

2021

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2021

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

Educators Growth Fund





This annual management report of fund performance contains financial highlights but does not contain the annual financial statements of the investment fund. You can get a copy of the 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 interim financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

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.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objectives and Strategies

The investment objective of the Educators Growth Fund (the “Fund”) is to provide above-average capital growth over the long term by primarily investing in growth-oriented Canadian companies. The Fund invests primarily in common shares of established Canadian corporations and other equity securities, and non-Canadian securities are generally limited to no more than 25% of the Fund’s assets. Foreign currency exposure may or may not be hedged. The fundamental investment objective of the Fund may not be changed without the prior approval of the unitholders.

Risk

The risks of investing in the Fund remain as discussed in the Simplified Prospectus. No changes affecting the overall level of risk of investing in the Fund were made to the Fund in the one-year period ending December 31, 2021.

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 19.5% to \$113.3 million at the end of December 2021, up from \$94.8 million at the end of December 2020.

Investment Performance

For the year/period ending December 31, 2021 (the ‘period’), the Educators Growth Fund – Class A Series provided a return of 22.91% versus the S&P/TSX Composite Total Return Index (the ‘Benchmark’) return of 25.09%.

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. Due to policies issued by the Canadian Securities Administrators, investment performance data is not reported for funds in existence for less than one year.

The S&P/TSX Composite index posted solid gains in the first half of the year. Investors upgraded their expectations for both growth and corporate profits as economies reopened and vaccine rollouts ramped-up, driving strong economic and corporate earnings results. Additionally, pledges for ongoing monetary and fiscal support added to investor’s unrelenting appetite for risk. The index took a breather in the third quarter, barely finishing in positive territory, as stagflation concerns rose around the world due to continued supply chain disruptions, talks of tapering from the Federal Reserve, increased Chinese regulation, and the spread of the *COVID-19* Delta variant. Volatility continued to grip the marketplace in the fourth quarter, as investors contemplated the implications of monetary policy tightening and the Omicron variant on the global economy. However, equity investors took comfort as global central banks focused on combatting inflation, while looking past the temporary pandemic-induced economic risks.

The Fund’s weights in the Industrials, Consumer Discretionary, Consumer Staples, and Information Technology sectors were increased, while exposure to the Materials, Financials, and Utilities sectors were trimmed. Additionally, the Fund no longer has exposure to the Energy and Health Care sectors. During the remainder of the period, the Fund divested its only holding in the Utilities sector. Positioning within the other sectors did not change materially.

During the period the Fund underperformed its Benchmark, as the Canadian equity market posted its seventh consecutive quarter of gains. The underperformance relative to the Benchmark was expected, as higher-quality stocks did not perform as strongly as the overall market during the period. The portfolio is positioned with strong capital preservation attributes, which provide protection in down markets, while also providing growth in up markets. Positive sector contributors include the Health Care, Industrial, and Information Technology sectors. The Fund had no exposure to the Health Care sector, which underperformed the broader market during period. The Fund benefitted from strong security selection within the Industrials sector, in which it has a significant overweight position relative to the Benchmark. The Fund holds several securities within the Information Technology sector, which performed well during the period. Returns were further enhanced by the Fund’s overweight position in the sector, relative to the Benchmark. Detractors to relative performance included the Energy sector, where the Fund’s underweight position versus the Benchmark hurt performance as energy prices rose. Security selection within the Financials and Materials sectors detracted. However, this was partially offset by the Fund’s underweight position in the Materials sector, which underperformed the Benchmark.



During 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 attractive 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 a conservative balance sheet and track record of cash generation for shareholders. During the third quarter, the Fund exited its holdings of Rogers Communications and Atco and redeployed the proceeds into existing positions, where the portfolio managers have higher conviction in quality and/or valuation.

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 continues to be composed of high-quality businesses that can withstand tough times. Even after a strong year, the portfolio is currently trading at an attractive discount to its intrinsic value and the portfolio manager believes the portfolio is well positioned for the long-term compounding of returns.

