
Cash provided by financing activities	<u>16,595,989</u>	<u>6,535,093</u>
Increase (decrease) in cash	\$ <u>47,338</u>	\$ <u>(40,997)</u>
Cash (Bank overdraft), beginning of year	\$ <u>(18,903)</u>	\$ <u>22,094</u>
Cash (Bank overdraft), end of year	\$ <u>28,435</u>	\$ <u>(18,903)</u>
Supplemental cash flow information:		
Interest received	\$ 553,017	\$ 307,740

See accompanying notes to the financial statements

Educators Bond Fund

Schedule of Investments

As at December 31, 2019

Par Value or No. of Units	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Short-Term Investments						
Treasury Bills						
75,000	Canadian Treasury Bill	1.658%	2-Apr-2020	\$ 74,682	\$ 74,682	
600,000	Canadian Treasury Bill	1.653%	19-Mar-2020	597,541	597,541	
				<u>672,223</u>	<u>672,223</u>	2.01
Canadian Bonds						
Asset-Backed						
280,000	Canadian Mortgage Pools	1.420%	1-Jun-2022	219,447	221,103	
253,000	Canadian Mortgage Pools	1.840%	1-Dec-2022	214,590	214,974	
				<u>434,037</u>	<u>436,077</u>	1.30
Corporate Bonds						
136,000	AltaGas Ltd.	3.720%	28-Sep-2021	139,835	139,230	
203,000	AltaGas Ltd.	2.609%	16-Dec-2022	203,000	203,573	
247,000	AltaLink LP	2.978%	28-Nov-2022	252,410	253,114	
86,000	AltaLink LP	3.717%	3-Dec-2046	94,644	97,884	
500,000	Bank of Montreal	1.610%	28-Oct-2021	489,428	495,805	
259,000	Bank of Montreal	2.270%	11-Jul-2022	257,760	259,787	
681,000	Bank of Montreal	2.850%	6-Mar-2024	687,715	691,368	
77,000	Bank of Montreal	2.880%	17-Sep-2029	76,993	77,082	
596,000	Bank of Nova Scotia	2.380%	1-May-2023	595,911	596,451	
240,000	Bank of Nova Scotia	2.490%	23-Sep-2024	239,885	239,581	
90,000	Bank of Nova Scotia	2.836%	3-Jul-2029	89,991	89,934	
422,000	Bell Canada Inc.	3.000%	3-Oct-2022	426,931	429,520	
53,000	Bell Canada Inc.	3.600%	29-Sep-2027	54,491	55,242	
310,000	Brookfield Infrastructure Finance ULC	3.315%	22-Feb-2024	312,317	316,030	
875,000	Canadian Imperial Bank of Commerce	2.040%	21-Mar-2022	866,080	873,520	
337,000	Canadian Imperial Bank of Commerce	2.430%	9-Jun-2023	336,909	337,543	
265,000	Canadian Imperial Bank of Commerce	2.970%	11-Jul-2023	273,503	271,674	
553,000	Canadian Imperial Bank of Commerce	3.290%	15-Jan-2024	563,166	570,435	
419,000	Canadian Imperial Bank of Commerce	3.450%	4-Apr-2028	430,415	429,792	
54,000	Canadian Imperial Bank of Commerce	2.950%	19-Jun-2029	54,124	54,229	
144,000	Canadian Natural Resources Ltd.	3.420%	1-Dec-2026	146,649	147,297	
61,000	CU Inc	4.947%	18-Nov-2050	79,229	83,735	
63,000	Enbridge Gas Distribution Inc.	7.600%	29-Oct-2026	81,989	82,375	
108,000	Enbridge Gas Distribution Inc.	4.950%	22-Nov-2050	140,322	148,614	
44,000	Enbridge Gas Inc.	9.850%	2-Dec-2024	60,078	58,574	
136,000	Enbridge Pipelines Inc.	6.350%	17-Nov-2023	156,251	154,931	
61,000	Enbridge Pipelines Inc.	8.200%	15-Feb-2024	75,009	73,778	
49,000	EPCOR Utilities Inc.	3.554%	27-Nov-2047	49,733	53,464	
93,000	FortisAlberta Inc.	3.734%	18-Sep-2048	95,835	104,485	
35,000	FortisAlberta Inc.	4.800%	27-Oct-2050	44,236	46,799	
65,000	FortisBC Energy Inc.	5.900%	26-Feb-2035	85,898	88,461	
26,000	FortisBC Energy Inc.	6.000%	2-Oct-2037	34,035	36,838	
62,000	FortisBC Energy Inc.	3.690%	30-Oct-2047	64,461	70,313	
24,000	FortisBC Inc.	5.000%	24-Nov-2050	30,633	32,870	
195,000	Loblaws Cos Ltd.	3.918%	10-Jun-2024	204,402	205,297	
126,000	Lower Mattagami Energy LP	4.331%	18-May-2021	131,120	129,850	
70,000	North West Redwater Partnership	2.800%	1-Jun-2027	68,436	69,991	
47,000	NOVA Gas Transmission Ltd.	6.590%	1-Dec-2027	58,063	57,490	
52,000	Nova Scotia Power Inc.	6.950%	25-Aug-2033	74,720	74,357	
228,000	Pembina Pipeline Corp.	2.990%	22-Jan-2024	225,524	231,109	
102,000	Rogers Communications Inc.	3.250%	1-May-2029	102,928	103,608	
478,000	Royal Bank of Canada	3.296%	26-Sep-2023	485,134	493,171	
430,000	Royal Bank of Canada	2.352%	2-Jul-2024	429,733	427,890	
943,000	Royal Bank of Canada	2.609%	1-Nov-2024	945,160	947,354	
529,000	Royal Bank of Canada	3.310%	20-Jan-2026	535,609	534,757	
327,000	Royal Bank of Canada	2.740%	25-Jul-2029	326,404	325,952	
403,000	Royal Bank of Canada	2.880%	23-Dec-2029	402,964	403,239	
114,000	TELUS Corp.	2.750%	8-Jul-2026	114,050	113,271	
34,000	TELUS Corp.	3.150%	19-Feb-2030	33,881	33,907	

Educators Bond Fund Schedule of Investments

As at December 31, 2019

Par Value or No. of Units	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
650,000	Toronto-Dominion Bank	3.005%	30-May-2023	665,714	667,348	
8,000	Toronto-Dominion Bank	2.376%	28-Jun-2023	8,000	8,067	
496,000	Toronto-Dominion Bank	2.850%	8-Mar-2024	497,223	504,157	
355,000	Toronto-Dominion Bank	2.982%	30-Sep-2025	357,731	357,069	
636,000	Toronto-Dominion Bank	3.589%	14-Sep-2028	649,514	657,699	
283,000	TransCanada PipeLines Ltd.	8.290%	5-Feb-2026	371,243	364,806	
10,000	TransCanada PipeLines Ltd.	7.310%	15-Jan-2027	12,535	12,542	
132,000	TransCanada PipeLines Ltd.	7.900%	15-Apr-2027	176,557	172,148	
60,000	TransCanada PipeLines Ltd.	6.280%	26-May-2028	73,249	73,165	
7,000	TransCanada PipeLines Ltd.	8.210%	25-Apr-2030	9,689	9,500	
1,000	TransCanada PipeLines Ltd.	8.200%	15-Aug-2031	1,401	1,414	
92,000	TransCanada Trust	4.650%	18-May-2077	89,464	89,399	
55,000	Union Gas Ltd	4.850%	25-Apr-2022	58,314	58,418	
39,000	Union Gas Ltd.	3.790%	10-Jul-2023	40,675	40,992	
51,000	Union Gas Ltd.	8.650%	10-Nov-2025	69,480	67,645	
69,000	Union Gas Ltd.	3.590%	22-Nov-2047	72,424	75,864	
86,000	Westcoast Energy Inc.	3.883%	28-Oct-2021	88,643	88,414	
26,000	Westcoast Energy Inc.	8.850%	21-Jul-2025	34,424	33,980	
183,000	Westcoast Energy Inc.	7.300%	18-Dec-2026	232,584	231,485	
42,000	Westcoast Energy Inc.	7.150%	20-Mar-2031	55,954	56,460	
				15,292,812	15,386,143	46.01
Government Bonds						
32,000	Canadian Government Bond	2.250%	1-Mar-2024	33,507	32,722	
38,000	Canadian Government Bond	2.500%	1-Jun-2024	39,972	39,316	
729,000	Canadian Government Bond	1.500%	1-Jun-2026	724,264	720,688	
1,277,000	Canadian Government Bond	2.250%	1-Jun-2029	1,368,699	1,338,124	
1,679,000	Canadian Government Bond	2.750%	1-Dec-2048	2,118,784	2,053,573	
233,000	Canadian Government Bond	2.000%	1-Dec-2051	243,020	247,274	
285,000	Canadian Government Real Return Bond	6.987%	1-Dec-2021	510,483	503,694	
216,000	City of Montreal	3.000%	1-Sep-2027	220,617	224,568	
203,000	City of Toronto	3.900%	29-Sep-2023	215,857	216,275	
32,000	Province of Alberta	2.350%	1-Jun-2025	31,491	32,353	
698,000	Province of Alberta	2.900%	1-Dec-2028	717,311	728,086	
34,000	Province of Alberta	3.900%	1-Dec-2033	39,599	39,313	
169,000	Province of Alberta	3.050%	1-Dec-2048	177,943	183,636	
486,000	Province of British Columbia	2.950%	18-Dec-2028	507,991	513,663	
49,000	Province of British Columbia	2.800%	18-Jun-2048	47,032	52,739	
101,000	Province of British Columbia	2.950%	18-Jun-2050	108,377	112,823	
53,000	Province of Manitoba	4.400%	5-Sep-2025	58,591	59,313	
906,000	Province of Ontario	2.600%	2-Jun-2025	918,104	929,590	
93,000	Province of Ontario	2.900%	2-Jun-2028	98,226	97,364	
104,000	Province of Ontario	4.700%	2-Jun-2037	132,861	135,894	
160,000	Province of Ontario	3.500%	2-Jun-2043	176,603	187,245	
174,000	Province of Ontario	2.800%	2-Jun-2048	182,408	184,345	
414,000	Province of Ontario	2.900%	2-Jun-2049	428,919	448,335	
2,380,000	Province of Ontario	2.400%	2-Jun-2026	2,413,103	2,413,787	
479,000	Province of Ontario	2.600%	2-Jun-2027	499,308	490,746	
1,209,000	Province of Ontario	2.700%	2-Jun-2029	1,249,755	1,249,887	
679,000	Province of Ontario	2.650%	2-Dec-2050	721,242	702,369	

Educators Bond Fund Schedule of Investments

As at December 31, 2019

Par Value or No. of Units	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
82,000	Province of Quebec	2.750%	1-Sep-2028	82,914	85,200	
307,000	Province of Quebec	5.000%	1-Dec-2041	425,674	435,525	
382,000	Province of Quebec	3.500%	1-Dec-2048	436,413	462,440	
1,139,000	Province of Quebec	2.300%	1-Sep-2029	1,155,216	1,142,502	
662,000	Province of Quebec	3.100%	1-Dec-2051	746,784	756,388	
12,000	Province of Saskatchewan	5.800%	5-Sep-2033	15,822	16,514	
				16,846,890	16,836,291	50.32
				33,245,962	33,330,734	99.64
	Total Investments			\$ 33,245,962	\$ 33,330,734	99.64
	Net Investments					
	Other Assets Less Liabilities				\$ 120,891	0.36
	Net Assets Attributable to Holders of Redeemable Units				\$ 33,451,625	100.00

Summary of Investment Portfolio

The fair value percentages of Net Assets Attributable to Holders of Redeemable Units by major portfolio category are shown in the following table:

Asset Type	As a % of Fund's Net Assets attributable to holders of redeemable units	
	2019	2018
Government Bonds	50.32%	51.12%
Corporate Bonds	46.01%	43.50%
Asset-Backed Securities	1.30%	3.12%
Short-term investments	2.01%	1.58%
Net Other Assets (Liabilities)	0.36%	0.68%
	100.00%	100.00%

Educators Balanced Fund

Statements of Financial Position

As at December 31

	2019	2018
Assets		
Current assets		
Cash	\$ 84,384	\$ 114,442
Interest and dividends receivable	562,364	572,785
Subscriptions receivable	139,958	30,460
Investments	257,043,424	238,161,868
Total assets	\$ 257,830,130	\$ 238,879,555
Liabilities		
Current liabilities		
Due to brokers	-	61,515
Redemptions payable	101,880	58,350
Amounts due to Manager-Trustee (Note 6)	422,634	378,734
Total liabilities	524,514	498,599
Net assets attributable to holders of redeemable units	\$ 257,305,616	\$ 238,380,956
Net assets attributable to holders of redeemable units per class		
Class A	257,305,616	238,380,956
Number of redeemable units outstanding (Note 3)		
Class A	12,805,897	13,109,688
Net assets attributable to holders of redeemable units per class per unit		
Class A	20.09	18.18

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", CEO

Signed: "Stuart Mulcahy", CFO

Educators Balanced Fund

Statements of Comprehensive Income

Years ended December 31

	2019	2018
Income		
Interest for distribution purposes	\$ 4,426,221	\$ 4,355,963
Dividends	2,402,898	2,228,508
Securities lending (Note 5)	17,614	19,196
Other changes in fair value of investments:		
Net realized gain	7,470,319	8,158,605
Net change in unrealized appreciation (depreciation)	19,896,987	(20,643,370)
	<u>34,214,039</u>	<u>(5,881,098)</u>
Expenses		
Management fees (Note 6)	4,169,402	4,130,138
Independent review committee fees	20,514	21,680
Transaction costs	22,208	17,446
Withholding taxes	8,190	1,456
Harmonised sales tax	538,687	532,788
Total expenses	<u>4,759,001</u>	<u>4,703,508</u>
Increase (decrease) in net assets attributable to holders of redeemable units	 \$ <u>29,455,038</u>	 \$ <u>(10,584,606)</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class A	\$ <u>29,455,038</u>	\$ <u>(10,584,606)</u>
Weighted average redeemable units outstanding during the year		
Class A	<u>12,891,593</u>	<u>12,767,395</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class per unit		
Class A	\$ <u>2.28</u>	\$ <u>(0.83)</u>

Educators Balanced Fund
Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31

	2019	2018
Net assets attributable to holders of redeemable units, beginning of year		
Class A	\$ 238,380,956	\$ 245,878,934
Increase (decrease) in net assets attributable to holders of redeemable units		
Class A	<u>29,455,038</u>	<u>(10,584,606)</u>
Distributions to holders of redeemable units		
From net investment income		
Class A	(2,099,703)	(1,817,812)
From net realized gains		
Class A	<u>(2,554,400)</u>	<u>(5,866,865)</u>
Total distributions to holders of redeemable units	<u>(4,654,103)</u>	<u>(7,684,677)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	28,157,869	43,967,386
Redemption of redeemable units		
Class A	(38,673,425)	(40,854,347)
Reinvestments of distributions to holders of redeemable units		
Class A	<u>4,639,281</u>	<u>7,658,266</u>
Net (decrease) increase from redeemable unit transactions	<u>(5,876,275)</u>	<u>10,771,305</u>
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class A	<u>18,924,660</u>	<u>(7,497,978)</u>
Net assets attributable to holders of redeemable units, end of year		
Class A	<u>257,305,616</u>	<u>238,380,956</u>

Educators Balanced Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (continued)***Years ended December 31*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the years ended December 31, 2019 and 2018.

Class A	2019	2018
Number of units, beginning of year	13,109,688	12,529,872
Units issued	1,442,252	2,254,936
Units issued from reinvested distributions	228,700	428,734
Units redeemed	(1,974,743)	(2,103,854)
Number of units, end of year	12,805,897	13,109,688

Educators Balanced Fund
Statements of Cash Flows*Years ended December 31*

	2019	2018
Cash Flow from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 29,455,038	\$ (10,584,606)
Adjustments for:		
Net realized gain on sale of investments	(7,470,319)	(8,158,605)
Net change in unrealized (appreciation) depreciation in value of investments	(19,896,987)	20,643,370
Purchase of investments	(192,484,039)	(232,542,490)
Proceeds from disposal of investments	200,908,274	227,550,371
Decrease (increase) in interest and dividends receivable	10,421	(20,659)
Increase in amounts due to Manager-Trustee	43,900	15,978
Cash provided (used) by operating activities	10,566,288	(3,096,641)
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	28,048,371	44,106,033
Redemption of redeemable units	(38,629,895)	(40,870,846)
Distributions paid to holders of redeemable units, net of reinvested distributions	(14,822)	(26,411)
Cash (used) provided by financing activities	(10,596,346)	3,208,776
(Decrease) increase in cash	\$ (30,058)	\$ 112,135
Cash, beginning of year	\$ 114,442	\$ 2,307
Cash, end of year	\$ 84,384	\$ 114,442
Supplemental cash flow information:		
Dividends received, net of withholding taxes	\$ 2,432,304	\$ 2,251,312
Interest received	\$ 4,399,764	\$ 4,313,117

Educators Balanced Fund

Schedule of Investments

As at December 31, 2019

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Short-Term Investments						
Treasury Bills						
220,000	Canadian Treasury Bill	1.669%	6-Feb-2020	\$ 219,134	\$ 219,134	
250,000	Canadian Treasury Bill	1.648%	20-Feb-2020	249,050	249,050	
150,000	Canadian Treasury Bill	1.650%	5-Mar-2020	149,392	149,392	
2,250,000	Canadian Treasury Bill	1.654%	19-Mar-2020	2,240,740	2,240,740	
75,000	Canadian Treasury Bill	1.660%	2-Apr-2020	74,684	74,684	
				<u>2,933,000</u>	<u>2,933,000</u>	1.14
Canadian Bonds						
Asset-Backed						
920,000	Canadian Mortgage Pools	1.420%	1-Jun-2022	726,546	726,480	
374,000	Canadian Mortgage Pools	1.840%	1-Dec-2022	316,140	317,788	
				<u>1,042,686</u>	<u>1,044,268</u>	0.41
Corporate Bonds						
378,000	AltaGas Ltd.	3.720%	28-Sep-2021	388,191	386,978	
510,000	AltaGas Ltd.	2.609%	22-Dec-2022	510,000	511,440	
583,000	AltaLink LP	2.978%	28-Nov-2022	590,007	597,430	
168,000	AltaLink LP	3.717%	3-Dec-2046	178,382	191,216	
1,244,000	Bank of Montreal	1.610%	28-Oct-2021	1,216,947	1,233,563	
608,000	Bank of Montreal	2.270%	11-Jul-2022	602,229	609,847	
1,794,000	Bank of Montreal	2.850%	6-Mar-2024	1,799,661	1,821,315	
207,000	Bank of Montreal	2.880%	17-Sep-2029	206,981	207,220	
1,511,000	Bank of Nova Scotia	2.380%	1-May-2023	1,510,773	1,512,144	
565,000	Bank of Nova Scotia	2.490%	23-Sep-2024	564,972	564,014	
136,000	Bank of Nova Scotia	2.836%	3-Jul-2029	136,040	135,900	
914,000	Bell Canada Inc.	3.000%	3-Oct-2022	921,985	930,288	
80,000	Bell Canada Inc.	3.600%	29-Sep-2027	80,055	83,385	
524,000	Brookfield Infrastructure Finance ULC	3.315%	22-Feb-2024	529,518	534,193	
2,440,000	Canadian Imperial Bank of Commerce	2.040%	21-Mar-2022	2,413,721	2,435,873	
854,000	Canadian Imperial Bank of Commerce	2.430%	9-Jun-2023	853,769	855,376	
747,000	Canadian Imperial Bank of Commerce	2.970%	11-Jul-2023	770,239	765,813	
1,173,000	Canadian Imperial Bank of Commerce	3.290%	15-Jan-2024	1,173,296	1,209,982	
950,000	Canadian Imperial Bank of Commerce	3.450%	4-Apr-2028	975,798	974,470	
195,000	Canadian Imperial Bank of Commerce	2.950%	19-Jun-2029	195,171	195,827	
370,000	Canadian Natural Resources Ltd.	3.420%	1-Dec-2026	371,981	378,471	
179,000	CU Inc.	4.947%	18-Nov-2050	236,498	245,713	
35,000	Enbridge Gas Distribution Inc.	9.850%	2-Dec-2024	52,675	46,593	
221,000	Enbridge Gas Distribution Inc.	7.600%	29-Oct-2026	301,355	288,968	
235,000	Enbridge Gas Distribution Inc.	4.950%	22-Nov-2050	263,946	323,372	
398,000	Enbridge Pipelines Inc.	6.350%	17-Nov-2023	481,835	453,401	
112,000	Enbridge Pipelines Inc.	8.200%	15-Feb-2024	145,905	135,461	
163,000	EPCOR Utilities Inc.	3.554%	27-Nov-2047	162,501	177,849	
216,000	FortisAlberta Inc.	3.734%	18-Sep-2048	225,689	242,674	
98,000	FortisAlberta Inc.	4.800%	27-Oct-2050	118,056	131,036	
101,000	FortisBC Energy Inc.	5.900%	26-Feb-2035	131,440	137,455	
81,000	FortisBC Energy Inc.	6.000%	2-Oct-2037	107,632	114,764	
158,000	FortisBC Energy Inc.	3.690%	30-Oct-2047	158,017	179,186	
61,000	FortisBC Inc.	5.000%	24-Nov-2050	74,308	83,544	
474,000	Loblaws Cos Ltd.	3.918%	10-Jun-2024	490,914	499,029	
430,000	Lower Mattagami Energy LP	4.331%	18-May-2021	446,677	443,138	
111,000	North West Redwater Partnership	2.800%	1-Jun-2027	110,746	110,986	
109,000	NOVA Gas Transmission Ltd.	6.590%	1-Dec-2027	131,421	133,327	
102,000	Nova Scotia Power Inc.	6.950%	25-Aug-2033	144,644	145,854	
736,000	Pembina Pipeline Corp.	2.990%	22-Jan-2024	728,576	746,038	
204,000	Rogers Communications Inc.	3.250%	1-May-2029	203,587	207,216	
1,221,000	Royal Bank of Canada	3.296%	26-Sep-2023	1,228,249	1,259,753	
1,093,000	Royal Bank of Canada	2.352%	2-Jul-2024	1,092,320	1,087,636	
2,312,000	Royal Bank of Canada	2.609%	1-Nov-2024	2,315,585	2,322,674	
1,469,000	Royal Bank of Canada	3.310%	20-Jan-2026	1,484,297	1,484,988	
825,000	Royal Bank of Canada	2.740%	25-Jul-2029	824,320	822,357	
1,009,000	Royal Bank of Canada	2.880%	23-Dec-2029	1,008,909	1,009,597	

