

2021

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2021

Offered by Educators Financial Group
Portfolio Manager: Fiera Capital Inc., Toronto, Ontario

Educators Growth Fund



This interim management report of fund performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the investment fund. You can get a copy of the interim financial report or annual financial statements at your request, and at no cost, by calling 1.800.263.9541, by writing to us at Educators Financial Group, 2225 Sheppard Ave. East, Suite 1105, Toronto, Ontario, M2J 5C2, or by visiting our website at www.educatorsfinancialgroup.ca or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Risk

The impact of the coronavirus (*COVID-19*) pandemic on the financial performance of the Fund's investments will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions. This public health crisis and the impact of *COVID-19* on the financial markets and the overall economy are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Fund's future investment results may be materially affected.

Results of Operations

The Fund's net assets increased by 12.2% to \$106.4 million at the end of June 2021, up from \$94.8 million at the end of December 2020.

Investment Performance

For the year/period ending June 30, 2021 (the 'period'), the Educators Growth Fund – Class A Series provided a return of 15.13% versus the S&P/TSX Composite Total Return Index (the 'Benchmark') return of 17.28%.

The Fund underperformed its Benchmark over the period. Unlike the Benchmark, the Fund's return is net of fees and expenses paid by the Fund. Detailed performance is provided under the heading "Past Performance" in this report. Investors cannot invest in the Benchmark without incurring fees, expenses and commissions which are not reflected in Benchmark returns.

Class F units of the Fund were first offered by prospectus dated May 14, 2021 however no Class F units had been offered for sale at June 30, 2021. Due to policies issued by the Canadian Securities Administrators, investment performance data is not reported for funds in existence for less than one year.

Canadian equities, as represented by the S&P/TSX Composite Index, posted a relatively strong gain over the first quarter of 2021. High beta stocks and sectors outperformed defensive ones at the beginning of 2021, yet inflationary concerns reversed this trend and drove a big rotation from growth to value in March. The Health Care sector gained the most (+38), with a potential path to U.S. cannabis under the Biden presidency boosting the cannabis stocks. The Energy sector also rallied, as WTI oil prices stabilized around a critical threshold of US\$60 per barrel on demand recovery and production discipline.

During the first quarter the Fund outperformed its benchmark in response to strong security selection and sector allocations. The Fund's overweight position in the Health Care sector contributed to performance, as did its modestly underweight position in the weak-performing Materials sector. In terms of security selection, the Fund's overweight positions in TFI International Inc., BRP Inc., and First Quantum Minerals Ltd. contributed to performance.

The Fund's underweight position in the Financials sector detracted from performance, as did its overweight exposure to the Consumer Staples sector. In terms of security selection, the Fund's overweight positions in Parkland Corp., Granite Real Estate Investment Trust, and B2Gold Corp. were significant detractors from performance.

Overall, global equity markets climbed to new highs during the second quarter, with ramped-up vaccine rollouts, reopening momentum, and strong economic and corporate earnings results underpinning risk appetite and driving stocks higher. During the period, the Energy (+37.1%), Financials (+23.4%), Health Care (+22.0%), Real Estate (+21.7%), and Information Technology (+21.7%) sectors led the rally. While Materials (-0.4%), Utilities (+4.9%), Industrials (+6.8%), and Consumer Staples (8.5%) under-performed the broader market.

In April 2021, the Fiera Capital Corporation assumed the portfolio management responsibility of the Fund. Following the portfolio transition the sector allocation changes that occurred were the Fund's weights in the Industrials, Consumer Discretionary, Consumer Staples, and Information Technology were increased, while exposure to the Materials, Financials and Utilities were trimmed. Additionally, the Fund no longer has exposure to the Energy and Health Care sectors.

During the second quarter, the Fund performed favorably, but underperformed its benchmark as the Canadian equity market rallied strongly—especially among lower-quality securities. Positive sector contributors include the Financials, Health Care, and Utilities sectors. The Fund benefitted from strong security selection within the Financials sector, particularly among banks. The Fund's sole holding within the Utilities sector, Atco Ltd., outperformed its sector significantly. The Fund had no exposure to the Health Care sector, which underperformed the broader market during the second quarter. Detractors to relative performance included the Energy sector, where the Fund's underweight position versus the benchmark hurt performance, as oil prices rose over the quarter. The Information Technology sector detracted, as Shopify

continued to dominate the sector in Canada. The Fund does not hold Shopify, as it does not pay a sufficiently substantial dividend.

