

2021

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2021

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

Educators Money Market 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 Money Market Fund (the “Fund”) is to produce a high level of interest income consistent with the goal of preserving invested capital. The Fund invests primarily in Canadian government treasury bills and other high quality short-term Canadian corporate debt instruments of not more than one year to maturity, selecting a variety of investment maturities based on the interest rate outlook, analyzing the credit-worthiness of various issuers and achieving a diversified portfolio by allocating investments among government and corporate securities. 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 decreased by 7.0% to \$27.8 million at the end of December 2021, down from \$29.9 million at the end of December 2020.

Investment Performance

For the year/period ending December 31, 2021 (the ‘period’), the Educators Money Market Fund – Class A Series provided a return of 0.05% versus the FTSE Canada 91 Day Treasury Bill Index (the ‘Benchmark’) return of 0.17%.

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 proportion of corporate securities within the Fund increased during the period, while holdings of federally and provincially guaranteed securities decreased. This shift enhanced yield within the portfolio, as overall yields in the market increased, particularly in the fourth quarter. As of December 31, 2021, the Fund held 20.1% of its investments in Government of Canada and Provincial Treasury Bills, with the balance held in corporate paper.

Once again, there was no change in either the U.S. or Canadian Benchmark interest rates during the period. For more than a year, the rates have remained stable at 0.25% in Canada and 0.125% in the U.S. Based on comments from central banks in Canada and the U.S., interest rate hikes are anticipated to begin in 2022, possibly within the first half of the year. This is a change from earlier forecasts, which called for hikes to commence in late 2022 or early 2023.

During the first quarter, some market participants expected the Bank of Canada (BoC) might implement a micro-cut (*a reduction of less than 0.25%*) to the overnight rate. However, at the first meeting on January 20, 2021, this scenario was not endorsed by Governor Macklem. The BoC acknowledged their outlook remained uncertain during the quarter and they kept the quantitative easing program in place and unchanged. Their forecast was for a negative first quarter and a strong rebound in the second quarter, and this upbeat assessment has been fueled by the speed of the *COVID-19* vaccine rollout.

At its meeting on April 21, 2021, the BoC reduced the amount of its weekly bond purchase program from \$4 billion to \$3 billion CAD and officially closed all market-functioning programs that were set up during the pandemic-led financial crisis. Market participants interpreted this as a sign that tapering was on its way. The expected first-rate increase date was revised from 2023 to the second half of 2022.

At the July 14, 2021 meeting, the BoC revised its growth projection upward and reduced its bond purchase program.

The September 8, 2021 meeting was held in the middle of the federal election campaign and was therefore intended to have an eventless outcome. The BoC signaled a new downsizing of the bond purchase program for the coming October meeting.

Prior to the October 27, 2021 meeting, the market had anticipated some interest rate hikes by the BoC in 2022. Following a much stronger than expected number of jobs in September, the market began anticipating more rate hikes for 2022 (*and for these hikes to begin in April, rather than in the second half of the year*). The BoC also announced the end of the quantitative easing program for November. A robust economy, inflation near a three-decade high, and low unemployment are now the key economic factors supporting the BoC to move sooner than the Federal Reserve in normalizing interest rates.

The yield of the FTSE Canada 91-Day Treasury Bill Index ended the year at 0.18%, from an entry point of 0.09% on December 31, 2020. Over the same period, the yield of the Banker's Acceptance market increased from 0.12% to 0.28%. Short-term corporate securities outperformed provincial and federal treasury bills over the first three quarters. However, the outperformance was more muted during the second and third quarters, as the yields of government securities increased at a faster pace than corporate securities, such as Banker's Acceptances. During the fourth quarter, the Government of Canada 3-month Treasury Bill Yields plunged to almost zero due to technical factors—including small auction sizes relative to maturities and a large number of foreign buyers (*who do not lend to the repo market*). This precipitous drop in yields hurt the Fund's performance over the quarter. Over the year, the Fund's greater weight in corporate securities, as compared to its Benchmark, enhanced performance.

Recent Developments

The portfolio manager continues to focus on high-quality corporate holdings and selecting securities with maturities that present the most attractive yields in order to provide the Fund with a yield in excess of Government of Canada treasury bills. Furthermore, they continue to take advantage of yield-enhancing opportunities as they arise. The portfolio manager also expects the BoC to begin its interest rate hiking campaign at either the March or April 2022 meetings. In this environment, the Fund will continue to hold a significant weight of high-quality commercial paper, bank-sponsored asset-backed commercial paper, and banker's acceptances to complement the Fund's holdings of Government of Canada and Provincial treasury bills.