Related Party Transactions

In 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 past five years. As the 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⁾

	Year ended December 31				
	2021	2020	2019	2018	2017
Net Assets, beginning of year/period	\$24.04	\$24.11	\$20.22	\$23.97	\$23.71
Increase (decrease) from operations:					
Total revenue	\$0.55	\$0.66	\$0.59	\$0.55	\$0.56
Total expenses, including transaction costs [excluding distributions]	(\$0.51)	(\$0.45)	(\$0.46)	(\$0.46)	(\$0.47)
Realized gains (losses) for the period	\$3.90	\$0.33	\$0.63	\$1.03	\$2.28
Unrealized gains (losses) for the period	\$1.20	(\$0.68)	\$3.37	(\$3.80)	(\$0.37)
Total increase (decrease) from operations ⁽²⁾	\$5.14	(\$0.14)	\$4.13	(\$2.68)	\$2.00
Distributions:					
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$--
From dividends	\$0.06	\$0.11	\$0.05	\$--	\$--
From capital gains	\$3.34	\$--	\$0.09	\$1.00	\$1.69
Return of capital	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$3.40	\$0.11	\$0.14	\$1.00	\$1.69
Net Assets, end of year/period	\$25.89	\$24.04	\$24.11	\$20.22	\$23.97

Ratios and Supplemental Data (based on Net Asset Value)

	Year ended December 31				
	2021	2020	2019	2018	2017
Total Net Asset Value (000's) ⁽⁴⁾	\$85,542	\$76,661	\$83,979	\$78,907	\$95,447
Number of units outstanding ⁽⁴⁾	3,304,674	3,188,777	3,482,624	3,901,914	3,981,738
Management expense ratio ⁽⁵⁾	1.98%	1.98%	1.97%	1.93%	1.93%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.98%	1.98%	1.98%	1.98%	1.98%
Trading expense ratio ⁽⁷⁾	0.04%	0.03%	0.03%	0.03%	0.04%
Portfolio turnover rate ⁽⁸⁾	84.40%	44.47%	53.47%	44.76%	65.54%
Net Asset Value per unit	\$25.89	\$24.04	\$24.11	\$20.22	\$23.97



EDUCATORS GROWTH FUND

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

	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	\$0.24	\$0.29	\$0.25	\$0.24
Total expenses, including transaction costs [excluding distributions]	(\$0.01)	\$--	\$--	\$0.00
Realized gains (losses) for the period	\$1.64	\$0.16	\$0.29	\$0.31
Unrealized gains (losses) for the period	\$0.51	\$0.09	\$1.14	(\$2.21)
Total increase (decrease) from operations ⁽²⁾	\$2.38	\$0.54	\$1.68	(\$1.66)
Distributions:				
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--
From dividends	\$0.06	\$0.24	\$0.14	\$--
From capital gains	\$1.43	\$--	\$0.04	\$0.53
Return of capital	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$1.49	\$0.24	\$0.18	\$0.53
Net Assets, end of year/period	\$11.13	\$10.18	\$10.21	\$8.50

Ratios and Supplemental Data (based on Net Asset Value)

	Year ended December 31			
	2021	2020	2019	2018
Total Net Asset Value (000's) ⁽⁴⁾	\$24,384	\$18,110	\$13,466	\$5,598
Number of units outstanding ⁽⁴⁾	2,190,643	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⁾	0.04%	0.03%	0.03%	0.03%
Portfolio turnover rate ⁽⁸⁾	84.40%	44.47%	53.47%	44.76%
Net Asset Value per unit	\$11.13	\$10.18	\$10.21	\$8.50

⁽¹⁾ This information is derived from the Fund's 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 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 18.0% 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

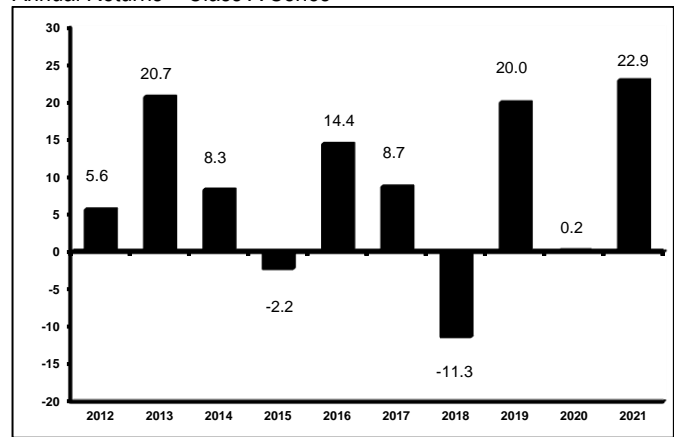
The Fund's performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund.