Later in the second quarter, the Fund initiated a position in Descartes Systems. This company had been on the portfolio management team's high-quality watchlist for many years and they took advantage of an ideal entry point to initiate a position. Descartes provides software for transportation and logistics management in the supply chain industry. Management has consistently grown Descartes' customer base and product offerings, all while maintaining both a conservative balance sheet and track record of cash generation for shareholders.

Recent Developments

Effective April 1, 2021 Fiera Capital Inc. replaced BMO Asset Management Inc. as the portfolio adviser of the Fund. There were no material changes to the investment strategies of the Fund resulting from this change.

The Fund composition is focused on high-quality businesses trading at attractive valuations that can withstand volatile periods. Even after the continued positive market performance in the second quarter, the Fund is trading at a desirable discount to its intrinsic value. The manager believes that this should position the portfolio well for the long-term compounding of returns.

Caution Regarding Forward-looking Statements

This report may contain forward-looking statements about the Fund, including its strategy, risks, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or negative versions thereof and similar forward-looking expressions.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, and the general business environment, in each case assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks, and uncertainties, some of which may be unforeseeable. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected

judicial or regulatory proceedings, and catastrophic events, including the potential impact of the COVID-19 pandemic on the Fund and/or its operations.

It should be stressed that the above-mentioned list of factors is not exhaustive. You are encouraged to consider these and other factors carefully before making any investment decisions and you are urged to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements, whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance unless required by applicable law.

Related Party Transactions

During the period January 1, 2021 to March 31, 2021 BMO Asset Management Inc. (BMO AM), was the Fund's portfolio manager. BMO AM, is an indirect, wholly-owned subsidiary of Bank of Montreal (BMO). From time to time BMO AM may on behalf of the Fund, enter into transactions or arrangements with, or involving, other members of BMO Financial Group, or certain other persons or companies that are related or connected to the portfolio manager of the Fund.

Buying and Selling Securities

Bank of Montreal Common Shares

The maximum amount of BMO common shares held in the Fund during the period of January 1, 2021 to March 31, 2021 was approximately 3.7%.

Brokerage Fees

The Fund paid standard brokerage commissions at market rates to BMO Capital Markets, an affiliate of the portfolio manager. The brokerage fees charged to the Fund were as follows:

	<u>2021</u> (March 31)	<u>2020</u> (June 30)
Total Brokerage Fees	\$6,076	\$15,137
Brokerage Fees Paid to BMO Capital Markets	\$3,649	\$1,992

In the first six months of 2021 Educators Financial Group did not refer any conflict of interest matters to the Fund's Independent Review Committee (IRC) and accordingly did not rely upon any recommendation of the IRC in respect of any related party transactions.

Educators Financial Group is the Manager and Trustee of the Fund. Educators Financial Group is a wholly-owned subsidiary of the Ontario Secondary School Teachers' Federation ("OSSTF"). OSSTF may from time to time invest in units of the Fund.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the six-month period and for the past five years. As the



EDUCATORS GROWTH FUND

Class F units of the Fund have recently been created no Financial Highlights are provided in this document, Financial Highlights will be provided in our next interim management report of fund performance ("MRFP). Currently Class I units of the Fund are not being offered to purchase by retail investors.

Educators Growth Fund – Class A Series – Net Assets per Unit ⁽¹⁾

	Six months ended June 30		Year ended December 31			
	2021	2020	2019	2018	2017	2016
Net Assets, beginning of year/period	\$24.04	\$24.11	\$20.22	\$23.97	\$23.71	\$20.79
Increase (decrease) from operations:						
Total revenue	\$0.32	\$0.66	\$0.59	\$0.55	\$0.56	\$0.50
Total expenses, including transaction costs [excluding distributions]	(\$0.26)	(\$0.45)	(\$0.46)	(\$0.46)	(\$0.47)	(\$0.44)
Realized gains (losses) for the period	\$3.75	\$0.33	\$0.63	\$1.03	\$2.28	\$0.71
Unrealized gains (losses) for the period	(\$0.32)	(\$0.68)	\$3.37	(\$3.80)	(\$0.37)	\$2.21
Total increase (decrease) from operations ⁽²⁾	\$3.49	(\$0.14)	\$4.13	(\$2.68)	\$2.00	\$2.98
Distributions:						
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$--	\$--
From dividends	\$0.06	\$0.11	\$0.05	\$--	\$--	\$--
From capital gains	\$2.87	\$--	\$0.09	\$1.00	\$1.69	\$0.07
Return of capital	\$--	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$2.93	\$0.11	\$0.14	\$1.00	\$1.69	\$0.07
Net Assets, end of year/period	\$24.69	\$24.04	\$24.11	\$20.22	\$23.97	\$23.71

Ratios and Supplemental Data (based on Net Asset Value)