Educators Balanced Fund Schedule of Investments

As at December 31, 2019

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
203,000	TELUS Corp.	2.750%	8-Jul-2026	202,742	201,702	
86,000	TELUS Corp.	3.150%	19-Feb-2030	85,698	85,764	
1,569,000	Toronto-Dominion Bank	3.005%	30-May-2023	1,599,232	1,610,874	
365,000	Toronto-Dominion Bank	2.376%	28-Jun-2023	365,000	368,056	
1,268,000	Toronto-Dominion Bank	2.850%	8-Mar-2024	1,271,534	1,288,853	
85,000	Toronto-Dominion Bank	2.982%	30-Sep-2025	85,729	85,495	
1,388,000	Toronto-Dominion Bank	3.589%	14-Sep-2028	1,400,554	1,435,357	
721,000	TransCanada PipeLines Ltd.	8.290%	5-Feb-2026	991,545	929,418	
25,000	TransCanada PipeLines Ltd.	7.310%	15-Jan-2027	32,595	31,355	
404,000	TransCanada PipeLines Ltd.	7.900%	15-Apr-2027	544,513	526,879	
195,000	TransCanada PipeLines Ltd.	6.280%	26-May-2028	241,288	237,785	
41,000	TransCanada PipeLines Ltd.	8.210%	25-Apr-2030	56,977	55,645	
47,000	TransCanada PipeLines Ltd.	8.230%	16-Jan-2031	67,069	65,945	
109,000	TransCanada PipeLines Ltd.	8.200%	15-Aug-2031	153,920	154,123	
191,000	TransCanada Trust.	4.650%	18-May-2077	190,726	185,601	
95,000	Union Gas Ltd.	4.850%	25-Apr-2022	100,568	100,903	
166,000	Union Gas Ltd.	3.790%	10-Jul-2023	173,020	174,477	
147,000	Union Gas Ltd.	8.650%	10-Nov-2025	211,279	194,976	
174,000	Union Gas Ltd.	3.590%	22-Nov-2047	173,186	191,309	
100,000	Westcoast Energy Inc.	3.883%	28-Oct-2021	105,777	102,807	
41,000	Westcoast Energy Inc.	8.850%	21-Jul-2025	56,417	53,584	
556,000	Westcoast Energy Inc.	7.300%	18-Dec-2026	713,708	703,310	
108,000	Westcoast Energy Inc.	7.150%	20-Mar-2031	141,908	145,183	
				37,624,803	37,896,755	14.73
Government Bonds						
92,000	Canadian Government Bond	2.250%	1-Mar-2024	96,333	94,075	
86,000	Canadian Government Bond	2.500%	1-Jun-2024	91,194	88,978	
1,792,000	Canadian Government Bond	1.500%	1-Jun-2026	1,782,027	1,771,568	
3,055,000	Canadian Government Bond	2.250%	1-Jun-2029	3,274,594	3,201,228	
4,171,000	Canadian Government Bond	2.750%	1-Dec-2048	5,272,941	5,101,520	
546,000	Canadian Government Bond	2.000%	1-Dec-2051	528,077	579,449	
581,000	Canadian Government Real Return Bond	6.987%	1-Dec-2021	1,053,521	1,026,828	
454,000	City of Montreal	3.000%	1-Sep-2027	452,120	472,010	
604,000	City of Toronto	3.900%	29-Sep-2023	641,746	643,499	
110,000	Province of Alberta	2.350%	1-Jun-2025	109,933	111,213	
1,755,000	Province of Alberta	2.900%	1-Dec-2028	1,768,146	1,830,646	
66,000	Province of Alberta	3.900%	1-Dec-2033	72,359	76,314	
342,000	Province of Alberta	3.050%	1-Dec-2048	337,273	371,618	
1,252,000	Province of British Columbia	2.950%	18-Dec-2028	1,281,653	1,323,263	
132,000	Province of British Columbia	2.800%	18-Jun-2048	126,346	142,073	
260,000	Province of British Columbia	2.950%	18-Jun-2050	270,769	290,434	
153,000	Province of Manitoba	4.400%	5-Sep-2025	178,813	171,225	
2,264,000	Province of Ontario	2.600%	2-Jun-2025	2,262,832	2,322,950	
182,000	Province of Ontario	2.900%	2-Jun-2028	184,879	190,539	
248,000	Province of Ontario	4.700%	2-Jun-2037	313,512	324,056	
435,000	Province of Ontario	3.500%	2-Jun-2043	469,604	509,072	
361,000	Province of Ontario	2.800%	2-Jun-2048	368,776	382,464	
880,000	Province of Ontario	2.900%	2-Jun-2049	861,274	952,983	
5,842,000	Province of Ontario	2.400%	2-Jun-2026	5,885,996	5,924,933	
1,268,000	Province of Ontario	2.600%	2-Jun-2027	1,322,856	1,299,095	
2,805,000	Province of Ontario	2.700%	2-Jun-2029	2,889,562	2,899,863	
1,832,000	Province of Ontario	2.650%	2-Dec-2050	1,944,122	1,895,052	
263,000	Province of Quebec	2.750%	1-Sep-2028	261,386	273,262	
766,000	Province of Quebec	5.000%	1-Dec-2041	1,022,492	1,086,685	
881,000	Province of Quebec	3.500%	1-Dec-2048	961,033	1,066,520	

Educators Balanced Fund Schedule of Investments

As at December 31, 2019

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
2,875,000	Province of Quebec	2.300%	1-Sep-2029	2,907,789	2,883,840	
1,760,000	Province of Quebec	3.100%	1-Dec-2051	1,948,288	2,010,940	
58,000	Province of Saskatchewan	5.800%	5-Sep-2033	78,358	79,817	
				<u>41,020,604</u>	<u>41,398,012</u>	16.09
				<u>79,688,093</u>	<u>80,339,035</u>	31.23
Canadian Common Stocks						
Consumer Discretionary						
18,461	Canadian Tire Corp Ltd.			2,270,658	2,579,925	
55,871	Magna International Inc.			2,712,946	3,978,015	
				<u>4,983,604</u>	<u>6,557,940</u>	2.55
Communication Services						
42,609	Quebecor Inc.			807,169	1,412,062	
90,241	Rogers Communications Inc.			4,921,604	5,818,740	
36,919	TELUS Corp.			1,433,716	1,856,287	
				<u>7,162,489</u>	<u>9,087,089</u>	3.53
Consumer Staples						
12,049	Loblaw Cos Ltd.			611,428	807,283	
81,627	Metro Inc.			3,281,492	4,374,391	
18,307	Molson Coors Canada Inc.			1,463,737	1,317,555	
47,151	Saputo Inc.			1,946,032	1,895,470	
				<u>7,302,689</u>	<u>8,394,699</u>	3.26
Energy						
103,990	Cameco Corp.			1,695,097	1,200,045	
99,881	Canadian Natural Resources Ltd.			3,479,113	4,195,002	
105,050	Cenovus Energy Inc.			2,119,605	1,386,660	
52,406	Suncor Energy Inc.			2,109,342	2,230,399	
				<u>9,403,157</u>	<u>9,012,106</u>	3.50
Financials						
26,650	Bank of Montreal			2,631,101	2,682,056	
47,135	Bank of Nova Scotia			2,883,974	3,457,352	
45,121	Brookfield Asset Management Inc.			1,917,643	3,385,429	
7,100	Canadian Imperial Bank of Commerce			749,452	767,226	
62,798	Great-West Lifeco Inc.			2,005,687	2,088,661	
53,454	Manulife Financial Corp.			1,120,848	1,409,047	
14,722	Onex Corp.			1,178,559	1,209,707	
71,161	Royal Bank of Canada			5,418,150	7,311,793	
58,481	Sun Life Financial Inc.			2,859,729	3,462,660	
91,700	Toronto-Dominion Bank			4,647,132	6,678,511	
				<u>25,412,275</u>	<u>32,452,442</u>	12.63
Industrials						
20,744	Canadian National Railway Co.			1,404,272	2,436,798	
3,824	Canadian Pacific Railway Ltd.			772,065	1,265,859	
65,366	Finning International Inc.			1,627,436	1,653,760	
7,542	Thomson Reuters Corp.			126,311	700,576	
				<u>3,930,084</u>	<u>6,056,993</u>	2.35
Information Technology						
31,111	Open Text Corp.			1,000,702	1,780,171	
				<u>1,000,702</u>	<u>1,780,171</u>	0.69
Materials						
8,869	Franco-Nevada Corp.			729,755	1,189,243	
54,567	Nutrien Ltd.			3,361,929	3,392,430	
43,383	Teck Resources Ltd.			1,033,142	976,985	
				<u>5,124,826</u>	<u>5,558,658</u>	2.14
				<u>64,319,826</u>	<u>78,900,098</u>	30.65
Canadian Mutual Funds						

Educators Balanced Fund Schedule of Investments

As at December 31, 2019

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
2,568,489	Beutel Goodman American Equity Fund, Class I			37,512,668	46,650,692	
7,284,959	Beutel Goodman International Equity Fund, Class I			39,253,549	48,220,599	
				<u>76,766,217</u>	<u>94,871,291</u>	<u>36.87</u>
	Total Investments			\$ 223,707,136	\$ 257,043,424	99.89
	Transaction Costs			(45,235)		
	Net Investments			<u>223,661,901</u>	257,043,424	99.89
	Other Assets Less Liabilities				262,192	0.11
	Net Assets Attributable to Holders of Redeemable Units				<u>\$ 257,305,616</u>	<u>100.00</u>

Summary of Investment Portfolio

The fair value percentages of Net Assets Attributable to Holders of Redeemable Units by major portfolio category are shown in the following table:

Sector	As a % of Fund's Net Assets attributable to holders of redeemable units	
	2019	2018
Canadian Mutual Funds	36.87%	39.07%
Government Bonds	16.09%	14.94%
Corporate Bonds	14.73%	13.99%
Financials	12.63%	12.19%
Consumer Discretionary	2.55%	2.34%
Industrials	2.35%	2.75%
Communication Services	3.53%	3.82%
Consumer Staples	3.26%	3.15%
Energy	3.50%	2.36%
Materials	2.14%	1.98%
Asset-Backed Securities	0.41%	1.06%
Short-term investments	1.14%	1.42%
Information Technology	0.69%	0.84%
Net Other Assets	0.11%	0.09%
	<u>100.00%</u>	<u>100.00%</u>

Educators Monthly Income Fund

Statements of Financial Position

As at December 31

	2019	2018
Assets		
Current assets		
Cash	\$ 81,991	\$ 349,956
Interest and dividends receivable	224,140	185,620
Investments	59,204,248	59,542,481
Total assets	\$ 59,510,379	\$ 60,078,057
Liabilities		
Current liabilities		
Due to brokers	-	56,516
Redemptions payable	31,248	34,775
Amounts due to Manager-Trustee (Note 6)	68,287	66,625
Forward contracts (Note 10)	-	84,027
Total liabilities	99,535	241,943
Net assets attributable to holders of redeemable units	\$ 59,410,844	\$ 59,836,114
Net assets attributable to holders of redeemable units per class		
Class A	59,410,844	59,836,114
Number of redeemable units outstanding (Note 3)		
Class A	6,101,290	6,596,034
Net assets attributable to holders of redeemable units per class per unit		
Class A	9.74	9.07

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", CEO

Signed: "Stuart Mulcahy", CFO

Educators Monthly Income Fund

Statements of Comprehensive Income

Years ended December 31

	2019	2018
Income		
Interest for distribution purposes	\$ 521,294	\$ 465,423
Dividends	1,555,895	1,487,118
Securities lending (Note 5)	11,596	9,290
Other changes in fair value of investments:		
Net realized gain	3,971,879	2,963,237
Net realized gain (loss) on forward contracts	1,702	(181,893)
Net change in unrealized appreciation (depreciation) on forward contracts	84,027	(84,027)
Net change in unrealized appreciation (depreciation)	2,978,483	(8,011,065)
Total income	<u>9,124,876</u>	<u>(3,351,917)</u>
Expenses		
Management fees (Note 6)	717,045	731,011
Independent review committee fees	5,098	5,470
Transaction costs	29,048	47,330
Withholding taxes	51,384	56,206
Harmonised sales tax	93,013	94,739
Total expenses	<u>895,588</u>	<u>934,756</u>
Increase (decrease) in net assets attributable to holders of redeemable units	 \$ <u>8,229,288</u>	 \$ <u>(4,286,673)</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class A	\$ <u>8,229,288</u>	\$ <u>(4,286,673)</u>
Weighted average redeemable units outstanding during the year		
Class A	<u>6,414,848</u>	<u>6,372,323</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class per unit		
Class A	\$ <u>1.28</u>	\$ <u>(0.67)</u>

Educators Monthly Income Fund
Statements of Changes in Net Assets Attributable to Holders of Redeemable Units
Years ended December 31

	2019	2018
Net assets attributable to holders of redeemable units, beginning of year		
Class A	\$ 59,836,114	\$ 65,292,627
Increase (decrease) in net assets attributable to holders of redeemable units		
Class A	<u>8,229,288</u>	<u>(4,286,673)</u>
Distributions to holders of redeemable units		
From net investment income and return of capital		
Class A	(1,360,682)	(1,006,333)
From net realized gains		
Class A	<u>(2,469,475)</u>	<u>(2,889,146)</u>
Total distributions to holders of redeemable units	<u>(3,830,157)</u>	<u>(3,895,479)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	6,504,972	10,819,656
Redemption of redeemable units		
Class A	(14,993,361)	(11,857,408)
Reinvestments of distributions to holders of redeemable units		
Class A	<u>3,663,988</u>	<u>3,763,391</u>
Net (decrease) increase from redeemable unit transactions	<u>(4,824,401)</u>	<u>2,725,639</u>
Net decrease in net assets attributable to holders of redeemable units		
Class A	<u>(425,270)</u>	<u>(5,456,513)</u>
Net assets attributable to holders of redeemable units, end of year		
Class A	<u>59,410,844</u>	<u>59,836,114</u>

Educators Monthly Income Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (continued)***Years ended December 31*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the years ended December 31, 2019 and 2018.

Class A	2019	2018
Number of units, beginning of year	6,596,034	6,323,244
Units issued	673,622	1,093,690
Units issued from reinvested distributions	376,746	383,960
Units redeemed	(1,545,112)	(1,204,860)
Number of units, end of year	6,101,290	6,596,034

Educators Monthly Income Fund**Statements of Cash Flows***Years ended December 31*

	2019	2018
Cash Flow from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 8,229,288	\$ (4,286,673)
Adjustments for:		
Net realized gain on sale of investments	(3,971,879)	(2,963,237)
Net change in unrealized (appreciation) depreciation on forward contracts	(84,027)	84,027
Net change in unrealized (appreciation) depreciation in value of investments	(2,978,483)	8,011,065
Purchase of investments	(75,475,980)	(68,110,418)
Proceeds from disposal of investments	82,708,059	68,675,673
(Increase) decrease in interest and dividends receivable	(38,520)	11,316
Increase (decrease) in amounts due to Manager-Trustee	1,662	(356)
Cash provided by operating activities	8,390,120	1,421,397
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	6,504,972	10,933,934
Redemption of redeemable units	(14,996,888)	(11,968,853)
Distributions paid to holders of redeemable units, net of reinvested distributions	(166,169)	(132,088)
Cash used by financing activities	(8,658,085)	(1,167,007)
Increase (decrease) in cash	\$ (267,965)	\$ 254,390
Cash, beginning of year	\$ 349,956	\$ 95,566
Cash, end of year	\$ 81,991	\$ 349,956
Supplemental cash flow information:		
Dividends received, net of withholding taxes	\$ 1,465,499	\$ 1,426,573
Interest received	\$ 521,876	\$ 481,666

Educators Monthly Income Fund Schedule of Investments

As at December 31, 2019

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Short-Term Investments						
Treasury Bills						
1,015,000	Canadian Treasury Bill	1.654%	6-Jan-2020	\$ 1,013,804	\$ 1,013,804	
				<u>1,013,804</u>	<u>1,013,804</u>	<u>1.71</u>
Canadian Bonds						
Asset-Backed						
200,000	BMW Canada Auto Trust	2.823%	20-Apr-2023	200,000	201,088	
15,000	Institutional Mortgage Securities Canada Inc.	4.535%	12-Jan-2023	14,594	15,122	
27,000	Institutional Mortgage Securities Canada Inc.	4.240%	12-Oct-2023	26,998	27,383	
110,000	Institutional Mortgage Securities Canada Inc.	4.186%	12-May-2024	109,995	107,932	
48,000	Institutional Mortgage Securities Canada Inc.	4.192%	12-Jul-2045	47,997	48,590	
80,000	MCAP CMBS Issuer Corp.	3.600%	12-Apr-2054	79,144	79,726	
235,000	MCAP RMBS Issuer Corp Mortgage Pass-Through Certificates	2.750%	15-May-2023	185,060	188,378	
70,000	Real Estate Asset Liquidity Trust	3.451%	12-May-2025	69,995	69,629	
73,000	Real Estate Asset Liquidity Trust	3.654%	12-Jul-2025	68,670	68,423	
200,000	Real Estate Asset Liquidity Trust	3.179%	12-Jan-2026	198,076	202,700	
130,000	Real Estate Asset Liquidity Trust	3.400%	12-Oct-2049	120,779	126,563	
				<u>1,121,308</u>	<u>1,135,534</u>	<u>1.90</u>
Corporate Bonds						
145,000	407 International Inc.	3.650%	8-Sep-2044	162,831	159,887	
485,000	AIMCo Realty Investors LP	2.712%	1-Jun-2029	486,810	487,022	
179,000	Bank of Montreal	2.880%	17-Sep-2029	179,390	179,191	
260,000	Bank of Nova Scotia	2.836%	3-Jul-2029	260,000	259,808	
125,000	bclMC Realty Corp.	2.840%	3-Jun-2025	128,773	127,815	
195,000	Canadian Imperial Bank of Commerce	2.950%	19-Jun-2029	194,990	195,827	
260,000	Capital Power Corp.	4.986%	23-Jan-2026	280,979	278,623	
100,000	Capital Power Corp.	4.424%	8-Feb-2030	99,982	101,704	
155,000	CARDS II Trust	3.127%	15-Nov-2024	155,000	155,648	
200,000	CARDS II Trust	3.877%	15-Nov-2024	200,000	200,000	
105,000	Chip Mortgage Trust	2.981%	15-Nov-2021	105,000	105,761	
215,000	CU Inc.	5.183%	21-Nov-2035	263,399	275,734	
143,000	CU Inc.	2.963%	7-Sep-2049	143,000	140,681	
125,000	Eagle Credit Card Trust	3.562%	17-Jul-2023	125,000	126,770	
340,000	Eagle Credit Card Trust	2.750%	17-Jul-2024	340,000	337,396	
150,000	Enbridge Pipelines Inc.	3.520%	22-Feb-2029	161,085	157,836	
220,000	ENMAX Corp.	3.836%	5-Jun-2028	221,175	225,469	
200,000	Equitable Bank	2.948%	26-Sep-2022	200,000	200,871	
315,000	Fair Hydro Trust	3.357%	15-May-2033	347,275	339,375	
135,000	Federation des Caisses Desjardins du Quebec	2.417%	4-Oct-2024	135,188	134,278	
130,000	FortisBC Energy Inc.	6.000%	2-Oct-2037	175,933	184,190	
250,000	Glacier Credit Card Trust	3.298%	20-Sep-2022	250,000	249,893	
212,000	Glacier Credit Card Trust	3.430%	6-Jun-2024	212,000	210,694	
95,000	Inter Pipeline Ltd.	3.484%	16-Dec-2026	95,886	97,051	
155,000	Ivanhoe Cambridge II Inc.	2.296%	12-Dec-2024	155,000	155,050	
130,000	Loblaws Cos Ltd.	4.488%	11-Dec-2028	130,000	143,256	
150,000	Master Credit Card Trust II	2.364%	21-Jan-2022	146,563	150,098	
430,000	Master Credit Card Trust II	3.056%	21-Jan-2022	416,740	428,435	
160,000	OMERS Realty Corp.	3.331%	5-Jun-2025	160,000	167,342	
199,000	Pembina Pipeline Corp.	3.310%	1-Feb-2030	198,849	198,302	
200,000	Reliance LP	3.836%	15-Mar-2025	196,828	206,581	
90,000	Reliance LP	3.750%	15-Mar-2026	89,708	92,238	
62,000	Royal Bank of Canada	2.352%	2-Jul-2024	62,000	61,696	
153,000	Royal Bank of Canada	2.880%	23-Dec-2029	152,986	153,091	
437,000	Shaw Communications Inc.	6.750%	9-Nov-2039	573,521	589,484	