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.

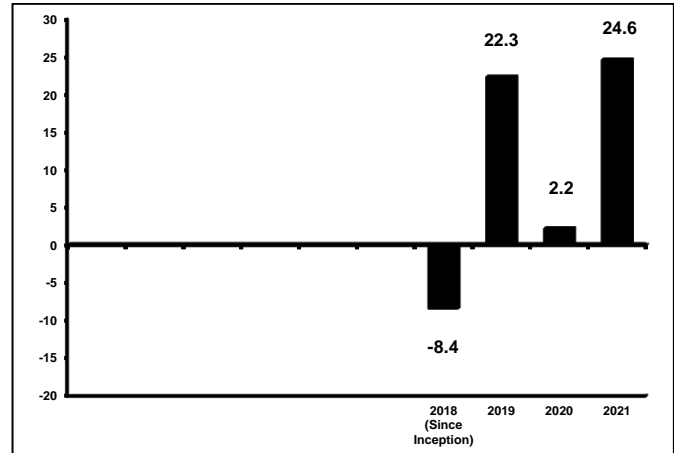
Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown and 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⁾



⁽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.

Annual Compound Returns

The following table compares the historical annual compound returns of the Fund with the performance of the Benchmark index, S&P/TSX Composite Total Return Index (S&P/TSX Index), a capitalization-weighted index designed to measure the market activity of some of the largest float adjusted stocks listed on the Toronto Stock Exchange.

Educators Growth Fund	1 Year	3 Year	5 Year	10 Year
Class A Series	22.91	13.88	7.31	8.18
Class F Series ¹	NA	NA	NA	NA
Class I Series ²	24.60	15.92	NA	NA
S&P/TSX Index	25.09	17.52	10.04	9.14

¹ Not Available (in operation less than 1 year)

² Since Inception (January 4, 2018)

The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

SUMMARY OF INVESTMENT PORTFOLIO (Based on Net Asset Value)

As at December 31, 2021

Sector Mix	Percentage of Net Asset Value
Financials	29.22%
Industrials	26.24%
Information Technology	14.29%
Consumer Staples	12.14%
Consumer Discretionary	6.46%
Communication Services	5.77%
Materials	5.05%
Short-term Investments	0.76%
Cash and Cash Equivalents	0.07%

Top 25 Holdings

Security Name	Percentage of Net Asset Value
Constellation Software Inc.	5.21%
Royal Bank of Canada	5.09%
Canadian Pacific Railway Ltd.	4.79%
Toronto-Dominion Bank	4.74%
Toromont Industries Ltd.	4.62%
Canadian National Railway Co.	4.51%
Thomson Reuters Corp.	4.32%
Metro Inc.	4.32%
Bank of Montreal	4.21%
Brookfield Asset Management Inc.	4.02%
Intact Financial Corp.	3.99%
Dollarama Inc.	3.92%
National Bank of Canada	3.89%
CGI Inc.	3.88%
Open Text Corp.	3.84%
Alimentation Couche Tard Inc.	3.30%
TMX Group Ltd.	3.23%
CCL Industries Inc.	3.22%
TELUS Corp.	2.96%
Quebecor Inc.	2.81%
Waste Connections Inc.	2.69%
Empire Co., Ltd.	2.58%
Restaurant Brands International Inc.	2.55%
Loblaws Cos Ltd.	1.94%
Winpak Ltd.	1.83%
Total Net Assets (000's)	\$113,258

The top 25 holdings represent approximately 92.46% of the total net assets of the Fund.

The summary of investment portfolio of the Fund is as at December 31, 2021 and may change due to the Fund's ongoing portfolio transactions. Updates are available quarterly.

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