	Six months ended June 30		Year ended December 31			
	2021	2020	2019	2018	2017	2016
Total Net Asset Value (000's) ⁽⁴⁾	\$84,826	\$76,661	\$83,979	\$78,907	\$95,447	\$87,830
Number of units outstanding ⁽⁴⁾	3,435,954	3,188,777	3,482,624	3,901,914	3,981,738	3,704,213
Management expense ratio ⁽⁵⁾	1.98%	1.98%	1.97%	1.93%	1.93%	1.93%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.98%	1.98%	1.98%	1.98%	1.98%	1.98%
Trading expense ratio ⁽⁷⁾	0.07%	0.03%	0.03%	0.03%	0.04%	0.05%
Portfolio turnover rate ⁽⁸⁾	82.06%	44.47%	53.47%	44.76%	65.54%	27.81%
Net Asset Value per unit	\$24.69	\$24.04	\$24.11	\$20.22	\$23.97	\$23.71

Educators Growth Fund – Class I Series – Net Assets per Unit ⁽¹⁾

	Six months ended June 30	Year ended December 31		
	2021	2020	2019	2018
Net Assets, beginning of year/period	\$10.18	\$10.21	\$8.50	\$10.00
Increase (decrease) from operations:				
Total revenue	\$0.14	\$0.29	\$0.25	\$0.24
Total expenses, including transaction costs [excluding distributions]	\$--	\$--	\$--	\$0.00
Realized gains (losses) for the period	\$1.61	\$0.16	\$0.29	\$0.31
Unrealized gains (losses) for the period	(\$0.17)	\$0.09	\$1.14	(\$2.21)
Total increase (decrease) from operations ⁽²⁾	\$1.58	\$0.54	\$1.68	(\$1.66)
Distributions:				
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--
From dividends	\$0.06	\$0.24	\$0.14	\$--
From capital gains	\$1.22	\$--	\$0.04	\$0.53
Return of capital	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$1.28	\$0.24	\$0.18	\$0.53
Net Assets, end of year/period	\$10.52	\$10.18	\$10.21	\$8.50

Ratios and Supplemental Data (based on Net Asset Value)

	Six months ended June 30	Year ended December 31		
	2021	2020	2019	2018
Total Net Asset Value (000's) ⁽⁴⁾	\$21,585	\$18,110	\$13,466	\$5,598
Number of units outstanding ⁽⁴⁾	2,051,178	1,778,907	1,318,514	658,596
Management expense ratio ⁽⁵⁾	0.01%	0.01%	0.01%	0.01%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.01%	0.01%	0.01%	0.01%
Trading expense ratio ⁽⁷⁾	0.07%	0.03%	0.03%	0.03%
Portfolio turnover rate ⁽⁸⁾	82.06%	44.47%	53.47%	44.76%
Net Asset Value per unit	\$10.52	\$10.18	\$10.21	\$8.50

⁽¹⁾ This information is derived from the Fund's interim financial report and audited annual financial statements.

For financial years beginning after January 1, 2014, the financial highlights were derived from the Fund's financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").

All references to "Net Assets" or "Net Assets per Unit" in these financial highlights are references to net assets attributable to holders of redeemable units determined in accordance with IFRS as presented in the financial statements of the Fund.

⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

⁽³⁾ Distributions were either paid in cash or reinvested in additional units of the Fund.

⁽⁴⁾ This information is provided as at June 30 or December 31 of the year shown.

⁽⁵⁾ Management expense ratio is based on total expenses (excluding [distributions], commissions, and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.



- (6) The management expense ratio before waivers or absorptions shows what the management expense ratio of the Fund would have been if Educators Financial Group had not charged a lesser amount for its management fee.
- (7) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- (8) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Management Fees

Educators Financial Group is the Manager-Trustee, promoter, and principal distributor of the Fund, and is responsible for the day-to-day management and administration of the Fund.

The Manager-Trustee monitors and evaluates the performance of the Fund and pays for the investment management services of the portfolio manager, as well as all administrative services required by the Fund. As compensation for these services, Educators Financial Group is entitled to receive a fee, payable monthly and calculated daily, based on the Net Asset Value of the Fund, at the annual rate of 1.75% for the Class A Series and 0.75% for the Class F Series. The Class I Series is identical in all aspects to the Class A Series, except that there is no management fee payable by the Fund in respect of the Class I units.

The Fund is responsible for paying any applicable tax owing on its management fee.

Approximately 16.7% of the total management fees collected from all Series were used to pay for portfolio management services, with the remainder of the fees being allocated to custodial services, marketing, technology, and Manager-Trustee operating expenses.