Educators Monthly Income Fund Schedule of Investments

As at December 31, 2019

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
110,000	Teranet Holdings LP	4.807%	16-Dec-2020	118,539	112,524	
523,000	Toronto-Dominion Bank	3.060%	26-Jan-2032	522,812	524,152	
310,000	Transcanada Trust	4.650%	18-May-2077	309,732	301,237	
90,000	Union Gas Ltd.	5.200%	23-Jul-2040	112,532	119,331	
175,000	WTH Car Rental ULC	1.912%	20-Jul-2020	175,000	174,843	
325,000	WTH Car Rental ULC	2.781%	20-Jul-2024	325,000	326,894	
				<u>8,769,506</u>	<u>8,836,078</u>	<u>14.87</u>
Government Bonds						
155,000	Canadian Government Bond	1.000%	1-Sep-2022	152,009	152,248	
43,000	Canadian Government Bond	2.000%	1-Sep-2023	44,376	43,477	
35,000	Canadian Government Bond	2.000%	1-Jun-2028	36,467	35,771	
223,000	Canadian Government Bond	2.250%	1-Jun-2029	233,493	233,674	
57,000	Canadian Government Bond	5.750%	1-Jun-2033	83,003	84,186	
116,000	Canadian Government Bond	2.000%	1-Dec-2051	108,293	123,106	
215,000	Financement-Quebec	5.250%	1-Jun-2034	278,204	284,848	
1,313,000	Government of Canada	2.750%	1-Dec-2048	1,518,747	1,605,921	
				<u>2,454,592</u>	<u>2,563,231</u>	<u>4.31</u>
				<u>12,345,406</u>	<u>12,534,843</u>	<u>21.08</u>
Canadian Common Stocks						
Communication Services						
12,370	Rogers Communications Inc.			833,101	797,618	
28,105	Shaw Communications Inc.			716,952	740,567	
35,895	TELUS Corp.			1,716,650	1,804,800	
				<u>3,266,703</u>	<u>3,342,985</u>	<u>5.63</u>
Consumer Discretionary						
10,205	Restaurant Brands International Inc.			999,426	844,770	
				<u>999,426</u>	<u>844,770</u>	<u>1.42</u>
Consumer Staples						
30,020	Alimentation Couche-Tard Inc.			1,236,145	1,237,124	
26,920	Metro Inc/CN			1,475,848	1,442,643	
				<u>2,711,993</u>	<u>2,679,767</u>	<u>4.51</u>
Energy						
38,861	Pembina Pipeline Corp.			1,685,391	1,870,379	
37,654	Suncor Energy Inc.			1,570,115	1,602,554	
21,480	TC Energy Corp.			1,381,233	1,485,557	
				<u>4,636,739</u>	<u>4,958,490</u>	<u>8.35</u>
Financials						
18,040	Bank of Montreal			1,592,277	1,815,546	
25,315	Bank of Nova Scotia			1,773,680	1,856,855	
34,695	IGM Financial Inc.			1,220,871	1,293,430	
29,610	National Bank of Canada			1,800,386	2,134,289	
71,980	Power Financial Corp.			1,999,964	2,514,981	
24,518	Royal Bank of Canada			1,851,683	2,519,225	
8,010	TMX Group Ltd.			919,098	900,725	
33,721	Toronto-Dominion Bank			1,791,836	2,455,899	
				<u>12,949,795</u>	<u>15,490,950</u>	<u>26.07</u>
Industrials						
7,830	Canadian National Railway Co.			682,685	919,790	
45,760	Finning International Inc.			1,016,443	1,157,728	
				<u>1,699,128</u>	<u>2,077,518</u>	<u>3.50</u>
Information Technology						
645	Constellation Software Inc.			820,969	813,448	
				<u>820,969</u>	<u>813,448</u>	<u>1.37</u>

Educators Monthly Income Fund Schedule of Investments

As at December 31, 2019

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Materials						
18,172	Nutrien Ltd.			1,177,609	1,129,753	
				<u>1,177,609</u>	<u>1,129,753</u>	<u>1.90</u>
Utilities						
47,530	Canadian Utilities Ltd.			1,813,954	1,861,749	
				<u>1,813,954</u>	<u>1,861,749</u>	<u>3.13</u>
				<u>30,076,316</u>	<u>33,199,430</u>	<u>55.88</u>
Foreign Common Stocks						
Bermuda						
Utilities						
7,256	Brookfield Infrastructure Partners LP			428,604	470,624	
				<u>428,604</u>	<u>470,624</u>	<u>0.79</u>
Ireland						
Information Technology						
4,720	Accenture PLC			1,224,098	1,288,824	
				<u>1,224,098</u>	<u>1,288,824</u>	<u>2.17</u>
United States						
Consumer Discretionary						
17,691	TJX Cos. Inc.			1,162,561	1,400,763	
				<u>1,162,561</u>	<u>1,400,763</u>	<u>2.36</u>
Consumer Staples						
2,190	Costco Wholesale Corp.			644,358	834,697	
8,472	PepsiCo Inc.			1,495,870	1,501,462	
				<u>2,140,228</u>	<u>2,336,159</u>	<u>3.94</u>
Financials						
3,404	FactSet Research Systems Inc.			1,248,303	1,184,311	
				<u>1,248,303</u>	<u>1,184,311</u>	<u>1.99</u>
Health Care						
4,852	Danaher Corp.			909,183	965,669	
				<u>909,183</u>	<u>965,669</u>	<u>1.63</u>
Information Technology						
4,430	Mastercard Inc.			1,639,057	1,715,277	
				<u>1,639,057</u>	<u>1,715,277</u>	<u>2.90</u>
				<u>8,752,034</u>	<u>9,361,627</u>	<u>15.78</u>

Educators Monthly Income Fund Schedule of Investments

As at December 31, 2019

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Foreign Bonds						
Australia						
220,000	National Australia Bank Ltd.	3.515%	12-Jun-2030	220,000	220,294	
				<u>220,000</u>	<u>220,294</u>	0.37
Japan						
55,000	Heathrow Funding Ltd.	3.250%	21-May-2025	58,072	56,410	
				<u>58,072</u>	<u>56,410</u>	0.09
United States						
300,000	Bank of America Corp.	2.932%	25-Apr-2025	300,000	302,850	
				<u>300,000</u>	<u>302,850</u>	0.51
				<u>578,072</u>	<u>579,554</u>	0.97
Canadian Mutual Funds						
249,838	IMAXX Short Term Bond Fund, Class O			2,514,923	2,514,990	
				<u>2,514,923</u>	<u>2,514,990</u>	4.23
Total Investments				\$ 55,280,555	\$ 59,204,248	99.65
Transaction Costs				(7,843)		
Net Investments				<u>55,272,712</u>	<u>59,204,248</u>	99.65
Other Assets Less Liabilities					206,596	0.35
Net Assets Attributable to Holders of Redeemable Units					<u>\$ 59,410,844</u>	100.00

Summary of Investment Portfolio

The fair value percentages of Net Assets Attributable to Holders of Redeemable Units by major portfolio category are shown in the following table:

Sector	As a % of Fund's Net Assets attributable to holders of redeemable units	
	2019	2018
Financials	28.06%	22.33%
Energy	8.35%	16.91%
Corporate Bonds	15.84%	13.07%
Industrials	3.50%	7.01%
Materials	1.90%	6.58%
Government Bonds	4.31%	6.72%
Information Technology	6.44%	3.23%
Consumer Discretionary	3.78%	3.27%
Utilities	3.92%	3.51%
Short-term investments	1.71%	4.17%
Real Estate	-	1.92%
Communication Services	5.63%	2.25%
Asset-Backed Securities	1.90%	2.18%
Health Care	1.63%	3.49%
Consumer Staples	8.45%	0.84%
Mutual funds	4.23%	2.03%
Net Other Assets (Liabilities)	0.35%	0.49%
	100.00%	100.00%

Educators Dividend Fund

Statements of Financial Position

As at December 31

	2019	2018
Assets		
Current assets		
Cash	\$ 256,263	\$ 215,626
Interest and dividends receivable	215,559	264,119
Subscriptions receivable	237,152	145,275
Forward contracts (Note 10)	1,228,345	241,157
Investments	155,962,368	128,216,950
Total assets	\$ 157,899,687	\$ 129,083,127
Liabilities		
Current liabilities		
Redemptions payable	3,378	90,182
Amounts due to Manager-Trustee (Note 6)	240,302	187,379
Forward contracts (Note 10)	478,533	972,676
Total liabilities	722,213	1,250,237
Net assets attributable to holders of redeemable units	\$ 157,177,474	\$ 127,832,890
Net assets attributable to holders of redeemable units per class		
Class A	151,108,799	125,811,370
Class I	6,068,675	2,021,520
Number of redeemable units outstanding (Note 3)		
Class A	4,621,623	4,770,089
Class I	531,550	219,663
Net assets attributable to holders of redeemable units per class per unit		
Class A	32.70	26.38
Class I	11.42	9.20

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", CEO

Signed: "Stuart Mulcahy", CFO

Educators Dividend Fund

Statements of Comprehensive Income

Years ended December 31

	2019	2018
Income		
Interest for distribution purposes	\$ 95,068	\$ 32,775
Dividends	3,963,942	3,735,748
Securities lending (Note 5)	14,311	13,940
Other changes in fair value of investments:		
Net realized gain	4,703,778	3,268,743
Net realized loss on forward contracts	(390,293)	(1,136,519)
Net change in unrealized appreciation (depreciation) on forward contracts	1,481,331	(1,256,474)
Net change in unrealized appreciation (depreciation)	<u>24,074,372</u>	<u>(12,960,617)</u>
Total income	<u>33,942,509</u>	<u>(8,302,404)</u>
Expenses		
Management fees (Note 6)	2,303,355	2,182,923
Independent review committee fees	12,059	11,902
Transaction costs	22,909	28,046
Withholding taxes	72,090	63,385
Harmonised sales tax	295,477	268,670
	<u>2,705,890</u>	<u>2,554,926</u>
Less expenses waived/absorbed by Manager-Trustee (Note 6)	(19,914)	(103,422)
Total expenses	<u>2,685,976</u>	<u>2,451,504</u>
Increase (decrease) in net assets attributable to holders of redeemable units	 <u>\$ 31,256,533</u>	 <u>\$ (10,753,908)</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class A	\$ 30,503,688	\$ (10,630,234)
Class I	<u>\$ 752,845</u>	<u>\$ (123,674)</u>
Weighted average redeemable units outstanding during the year		
Class A	4,676,306	4,767,863
Class I	<u>352,055</u>	<u>120,323</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class per unit		
Class A	\$ 6.52	\$ (2.23)
Class I	<u>\$ 2.14</u>	<u>\$ (1.03)</u>

Educators Dividend Fund
Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31

	2019	2018
Net assets attributable to holders of redeemable units, beginning of year		
Class A	\$ 125,811,370	\$ 135,781,485
Class I	<u>2,021,520</u>	<u>-</u>
	<u>127,832,890</u>	<u>135,781,485</u>
Increase (decrease) in net assets attributable to holders of redeemable units		
Class A	30,503,688	(10,630,234)
Class I	<u>752,845</u>	<u>(123,674)</u>
	<u>31,256,533</u>	<u>(10,753,908)</u>
Distributions to holders of redeemable units		
From net investment income		
Class A	(790,135)	(656,508)
Class I	<u>(102,261)</u>	<u>(35,397)</u>
	<u>(892,396)</u>	<u>(691,905)</u>
Total distributions to holders of redeemable units	<u>(892,396)</u>	<u>(691,905)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	20,326,918	22,311,226
Class I	<u>3,716,804</u>	<u>2,458,214</u>
	<u>24,043,722</u>	<u>24,769,440</u>
Redemption of redeemable units		
Class A	(25,526,711)	(21,645,381)
Class I	<u>(422,504)</u>	<u>(313,025)</u>
	<u>(25,949,215)</u>	<u>(21,958,406)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	783,669	650,782
Class I	<u>102,271</u>	<u>35,402</u>
	<u>885,940</u>	<u>686,184</u>
Net (decrease) increase from redeemable unit transactions	<u>(1,019,553)</u>	<u>3,497,218</u>
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class A	25,297,429	(9,970,115)
Class I	<u>4,047,155</u>	<u>2,021,520</u>
	<u>29,344,584</u>	<u>(7,948,595)</u>
Net assets attributable to holders of redeemable units, end of year		
Class A	151,108,799	125,811,370
Class I	<u>6,068,675</u>	<u>2,021,520</u>
	<u>157,177,474</u>	<u>127,832,890</u>

Educators Dividend Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (continued)***Years ended December 31*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the years ended December 31, 2019 and 2018.

Class A	2019	2018
Number of units, beginning of year	4,770,089	4,725,267
Units issued	663,471	786,799
Units issued from reinvested distributions	25,226	23,275
Units redeemed	(837,163)	(765,252)
Number of units, end of year	<u>4,621,623</u>	<u>4,770,089</u>
Class I	2019	2018
Number of units, beginning of year	219,663	-
Units issued	341,357	247,366
Units issued from reinvested distributions	9,173	3,787
Units redeemed	(38,643)	(31,490)
Number of units, end of year	<u>531,550</u>	<u>219,663</u>

Educators Dividend Fund
Statements of Cash Flows*Years ended December 31*

	2019	2018
Cash Flow from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 31,256,533	\$ (10,753,908)
Adjustments for:		
Net realized gain on sale of investments	(4,703,778)	(3,268,743)
Net change in unrealized (appreciation) depreciation on forward contracts	(1,481,331)	1,256,474
Net change in unrealized (appreciation) depreciation in value of investments	(24,074,372)	12,960,617
Purchase of investments	(31,428,270)	(46,782,886)
Proceeds from disposal of investments	32,461,002	43,848,708
Decrease (increase) in interest and dividends receivable	48,560	(4,172)
Increase in amounts due to Manager-Trustee	52,923	2,533
Cash provided (used) by operating activities	<u>2,131,267</u>	<u>(2,741,377)</u>
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	23,951,845	24,784,680
Redemption of redeemable units	(26,036,019)	(21,947,276)
Distributions paid to holders of redeemable units, net of reinvested distributions	(6,456)	(5,721)
Cash (used) provided by financing activities	<u>(2,090,630)</u>	<u>2,831,683</u>
Increase (decrease) in cash	\$ <u>40,637</u>	\$ <u>90,306</u>
Cash, beginning of year	\$ <u>215,626</u>	\$ <u>125,320</u>
Cash, end of year	\$ <u>256,263</u>	\$ <u>215,626</u>
Supplemental cash flow information:		
Dividends received, net of withholding taxes	\$ 3,946,404	\$ 3,670,983
Interest received	\$ 89,515	\$ 30,689

Educators Dividend Fund

Schedule of Investments

As at December 31, 2019

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Short-Term Investments						
Treasury Bills						
100,000	Canadian Treasury Bill	1.680%	9-Jan-2020	\$ 99,562	\$ 99,562	
850,000	Canadian Treasury Bill	1.671%	23-Jan-2020	846,215	846,215	
200,000	Canadian Treasury Bill	1.680%	6-Feb-2020	199,138	199,138	
450,000	Canadian Treasury Bill	1.650%	20-Feb-2020	448,289	448,289	
2,100,000	Canadian Treasury Bill	1.680%	5-Mar-2020	2,088,859	2,088,859	
				<u>3,682,063</u>	<u>3,682,063</u>	2.34
Canadian Common Stocks						
Communication Services						
55,800	Rogers Communications Inc.			3,044,703	3,597,984	
				<u>3,044,703</u>	<u>3,597,984</u>	2.29
Consumer Discretionary						
56,700	Dollarama Inc.			841,688	2,530,521	
33,000	Restaurant Brands International Inc.			2,966,850	2,731,740	
				<u>3,808,538</u>	<u>5,262,261</u>	3.35
Consumer Staples						
54,900	Alimentation Couche-Tard Inc.			1,532,036	2,262,429	
33,200	Metro Inc.			1,455,265	1,779,188	
				<u>2,987,301</u>	<u>4,041,617</u>	2.57
Energy						
98,700	Enbridge Inc.			3,607,976	5,095,881	
65,600	Keyera Corp.			1,934,354	2,231,712	
63,500	Pembina Pipeline Corp.			2,364,267	3,056,255	
102,648	Suncor Energy Inc.			4,667,083	4,368,699	
75,300	TC Energy Corp.			3,738,221	5,207,748	
				<u>16,311,901</u>	<u>19,960,295</u>	12.70
Financials						
46,400	Bank of Montreal			4,421,079	4,669,696	
128,500	Bank of Nova Scotia			7,443,945	9,425,475	
112,750	Brookfield Asset Management Inc.			3,965,773	8,459,633	
26,100	Intact Financial Corp.			1,201,114	3,664,962	
190,684	Manulife Financial Corp.			4,217,729	5,026,430	
101,100	Royal Bank of Canada			6,551,014	10,388,025	
141,700	Toronto-Dominion Bank			4,741,280	10,320,011	
				<u>32,541,934</u>	<u>51,954,232</u>	33.05
Industrials						
51,500	Canadian National Railway Co.			2,295,788	6,049,705	
61,200	Morneau Shepell Inc.			1,362,257	2,067,948	
29,789	Waste Connections Inc.			1,008,280	3,513,554	
22,700	WSP Global Inc.			1,348,498	2,012,809	
				<u>6,014,823</u>	<u>13,644,016</u>	8.68
Materials						
43,800	CCL Industries Inc.			2,729,497	2,423,016	
				<u>2,729,497</u>	<u>2,423,016</u>	1.54

Educators Dividend Fund

Schedule of Investments

As at December 31, 2019

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Real Estate						
53,700	Allied Properties Real Estate Investment Trust			1,754,311	2,796,159	
120,600	Killam Apartment Real Estate Investment Trust			2,254,696	2,284,164	
				<u>4,009,007</u>	<u>5,080,323</u>	3.23
Utilities						
158,100	Algonquin Power & Utilities Corp.			1,801,447	2,904,297	
39,800	Fortis Inc.			1,327,621	2,144,424	
71,200	Northland Power Inc.			1,765,842	1,936,640	
				<u>4,894,910</u>	<u>6,985,361</u>	4.44
				<u>76,342,614</u>	<u>112,949,105</u>	71.85
Foreign Common Stocks						
Bermuda						
Real Estate						
54,700	Brookfield Property Partners LP			1,564,096	1,298,031	
				<u>1,564,096</u>	<u>1,298,031</u>	0.83
Utilities						
99,900	Brookfield Infrastructure Partners LP			3,481,747	6,479,514	
				<u>3,481,747</u>	<u>6,479,514</u>	4.12
				<u>5,045,843</u>	<u>7,777,545</u>	4.95
United States						
Communication Services						
10,200	Walt Disney Co.			1,382,615	1,912,996	
				<u>1,382,615</u>	<u>1,912,996</u>	1.22
Consumer Discretionary						
36,800	TJX Cos Inc.			1,626,325	2,913,803	
				<u>1,626,325</u>	<u>2,913,803</u>	1.85
Consumer Staples						
7,100	Constellation Brands Inc.			1,900,529	1,747,011	
				<u>1,900,529</u>	<u>1,747,011</u>	1.11
Financials						
23,500	JPMorgan Chase & Co			1,411,226	4,248,016	
8,500	S&P Global Inc.			2,179,899	3,009,654	
				<u>3,591,125</u>	<u>7,257,670</u>	4.63
Health Care						
8,800	Becton Dickinson and Co.			2,512,768	3,103,553	
				<u>2,512,768</u>	<u>3,103,553</u>	1.97
Information Technology						
25,200	Microsoft Corp.			750,972	5,153,327	
7,000	Motorola Solutions Inc.			1,513,986	1,462,705	

