



Amendment No. 1 dated August 24, 2022 to the simplified prospectus dated May 16, 2022, of the following mutual fund:

**EDUCATORS U.S. EQUITY FUND**

(the “Fund”)

The simplified prospectus of the Fund dated May 16, 2022 (the “Prospectus”) is hereby amended and is to be read subject to the additional information set forth below. In all other respects, the disclosure in the Prospectus is not revised. All capitalized terms not defined herein have the respective meanings set out in the Prospectus.

**CHANGE OF PORTFOLIO ADVISER**

Effective on or about October 1, 2022 Mawer Investment Management Ltd. (“Mawer”) will be appointed as the new portfolio adviser of the Fund pursuant to an investment advisory agreement (the “Agreement”) between Mawer and Educators Financial Inc., the manager of the Fund. There is no change to the investment objective of the Fund. The Fund continues to seek to provide long-term capital growth by investing primarily in equity securities of U.S. companies. The investment strategies of the Fund will be revised to focus on passively investing a portion of the Fund's assets (the “Passive US Equities”) in specified exchange-traded fund(s) that track the S&P 500 Total Return Index, and actively investing the remaining portion of the Fund's assets (the “Active US Equities”). With respect to the Active US Equities, Mawer will, in accordance with the Fund's investment guidelines and the terms of the Agreement, determine which securities in its discretion shall be purchased, held or sold, which may include securities of the Mawer U.S. Equity Fund (the “Mawer Fund”). Diversification with respect to the Active US Equities will be achieved through investments in a number of separate companies and in different industry sectors, and the investment strategy will seek to add value through prudent security selection and emphasis on relative security valuations. As a result of the change, the management fee of the Class A Units of the Fund will be reduced from 1.75% to 1.60% and the management fee of the Class F Units of the Fund will be reduced from 0.75% to 0.60%.

**PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

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

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

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

*No securities regulatory authority has expressed an opinion about these securities, and it is an offence to claim otherwise.*



**EDUCATORS FINANCIAL GROUP INC.  
NO LOAD MUTUAL FUNDS**

**SIMPLIFIED PROSPECTUS**  
dated May 16, 2022

Relating to an Offering of Class A units, Class I units and Class F units in

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

(each a "Fund" and together, the "Funds")

Relating to an Offering of Class E units in

**EDUCATORS BALANCED FUND  
EDUCATORS MONITORED AGGRESSIVE PORTFOLIO  
EDUCATORS MONITORED BALANCED PORTFOLIO  
EDUCATORS MONITORED CONSERVATIVE PORTFOLIO  
EDUCATORS MONITORED GROWTH PORTFOLIO**

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## **PART A: GENERAL INFORMATION ABOUT THE FUNDS**

### **INTRODUCTION**

This simplified prospectus contains selected important information to help you make an informed decision about investing in the funds (the “Funds”) managed by Educators Financial Group Inc. (“Educators Financial Group” or the “Manager”) and to help you understand your rights as an investor in the Funds. Certain of the Funds, namely the Educators Balanced Fund, Educators Bond Fund, Educators Dividend Fund, Educators Growth Fund, Educators Money Market Fund, Educators Monthly Income Fund, Educators Mortgage & Income Fund and Educators U.S. Equity Fund, invest directly in securities such as stocks and bonds. Other Funds, namely the Educators Monitored Aggressive Portfolio, Educators Monitored Balanced Portfolio, Educators Monitored Conservative Portfolio and Educators Monitored Growth Portfolio (the “Portfolio Funds”), invest in other mutual funds and exchange-traded funds.

This document is divided into two parts:

- Part A, from pages 1 to 21, contains general information about all the Funds.
- Part B, from pages 22 to 68, contains specific information about each individual Fund. Additional information about each Fund is available in the following documents:
- The Annual Information Form,
- The most recently filed Fund Facts for each Fund,
- The most recently filed annual financial statements,
- Any interim financial statements filed after those annual financial statements,
- The most recently filed annual management report of fund performance, and
- Any interim management report of fund performance filed after that annual report of fund performance.

**These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as part of this document. You can get copies of these documents, at no cost, by calling us toll free at 1-800-263-9541.**

These documents and other information about the Funds are also available on the internet site of SEDAR at [www.sedar.com](http://www.sedar.com) or at [www.educatorsfinancialgroup.ca](http://www.educatorsfinancialgroup.ca).

## **WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?**

A mutual fund is a pool of money contributed by investors with similar investment objectives. Fund investors share the fund's income, expenses and the gains and losses the fund makes on its investments in proportion to the units they own. Other attributes of mutual funds are:

A mutual fund may invest in many different types of securities – stocks, bonds, and cash – depending on the fund's investment objectives. The values of these securities will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news. As a result, the value of any fund's units may go up and down and the value of your investment in a mutual fund may be more, or less, when you redeem it, than when it was purchased.