PAST PERFORMANCE

General

The Fund's performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund.

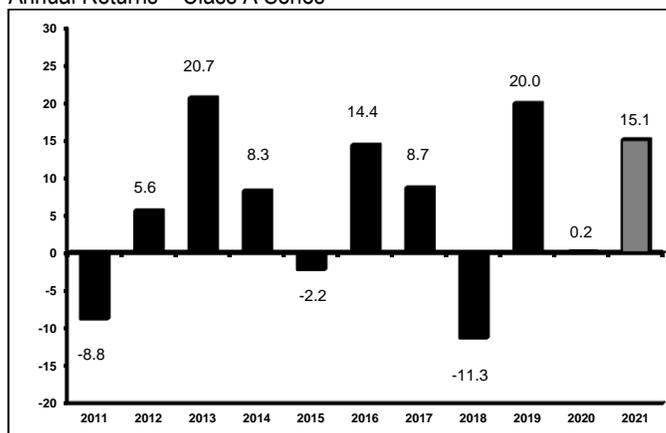
The performance information does not take into account sales, redemption, distribution, or other optional charges that would have reduced returns or performance. The performance of different fund series may vary for a number of reasons, including differences in management fees and expenses. Please remember that how the Fund has performed in the past does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

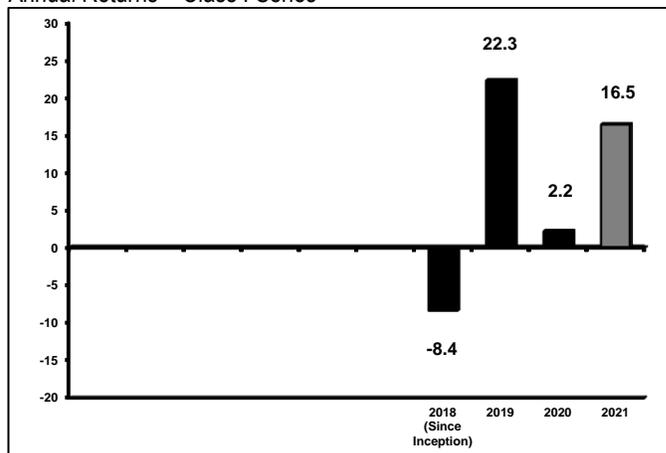
The bar chart shows the Fund's annual performance for each of the years shown and for the six-month period and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each

financial period would have grown or decreased by the last day of each financial period.

Annual Returns – Class A Series



Annual Returns – Class I Series (1)



■ % Increase/decrease ■ For the six-month period ended June 30, 2021

(1) The Class I Series commenced operations January 4, 2018

Annual Returns – Class F Series

Regulatory restrictions limit publishing performance for investment funds with a history of less than one year. As at June 30, 2021 no Class F units had been offered to purchase.

SUMMARY OF INVESTMENT PORTFOLIO

(Based on Net Asset Value)

As at June 30, 2021

Sector Mix	Percentage of Net Asset Value
Financials	30.14%
Industrials	24.68%
Information Technology	13.66%
Consumer Staples	10.13%
Communication Services	7.34%
Consumer Discretionary	5.63%
Materials	5.48%
Utilities	1.79%
Short-term Investments	0.75%
Cash and Cash Equivalents	0.22%
Net Other Liabilities	0.18%

Top 25 Holdings

Security Name	Percentage of Net Asset Value
Royal Bank of Canada	5.07%
Toronto-Dominion Bank	4.95%
Toromont Industries Ltd.	4.89%
Constellation Software Inc.	4.66%
Bank of Montreal	4.48%
National Bank of Canada	4.30%
Canadian Pacific Railway Ltd.	4.21%
Brookfield Asset Management Inc.	4.17%
Thomson Reuters Corp.	4.03%
Intact Financial Corp.	3.96%
Open Text Corp.	3.94%
CGI Inc.	3.89%
Metro Inc.	3.81%
Canadian National Railway Co.	3.80%
CCL Industries Inc.	3.45%
TMX Group Ltd.	3.19%
Quebecor Inc.	3.17%
Dollarama Inc.	3.10%
Empire Co., Ltd.	2.79%
TELUS Corp.	2.73%
Restaurant Brands International Inc.	2.53%
Waste Connections Inc.	2.46%
Wipak Ltd.	2.03%
CAE Inc.	1.95%
Atco Ltd.	1.79%
Total Net Assets (000's)	\$106,411

The top 25 holdings represent approximately 89.34% of the total net assets of the Fund.

The summary of investment portfolio of the Fund is as at June 30, 2021 and may change due to the Fund's ongoing portfolio transactions. Updates are available quarterly.

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