Educators Dividend Fund Schedule of Investments

As at December 31, 2019

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
17,200	Texas Instruments Inc.			2,215,303	2,861,388	
21,100	Visa Inc.			1,287,888	5,141,202	
				5,768,149	14,618,622	9.30
				16,781,511	31,553,655	20.1
	Total Investments			\$ 101,852,031	\$ 155,962,368	99.22
	Transaction Costs			(70,304)		
	Net Investments			101,781,727	155,962,368	99.22
	Other Assets Less Liabilities				1,215,106	0.78
	Net Assets Attributable to Holders of Redeemable Units				\$ 157,177,474	100.00

Summary of Investment Portfolio

The fair value percentages of Net Assets Attributable to Holders of Redeemable Units by major portfolio category are shown in the following table:

Sector	As a % of Fund's Net Assets attributable to holders of redeemable units	
	2019	2018
Financials	37.68%	39.79%
Energy	12.70%	12.92%
Information Technology	9.30%	9.23%
Industrials	8.68%	11.66%
Consumer Staples	3.68%	4.16%
Utilities	8.56%	5.61%
Consumer Discretionary	5.20%	3.20%
Materials	1.54%	3.38%
Short-term investments	2.34%	1.90%
Real Estate	4.06%	2.57%
Communication Services	3.51%	4.29%
Health Care	1.97%	1.59%
Net Other Assets	0.78%	-0.30%
	100.00%	100.00%

Educators Growth Fund

Statements of Financial Position

As at December 31

	2019	2018
Assets		
Current assets		
Cash	\$ 147,297	\$ 184,650
Interest and dividends receivable	223,888	216,985
Subscriptions receivable	54,301	21,022
Investments	<u>97,212,117</u>	<u>84,477,271</u>
Total assets	\$ <u>97,637,603</u>	\$ <u>84,899,928</u>
Liabilities		
Current liabilities		
Due to brokers	-	177,450
Redemptions payable	46,053	87,034
Amounts due to Manager-Trustee (Note 6)	<u>146,345</u>	<u>130,453</u>
Total liabilities	<u>192,398</u>	<u>394,937</u>
Net assets attributable to holders of redeemable units	\$ <u>97,445,205</u>	\$ <u>84,504,991</u>
Net assets attributable to holders of redeemable units per class		
Class A	83,978,901	78,907,219
Class I	<u>13,466,304</u>	<u>5,597,772</u>
Number of redeemable units outstanding (Note 3)		
Class A	3,482,624	3,901,914
Class I	<u>1,318,514</u>	<u>658,596</u>
Net assets attributable to holders of redeemable units per class per unit		
Class A	24.11	20.22
Class I	<u>10.21</u>	<u>8.50</u>

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", CEO

Signed: "Stuart Mulcahy", CFO

Educators Growth Fund

Statements of Comprehensive Income

Years ended December 31

	2019	2018
Income		
Interest for distribution purposes	\$ 102,090	\$ 25,751
Dividends	2,300,606	2,123,105
Securities lending (Note 5)	13,694	28,725
Other income	17,391	12,449
Other changes in fair value of investments:		
Net realized gain	2,587,750	4,048,048
Net change in unrealized appreciation (depreciation)	13,560,820	(15,302,020)
Total income	<u>18,582,351</u>	<u>(9,063,942)</u>
Expenses		
Management fees (Note 6)	1,480,766	1,583,973
Independent review committee fees	7,696	8,033
Transaction costs	26,135	23,721
Withholding taxes	12,147	64
Harmonised sales tax	189,805	197,668
	<u>1,716,549</u>	<u>1,813,459</u>
Less expenses waived/absorbed by Manager-Trustee (Note 6)	(8,268)	(45,723)
Total expenses	<u>1,708,281</u>	<u>1,767,736</u>
Increase (decrease) in net assets attributable to holders of redeemable units	<u>\$ 16,874,070</u>	<u>\$ (10,831,678)</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class A	\$ 15,189,331	\$ (10,334,082)
Class I	\$ 1,684,739	\$ (497,596)
Weighted average redeemable units outstanding during the year		
Class A	3,677,933	3,857,611
Class I	<u>1,004,873</u>	<u>300,077</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class per unit		
Class A	\$ 4.13	\$ (2.68)
Class I	<u>\$ 1.68</u>	<u>\$ (1.66)</u>

Educators Growth Fund
Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

Years ended December 31

	2019	2018
Net assets attributable to holders of redeemable units, beginning of year		
Class A	\$ 78,907,219	\$ 95,446,597
Class I	<u>5,597,772</u>	<u>-</u>
	<u>84,504,991</u>	<u>95,446,597</u>
Increase (decrease) in net assets attributable to holders of redeemable units		
Class A	15,189,331	(10,334,082)
Class I	<u>1,684,739</u>	<u>(497,596)</u>
	<u>16,874,070</u>	<u>(10,831,678)</u>
Distributions to holders of redeemable units		
From net investment income		
Class A	(198,015)	-
Class I	<u>(145,088)</u>	<u>-</u>
	<u>(343,103)</u>	<u>-</u>
From net realized gains		
Class A	(305,934)	(3,739,403)
Class I	<u>(48,728)</u>	<u>(295,500)</u>
	<u>(354,662)</u>	<u>(4,034,903)</u>
Total distributions to holders of redeemable units	<u>(697,765)</u>	<u>(4,034,903)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	5,248,793	8,243,772
Class I	<u>7,442,742</u>	<u>6,383,626</u>
	<u>12,691,535</u>	<u>14,627,398</u>
Redemption of redeemable units		
Class A	(15,364,514)	(14,433,354)
Class I	<u>(1,258,977)</u>	<u>(288,230)</u>
	<u>(16,623,491)</u>	<u>(14,721,584)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	502,021	3,723,689
Class I	<u>193,844</u>	<u>295,472</u>
	<u>695,865</u>	<u>4,019,161</u>
Net (decrease) increase from redeemable unit transactions	<u>(3,236,091)</u>	<u>3,924,975</u>
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class A	5,071,682	(16,539,378)
Class I	<u>7,868,532</u>	<u>5,597,772</u>
	<u>12,940,214</u>	<u>(10,941,606)</u>
Net assets attributable to holders of redeemable units, end of year		
Class A	83,978,901	78,907,219
Class I	<u>13,466,304</u>	<u>5,597,772</u>
	<u>97,445,205</u>	<u>84,504,991</u>

Educators Growth Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units** (continued)Years ended December 31

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the years ended December 31, 2019 and 2018.

Class A	2019	2018
Number of units, beginning of year	3,901,914	3,981,738
Units issued	228,655	356,265
Units issued from reinvested distributions	21,064	188,726
Units redeemed	(669,009)	(624,815)
Number of units, end of year	3,482,624	3,901,914

Class I	2019	2018
Number of units, beginning of year	658,596	-
Units issued	768,948	652,789
Units issued from reinvested distributions	19,466	35,225
Units redeemed	(128,496)	(29,418)
Number of units, end of year	1,318,514	658,596

Educators Growth Fund
Statements of Cash FlowsYears ended December 31

	2019	2018
Cash Flow from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 16,874,070	\$ (10,831,678)
Adjustments for:		
Net realized gain on sale of investments	(2,587,750)	(4,048,048)
Net change in unrealized (appreciation) depreciation in value of investments	(13,560,820)	15,302,020
Purchase of investments	(60,325,635)	(51,690,038)
Proceeds from disposal of investments	63,561,909	51,408,057
(Increase) decrease in interest and dividends receivable	(6,903)	26,548
Increase (decrease) in amounts due to Manager-Trustee	15,892	(13,720)
Cash provided by operating activities	3,970,763	153,141
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	12,658,256	14,654,580
Redemption of redeemable units	(16,664,472)	(14,677,668)
Distributions paid to holders of redeemable units, net of reinvested distributions	(1,900)	(15,742)
Cash used by financing activities	(4,008,116)	(38,830)
(Decrease) increase in cash	\$ (37,353)	\$ 114,311
Cash, beginning of year	\$ 184,650	\$ 70,339
Cash, end of year	\$ 147,297	\$ 184,650
Supplemental cash flow information:		
Dividends received, net of withholding taxes	\$ 2,282,325	\$ 2,151,773
Interest received	\$ 102,151	\$ 24,566

Educators Growth Fund Schedule of Investments

As at December 31, 2019

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Short-Term Investments						
Treasury Bills						
50,000	Canadian Treasury Bill	1.641%	9-Jan-2020	\$ 49,789	\$ 49,789	
600,000	Canadian Treasury Bill	1.655%	6-Feb-2020	597,554	597,554	
50,000	Canadian Treasury Bill	1.655%	5-Mar-2020	49,762	49,762	
400,000	Canadian Treasury Bill	1.660%	2-Apr-2020	397,996	397,996	
				<u>1,095,101</u>	<u>1,095,101</u>	<u>1.12</u>
Canadian Common Stocks						
Communication Services						
42,900	OTGR			2,726,500	2,580,864	
59,200	Quebecor Inc.			1,629,559	1,961,888	
11,900	Rogers Communications Inc.			701,551	767,312	
				<u>5,057,610</u>	<u>5,310,064</u>	<u>5.44</u>
Consumer Discretionary						
25,916	BRP Inc.			1,460,221	1,533,191	
16,300	Gildan Activewear Inc.			817,305	625,757	
22,900	Great Canadian Gaming Corp.			1,153,161	985,616	
				<u>3,430,687</u>	<u>3,144,564</u>	<u>3.23</u>
Consumer Staples						
50,400	Alimentation Couche-Tard Inc.			2,105,532	2,076,984	
50,900	Empire Co Ltd.			1,556,470	1,550,414	
13,600	George Weston Ltd.			1,473,951	1,401,072	
				<u>5,135,953</u>	<u>5,028,470</u>	<u>5.16</u>
Energy						
113,200	Canadian Natural Resources Ltd.			4,159,734	4,754,400	
122,800	Cenovus Energy Inc.			2,128,611	1,620,960	
85,400	Enbridge Inc.			4,076,761	4,409,201	
24,400	Parkland Fuel Corp.			1,033,682	1,164,124	
12,400	Suncor Energy Inc.			514,298	527,744	
34,200	TC Energy Corp.			2,052,498	2,365,272	
				<u>13,965,584</u>	<u>14,841,701</u>	<u>15.23</u>
Financials						
22,000	Bank of Montreal			2,177,871	2,214,080	
56,400	Bank of Nova Scotia			4,015,099	4,136,940	
9,200	Brookfield Asset Management Inc.			615,468	690,276	
7,500	Canadian Imperial Bank of Commerce			840,393	810,450	
32,900	Element Fleet Management Corp.			378,454	364,861	
116,900	Manulife Financial Corp.			2,649,063	3,081,484	
4,800	National Bank of Canada			344,753	345,984	
9,200	Onex Corp.			635,391	755,964	
51,500	Royal Bank of Canada			4,719,887	5,291,625	
56,200	Sun Life Financial Inc.			3,058,291	3,327,602	
81,700	Toronto-Dominion Bank			4,019,774	5,950,211	
				<u>23,454,444</u>	<u>26,969,477</u>	<u>27.67</u>
Health Care						
59,100	Bausch Health Cos Inc.			1,872,143	2,297,217	
				<u>1,872,143</u>	<u>2,297,217</u>	<u>2.36</u>

Educators Growth Fund

Schedule of Investments

As at December 31, 2019

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Industrials						
61,400	Air Canada			1,036,460	2,978,514	
8,100	Canadian National Railway Co.			762,494	951,507	
12,800	Canadian Pacific Railway Ltd.			3,264,017	4,237,184	
23,100	TFI International Inc.			1,029,883	1,011,087	
				<u>6,092,854</u>	<u>9,178,292</u>	9.42
Information Technology						
33,300	CGI Inc.			1,311,919	3,618,711	
2,400	Constellation Software Inc.			2,437,959	3,026,784	
				<u>3,749,878</u>	<u>6,645,495</u>	6.83
Materials						
8,000	Agnico Eagle Mines Ltd.			633,644	639,840	
17,200	Franco-Nevada Corp.			1,716,531	2,306,348	
49,000	Kirkland Lake Gold Ltd.			1,793,556	2,804,760	
15,900	Methanex Corp.			1,063,544	797,385	
92,000	Pretium Resources Inc.			1,189,901	1,329,400	
				<u>6,397,176</u>	<u>7,877,733</u>	8.10
Real Estate						
47,800	Canadian Apartment Properties REIT			1,875,770	2,533,878	
21,300	Granite Real Estate Investment Trust			1,334,049	1,405,374	
23,200	H&R Real Estate Investment Trust			527,700	489,520	
				<u>3,737,519</u>	<u>4,428,772</u>	4.54
Utilities						
68,500	Algonquin Power & Utilities Corp.			989,058	1,258,345	
5,500	Fortis Inc.			307,453	296,340	
48,100	Northland Power Inc.			1,229,953	1,308,319	
				<u>2,526,464</u>	<u>2,863,004</u>	2.94
Canadian Exchange-Traded Fund						
56,300	BMO Low Volatility Canadian Equity ETF			1,653,155	1,938,972	
107,400	BMO S&P 500 Index ETF			4,131,118	4,951,140	
				<u>5,784,273</u>	<u>6,890,112</u>	7.06
				<u>81,204,585</u>	<u>95,474,901</u>	98.0
Foreign Common Stocks						
Utilities						
9,900	Brookfield Infrastructure Partners LP			502,804	642,115	
				<u>502,804</u>	<u>642,115</u>	0.66
Total Investments				<u>\$ 82,802,490</u>	<u>\$ 97,212,117</u>	99.76
Transaction Costs				<u>(28,294)</u>		
Net Investments				<u>\$ 82,774,196</u>	<u>97,212,117</u>	99.76
Other Assets Less Liabilities					<u>233,088</u>	0.24
Net Assets Attributable to Holders of Redeemable Units					<u>\$ 97,445,205</u>	100.00

Educators Growth Fund Schedule of Investments

As at December 31, 2019

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
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Summary of Investment Portfolio

The fair value percentages of Net Assets Attributable to Holders of Redeemable Units by major portfolio category are shown in the following table:

As a % of Fund's Net Assets attributable to holders of redeemable units

Sector	2019	2018
Financials	27.67%	29.12%
Energy	15.23%	13.89%
Materials	8.10%	13.66%
Industrials	9.42%	11.27%
Consumer Discretionary	3.23%	2.94%
Exchange Traded Fund	7.06%	6.69%
Information Technology	6.83%	5.20%
Consumer Staples	5.16%	2.52%
Utilities	3.60%	3.99%
Communication Services	5.44%	5.95%
Real Estate	4.54%	2.76%
Short-term investments	1.12%	1.64%
Health Care	2.36%	0.34%
Net Other Assets	0.24%	0.03%
	100.00%	100.00%

Educators U.S. Equity Fund

Statements of Financial Position

As at December 31

	2019	2018
Assets		
Current assets		
Cash	\$ 19,979	\$ 61,773
Interest and dividends receivable	119,291	179,005
Subscriptions receivable	70,662	60,269
Investments	<u>115,931,900</u>	<u>97,445,411</u>
Total assets	\$ <u>116,141,832</u>	\$ <u>97,746,458</u>
Liabilities		
Current liabilities		
Redemptions payable	-	2,079
Amounts due to Manager-Trustee (Note 6)	<u>180,774</u>	<u>152,661</u>
Total liabilities	<u>180,774</u>	<u>154,740</u>
Net assets attributable to holders of redeemable units	\$ <u>115,961,058</u>	\$ <u>97,591,718</u>
Net assets attributable to holders of redeemable units per class		
Class A	103,369,572	92,384,894
Class I	<u>12,591,486</u>	<u>5,206,824</u>
Number of redeemable units outstanding (Note 3)		
Class A	4,858,227	5,237,316
Class I	<u>1,107,668</u>	<u>552,851</u>
Net assets attributable to holders of redeemable units per class per unit		
Class A	21.28	17.64
Class I	<u>11.37</u>	<u>9.42</u>

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", CEO

Signed: "Stuart Mulcahy", CFO

Educators U.S. Equity Fund

Statements of Comprehensive Income

Years ended December 31

	2019	2018
Income		
Interest for distribution purposes	\$ 47,305	\$ 31,954
Dividends	2,708,956	2,347,062
Securities lending (Note 5)	23,438	22,722
Other changes in fair value of investments:		
Net realized gain	3,947,388	4,517,699
Net change in unrealized appreciation (depreciation)	16,659,373	(6,420,326)
Total income	<u>23,386,460</u>	<u>499,111</u>
Expenses		
Management fees (Note 6)	1,722,601	1,704,325
Independent review committee fees	8,795	8,665
Transaction costs	33,026	40,851
Withholding taxes	453,653	324,333
Harmonised sales tax	220,842	213,016
	<u>2,438,917</u>	<u>2,291,190</u>
Less expenses waived/absorbed by Manager-Trustee (Note 6)	(9,312)	(49,205)
Total expenses	<u>2,429,605</u>	<u>2,241,985</u>
Increase (decrease) in net assets attributable to holders of redeemable units	 \$ <u>20,956,855</u>	 \$ <u>(1,742,874)</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class A	\$ 19,072,172	\$ (1,691,606)
Class I	\$ <u>1,884,683</u>	\$ <u>(51,268)</u>
Weighted average redeemable units outstanding during the year		
Class A	5,012,128	5,197,971
Class I	<u>839,949</u>	<u>250,066</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class per unit		
Class A	\$ 3.81	\$ (0.33)
Class I	\$ <u>2.24</u>	\$ <u>(0.21)</u>

Educators U.S. Equity Fund
Statements of Changes in Net Assets Attributable to Holders of Redeemable Units
Years ended December 31

	2019	2018
Net assets attributable to holders of redeemable units, beginning of year		
Class A	\$ 92,384,894	\$ 99,517,404
Class I	5,206,824	-
	<u>97,591,718</u>	<u>99,517,404</u>
Increase (decrease) in net assets attributable to holders of redeemable units		
Class A	19,072,172	(1,691,606)
Class I	1,884,683	(51,268)
	<u>20,956,855</u>	<u>(1,742,874)</u>
Distributions to holders of redeemable units		
From net investment income		
Class A	(248,897)	(55,061)
Class I	(220,766)	(16,742)
	<u>(469,663)</u>	<u>(71,803)</u>
From net realized gains		
Class A	(586,044)	(2,942,338)
Class I	(70,991)	(165,619)
	<u>(657,035)</u>	<u>(3,107,957)</u>
Total distributions to holders of redeemable units	<u>(1,126,698)</u>	<u>(3,179,760)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	8,542,349	11,829,511
Class I	6,927,068	5,370,731
	<u>15,469,417</u>	<u>17,200,242</u>
Redemption of redeemable units		
Class A	(16,627,209)	(17,260,324)
Class I	(1,427,065)	(112,624)
	<u>(18,054,274)</u>	<u>(17,372,948)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	832,307	2,987,308
Class I	291,733	182,346
	<u>1,124,040</u>	<u>3,169,654</u>
Net (decrease) increase from redeemable unit transactions	<u>(1,460,817)</u>	<u>2,996,948</u>
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class A	10,984,678	(7,132,510)
Class I	7,384,662	5,206,824
	<u>18,369,340</u>	<u>(1,925,686)</u>
Net assets attributable to holders of redeemable units, end of year		
Class A	103,369,572	92,384,894
Class I	12,591,486	5,206,824
	<u>115,961,058</u>	<u>97,591,718</u>

Educators U.S. Equity Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units** (continued)Years ended December 31

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the years ended December 31, 2019 and 2018.