For a mutual fund that invests primarily in other mutual funds (a "fund of funds"), such as each of the Portfolio Funds, its performance and ability to meet its investment objectives are directly related to the investment performance and the objectives of the underlying funds it holds, and the risks of investing in such a fund include the risks of the underlying funds in which it invests.

Educators Financial Group does not guarantee that the full amount of your original investment in any of the Funds will be returned to you. Unlike bank accounts or GICs, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

When you want to exit your investment in a mutual fund, you cause the fund to buy back, or "redeem", your units. Under exceptional circumstances, a mutual fund may suspend redemptions. Please see *Purchases, Switches and Redemptions – Redemptions* starting on page 8.

### **Investment Risks**

All investments have some level and type of risk. Simply stated, risk is the possibility you will lose money, or not make money on your investment. Each investor has a different tolerance for risk. Some investors are more conservative than others when making their investment decisions. It is important to take into account your own comfort with risk as well as the amount of risk suitable for your financial circumstances and goals. The risks associated with investing in a mutual fund are similar to the risks associated with the securities in which the mutual fund invests. Generally, there is a strong relationship between the amount of risk associated with a particular investment and that investment's long-term potential to increase in value. Investments that have a lower risk also tend to have lower returns because factors that can affect the value of the investment, the risks, are well known or are well controlled and have already been worked into the price of the investment. On the other hand, investments that could have potentially higher returns when conditions are favourable also risk resulting in higher losses if conditions become unfavourable. This is because the factors affecting the value of such investments are less certain or difficult to control.

One way to reduce risk is to diversify your investments across the three main asset classes: money market investments for safety, bonds for income, and equity investments for growth. Since different types of investments tend to move independently from one another, positive performance in one asset class can help offset negative performance in another, thereby reducing overall risk in the long-term.

When deciding how much risk is right for you, think about how much time you have until you need the money:

- If you are investing for less than a year, you should not take undue risk. There may not be enough time to recover the full amount of your investment if the mutual fund falls in value. Lower-risk money market funds might be the best choice in these circumstances.
- A longer time horizon allows you to take on more risk. Although the value of your investments may drop in the short term, longer investment horizons may help to lessen the effects of short-term market volatility. Short investment horizons may result in you having to sell your investments in adverse conditions. Ideally, investors in growth funds have an investment horizon of five years or more, which may provide enough time for their investments to overcome any short-term decreases in value and grow.

The following summarizes the range of potential risks generally associated with investing in the Funds. Not all of the risks outlined below apply to all of the Funds. For the specific risks associated with a particular Fund, please see *What are the Risks of Investing in the Fund?* in Part B.

#### *Risks in Relation to Fixed Income Investments*

Fixed income funds have the advantage of providing a consistent stream of income, but generally lack the growth potential of equity funds. Funds that invest primarily in fixed income securities will be affected by both interest rate risk and credit risk as discussed below.

Interest Rate Risk: Those funds which concentrate on bonds and other fixed income investments will generally be affected by the general level of interest rates and the prevailing market conditions. Bond prices are usually more stable than stock prices but will fluctuate inversely with interest rates. Generally, when interest rates fall, unit values will rise and, conversely, when interest rates rise, unit values will fall.

Credit Risk: Credit risk is the risk that the issuer of a debt obligation owned by a fund will be unable to make interest payments or repay the principal owing on that debt instrument. Securities issued by well established companies or by governments of developed countries tend to have a lower credit risk and are generally assigned a higher credit rating by rating organizations. Securities that have a low credit rating have a high credit risk. The market value of a debt security can be affected by a downgrade in the issuer's credit rating, which generally reflects that the perceived credit worthiness of the issuer or any assets backing the debt security has deteriorated.

#### *Risks in Relation to Equity Investments*

Funds that invest primarily in equities will have varying degrees of risk, from being relatively conservative at one end, to very aggressive, or risky, at the other end, depending on the nature of their investment objectives and strategies. For example, a fund that invests in smaller capitalization companies and/or growth stocks may be more volatile than a fund that invests in value stocks.

Equity funds tend to be more volatile than fixed income funds and the value of their units may fluctuate to a greater degree than fixed income funds.

Those funds which concentrate on equity investment will be affected by the fortunes of the companies that issue the equity securities and will be influenced by conditions affecting the stock market prices where the securities are traded, as well as general economic trends.

#### *Risks in Relation to Commodities*

The Funds do not invest in commodities, such as oil, gold or natural gas. However, certain of the Funds invest directly or indirectly in issuers that hold commodities or which derive their value from commodities. The market value of the securities of these issuers, and hence the value of the Fund's investment in these issuers, may be affected by adverse movements in commodity prices. When commodity prices decline, it generally has a negative impact on the earnings and hence share value of companies whose business is dependent on commodities.