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.



EDUCATORS MONEY MARKET 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 Money Market Fund – Class A Series – Net Assets per Unit⁽¹⁾

	Year ended December 31				
	2021	2020	2019	2018	2017
Net Assets, beginning of year/period	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Increase (decrease) from operations:					
Total revenue	\$0.02	\$0.08	\$0.18	\$0.15	\$0.08
Total expenses, including transaction costs [excluding distributions]	(\$0.02)	(\$0.03)	(\$0.06)	(\$0.06)	(\$0.06)
Realized gains (losses) for the period	\$--	\$--	\$--	\$--	\$--
Unrealized gains (losses) for the period	\$--	\$--	\$--	\$--	\$--
Total increase (decrease) from operations⁽²⁾	\$0.00	\$0.05	\$0.12	\$0.09	\$0.02
Distributions:					
From net investment income (excluding dividends)	\$--	\$0.05	\$0.12	\$0.09	\$0.02
From dividends	\$--	\$--	\$--	\$--	\$--
From capital gains	\$--	\$--	\$--	\$--	\$--
Return of capital	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions⁽³⁾	\$0.00	\$0.05	\$0.12	\$0.09	\$0.02
Net Assets, end of year/period	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00

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⁾	\$21,596	\$24,620	\$18,693	\$15,959	\$14,624
Number of units outstanding ⁽⁴⁾	2,159,613	2,461,987	1,869,288	1,595,937	1,462,438
Management expense ratio ⁽⁵⁾	0.18%	0.31%	0.62%	0.59%	0.58%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.58%	0.59%	0.62%	0.62%	0.62%
Trading expense ratio ⁽⁷⁾	N/A	N/A	N/A	N/A	N/A
Net Asset Value per unit	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00



EDUCATORS MONEY MARKET FUND

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

	Year ended December 31			
	2021	2020	2019	2018
Net Assets, beginning of year/period	\$10.00	\$10.00	\$10.00	\$10.00
Increase (decrease) from operations:				
Total revenue	\$0.02	\$0.08	\$0.21	\$0.17
Total expenses, including transaction costs [excluding distributions]	\$--	\$--	\$--	\$0.00
Realized gains (losses) for the period	\$--	\$--	\$--	\$--
Unrealized gains (losses) for the period	\$--	\$--	\$--	\$--
Total increase (decrease) from operations ⁽²⁾	\$0.02	\$0.08	\$0.21	\$0.17
Distributions:				
From net investment income (excluding dividends)	\$0.02	\$0.08	\$0.18	\$0.15
From dividends	\$--	\$--	\$--	\$--
From capital gains	\$--	\$--	\$--	\$--
Return of capital	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.02	\$0.08	\$0.18	\$0.15
Net Assets, end of year/period	\$10.00	\$10.00	\$10.00	\$10.00

Ratios and Supplemental Data (based on Net Asset Value)

	Year ended December 31			
	2021	2020	2019	2018
Total Net Asset Value (000's) ⁽⁴⁾	\$6,116	\$5,296	\$4,089	\$1,602
Number of units outstanding ⁽⁴⁾	611,598	529,564	408,916	160,159
Management expense ratio ⁽⁵⁾	0.01%	0.01%	--	--
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.01%	0.01%	--	--
Trading expense ratio ⁽⁷⁾	N/A	N/A	N/A	N/A
Net Asset Value per unit	\$10.00	\$10.00	\$10.00	\$10.00

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



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, the Manager-Trustee is entitled to receive a fee payable monthly, calculated daily, and based on the Net Asset Value of the Fund, at a maximum annual rate of 0.55% for the Class A Series and 0.30% for the Class F Series. The Class I Series is identical in all respect to the Class A Series, except that there is no management fee payable by the Fund in respect of the Class I units.

Educators Financial Group is waiving management fees to ensure that there is a positive return to unitholders and that the Net Asset Value of the fund remains at or above \$10.00.

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

Approximately 60.1% of the management fees collected from all Series were used to pay for portfolio management services, with the remainder of the fees allocated to custodial services, marketing, technology, and Manager-Trustee operating expenses.