Class A	2019	2018
Number of units, beginning of year	5,237,316	5,353,332
Units issued	435,280	634,455
Units issued from reinvested distributions	39,642	174,834
Units redeemed	(854,011)	(925,305)
Number of units, end of year	<u>4,858,227</u>	<u>5,237,316</u>
Class I	2019	2018
Number of units, beginning of year	552,851	-
Units issued	661,698	544,136
Units issued from reinvested distributions	26,231	19,896
Units redeemed	(133,112)	(11,181)
Number of units, end of year	<u>1,107,668</u>	<u>552,851</u>

Educators U.S. Equity Fund**Statements of Cash Flows**Years ended December 31

	2019	2018
Cash Flow from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 20,956,855	\$ (1,742,874)
Adjustments for:		
Net realized gain on sale of investments	(3,947,388)	(4,517,699)
Net change in unrealized (appreciation) depreciation in value of investments	(16,659,373)	6,420,326
Purchase of investments	(30,753,454)	(43,894,991)
Proceeds from disposal of investments	32,873,726	44,009,383
Decrease (increase) in interest and dividends receivable	59,714	(83,884)
Increase (decrease) in amounts due to Manager-Trustee	28,113	(836)
Cash provided by operating activities	<u>2,558,193</u>	<u>189,425</u>
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	15,459,024	17,161,304
Redemption of redeemable units	(18,056,353)	(17,370,870)
Distributions paid to holders of redeemable units, net of reinvested distributions	(2,658)	(10,105)
Cash used by financing activities	<u>(2,599,987)</u>	<u>(219,671)</u>
Decrease in cash	\$ <u>(41,794)</u>	\$ <u>(30,246)</u>
Cash, beginning of year	\$ <u>61,773</u>	\$ <u>92,019</u>
Cash, end of year	\$ <u>19,979</u>	\$ <u>61,773</u>
Supplemental cash flow information:		
Dividends received, net of withholding taxes	\$ 2,322,130	\$ 1,945,805
Interest received	\$ 45,018	\$ 27,977

Educators U.S. Equity Fund

Schedule of Investments

As at December 31, 2019

No. of Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Short-Term Investments						
Treasury Bills						
1,400,000	Canadian Treasury Bill	1.688%	23-Jan-2020	\$ 1,394,150	\$ 1,394,150	
175,000	Canadian Treasury Bill	1.671%	6-Feb-2020	174,285	174,285	
1,325,000	Canadian Treasury Bill	1.648%	20-Feb-2020	1,319,287	1,319,287	
75,000	Canadian Treasury Bill	1.650%	5-Mar-2020	74,697	74,697	
550,000	Canadian Treasury Bill	1.653%	19-Mar-2020	547,872	547,872	
75,000	Canadian Treasury Bill	1.660%	2-Apr-2020	74,685	74,685	
				<u>3,584,976</u>	<u>3,584,976</u>	3.09
Foreign Common Stocks						
Channel Islands						
Information Technology						
60,476	Amdocs Ltd.			4,714,408	5,661,293	
				<u>4,714,408</u>	<u>5,661,293</u>	4.88
Ireland						
Industrials						
16,258	Ingersoll-Rand PLC			1,821,977	2,802,289	
				<u>1,821,977</u>	<u>2,802,289</u>	2.42
Netherlands						
Materials						
23,110	LyondellBasell Industries NV			2,754,442	2,831,362	
				<u>2,754,442</u>	<u>2,831,362</u>	2.44
United States						
Communication Services						
86,580	Comcast Corp.			3,620,059	5,048,891	
56,794	Omnicom Group Inc.			5,163,211	5,966,920	
83,765	Verizon Communications Inc.			5,113,241	6,669,395	
				<u>13,896,511</u>	<u>17,685,206</u>	15.26
Consumer Discretionary						
1,646	AutoZone Inc.			1,095,813	2,542,788	
94,980	Harley-Davidson Inc.			5,803,654	4,580,510	
				<u>6,899,467</u>	<u>7,123,298</u>	6.14
Consumer Staples						
54,072	Campbell Soup Co.			3,265,734	3,465,219	
65,522	Kellogg Co.			5,314,877	5,876,214	
27,340	Kimberly-Clark Corp.			4,041,975	4,876,572	
				<u>12,622,586</u>	<u>14,218,005</u>	12.26
Financials						
23,693	American Express Co.			2,715,427	3,824,811	
28,280	Ameriprise Financial Inc.			4,987,165	6,108,826	
5,710	BlackRock Inc.			3,069,763	3,722,207	

Educators U.S. Equity Fund Schedule of Investments

As at December 31, 2019

No. of Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
9,913	JPMorgan Chase & Co.			837,609	1,791,940	
21,535	Wells Fargo & Co.			1,378,708	1,502,390	
				<u>12,988,672</u>	<u>16,950,174</u>	<u>14.62</u>
Health Care						
48,087	AmerisourceBergen Corp.			4,746,670	5,301,567	
20,590	Amgen Inc.			4,740,229	6,436,577	
8,495	Merck & Co Inc.			687,773	1,001,894	
				<u>10,174,672</u>	<u>12,740,038</u>	<u>10.99</u>
Industrials						
21,250	Cummins Inc.			4,130,922	4,931,402	
41,910	Flowserve Corp.			2,365,785	2,704,835	
101,190	Gardner Denver Holdings Inc.			4,530,353	4,813,073	
23,465	Parker-Hannifin Corp.			5,103,550	6,262,729	
				<u>16,130,610</u>	<u>18,712,039</u>	<u>16.13</u>
Information Technology						
11,620	KLA-Tencor Corp.			1,532,333	2,684,703	
197,852	NortonLifeLock Inc.			6,960,236	6,547,516	
63,914	Oracle Corp.			3,983,610	4,391,001	
				<u>12,476,179</u>	<u>13,623,220</u>	<u>11.75</u>
				<u>85,188,697</u>	<u>101,051,980</u>	<u>87.15</u>
				<u>94,479,524</u>	<u>112,346,924</u>	<u>96.89</u>
Total Investments				\$ 98,064,500	\$ 115,931,900	\$ 99.98
Transaction Costs				\$ (45,604)		
Net Investments				<u>\$ 98,018,896</u>	<u>\$ 115,931,900</u>	<u>99.98</u>
Other Assets Less Liabilities					\$ 29,158	0.02
Net Assets Attributable to Holders of Redeemable Units					<u>\$ 115,961,058</u>	<u>100.00</u>

Summary of Investment Portfolio

The fair value percentages of Net Assets Attributable to Holders of Redeemable Units by major portfolio category are shown in the following table:

As a % of Fund's Net Assets attributable to holders of redeemable units		
Sector	2019	2018
Consumer Discretionary	6.14%	8.01%
Health Care	10.99%	12.76%
Industrials	18.55%	12.42%
Financials	14.62%	15.07%
Information Technology	16.63%	16.11%
Consumer Staples	12.26%	11.38%
Communication Services	15.26%	9.69%
Materials	2.44%	9.39%
Energy	-	2.68%
Short-term investments	3.09%	2.34%
Net Other Assets	0.02%	0.15%
	<u>100.00%</u>	<u>100.00%</u>

Educators Monitored Conservative Portfolio Statements of Financial Position

As at December 31

	2019	2018
Assets		
Current assets		
Cash	\$ 59,435	\$ 16,916
Distributions receivable from underlying funds	2,861	953
Subscriptions receivable	87,480	53,450
Investments	<u>38,089,568</u>	<u>11,023,512</u>
Total assets	\$ 38,239,344	\$ 11,094,831
Liabilities		
Current liabilities		
Redemptions payable	1,045	-
Distributions payable	-	33
Amounts due to Manager-Trustee (Note 6)	<u>53,422</u>	<u>14,983</u>
Total liabilities	<u>54,467</u>	<u>15,016</u>
Net assets attributable to holders of redeemable units	\$ 38,184,877	\$ 11,079,815
Net assets attributable to holders of redeemable units per class		
Class A	38,168,617	11,062,147
Class I	<u>16,260</u>	<u>17,668</u>
Number of redeemable units outstanding (Note 3)		
Class A	3,711,910	1,153,112
Class I	<u>1,558</u>	<u>1,821</u>
Net assets attributable to holders of redeemable units per class per unit		
Class A	10.28	9.59
Class I	<u>10.44</u>	<u>9.70</u>

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", CEO

Signed: "Stuart Mulcahy", CFO

Educators Monitored Conservative Portfolio

Statements of Comprehensive Income

For the year ended December 31, 2019 and for the period from January 2, 2018 (date of inception) to December 31, 2018

	2019	2018
Income		
Distributions from underlying funds	\$ 648,108	\$ 192,720
Other changes in fair value of investments:		
Net realized gain	78,547	51,471
Net change in unrealized appreciation (depreciation)	1,049,806	(299,964)
Total income	<u>1,776,461</u>	<u>(55,773)</u>
Expenses		
Management fees (Note 6)	312,011	93,595
Independent review committee fees	1,890	646
Harmonised sales tax	39,594	12,167
Total expenses	<u>353,495</u>	<u>106,408</u>
Increase (decrease) in net assets attributable to holders of redeemable units	 \$ <u>1,422,966</u>	 \$ <u>(162,181)</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class A	\$ 1,421,804	\$ (162,087)
Class I	\$ <u>1,162</u>	\$ <u>(94)</u>
Weighted average redeemable units outstanding during the year		
Class A	2,121,953	675,507
Class I	<u>1,161</u>	<u>1,200</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class per unit		
Class A	\$ 0.67	\$ (0.24)
Class I	\$ <u>1.00</u>	\$ <u>(0.08)</u>

Educators Monitored Conservative Portfolio
Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the year ended December 31, 2019 and for the period from January 2, 2018 (date of inception) to December 31, 2018

	2019	2018
Net assets attributable to holders of redeemable units, beginning of year		
Class A	\$ 11,062,147	\$ -
Class I	17,668	-
	<u>11,079,815</u>	<u>-</u>
Increase (decrease) in net assets attributable to holders of redeemable units		
Class A	1,421,804	(162,087)
Class I	1,162	(94)
	<u>1,422,966</u>	<u>(162,181)</u>
Distributions to holders of redeemable units		
From net investment income		
Class A	(332,780)	(97,159)
Class I	(327)	(255)
	<u>(333,107)</u>	<u>(97,414)</u>
From net realized gains		
Class A	(19,937)	(65,997)
Class I	(9)	(109)
	<u>(19,946)</u>	<u>(66,106)</u>
Total distributions to holders of redeemable units	<u>(353,053)</u>	<u>(163,520)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	29,379,960	12,875,617
Class I	8,492	17,762
	<u>29,388,452</u>	<u>12,893,379</u>
Redemption of redeemable units		
Class A	(3,695,294)	(1,651,128)
Class I	(11,063)	-
	<u>(3,706,357)</u>	<u>(1,651,128)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	352,717	162,901
Class I	337	364
	<u>353,054</u>	<u>163,265</u>
Net increase from redeemable unit transactions	<u>26,035,149</u>	<u>11,405,516</u>
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class A	27,106,470	11,062,147
Class I	(1,408)	17,668
	<u>27,105,062</u>	<u>11,079,815</u>
Net assets attributable to holders of redeemable units, end of year		
Class A	38,168,617	11,062,147
Class I	16,260	17,668
	<u>38,184,877</u>	<u>11,079,815</u>

Educators Monitored Conservative Portfolio**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units** (continued)*For the year ended December 31, 2019 and for the period from January 2, 2018 (date of inception) to December 31, 2018*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the years ended December 31, 2019 and 2018.

Class A	2019	2018
Number of units, beginning of year	1,153,112	-
Units issued	2,890,001	1,305,312
Units issued from reinvested distributions	34,601	16,797
Units redeemed	(365,804)	(168,997)
Number of units, end of year	<u>3,711,910</u>	<u>1,153,112</u>
Class I	2019	2018
Number of units, beginning of year	1,821	-
Units issued	825	1,784
Units issued from reinvested distributions	32	37
Units redeemed	(1,120)	-
Number of units, end of year	<u>1,558</u>	<u>1,821</u>

Educators Monitored Conservative Portfolio**Statements of Cash Flows***For the year ended December 31, 2019 and for the period from January 2, 2018 (date of inception) to December 31, 2018*

	2019	2018
Cash Flow from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 1,422,966	\$ (162,181)
Adjustments for:		
Net realized gain on sale of investments	(78,547)	(51,471)
Net change in unrealized (appreciation) depreciation in value of investments	(1,049,806)	299,964
Purchase of investments	(27,864,670)	(12,343,048)
Proceeds from disposal of investments	1,926,967	1,071,043
Increase in distributions receivable from underlying funds	(1,908)	(953)
Increase in amounts due to Manager-Trustee	38,439	14,983
Cash used by operating activities	<u>(25,606,559)</u>	<u>(11,171,663)</u>
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	29,354,422	12,839,929
Redemption of redeemable units	(3,705,312)	(1,651,128)
Distributions paid to holders of redeemable units, net of reinvested distributions	(32)	(222)
Cash provided by financing activities	<u>25,649,078</u>	<u>11,188,579</u>
Increase in cash	\$ <u>42,519</u>	\$ <u>16,916</u>
Cash, beginning of year	\$ <u>16,916</u>	\$ <u>-</u>
Cash, end of year	\$ <u>59,435</u>	\$ <u>16,916</u>

Educators Monitored Conservative Portfolio Schedule of Investments

As at December 31, 2019

No. of Units	Description	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Canadian Mutual Funds				
1,357,079	Educators Bond Fund, Class I	\$ 13,972,675	\$ 14,106,017	
344,938	Educators Dividend Fund, Class I	3,673,990	3,938,162	
235,322	Educators Growth Fund, Class I	2,300,073	2,403,388	
200,220	Educators Money Market Fund, Class I	2,005,775	2,002,205	
226,488	Educators U.S. Equity Fund, Class I	2,365,451	2,574,626	
193,207	HSBC Emerging Markets Debt Fund, Institutional Series	1,923,150	1,943,686	
57,683	HSBC Emerging Markets Pooled Fund	631,545	612,234	
235,117	HSBC Global High Yield Bond Pooled Fund	1,886,473	1,902,027	
45,452	HSBC Global Inflation Linked Bond Pooled Fund	534,908	541,039	
97,060	HSBC International Equity Pooled Fund	1,559,168	1,568,147	
612,641	HSBC Mortgage Fund, Institutional Series	6,486,518	6,498,037	
		<u>37,339,726</u>	<u>38,089,568</u>	<u>99.75</u>
	Total Investments	<u>\$ 37,339,726</u>	<u>\$ 38,089,568</u>	<u>99.75</u>
	Transaction Costs			
	Net Investments	<u>37,339,726</u>	<u>38,089,568</u>	<u>99.75</u>
	Other Assets Less Liabilities		95,309	0.25
	Net Assets Attributable to Holders of Redeemable Units		<u>\$ 38,184,877</u>	<u>100.00</u>

Educators Monitored Balanced Portfolio

Statements of Financial Position

As at December 31

	2019	2018
Assets		
Current assets		
Cash	\$ 45,516	\$ 28,240
Distributions receivable from underlying funds	2,950	1,663
Subscriptions receivable	318,033	134,173
Investments	<u>40,770,979</u>	<u>18,814,137</u>
Total assets	\$ 41,137,478	\$ 18,978,213
Liabilities		
Current liabilities		
Due to brokers	-	23,500
Redemptions payable	675	5,053
Distributions payable	402	117
Amounts due to Manager-Trustee (Note 6)	<u>65,032</u>	<u>27,817</u>
Total liabilities	66,109	56,487
Net assets attributable to holders of redeemable units	\$ 41,071,369	\$ 18,921,726
Net assets attributable to holders of redeemable units per class		
Class A	40,262,141	18,315,683
Class I	<u>809,228</u>	<u>606,043</u>
Number of redeemable units outstanding (Note 3)		
Class A	3,921,640	1,971,446
Class I	<u>77,470</u>	<u>64,321</u>
Net assets attributable to holders of redeemable units per class per unit		
Class A	10.27	9.29
Class I	<u>10.45</u>	<u>9.42</u>

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", CEO

Signed: "Stuart Mulcahy", CFO

Educators Monitored Balanced Portfolio

Statements of Comprehensive Income

For the year ended December 31, 2019 and for the period from January 2, 2018 (date of inception) to December 31, 2018

	2019	2018
Income		
Distributions from underlying funds	\$ 831,747	\$ 245,729
Other changes in fair value of investments:		
Net realized gain	231,266	272,152
Net change in unrealized appreciation (depreciation)	<u>2,532,435</u>	<u>(985,688)</u>
Total income	<u>3,595,448</u>	<u>(467,807)</u>
Expenses		
Management fees (Note 6)	489,775	130,575
Independent review committee fees	2,573	871
Harmonised sales tax	<u>63,573</u>	<u>16,975</u>
Total expenses	<u>555,921</u>	<u>148,421</u>
Increase (decrease) in net assets attributable to holders of redeemable units	 \$ <u>3,039,527</u>	 \$ <u>(616,228)</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class A	\$ 2,952,717	\$ (600,334)
Class I	<u>\$ 86,810</u>	<u>\$ (15,894)</u>
Weighted average redeemable units outstanding during the year		
Class A	2,974,003	837,543
Class I	<u>69,389</u>	<u>41,442</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class per unit		
Class A	\$ 0.99	\$ (0.72)
Class I	<u>\$ 1.25</u>	<u>\$ (0.38)</u>

Educators Monitored Balanced Portfolio
Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the year ended December 31, 2019 and for the period from January 2, 2018 (date of inception) to December 31, 2018

	2019	2018
Net assets attributable to holders of redeemable units, beginning of year		
Class A	\$ 18,315,683	\$ -
Class I	606,043	-
	<u>18,921,726</u>	<u>-</u>
Increase (decrease) in net assets attributable to holders of redeemable units		
Class A	2,952,717	(600,334)
Class I	86,810	(15,894)
	<u>3,039,527</u>	<u>(616,228)</u>
Distributions to holders of redeemable units		
From net investment income		
Class A	(295,008)	(104,483)
Class I	(18,031)	(7,507)
	<u>(313,039)</u>	<u>(111,990)</u>
From net realized gains		
Class A	(23,221)	(278,479)
Class I	(470)	(9,699)
	<u>(23,691)</u>	<u>(288,178)</u>
Total distributions to holders of redeemable units	<u>(336,730)</u>	<u>(400,168)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	25,103,678	19,512,379
Class I	136,977	622,599
	<u>25,240,655</u>	<u>20,134,978</u>
Redemption of redeemable units		
Class A	(6,109,566)	(596,247)
Class I	(20,601)	(658)
	<u>(6,130,167)</u>	<u>(596,905)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	317,858	382,847
Class I	18,500	17,202
	<u>336,358</u>	<u>400,049</u>
Net increase from redeemable unit transactions	<u>19,446,846</u>	<u>19,938,122</u>
Net increase in net assets attributable to holders of redeemable units		
Class A	21,946,458	18,315,683
Class I	203,185	606,043
	<u>22,149,643</u>	<u>18,921,726</u>
Net assets attributable to holders of redeemable units, end of year		
Class A	40,262,141	18,315,683
Class I	809,228	606,043
	<u>41,071,369</u>	<u>18,921,726</u>

Educators Monitored Balanced Portfolio**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units** (continued)*For the year ended December 31, 2019 and for the period from January 2, 2018 (date of inception) to December 31, 2018*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the years ended December 31, 2019 and 2018.

Class A	2019	2018
Number of units, beginning of year	1,971,446	-
Units issued	2,531,402	1,992,161
Units issued from reinvested distributions	31,250	40,941
Units redeemed	(612,458)	(61,656)
Number of units, end of year	<u>3,921,640</u>	<u>1,971,446</u>
Class I	2019	2018
Number of units, beginning of year	64,321	-
Units issued	13,512	62,575
Units issued from reinvested distributions	1,794	1,812
Units redeemed	(2,157)	(66)
Number of units, end of year	<u>77,470</u>	<u>64,321</u>

Educators Monitored Balanced Portfolio**Statements of Cash Flows***For the year ended December 31, 2019 and for the period from January 2, 2018 (date of inception) to December 31, 2018*

	2019	2018
Cash Flow from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 3,039,527	\$ (616,228)
Adjustments for:		
Net realized gain on sale of investments	(231,266)	(272,152)
Net change in unrealized (appreciation) depreciation in value of investments	(2,532,435)	985,688
Purchase of investments	(22,738,849)	(20,099,510)
Proceeds from disposal of investments	3,522,208	595,337
Increase in distributions receivable from underlying funds	(1,287)	(1,663)
Increase in amounts due to Manager-Trustee	37,215	27,817
Cash used by operating activities	<u>(18,904,887)</u>	<u>(19,380,711)</u>
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	25,056,795	20,000,805
Redemption of redeemable units	(6,134,545)	(591,852)
Distributions paid to holders of redeemable units, net of reinvested distributions	(87)	(2)
Cash provided by financing activities	<u>18,922,163</u>	<u>19,408,951</u>
Increase in cash	\$ <u>17,276</u>	\$ <u>28,240</u>
Cash, beginning of year	\$ <u>28,240</u>	\$ <u>-</u>
Cash, end of year	\$ <u>45,516</u>	\$ <u>28,240</u>

Educators Monitored Balanced Portfolio Schedule of Investments

As at December 31, 2019

No. of Units	Description	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Canadian Mutual Funds				
865,794	Educators Bond Fund, Class I	\$ 8,814,532	\$ 8,999,405	
168,535	Educators Dividend Fund, Class I	1,745,887	1,924,167	
705,573	Educators Growth Fund, Class I	6,823,648	7,206,160	
206,406	Educators Money Market Fund, Class I	2,067,018	2,064,062	
551,681	Educators U.S. Equity Fund, Class I	5,610,018	6,271,294	
205,732	HSBC Emerging Markets Debt Fund, Institutional Series	2,032,614	2,069,683	
124,753	HSBC Emerging Markets Pooled Fund	1,369,092	1,324,090	
253,003	HSBC Global High Yield Bond Pooled Fund	2,019,851	2,046,714	
52,725	HSBC Global Inflation Linked Bond Pooled Fund	614,404	627,606	
245,024	HSBC International Equity Pooled Fund	3,926,191	3,958,736	
307,414	HSBC Mortgage Fund, Institutional Series	3,246,914	3,260,622	
32,184	HSBC Small Cap Growth Fund, Institutional Series	954,063	1,018,440	
		<u>39,224,232</u>	<u>40,770,979</u>	<u>99.27</u>
	Total Investments	<u>\$ 39,224,232</u>	<u>\$ 40,770,979</u>	<u>99.27</u>
	Net Investments	<u>39,224,232</u>	<u>40,770,979</u>	<u>99.27</u>
	Other Assets Less Liabilities		<u>300,390</u>	<u>0.73</u>
	Net Assets Attributable to Holders of Redeemable Units		<u>\$ 41,071,369</u>	<u>100.00</u>

Educators Monitored Growth Portfolio

Statements of Financial Position

As at December 31

	2019	2018
Assets		
Current assets		
Cash	\$ 16,067	\$ 8,162
Subscriptions receivable	132,006	77,659
Investments	11,122,655	4,838,036
Total assets	\$ 11,270,728	\$ 4,923,857
Liabilities		
Current liabilities		
Due to brokers	-	59,500
Redemptions payable	-	4,928
Amounts due to Manager-Trustee (Note 6)	17,934	6,357
Total liabilities	17,934	70,785
Net assets attributable to holders of redeemable units	\$ 11,252,794	\$ 4,853,072
Net assets attributable to holders of redeemable units per class		
Class A	10,452,041	4,259,817
Class I	800,753	593,255
Number of redeemable units outstanding (Note 3)		
Class A	1,020,525	468,052
Class I	77,062	64,535
Net assets attributable to holders of redeemable units per class per unit		
Class A	10.24	9.10
Class I	10.39	9.19

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", CEO

Signed: "Stuart Mulcahy", CFO

Educators Monitored Growth Portfolio

Statements of Comprehensive Income

For the year ended December 31, 2019 and for the period from January 2, 2018 (date of inception) to December 31, 2018

	2019	2018
Income		
Distributions from underlying funds	\$ 236,549	\$ 64,449
Other changes in fair value of investments:		
Net realized gain	82,632	105,603
Net change in unrealized appreciation (depreciation)	862,684	(349,801)
Total income	<u>1,181,865</u>	<u>(179,749)</u>
Expenses		
Management fees (Note 6)	134,132	35,932
Independent review committee fees	720	238
Harmonised sales tax	17,437	4,672
Total expenses	<u>152,289</u>	<u>40,842</u>
Increase (decrease) in net assets attributable to holders of redeemable units	 \$ <u>1,029,576</u>	 \$ <u>(220,591)</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class A	\$ 923,030	\$ (196,335)
Class I	\$ <u>106,546</u>	\$ <u>(24,256)</u>
Weighted average redeemable units outstanding during the year		
Class A	772,397	217,019
Class I	<u>69,922</u>	<u>50,267</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class per unit		
Class A	\$ 1.20	\$ (0.90)
Class I	\$ <u>1.52</u>	\$ <u>(0.48)</u>

Educators Monitored Growth Portfolio
Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the year ended December 31, 2019 and for the period from January 2, 2018 (date of inception) to December 31, 2018

	2019	2018
Net assets attributable to holders of redeemable units, beginning of year		
Class A	\$ 4,259,817	\$ -
Class I	593,255	-
	<u>4,853,072</u>	<u>-</u>
Increase (decrease) in net assets attributable to holders of redeemable units		
Class A	923,030	(196,335)
Class I	106,546	(24,256)
	<u>1,029,576</u>	<u>(220,591)</u>
Distributions to holders of redeemable units		
From net investment income		
Class A	(78,205)	(16,526)
Class I	(17,672)	(7,077)
	<u>(95,877)</u>	<u>(23,603)</u>
From net realized gains		
Class A	(84,446)	(99,147)
Class I	(6,488)	(15,131)
	<u>(90,934)</u>	<u>(114,278)</u>
Total distributions to holders of redeemable units	<u>(186,811)</u>	<u>(137,881)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	6,708,496	4,798,868
Class I	124,386	617,515
	<u>6,832,882</u>	<u>5,416,383</u>
Redemption of redeemable units		
Class A	(1,439,302)	(342,740)
Class I	(23,434)	-
	<u>(1,462,736)</u>	<u>(342,740)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	162,651	115,697
Class I	24,160	22,204
	<u>186,811</u>	<u>137,901</u>
Net increase from redeemable unit transactions	<u>5,556,957</u>	<u>5,211,544</u>
Net increase in net assets attributable to holders of redeemable units		
Class A	6,192,224	4,259,817
Class I	207,498	593,255
	<u>6,399,722</u>	<u>4,853,072</u>
Net assets attributable to holders of redeemable units, end of year		
Class A	10,452,041	4,259,817
Class I	800,753	593,255
	<u>11,252,794</u>	<u>4,853,072</u>

Educators Monitored Growth Portfolio**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units** (continued)*For the year ended December 31, 2019 and for the period from January 2, 2018 (date of inception) to December 31, 2018*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the years ended December 31, 2019 and 2018.

Class A	2019	2018
Number of units, beginning of year	468,052	-
Units issued	680,624	490,160
Units issued from reinvested distributions	16,015	12,630
Units redeemed	(144,166)	(34,738)
Number of units, end of year	1,020,525	468,052
Class I	2019	2018
Number of units, beginning of year	64,535	-
Units issued	12,497	62,148
Units issued from reinvested distributions	2,350	2,387
Units redeemed	(2,320)	-
Number of units, end of year	77,062	64,535

Educators Monitored Growth Portfolio**Statements of Cash Flows***For the year ended December 31, 2019 and for the period from January 2, 2018 (date of inception) to December 31, 2018*

	2019	2018
Cash Flow from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 1,029,576	\$ (220,591)
Adjustments for:		
Net realized gain on sale of investments	(82,632)	(105,603)
Net change in unrealized (appreciation) depreciation in value of investments	(862,684)	349,801
Purchase of investments	(6,711,363)	(5,305,487)
Proceeds from disposal of investments	1,312,560	282,754
Increase in amounts due to Manager-Trustee	11,577	6,357
Cash used by operating activities	(5,302,966)	(4,992,769)
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	6,778,535	5,338,724
Redemption of redeemable units	(1,467,664)	(337,812)
Distributions paid to holders of redeemable units, net of reinvested distributions	-	19
Cash provided by financing activities	5,310,871	5,000,931
Increase in cash	\$ 7,905	\$ 8,162
Cash, beginning of year	\$ 8,162	\$ -
Cash, end of year	\$ 16,067	\$ 8,162

Educators Monitored Growth Portfolio Schedule of Investments

As at December 31, 2019

No. of Units	Description	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Canadian Mutual Funds				
105,486	Educators Bond Fund, Class I	\$ 1,074,804	\$ 1,096,466	
301,584	Educators Growth Fund, Class I	2,915,923	3,080,140	
249,968	Educators U.S. Equity Fund, Class I	2,539,985	2,841,536	
56,701	HSBC Emerging Markets Debt Fund, Institutional Series	562,336	570,417	
53,529	HSBC Emerging Markets Pooled Fund	589,349	568,145	
66,774	HSBC Global High Yield Bond Pooled Fund	532,984	540,178	
3,166	HSBC Global Inflation Linked Bond Pooled Fund	36,885	37,681	
104,181	HSBC International Equity Pooled Fund	1,673,119	1,683,194	
40,054	HSBC Mortgage Fund, Institutional Series	423,693	424,834	
8,850	HSBC Small Cap Growth Fund, Institutional Series	260,694	280,064	
		<u>10,609,772</u>	<u>11,122,655</u>	<u>98.84</u>
	Total Investments	<u>\$ 10,609,772</u>	<u>\$ 11,122,655</u>	<u>98.84</u>
	Net Investments	<u>10,609,772</u>	<u>11,122,655</u>	<u>98.84</u>
	Other Assets Less Liabilities		130,139	1.16
	Net Assets Attributable to Holders of Redeemable Units		<u>\$ 11,252,794</u>	<u>100.00</u>

Educators Monitored Aggressive Portfolio

Statements of Financial Position

As at December 31

	2019	2018
Assets		
Current assets		
Cash	\$ 11,288	\$ 13,173
Subscriptions receivable	6,331	1,251
Investments	2,061,236	1,125,171
Total assets	\$ 2,078,855	\$ 1,139,595
Liabilities		
Current liabilities		
Due to brokers	12,691	-
Distributions payable	-	7
Amounts due to Manager-Trustee (Note 6)	3,150	1,468
Total liabilities	15,841	1,475
Net assets attributable to holders of redeemable units	\$ 2,063,014	\$ 1,138,120
Net assets attributable to holders of redeemable units per class		
Class A	1,847,476	875,568
Class I	215,538	262,552
Number of redeemable units outstanding (Note 3)		
Class A	178,890	96,718
Class I	20,701	28,861
Net assets attributable to holders of redeemable units per class per unit		
Class A	10.33	9.05
Class I	10.41	9.10

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", CEO

Signed: "Stuart Mulcahy", CFO

Educators Monitored Aggressive Portfolio

Statements of Comprehensive Income

For the year ended December 31, 2019 and for the period from January 2, 2018 (date of inception) to December 31, 2018

	2019	2018
Income		
Distributions from underlying funds	\$ 43,695	\$ 16,539
Other changes in fair value of investments:		
Net realized	11,305	28,427
Net change in unrealized appreciation (depreciation)	205,959	(106,510)
Total income	<u>260,959</u>	<u>(61,544)</u>
Expenses		
Management fees (Note 6)	22,727	9,442
Independent review committee fees	125	67
Harmonised sales tax	2,955	1,227
Total expenses	<u>25,807</u>	<u>10,736</u>
Increase (decrease) in net assets attributable to holders of redeemable units	 \$ <u>235,152</u>	 \$ <u>(72,280)</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class A	\$ 197,593	\$ (58,176)
Class I	\$ <u>37,559</u>	\$ <u>(14,104)</u>
Weighted average redeemable units outstanding during the year		
Class A	130,731	56,657
Class I	<u>21,326</u>	<u>22,230</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class per unit		
Class A	\$ 1.51	\$ (1.03)
Class I	\$ <u>1.76</u>	\$ <u>(0.63)</u>

Educators Monitored Aggressive Portfolio
Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the year ended December 31, 2019 and for the period from January 2, 2018 (date of inception) to December 31, 2018

	2019	2018
Net assets attributable to holders of redeemable units, beginning of year		
Class A	\$ 875,568	\$ -
Class I	262,552	-
	<u>1,138,120</u>	<u>-</u>
Increase (decrease) in net assets attributable to holders of redeemable units		
Class A	197,593	(58,176)
Class I	37,559	(14,104)
	<u>235,152</u>	<u>(72,280)</u>
Distributions to holders of redeemable units		
From net investment income		
Class A	(14,346)	(2,328)
Class I	(5,226)	(2,651)
	<u>(19,572)</u>	<u>(4,979)</u>
From net realized gains		
Class A	(17,541)	(23,181)
Class I	(2,048)	(7,851)
	<u>(19,589)</u>	<u>(31,032)</u>
Total distributions to holders of redeemable units	<u>(39,161)</u>	<u>(36,011)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	1,097,749	1,032,177
Class I	83,461	291,160
	<u>1,181,210</u>	<u>1,323,337</u>
Redemption of redeemable units		
Class A	(323,425)	(98,424)
Class I	(168,035)	(14,506)
	<u>(491,460)</u>	<u>(112,930)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	31,878	25,500
Class I	7,275	10,504
	<u>39,153</u>	<u>36,004</u>
Net increase from redeemable unit transactions	<u>728,903</u>	<u>1,246,411</u>
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class A	971,908	875,568
Class I	(47,014)	262,552
	<u>924,894</u>	<u>1,138,120</u>
Net assets attributable to holders of redeemable units, end of year		
Class A	1,847,476	875,568
Class I	215,538	262,552
	<u>2,063,014</u>	<u>1,138,120</u>

Educators Monitored Aggressive Portfolio**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units** (continued)*For the year ended December 31, 2019 and for the period from January 2, 2018 (date of inception) to December 31, 2018*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the years ended December 31, 2019 and 2018.

Class A	2019	2018
Number of units, beginning of year	96,718	-
Units issued	112,376	104,088
Units issued from reinvested distributions	3,090	2,808
Units redeemed	(33,294)	(10,178)
Number of units, end of year	178,890	96,718
Class I	2019	2018
Number of units, beginning of year	28,861	-
Units issued	8,317	29,155
Units issued from reinvested distributions	707	1,145
Units redeemed	(17,184)	(1,439)
Number of units, end of year	20,701	28,861

Educators Monitored Aggressive Portfolio**Statements of Cash Flows***For the year ended December 31, 2019 and for the period from January 2, 2018 (date of inception) to December 31, 2018*

	2019	2018
Cash Flow from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 235,152	\$ (72,280)
Adjustments for:		
Net realized gain on sale of investments	(11,305)	(28,427)
Net change in unrealized (appreciation) depreciation in value of investments	(205,959)	106,510
Purchase of investments	(1,146,290)	(1,256,783)
Proceeds from disposal of investments	440,180	53,529
Increase in amounts due to Manager-Trustee	1,682	1,468
Cash used by operating activities	(686,540)	(1,195,983)
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	1,176,130	1,322,086
Redemption of redeemable units	(491,460)	(112,930)
Distributions paid to holders of redeemable units, net of reinvested distributions	(15)	-
Cash provided by financing activities	684,655	1,209,156
(Decrease) increase in cash	\$ (1,885)	\$ 13,173
Cash, beginning of year	\$ 13,173	\$ -
Cash, end of year	\$ 11,288	\$ 13,173

Educators Monitored Aggressive Portfolio Schedule of Investments

As at December 31, 2019

No. of Units	Description	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Canadian Mutual Funds				
49,058	Educators Growth Fund, Class I	\$ 478,545	\$ 501,040	
62,269	Educators U.S. Equity Fund, Class I	633,931	707,853	
9,835	HSBC Emerging Markets Debt Fund, Institutional Series	97,739	98,938	
13,014	HSBC Emerging Markets Pooled Fund	142,547	138,131	
12,097	HSBC Global High Yield Bond Pooled Fund	97,086	97,863	
28,016	HSBC International Equity Pooled Fund	450,662	452,634	
2,047	HSBC Small Cap Growth Fund, Institutional Series	61,277	64,777	
		<u>1,961,787</u>	<u>2,061,236</u>	<u>99.91</u>
	Total Investments	<u>\$ 1,961,787</u>	<u>\$ 2,061,236</u>	<u>99.91</u>
	Net Investments	<u>1,961,787</u>	<u>2,061,236</u>	<u>99.91</u>
	Other Assets Less Liabilities		<u>1,778</u>	<u>0.09</u>
	Net Assets Attributable to Holders of Redeemable Units		<u>\$ 2,063,014</u>	<u>100.00</u>

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

1. Educators Financial Group Inc. Funds

The Educators Financial Group Inc. Funds (individually “Fund” and collectively “Funds”) consist of twelve mutual fund trusts. The Funds are open-end trustee investment funds established under the laws of Ontario issuing units of the Funds to eligible purchasers on a continuous basis, with the objective of providing a means to invest through professionally managed pools of money.

Educators Financial Group Inc. is the manager and trustee (“Manager-Trustee”) of the Funds.

Each Fund has authorized an unlimited number of Class A and Class I non-transferable, redeemable trust units (“units”) which may only be issued as fully paid. The unit continuity of Class A units and Class I is shown in Note 3.

<u>Fund</u>	<u>Date of Inception</u>
Money Market Fund	June 24, 1984
Mortgage & Income Fund	June 24, 1984
Bond Fund	March 14, 2011
Balanced Fund	June 24, 1984
Monthly Income Fund	March 14, 2011
Dividend Fund	February 7, 2000
Growth Fund	June 24, 1984
U.S. Equity Fund	June 24, 1984
Monitored Conservative Portfolio	January 2, 2018 ⁽¹⁾
Monitored Balanced Portfolio	January 2, 2018 ⁽¹⁾
Monitored Growth Portfolio	January 2, 2018 ⁽¹⁾
Monitored Aggressive Portfolio	January 2, 2018 ⁽¹⁾

(1) The Fund was established on January 2, 2018; Class A and Class I units were first offered by prospectus dated January 4, 2018.

The address of the Funds’ registered office is 2225 Sheppard Avenue East, Suite 1105, Toronto, Ontario M2J 5C2.

These financial statements were authorized for issue by the Board of Directors on March 25, 2020.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

2. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”), as published by the International Accounting Standards Board (“IASB”).

The financial statements are presented in Canadian dollars, the functional currency of the Funds, and are rounded to the nearest dollar unless otherwise noted.

The following summarizes the accounting policies of the Funds for the years ended December 31, 2019 and 2018:

Financial instruments

The Funds applied IFRS 9, Financial Instruments - Classification and Measurement (“IFRS 9”). The standard requires financial assets to be classified as amortized cost, fair value through profit or loss (“FVTPL”), or fair value through other comprehensive income (“FVOCI”) based on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of these assets. Assessment and decision on the business model approach used is an accounting judgement.

The Funds’ investments and derivative assets and liabilities are classified and measured at FVTPL.

The classification and measurements of financial assets and liabilities are at amortized cost with the exception of financial assets and liabilities recorded at FVTPL. For financial liabilities, fair value changes attributable to changes in the entity’s own credit risk are to be presented in other comprehensive income unless they affect amounts recorded in income. Under amortized cost, financial assets and liabilities reflect the amounts to be received or paid, discounted when appropriate at the financial instrument’s effective interest rate. The fair value of the Funds’ financial assets and liabilities that are not carried at FVTPL approximate their carrying amounts due to their short-term nature.

The Funds’ financial instruments consist of cash, interest and dividends receivable, subscriptions receivable, amounts due from brokers, investments, bank overdraft, redemptions payable, distributions payable, amounts due to brokers, foreign currency forward contracts, amounts due to Manager-Trustee and net assets attributable to holders of redeemable units. Investments are subsequently measured at fair value based on the policies described below. The Funds’ obligations for net assets attributable to holders of redeemable units are presented at the redemption amount. Financial instruments other than investments and foreign currency forward contracts are subsequently measured at amortized cost using the effective interest method and their carrying values approximate their fair values given their short-term nature.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

2. Summary of significant accounting policies (continued)

Valuation of investments

Under IFRS, the Funds measure the fair values of their investments using the guidance in IFRS 13 *Fair Value Measurement* ("IFRS 13"). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All investments and derivative assets and liabilities are measured at fair value through profit or loss ("FVTPL"). The Funds' accounting policies for measuring the fair value of their investments and derivatives are consistent with those used in measuring its Net Asset Value ("NAV") for transactions with unitholders. Investments held include common stocks, short-term investments, bonds, debentures, mutual funds and asset-backed securities.

The fair value of investments is determined as follows:

- (a) Investments that are publicly traded are valued at last traded market price where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager-Trustee determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.
- (b) Investments held that are not traded in an active market are valued based on the results of using valuation techniques, using observable market inputs, to the extent available, on such basis and in such manner established by the Manager-Trustee.
- (c) Investments in underlying funds are valued at the NAV per unit as at the valuation date, as this value is the most readily and regularly available.

Impairments

IFRS 9 requires that an entity recognize a loss allowance for expected credit losses on financial assets which are measured at amortized costs or FVOCI. Financial assets held by the Fund which are measured at FVTPL will not be subject to the impairment requirements.

With respect to financial assets at amortized cost, the Funds consider both historical analysis and forward looking information in determining any expected credit loss. As at the financial statement date, all loans and receivables are due to be settled within the short term. The Funds consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligation in the near term. Given the limited exposure of the Funds to credit risk, no loss allowance has been recognized as any such impairment will not have a significant impact on the financial statements.

Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, excluding transaction costs.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

2. Summary of significant accounting policies (continued)

Transaction costs

Transaction costs are expensed as incurred in the Statements of Comprehensive Income. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commission paid to agents, advisors and brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

Forward currency contracts

Forward currency contracts are recognized in the Statements of Financial Position when the Funds become a party to the contractual provisions of the instrument. The instrument is derecognized from the Statements of Financial Position when the contractual rights or obligations arising from that instrument expire or are extinguished. Forward currency contracts are recognized at fair value, which is the gain or loss, if any, that would be realized if the position in the contracts were to be settled on the valuation date. The resulting unrealized gain or loss is presented as a Forward contract asset or liability in the Statements of Financial Position and is included in Change in unrealized appreciation (depreciation) on forward currency contracts in the Statements of Comprehensive Income. Any gain or loss arising from forward currency contracts at close or delivery will be recorded as Realized gain (loss) on forward currency contracts in the Statements of Comprehensive Income. As described in Note 10, the Mortgage & Income Fund and Dividend Fund use forward currency contracts to deliver currencies at specified future dates.

Investment transactions and investment income

Investment transactions are accounted for on the trade date. The dividend income is recognized on the ex-dividend date. The interest for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the Fund accounted for on an accrual basis. The Funds do not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis. Realized gain (loss) on sale of investments and change in unrealized appreciation (depreciation) of investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds.