PAST PERFORMANCE

General

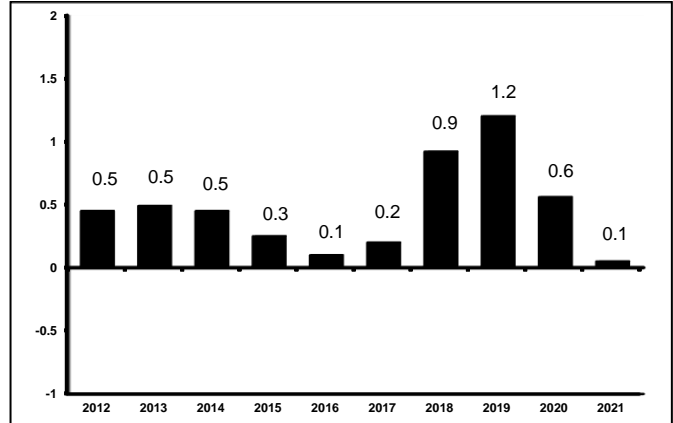
The Fund's performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund.

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.

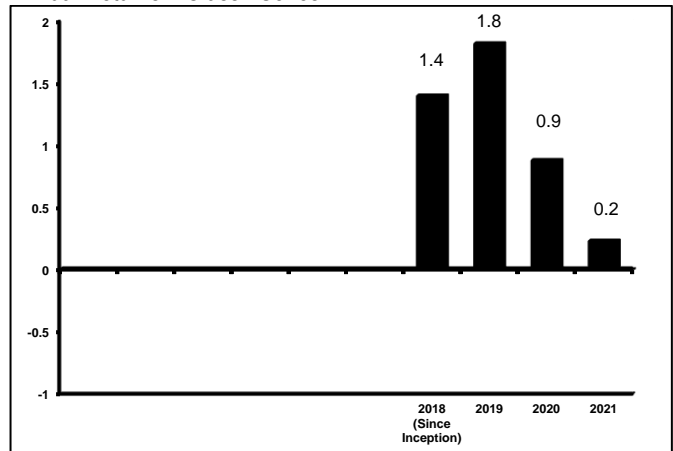
Year-by-Year Returns

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.

SUMMARY OF INVESTMENT PORTFOLIO

(Based on Net Asset Value)

As at December 31, 2021

Sector Mix	Percentage of Net Asset Value
Bankers' Acceptances	43.49%
Discount Commercial Paper	35.34%
Treasury Bills	12.59%
Promissory Notes	7.51%
Net Other Assets	0.97%
Cash and Cash Equivalents	0.10%

Top Holdings

Security Name	Percentage of Net Asset Value
Bank of Nova Scotia, 0.25%, March 7, 2022	8.43%
Central 1 Credit Union, 0.29%, February 22, 2022	7.91%
National Bank of Canada, 0.22%, January 5, 2022	7.82%
Canadian Imperial Bank of Commerce, 0.24%, January 20, 2022	7.55%
OMERS Finance Trust, 0.22%, January 7, 2022	7.20%
Province of Ontario, 0.23%, February 2, 2022	6.11%
Hydro One Inc., 0.25%, January 13, 2022	5.76%
Honda Canada Finance Inc., 0.34%, April 8, 2022	5.12%
HSBC Bank Canada, 0.27%, March 7, 2022	5.04%
Royal Bank of Canada, 0.27%, February 25, 2022	4.68%
Clarity Trust, 0.29%, February 15, 2022	4.50%
Province of Alberta, 0.20%, March 17, 2022	4.43%
Canadian Treasury Bill, 0.17%, March 3, 2022	3.96%
Clarity Trust, 0.27%, January 18, 2022	3.42%
Toronto-Dominion Bank, 0.24%, February 18, 2022	3.42%
Province of Alberta, 0.20%, January 25, 2022	3.09%
Toronto-Dominion Bank, 0.24%, March 7, 2022	2.52%
HSBC Bank Canada, 0.27%, February 14, 2022	2.25%
Canadian Treasury Bill, 0.32%, April 28, 2022	1.80%
Hydro One Inc., 0.26%, January 27, 2022	1.44%
HSBC Bank Canada, 0.22%, February 15, 2022	1.04%
Canadian Treasury Bill, 0.16%, March 17, 2022	0.72%
Royal Bank of Canada, 0.25%, January 26, 2022	0.72%
Total Net Assets (000's)	\$27,782

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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