Unit valuation

The Funds' units are issued and redeemed at the NAV per unit. For the Mortgage & Income Fund, Bond Fund, Balanced Fund, Monthly Income Fund, Dividend Fund, Growth Fund, U.S. Equity Fund (formerly North American Diversified Fund), Monitored Conservative Portfolio, Monitored Balanced Portfolio, Monitored Growth Portfolio and Monitored Aggressive Portfolio, the NAV per unit is determined by dividing the NAV at the close of business of each day by the total number of units outstanding at such time. For the Money Market Fund, the month end NAV per unit is fixed at \$10 per unit by distributing net investment income monthly.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

2. Summary of significant accounting policies (continued)

Foreign currency translation

The Funds' subscriptions and redemptions are denominated in Canadian dollars, which is also the Funds' functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates that the transactions occur. Foreign currency assets and liabilities denominated in a foreign currency are translated into the functional currency using the exchange rate prevailing at the measurement date. Foreign exchange gains and losses relating to investments are presented within Realized gain (loss) on sale of investments and Change in unrealized appreciation (depreciation) in value of investments in the Statements of Comprehensive Income.

Per unit from operations

Increase (decrease) in net assets attributable to holders of redeemable units per unit on the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable units, divided by the daily weighted average number of units outstanding during the year.

Use of estimates and judgments

These financial statements, prepared in accordance with IFRS, include estimates and assumptions by management that affect the reported amounts of certain assets and liabilities at the date of the financial statements and income and expenses during the period. Actual results could differ from these estimates.

In classifying and measuring financial instruments held by the Funds, the Manager is required to make significant judgments in determining the most appropriate classification in accordance with IFRS 9. The Manager has assessed the Funds' business models, the manner in which all financial assets and financial liabilities are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate classification of the Funds' financial instruments.

Management uses valuation techniques in measuring the fair value of investments where active market quotes are not available. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

2. Summary of significant accounting policies (continued)

Distribution to unitholders

The net investment income and net realized capital gains of each of the Funds are distributed in cash or reinvested in additional units, as follows:

<u>Fund</u>	<u>Distribution of Net Investment Income</u>	<u>Distribution of Net Realized Capital Gain</u>
Money Market Fund	Monthly	N/A
Mortgage & Income Fund	Monthly	Annually
Bond Fund	Quarterly	Annually
Balanced Fund	Semi-annually	Annually
Monthly Income Fund	Monthly	Annually
Dividend Fund	Semi-annually	Annually
Growth Fund	Semi-annually	Annually
U.S. Equity Fund	Semi-annually	Annually
Monitored Conservative Portfolio	Quarterly	Annually
Monitored Balanced Portfolio	Semi-annually	Annually
Monitored Growth Portfolio	Semi-annually	Annually
Monitored Aggressive Portfolio	Semi-annually	Annually

3. Redeemable unit continuity

Each redeemable unit represents a beneficial interest ranking equally in all distributions when and as declared payable, including the proceeds of liquidation of Fund property.

An unlimited number of the Funds' redeemable units may be issued, which are redeemable at the Unitholder's option in accordance with the terms of the Declaration of Trust of the Funds. The capital of the Funds is represented by its redeemable units. The Funds' units are managed by the Manager-Trustee in accordance with the Funds' investment objectives, strategies and restrictions as outlined in the Simplified Prospectus, while maintaining sufficient liquidity to meet redemptions.

Classification of redeemable units issued by the Fund

Under IFRS, IAS 32 *Financial Instruments – Presentation* ("IAS 32") requires that issued capital of an entity which includes a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as financial liabilities. The Funds' units do not meet the criteria in IAS 32 for classification as equity and therefore, have been classified as financial liabilities.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

4. Income taxes

The Money Market Fund, Mortgage & Income Fund, Bond Fund, Balanced Fund, Monthly Income Fund, Dividend Fund, Growth Fund, U.S. Equity Fund, Monitored Conservative Portfolio and Monitored Balanced Portfolio each qualify as Mutual Fund Trust under the Income Tax Act (the "Act"). The Funds are subject to tax under the Act on all of their taxable income for the year (including net taxable capital gains) and are permitted a deduction in computing taxable income for all amounts which are paid or payable in the year to the Unitholders. It is the policy of the Funds to allocate to the Unitholders all income of the Funds for the year, which then becomes taxable for the Unitholders. Accordingly, no provision for income taxes has been made in these financial statements. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses have not been reflected in the Statements of Financial Position as deferred tax assets.

Monitored Growth Portfolio and Monitored Aggressive Portfolio qualify as unit trusts under the provisions of the Act, and therefore are not subject to tax on net income, including net realized taxable capital gains for the taxation year, which are paid or payable to unitholders at the end of the taxation year. However, such part of the Fund's taxable income and net realized capital gains that is not paid or payable to unitholders will be taxable to the Funds.

As at the Funds most recent taxation year end of December 31, 2019 and 2018, the Funds had capital losses carried forward as follows:

	2019	2018
Mortgage & Income Fund	\$ 3,971,382	\$ 4,053,013
Bond Fund	146,739	630,965
Dividend Fund	6,963,017	6,963,017

The Funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income.

5. Securities lending

The Funds lend portfolio securities to earn additional income. Income from securities lending is included in the Statements of Comprehensive Income of the Funds.

The Funds have entered into a securities lending program with RBC Investor Services Trust (the "Custodian" and "Securities Lending Agent"). The aggregate market value of all securities loaned by a Fund cannot exceed 50% of the assets of the Fund. The Funds receive collateral of at least 102% of the value of securities on loan. Collateral consists primarily of fixed income securities.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

5. Securities lending (continued)

The aggregate dollar value of the securities that were on loan and the collateral received by the Funds that remains outstanding as at December 31, 2019 and 2018 are as follows:

	Market Value of Securities On Loan	Market Value of Collateral Received	Market Value of Securities On Loan	Market Value of Collateral Received
	\$	\$	\$	\$
	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
Money Market Fund	1,870,424	1,907,834	6,225,240	6,286,089
Mortgage & Income Fund	8,755,709	8,930,828	13,949,019	14,192,601
Bond Fund	6,371,258	6,500,768	4,984,227	5,051,926
Balanced Fund	20,987,760	21,412,728	33,647,764	34,271,609
Monthly Income Fund	4,336,938	4,423,681	10,344,416	10,536,650
Dividend Fund	15,868,178	16,185,547	16,785,402	17,118,207
Growth Fund	14,310,609	14,596,825	15,223,913	15,523,568
U.S. Equity Fund	31,579,043	32,210,637	27,693,152	28,171,291

Securities lending income reported in the Statements of Comprehensive Income is net of a securities lending charge which the Funds' Securities Lending Agent is entitled to receive. The Securities Lending Agent manages the Funds' securities lending program in accordance with NI 81-102 Investment Funds and charges a fee for the service.

The securities lending charges represent 40% of the gross securities lending income.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

5. Securities lending (continued)

For the year ended December 31, 2019, the securities lending income were as follows:

	Gross securities lending income	Securities lending charges	Net securities lending income	Withholding taxes on securities lending income	Net securities lending income received by the Fund
	\$	\$	\$	\$	\$
Money Market Fund	7,172	(2,903)	4,269	-	4,269
Mortgage & Income Fund	11,764	(4,706)	7,058	-	7,058
Bond Fund	5,259	(2,103)	3,156	-	3,156
Balanced Fund	29,356	(11,742)	17,614	(720)	16,894
Monthly Income Fund	19,326	(7,730)	11,596	(88)	11,508
Dividend Fund	23,852	(9,541)	14,311	(439)	13,872
Growth Fund	22,823	(9,129)	13,694	(830)	12,864
U.S. Equity Fund	39,063	(15,625)	23,438	(4,827)	18,611

For the year ended December 31, 2018, the securities lending income were as follows:

	Gross securities lending income	Securities lending charges	Net securities lending income	Withholding taxes on securities lending income	Net securities lending income received by the Fund
	\$	\$	\$	\$	\$
Money Market Fund	7,272	(2,909)	4,363	-	4,363
Mortgage & Income Fund	39,078	(15,631)	23,447	(8,144)	15,303
Bond Fund	2,523	(1,009)	1,514	-	1,514
Balanced Fund	31,994	(12,798)	19,196	(2,073)	17,123
Monthly Income Fund	15,483	(6,193)	9,290	(588)	8,702
Dividend Fund	23,233	(9,293)	13,940	(706)	13,234
Growth Fund	47,876	(19,151)	28,725	(999)	27,726
U.S. Equity Fund	37,870	(15,148)	22,722	(2,983)	19,739

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

6. Management fees

The Manager-Trustee is responsible for the management of the overall business and operations of the Funds. The annual management fee rate applicable to each Fund is as follows:

<u>Fund</u>	<u>Class A</u>	
	<u>2019</u>	<u>2018</u>
Money Market Fund	0.55%	0.55%
Mortgage & Income Fund	1.10%	1.10%
Bond Fund	1.10%	1.10%
Balanced Fund	1.65%	1.65%
Monthly Income Fund	1.15%	1.15%
Dividend Fund	1.60%	1.60%
Growth Fund	1.75%	1.75%
U.S. Equity Fund	1.75%	1.75%
Monitored Conservative Portfolio	1.45%	1.45%
Monitored Balanced Portfolio	1.65%	1.65%
Monitored Growth Portfolio	1.75%	1.75%
Monitored Aggressive Portfolio	1.75%	1.75%

The Manager-Trustee has elected to reduce the management fees for certain of the Funds. The management fee rates presented above relate to the contractual rates prior to any reduction. Management fees and related reductions are presented on a gross basis on the Statements of Comprehensive Income.

Expenses related to the Funds, including bookkeeping, accounting, registry and transfer agency services, services required in connection with the provision of information to investors, interest expenses, audit and legal fees, RSP fees and custodial charges are paid by the Manager-Trustee from management fees received. The Funds are responsible for paying any applicable harmonized sales taxes owing on management fees or expenses of the Funds.

The Class I units are identical in all respects to the Class A units, except that there is no management fee payable by the Funds in respect of the Class I units. The Manager pays all the costs of the Portfolio Adviser and all custody fees and expenses. All of the other expenses are borne by the Class I units unless the Manager agrees to absorb or pay these expenses on behalf of the Class I units. Class I units may be purchased by any other Fund managed by the Manager which is investing in the Fund and other investors that the Manager may determine from time to time in its discretion. Such investors could include pension funds serving the education community or associated with the Manager. Individual investors may not purchase Class I units.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

7. Related party transactions

At December 31, 2019 and 2018, the parent company of the Manager-Trustee and the Manager-Trustee hold units of the Funds with an aggregate fair market value of the following:

Funds	Parent company of Manager Trustee	
	2019	2018
	\$	\$
Money Market Fund	3,528,571	3,404,080
Mortgage & Income Fund	1,070,622	1,049,494
Balanced Fund	14,784,350	13,061,973
Monthly Income Fund	80,948	70,912
Dividend Fund	102,788	82,466
U.S. Equity Fund	273,284	224,730
Monitored Conservative Portfolio	174,528	146,581
Monitored Balanced Portfolio	159,197	142,754
Monitored Growth Portfolio	160,906	140,643
Monitored Aggressive Portfolio	162,497	139,944
Total	\$ 20,497,693	\$ 18,463,577

8. Financial risk management

The Funds are exposed to various types of risks that are associated with their investment strategies, financial instruments and markets in which they invest. The most important risks include market risk (which includes other price risk, interest rate risk and currency risk), liquidity risk and credit risk. These risks and related risk management practices employed by the Funds are discussed below:

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: other price risk, interest rate risk and currency risk. The investments of the Funds are subject to normal market fluctuations and the risks inherent of investment in financial markets. The Manager-Trustee moderates this risk through a careful selection of securities within specified limits and the Funds' market risk is managed through diversification of the investment portfolio. The Manager-Trustee also manages this risk by using four external investment managers to manage the investment portfolios. These investment managers monitor the Funds' overall market positions on a daily basis and positions are maintained within established ranges. Financial instruments held by each Fund are susceptible to market risk arising from uncertainties about future prices of the instruments.

Educators Financial Group Inc. Funds
Notes to the Financial Statements
December 31, 2019 and 2018

8. Financial risk management (continued)

Market risk (continued)

At December 31, 2019 and 2018, the overall market exposures were as follows:

	2019	2018	2019	2018
Money Market Fund	22,752,546	17,498,297	99.87	99.64
Mortgage & Income Fund	128,853,294	140,203,593	99.72	99.80
Bond Fund	33,330,734	15,620,225	99.64	99.32
Balanced Fund	257,043,424	238,161,868	99.89	99.91
Monthly Income Fund	59,204,248	59,542,481	99.65	99.51
Dividend Fund	155,962,368	128,216,950	99.22	100.30
Growth Fund	97,212,117	84,477,271	99.76	99.97
U.S. Equity Fund	115,931,900	97,445,411	99.98	99.85
Monitored Conservative Portfolio	38,089,568	11,023,512	99.75	99.49
Monitored Balanced Portfolio	40,770,979	18,814,137	99.27	99.43
Monitored Growth Portfolio	11,122,655	4,838,036	98.84	99.69
Monitored Aggressive Portfolio	2,061,236	1,125,171	99.91	98.86

(i) Other price risk and interest rate risk

At December 31, 2019 and 2018, the Funds' market risk is affected by two main components: changes in actual equity prices for equity securities and changes in interest rates for debt securities. As at December 31, 2019 and 2018, if the following indexes had increased (decreased) by 1%, using historical correlation between the return of the Funds' investments as compared to the return of the Funds' benchmark index, with all other variables held constant, this would have approximately increased (decreased) the net assets as follows:

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

8. Financial risk management (continued)

(i) Other price risk and interest rate risk (continued)

December 31, 2019	Index	Increase in Net Assets attributable to holders of redeemable units \$	Decrease in Net Assets attributable to holders of redeemable units \$
Money Market Fund	FTSE TMX Canada 91 Day T-Bill	211,000	(211,000)
Mortgage & Income Fund	FTSE TMX Short Term Bond	1,037,000	(1,037,000)
Bond Fund	FTSE TMX Canada Universe Bond	333,000	(333,000)
Balanced Fund	S&P/TSX composite TR (35%), S&P 500 (12%), FTSE TMX Canada Universe Bond (40%) and MSCI EAFE TR (13%)	2,505,000	(2,505,000)
Monthly Income Fund	FTSE TMX (3%), FTSE TMX Canada Universe Bond (27%) and S&P/TSX Composite (70%)	538,000	(538,000)
Dividend Fund	S&P/TSX 60	1,403,000	(1,403,000)
Growth Fund	S&P/TSX composite	935,000	(935,000)
U.S. Equity Fund	S&P 500 TR	1,185,000	(1,185,000)
Monitored Conservative Portfolio	FTSE TMX 91-day T-bill (5.0%), FTSE TMX Canada Short Term Bond (15.5%), FTSE TMX Canada Universe Bond (51.5%), S&P/TSX Composite TR (16.0%), S&P 500 TR – C\$ (6.5%) and MSCI EAFE TR – C\$ (5.5%)	345,000	(345,000)
Monitored Balanced Portfolio	FTSE TMX 91-day T-bill (5.0%), FTSE TMX Canada Short Term Bond (6.0%), FTSE TMX Canada Universe Bond (37.0%), S&P/TSX Composite TR (24.5%), S&P 500 TR – C\$ (15.0%) and MSCI EAFE TR – C\$ (12.5%)	395,000	(395,000)
Monitored Growth Portfolio	FTSE TMX Canada Short Term Bond (2.5%), FTSE TMX Canada Universe Bond (22.5%), S&P/TSX Composite TR (30.0%), S&P 500 TR – C\$ (25.0%) and MSCI EAFE TR – C\$ (20.0%)	111,000	(111,000)
Monitored Aggressive Portfolio	FTSE TMX Canada Universe Bond (10.0%), S&P/TSX Composite TR (27.5%), S&P 500 TR – C\$ (34.0%) and MSCI EAFE TR \$ (28.5%)	20,000	(20,000)

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

8. Financial risk management (continued)

(i) Other price risk and interest rate risk (continued)

December 31, 2018	Index	Increase in Net Assets attributable to holders of redeemable units \$	Decrease in Net Assets attributable to holders of redeemable units \$
Money Market Fund	FTSE TMX Canada 91 Day T-Bill	172,000	(172,000)
Mortgage & Income Fund	FTSE TMX Short Term Bond	1,125,000	(1,880,000)
Bond Fund	FTSE TMX Canada Universe Bond	157,000	(80,000)
Balanced Fund	S&P/TSX composite TR (35%), S&P 500 (12%), FTSE TMX Canada Universe Bond (40%) and MSCI EAFE TR (13%)	2,253,000	(2,245,000)
Monthly Income Fund	FTSE TMX (3%), FTSE TMX Canada Universe Bond (27%) and S&P/TSX Composite (70%)	577,000	(577,000)
Dividend Fund	S&P/TSX 60	1,084,000	(1,084,000)
Growth Fund	S&P/TSX composite	791,000	(791,000)
U.S. Equity Fund	S&P 500 TR	981,000	(981,000)
Monitored Conservative Portfolio	FTSE TMX 91-day T-bill (5.0%), FTSE TMX Canada Short Term Bond (15.5%), FTSE TMX Canada Universe Bond (51.5%), S&P/TSX Composite TR (16.0%), S&P 500 TR – C\$ (6.5%) and MSCI EAFE TR – C\$ (5.5%)	93,000	(93,000)
Monitored Balanced Portfolio	FTSE TMX 91-day T-bill (5.0%), FTSE TMX Canada Short Term Bond (6.0%), FTSE TMX Canada Universe Bond (37.0%), S&P/TSX Composite TR (24.5%), S&P 500 TR – C\$ (15.0%) and MSCI EAFE TR – C\$ (12.5%)	170,000	(170,000)
Monitored Growth Portfolio	FTSE TMX Canada Short Term Bond (2.5%), FTSE TMX Canada Universe Bond (22.5%), S&P/TSX Composite TR (30.0%), S&P 500 TR – C\$ (25.0%) and MSCI EAFE TR – C\$ (20.0%)	44,000	(44,000)
Monitored Aggressive Portfolio	FTSE TMX Canada Universe Bond (10.0%), S&P/TSX Composite TR (27.5%), S&P 500 TR – C\$ (34.0%) and MSCI EAFE TR \$ (28.5%)	11,000	(11,000)

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

8. Financial risk management (continued)

(i) Other price risk and interest rate risk (continued)

The historical correlation may not be representative of the future correlation, and accordingly the impact on Net assets attributable to holders of redeemable units could be materially different.

At December 31, 2019 and 2018, should interest rates have decreased (increased) by 100 basis points, with all other variables held constant, this would have approximately increased (decreased) the Net assets attributable to holders of redeemable units as follows:

	Increase in Net Assets attributable to holders of redeemable units	Decrease in Net Assets attributable to holders of redeemable units
December 31, 2019	\$	\$
Money Market Fund	53,000	(53,000)
Mortgage & Income Fund	3,453,000	(3,453,000)
Bond Fund	2,661,000	(2,661,000)
Balanced Fund	6,571,000	(6,571,000)
Monthly Income Fund	1,155,000	(1,155,000)
Dividend Fund	56,000	(56,000)
Growth Fund	16,000	(16,000)
U.S. Equity Fund	4,000	(4,000)
	Increase in Net Assets attributable to holders of redeemable units	Decrease in Net Assets attributable to holders of redeemable units
December 31, 2018	\$	\$
Money Market Fund	43,000	(43,000)
Mortgage & Income Fund	3,263,000	(3,263,000)
Bond Fund	1,176,000	(1,176,000)
Balanced Fund	5,440,000	(5,440,000)
Monthly Income Fund	1,032,000	(1,032,000)
Dividend Fund	4,000	(4,000)
Growth Fund	2,000	(2,000)
U.S. Equity Fund	2,000	(2,000)

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

8. Financial risk management (continued)

As at December 31, 2019 and 2018, Monitored Conservative Portfolio, Monitored Balanced Portfolio, Monitored Growth Portfolio and Monitored Aggressive Portfolio's direct exposure to interest risk was negligible as the Portfolios had no significant exposure to interest-bearing investments and the underlying funds are non-interest bearing. The Portfolios were exposed to indirect interest rate risk to the extent the underlying funds invest in debt-based securities.

At December 31, 2019 and 2018, the exposure to debt instruments by the Funds by maturity is as follows:

	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	More than 5 years
December 31, 2019	\$	\$	\$	\$	\$
Mortgage & Income Fund	-	1,273,825	-	46,047,906	15,797,102
Bond Fund	-	597,541	74,682	10,995,063	21,663,448
Balanced Fund	-	2,858,318	74,684	27,505,596	52,833,437
Monthly Income Fund	1,013,805	-	287,367	3,579,113	9,247,916
December 31, 2018	\$	\$	\$	\$	\$
Mortgage & Income Fund	449,290	-	976,641	38,960,132	26,895,425
Bond Fund	22,021	418,853	143,168	5,923,467	9,112,717
Balanced Fund	167,159	3,575,955	552,647	28,156,386	42,436,513
Monthly Income Fund	399,576	1,547,693	839,515	5,205,220	7,640,240

For the remaining Funds, debt instruments have contractual maturities of less than one year and the balance of investments in these Funds are represented by equity instruments.

(ii) Currency risk

The Mortgage & Income Fund, Balanced Fund, Monthly Income Fund, Dividend Fund, Growth Fund and U.S. Equity Fund hold assets and liabilities that are denominated in currencies other than the Canadian Dollar - the functional currency of the Funds. They are therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. The Mortgage & Income Fund and Dividend Fund use forward current contracts to mitigate exposure to currency risk. The tables below summarize the Funds' exposure to currency risks as at December 31, 2019 and 2018:

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

8. Financial risk management (continued)

(ii) Currency risk (continued)

	Investments at fair value (\$)	Cash (\$)	Other assets (\$)	Forward currency contracts (\$)	Total assets (\$)	Impact on Net Assets attributable to holders of redeemable units ⁽¹⁾ (\$)
	\$	\$	\$	\$	\$	\$
Mortgage & Income Fund						
2019	1,121,875	-	12,827	(1,147,624)	(12,922)	(100)
2018	1,090,102	-	13,510	(1,113,127)	(9,515)	(100)
Balanced Fund						
2019	-	9,438	31,842	-	41,280	400
2018	-	14,066	38,566	-	52,632	500
Monthly Income Fund						
2019	8,891,005	4,728	27,884	-	8,923,617	89,200
2018	9,576,374	16,958	19,354	(3,769,608)	5,843,078	58,400
Dividend Fund						
2019	31,553,657	119,560	65,135	(31,122,000)	616,352	6,200
2018	25,228,746	95,863	41,965	(24,720,980)	645,594	6,500
Growth Fund						
2019	-	15,782	19,449	-	35,231	400
2018	-	35,281	16,076	-	51,357	500
U.S. Equity Fund						
2019	112,346,924	8,939	111,540	-	112,467,403	1,124,700
2018	95,160,011	17,857	173,541	-	95,351,409	953,500

⁽¹⁾ Impact of a 1% change in the Canadian dollar against the US dollar. The impact on the net assets may be an increase or decrease.

All exposure to currency risk relates to the United States Dollar, the currency in which all foreign assets are held.

As at December 31, 2019 and 2018, the Monitored Conservative Portfolio, Monitored Balanced Portfolio, Monitored Growth Portfolio and Monitored Aggressive Portfolio did not have direct exposure to currency risk as they invested in Canadian-dollar-denominated underlying funds. The Portfolios may additionally be indirectly exposed to currency risk through its investments in underlying funds, to the extent that investments in underlying funds hold financial investments that are denominated in a currency other than Canadian dollars.

The remaining Funds did not have significant exposure to currency risk as they are mainly invested in securities denominated in Canadian dollars.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

8. Financial risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities. The Funds are exposed to daily cash redemptions of units on demand by the unitholders and other operating expenses. The ability to meet these needs is managed by retaining sufficient cash within the Funds, and by investing in securities which are highly liquid and readily convertible to cash. Therefore, the Funds' liquidity risk is considered to be minimal.

(c) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds. The Funds' main credit risk concentrations are investments in short-term debt securities, fixed income bonds and asset backed securities. The maximum exposure to credit risk is the fair value of the short-term investments, bonds, debentures, asset-backed securities and other debt instruments. The Funds' exposure to credit risk relating to forward currency contracts is limited to the fair value recorded at period end.

The Funds limit their exposure to credit loss by placing the cash and short-term investments with high credit quality issuers. To maximize the credit quality of the investments, the Funds' investment managers perform ongoing credit evaluations based upon factors surrounding the credit risk of the issuer, historical trends and other information.

The Funds invest in financial assets, which have an investment grade as rated primarily by *Dominion Bond Rating Service*. Ratings for securities that subject the Funds to credit risk at December 31, 2019 and 2018 are noted below:

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

8. Financial risk management (continued)

Credit risk (continued)

December 31, 2019	AAA %	AA %	A %	BBB %	BB %	Not Rated %	Total %
Money Market Fund							
Short-term investments	68.12	14.70	17.18	-	-	-	100.00
Mortgage & Income Fund							
Bonds	9.33	8.00	41.88	32.43	-	-	91.64
Asset backed	6.44	0.47	0.47	0.47	-	-	7.85
Short-term investments	0.51	-	-	-	-	-	0.51
Bond Fund							
Bonds	16.87	18.02	46.38	14.39	-	1.01	96.67
Asset backed	1.31	-	-	-	-	-	1.31
Short-term investments	2.02	-	-	-	-	-	2.02
Balanced Fund							
Bonds	16.80	18.55	44.89	13.86	-	1.03	95.13
Asset backed	1.28	-	-	-	-	-	1.28
Short-term investments	3.59	-	-	-	-	-	3.59
Monthly Income Fund							
Bonds	19.79	12.10	22.60	28.09	-	1.56	84.14
Asset backed	4.53	1.03	1.77	1.05	-	-	8.38
Short-term investments	7.48	-	-	-	-	-	7.48
Dividend Fund							
Short-term investments	100.00	-	-	-	-	-	100.00
Growth Fund							
Short-term investments	100.00	-	-	-	-	-	100.00
U.S. Equity Fund							
Short-term investments	100.00	-	-	-	-	-	100.00

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

8. Financial risk management (continued)

Credit risk (continued)

December 31, 2018	AAA %	AA %	A %	BBB %	BB %	Not Rated %	Total %
Money Market Fund							
Short-term investments	100.00	-	-	-	-	-	100.00
Mortgage & Income Fund							
Bonds	10.39	12.96	32.17	30.48	-	-	86.00
Asset backed	12.01	0.44	0.44	0.44	-	-	13.33
Short-term investments	0.67	-	-	-	-	-	0.67
Bond Fund							
Bonds	19.81	28.97	33.45	11.42	-	1.62	95.27
Asset backed	3.14	-	-	-	-	-	3.14
Short-term investments	1.59	-	-	-	-	-	1.59
Balanced Fund							
Bonds	18.12	27.06	31.69	13.88	-	1.34	92.09
Asset backed	3.38	-	-	-	-	-	3.38
Short-term investments	4.53	-	-	-	-	-	4.53
Monthly Income Fund							
Bonds	24.84	9.01	15.81	24.01	-	2.05	75.72
Asset backed	4.93	0.92	1.56	0.93	-	-	8.34
Short-term investments	15.94	-	-	-	-	-	15.94
Dividend Fund							
Short-term investments	100.00	-	-	-	-	-	100.00
Growth Fund							
Short-term investments	100.00	-	-	-	-	-	100.00
U.S. Equity Fund							
Short-term investments	100.00	-	-	-	-	-	100.00

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

8. Financial risk management (continued)

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographic region, asset type or sector. Individual Fund's concentration risk is mitigated by the monitoring of the Fund's investment portfolio to ensure compliance with Fund's investment guidelines. The Manager regularly monitors the Funds' positions and market events, and diversifies investment portfolios within the constraints of the investment guidelines.

A summary of concentration of risks is disclosed in each Fund's Schedule of Investment Portfolio.

As at December 31, 2019 and 2018, the Monitored Conservative Portfolio, Monitored Balanced Portfolio, Monitored Growth Portfolio and Monitored Aggressive Portfolio had investments in underlying funds only. The Schedule of Investment Portfolio of the respective Portfolio provides information on investments in underlying funds.

9. Financial instruments – Disclosures

Fair value disclosure

IFRS 13 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows.

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Manager-Trustee has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgment or estimation.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

9. Financial instruments – Disclosures (continued)

Fair value disclosure (continued)

All fair value measurements are recurring. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

(a) Equities

The Funds' common stocks positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain of the Funds' common stocks do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

(b) Warrants

Warrants that are not traded on an exchange have no market value readily available. When there are sufficient and reliable observable market inputs, a valuation technique is used. Warrants are classified as Level 2.

(c) Fixed income investments

Bonds are comprised primarily of government and corporate bonds, which are valued using models with inputs including interest rate curves, credit spreads and volatilities. The inputs that are significant to valuation are generally observable and therefore the Funds' bonds have been classified as Level 2. Asset backed securities are recorded in the financial statements at their estimated fair values determined by discounting the expected future cash flows at current market interest rates for loans with similar terms and credit risks.

(d) Short-term investments

Short-term investments are classified as Level 2.

(e) Forward contracts

Forward contracts are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Forward contracts are classified as Level 2.

(f) Mutual funds

Investments in mutual funds are classified as Level 2.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

9. Financial instruments – Disclosures (continued)

Financial instruments by category

The carrying values of cash, interest and dividends receivable, subscriptions receivable, amounts due from brokers, bank overdraft, redemptions payable, distributions payable, amounts due to brokers, amounts due to Manager-Trustee and net assets attributable to holders of redeemable units approximate their fair values due to their short-term nature.

The following fair value hierarchy tables present information about the Funds' investments measured at fair value as at December 31, 2019 and 2018.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

9. Financial instruments – Disclosures (continued)

	Financial Assets at fair value as at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Money Market Fund				
Short Term Investments	-	22,752,546	-	22,752,546
Mortgage & Income Fund				
Asset Backed	-	4,962,466	-	4,962,466
Bonds	-	57,832,256	-	57,832,256
Mutual Funds	-	65,734,461	-	65,734,461
Short Term Investments	-	324,111	-	324,111
Total Investments	-	128,853,294	-	128,853,294
Derivative Assets - forward contracts	-	20,797	-	20,797
Bond Fund				
Asset Backed	-	436,077	-	436,077
Bonds	-	32,222,434	-	32,222,434
Short Term Investments	-	672,223	-	672,223
Total Investments	-	33,330,734	-	33,330,734
Balanced Fund				
Asset Backed	-	1,044,268	-	1,044,268
Bonds	-	79,294,767	-	79,294,767
Mutual Funds	-	94,871,291	-	94,871,291
Equities	78,900,098	-	-	78,900,098
Short Term Investments	-	2,933,000	-	2,933,000
Total Investments	78,900,098	178,143,326	-	257,043,424
Monthly Income Fund				
Asset Backed	-	1,135,534	-	1,135,534
Bonds	-	11,978,863	-	11,978,863
Mutual Funds	-	2,514,990	-	2,514,990
Equities	42,561,057	-	-	42,561,057
Short Term Investments	-	1,013,804	-	1,013,804
Total Investments	42,561,057	16,643,191	-	59,204,248
Dividend Fund				
Equities	152,280,305	-	-	152,280,305
Short Term Investments	-	3,682,063	-	3,682,063
Total Investments	152,280,305	3,682,063	-	155,962,368
Derivative Assets - forward contracts	-	1,228,345	-	1,228,345
Derivative Liabilities - forward contracts	-	(478,533)	-	(478,533)
Growth Fund				
Equities	96,117,016	-	-	96,117,016
Short Term Investments	-	1,095,101	-	1,095,101
Total Investments	96,117,016	1,095,101	-	97,212,117
U.S. Equity Fund				
Equities	112,346,924	-	-	112,346,924
Short Term Investments	-	3,584,976	-	3,584,976
Total Investments	112,346,924	3,584,976	-	115,931,900

Educators Financial Group Inc. Funds
Notes to the Financial Statements
December 31, 2019 and 2018

9. Financial instruments – Disclosures (continued)

	Financial Assets at fair value as at December 31, 2019			
	Level 1	Level 2	Level 3	Total
Monitored Conservative Portfolio Mutual Funds	-	38,089,568	-	38,089,568
Monitored Balanced Portfolio Mutual Funds	-	40,770,979	-	40,770,979
Monitored Growth Portfolio Mutual Funds	-	11,122,655	-	11,122,655
Monitored Aggressive Portfolio Mutual Funds	-	2,061,236	-	2,061,236

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

9. Financial instruments – Disclosures (continued)

	Financial Assets at fair value as at December 31, 2018			
	Level 1	Level 2	Level 3	Total
Money Market Fund				
Short Term Investments	-	17,498,297	-	17,498,297
Mortgage & Income Fund				
Asset Backed	-	8,974,276	-	8,974,276
Bonds	-	57,857,924	-	57,857,924
Mutual Funds	-	72,922,103	-	72,922,103
Short Term Investments	-	449,290	-	449,290
Total Investments	-	140,203,593	-	140,203,593
Derivative Liabilities – forward contracts	-	(21,470)	-	(21,470)
Bond Fund				
Asset Backed	-	490,923	-	490,923
Bonds	-	14,880,302	-	14,880,302
Short Term Investments	-	249,000	-	249,000
Total Investments	-	15,620,225	-	15,620,225
Balanced Fund				
Asset Backed	-	2,527,954	-	2,527,954
Bonds	-	68,964,595	-	68,964,595
Mutual Funds	-	93,132,700	-	93,132,700
Equities	70,140,508	-	-	70,140,508
Short Term Investments	-	3,396,111	-	3,396,111
Total Investments	70,140,508	168,021,360	-	238,161,868
Monthly Income Fund				
Asset Backed	-	1,304,180	-	1,304,180
Bonds	-	11,835,721	-	11,835,721
Mutual Funds	-	1,216,003	-	1,216,003
Equities	42,694,232	-	-	42,694,232
Short Term Investments	-	2,492,345	-	2,492,345
Total Investments	42,694,232	16,848,249	-	59,542,481
Derivative Liabilities – forward contracts	-	(84,027)	-	(84,027)
Dividend Fund				
Equities	125,787,103	-	-	125,787,103
Short Term Investments	-	2,429,847	-	2,429,847
Total Investments	125,787,103	2,429,847	-	128,216,950
Derivative Assets – forward contracts	-	241,157	-	241,157
Derivative Liabilities – forward contracts	-	(972,676)	-	(972,676)
Growth Fund				
Equities	83,093,342	-	-	83,093,342
Short Term Investments	-	1,383,929	-	1,383,929
Total Investments	83,093,342	1,383,929	-	84,477,271
U.S. Equity Fund				
Equities	95,160,009	-	-	95,160,009
Short Term Investments	-	2,285,402	-	2,285,402
Total Investments	95,160,009	2,285,402	-	97,445,411

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

9. Financial instruments – Disclosures (continued)

	Financial Assets at fair value as at December 31, 2018			
	Level 1	Level 2	Level 3	Total
Monitored Conservative Portfolio				
Mutual Funds	-	11,023,512	-	11,023,512
Total Investments	-	11,023,512	-	11,023,512
Monitored Balanced Portfolio				
Mutual Funds	-	18,814,137	-	18,814,137
Total Investments	-	18,814,137	-	18,814,137
Monitored Growth Portfolio				
Mutual Funds	-	4,838,036	-	4,838,036
Total Investments	-	4,838,036	-	4,838,036
Monitored Aggressive Portfolio				
Mutual Funds	-	1,125,171	-	1,125,171
Total Investments	-	1,125,171	-	1,125,171

There were no significant transfers from Level 1 to Level 2 during the years ended December 31, 2019 and 2018.

10. Forward currency contracts

As at December 31, 2019 the Mortgage & Income Fund and Dividend Fund had the following forward currency contracts:

December 31, 2019

	Buy Currency	Sell Currency	Maturity Date	Forward Contract Asset (Liability)
Mortgage & Income Fund				
1,168,342	CAD	885,000	USD	15-Jan-20
				20,797
Dividend Fund				
31,609,446	CAD	23,800,000	USD	3-Jan-20
23,800,000	USD	31,340,792	CAD	3-Jan-20
31,598,568	CAD	24,000,000	USD	4-Feb-20
				747,113
				(478,533)
				481,232

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

10. Forward currency contracts (continued)

As at December 31, 2018 the Mortgage & Income Fund and Dividend Fund had the following forward currency contracts:

December 31, 2018

	Buy Currency	Sell Currency		Maturity Date	Forward Contract Asset (Liability)
Mortgage & Income Fund					
1,091,265	CAD	815,000	USD	15-Jan-19	(21,470)
Monthly Income Fund					
3,677,700	CAD	2,760,000	USD	29-Mar-19	(84,027)
Dividend Fund					
26,019,000	CAD	19,600,000	USD	03-Jan-19	(749,769)
24,477,445	CAD	18,100,000	USD	04-Feb-19	(222,907)
19,600,000	USD	26,527,698	CAD	03-Jan-19	241,157

11. Investments with associates

The individual Funds have determined that all of the other mutual funds ('Investee Funds') in which they invest are unconsolidated associates. The table below describes the types of associates that the Fund does not consolidate but in which it can exercise significant influence.

The tables below set out interest held by the individual Funds in Investee Funds. The maximum exposure to loss is the carrying amounts of the financial assets held.

These assets are financed through the issue of units to investors.

December 31, 2019

Fund of Funds	Number of investee funds held	Total Net Assets of investee funds	Carrying amount included in investments
Educators Monitored Conservative Portfolio	11	\$4,389,222,814	\$38,089,568

Underlying Fund	Relationship	Principal place of business	Total Net Assets of investee fund	Ownership interest	Carrying amount included in investments in Statement of Financial Position
Educators Bond Fund, Class I	Investment	Canada	\$33,451,625	42.17%	\$14,106,017

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

11. Investments with associates (continued)

December 31, 2018

Fund of Funds	Number of investee funds held	Total Net Assets of investee funds	Carrying amount included in investments
Educators Monitored Conservative Portfolio	11	\$4,184,112,348	\$11,023,512

Underlying Fund	Relationship	Principal place of business	Total Net Assets of investee fund	Ownership interest	Carrying amount included in investments in Statement of Financial Position
Educators Bond Fund, Class I	Investment	Canada	\$15,727,784	26.19%	\$4,119,555

December 31, 2019

Fund of Funds	Number of investee funds held	Total Net Assets of investee funds	Carrying amount included in investments
Educators Monitored Balanced Portfolio	12	\$4,608,352,696	\$40,770,979

Underlying Fund	Relationship	Principal place of business	Total Net Assets of investee fund	Ownership interest	Carrying amount included in investments in Statement of Financial Position
Educators Bond Fund, Class I	Investment	Canada	\$33,451,625	26.90%	\$8,999,405

December 31, 2018

Fund of Funds	Number of investee funds held	Total Net Assets of investee funds	Carrying amount included in investments
Educators Monitored Balanced Portfolio	12	\$4,372,645,348	\$11,000,108

Underlying Fund	Relationship	Principal place of business	Total Net Assets of investee fund	Ownership interest	Carrying amount included in investments in Statement of Financial Position
Educators Bond Fund, Class I	Investment	Canada	\$15,727,784	7.13%	\$1,121,519

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

11. Investments with associates (continued)

December 31, 2019

Fund of Funds	Number of investee funds held	Total Net Assets of investee funds	Carrying amount included in investments
Educators Balanced Fund	2	\$1,768,446,365	\$94,871,291

Underlying Fund	Relationship	Principal place of business	Total Net Assets of investee fund	Ownership interest	Carrying amount included in investments in Statement of Financial Position
Beutel Goodman International Equity Fund, Class I	Investment	Canada	\$235,094,005	20.51%	\$48,220,599

December 31, 2018

Fund of Funds	Number of investee funds held	Total Net Assets of investee funds	Carrying amount included in investments
Educators Balanced Fund	3	\$2,028,893,966	\$93,132,700

Underlying Fund	Relationship	Principal place of business	Total Net Assets of investee fund	Ownership interest	Carrying amount included in investments in Statement of Financial Position
Beutel Goodman International Equity Fund, Class I	Investment	Canada	\$182,552,420	24.06%	\$43,923,002

During the current year and prior year, the individual Funds did not provide financial support to the Investee Funds and has no intention of providing financial or other support. The individual Funds can redeem its units in the above Investee Funds at any time, subject to liquidity of the Investee Fund.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

December 31, 2019 and 2018

12. Subsequent events – Decline in the fair value of investments:

Since December 31, 2019, the outbreak of COVID-19 and related global responses have caused material disruptions to businesses around the world, leading to an economic slowdown. Global equity markets have experienced significant volatility and weakness. As at March 25, 2020, the date that these financial statements were authorized for issue, the fair value of the Funds' investments had declined significantly.

While governments and central banks have reacted with monetary and fiscal interventions designed to stabilize economic conditions, the duration and extent of the impact of the COVID-19 outbreak, as well as the effectiveness of government and central bank responses, remains unclear at this time.

These subsequent changes in the fair value of the Funds' investments are not reflected in the financial statements as at December 31, 2019.

13. Future accounting changes / Standards issued but not yet effective

The Funds have determined there are no material implications to the Funds' financial statements arising from IFRS standards issued but not yet effective.

EDUCATORS MONEY MARKET FUND
EDUCATORS MORTGAGE & INCOME FUND
EDUCATORS BOND FUND
EDUCATORS BALANCED FUND
EDUCATORS MONTHLY INCOME FUND
EDUCATORS DIVIDEND FUND
EDUCATORS GROWTH FUND
EDUCATORS U.S. EQUITY FUND
EDUCATORS MONITORED CONSERVATIVE PORTFOLIO
EDUCATORS MONITORED BALANCED PORTFOLIO
EDUCATORS MONITORED GROWTH PORTFOLIO
EDUCATORS MONITORED AGGRESSIVE PORTFOLIO

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