#### *Risks in Relation to Foreign Investments*

In addition to the risks described above, funds that invest in foreign securities will be affected by the following:

Exchange Rate Risk. The investments of funds that directly invest in debt or equity securities of foreign issuers are affected by world economic factors and by the value of the Canadian dollar as measured against the foreign currencies in which those debt or equity investments are denominated.

Foreign Portfolio Investment Risk. Investing on a global basis involves certain additional risks that are not typically associated with investing in Canada and the United States. These include the following.

- Companies may be less regulated and may have lower accounting, auditing and financial reporting standards.
- There may be less publicly available information about a foreign issuer than about a Canadian or a US company.
- Volume and liquidity in some foreign stock and bond markets are less than in Canada and the United States. Fewer market trades mean greater volatility.
- Commissions on foreign securities transactions are generally higher than negotiated commissions on Canadian and United States exchanges.
- There is generally less government supervision and regulation of stock exchanges, listed companies, and investment dealers.
- With respect to certain foreign countries, particularly emerging countries, there is a possibility of asset expropriation or confiscatory taxation, political or social instability, adverse diplomatic developments or restrictions on the movement of capital and the availability of securities that could affect the value or liquidity of investments.



### *Risks in Relation to Derivatives*

Certain of the Funds may invest in permitted derivatives to the extent and for the purposes permitted by securities legislation. Some of such Funds may use permitted derivatives for both hedging and non-hedging purposes. The primary risk associated with an investment in a permitted derivative is that its value can be reduced to nil or a nominal amount if the price of the underlying security should decrease significantly below the exercise price (in the case of a call option or warrant) or increase significantly above the exercise price (in the case of a put option). Also, because permitted derivatives have a limited term, their value is influenced by the length of time to expiry. Some other risks of investing in derivatives are:

- We cannot assure you that the Fund's hedging strategies will be effective. There may be an imperfect historical correlation between changes in the market value of the investment or attributes of the investment (including currency exposure) being hedged and the instrument with which the investment or attribute is hedged. Any historical correlation may not continue for the period during which the hedge is in place. Hedging against changes in stock markets or interest rates does not eliminate fluctuations in the prices of portfolio securities or prevent losses if the prices of such securities decline.
- We cannot assure you that a liquid exchange or over-the-counter market will exist to permit the Fund to realize profits or limit losses by closing out positions.
- The Fund is subject to the credit risk that its counterparties may be unable to meet their obligations.
- There is a risk of loss of margin deposits in the event of bankruptcy of a dealer with whom the Fund has an open position in an option or futures or forward contract.
- Derivative investments traded in foreign markets may offer less liquidity and greater credit risk than comparable instruments traded in North American markets.
- The Fund's ability to close out a position may also be affected by stock exchange imposed daily trading limits on options and futures contracts. If the Fund is unable to close out a position, it will be unable to realize profits or limit losses until such time as the option becomes exercisable or expires or the futures or forward contract terminates, as the case may be. If the Fund is unable to close out options, futures or forward positions, then this could have an adverse impact on the Fund's ability to use derivatives to hedge its portfolio effectively or implement its investment strategy.
- Stock index options and futures contracts present the additional risk that index prices may be distorted if trading of certain stocks included in the index is interrupted. Trading in these derivative instruments also may be interrupted if trading is halted in a substantial number of stocks included in the index. If this occurred, the Fund would be unable to close out options and futures positions, and if restrictions on exercise of the options or performance of the futures contracts were imposed, the Fund might experience substantial losses.

### *Risks in Relation to Asset-backed and Mortgage-backed Securities*

Asset-backed securities are debt obligations that are backed by pools of consumer or business loans. Some asset-backed securities are short-term debt obligations, called asset-backed commercial paper (“ABCP”). Mortgage-backed securities are debt obligations backed by pools of mortgages on commercial or residential real estate. If there are changes in the market perception of issuers of these types of securities, or in the creditworthiness of the parties involved, then the value of the securities may be affected. In the case of ABCP, there is an additional risk that there may be a mismatch in timing between the cash flow of the underlying assets backing the security and the repayment obligation of the security upon maturity. In the case of mortgage-backed securities, there is also the risk that there may be a drop in the interest rates charged on the mortgages, a mortgagor may default on its obligations under a mortgage or there may be a drop in the value of the property secured by the mortgage.

### *Risks in Relation to Tax Matters*

If a Fund fails or ceases to qualify as a mutual fund trust under the *Income Tax Act* (Canada) and the regulations thereunder (the “Tax Act”), the income tax considerations described under “*Income Tax Considerations for Investors*” would be materially and adversely different in certain respects. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency (“CRA”) respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the unitholders.

In determining its income for tax purposes, each Fund will treat gains or losses realized on the disposition of its portfolio securities and expect to treat gains or losses in respect of foreign currency hedges entered into by the Fund, as capital gains and losses. Designations with respect to each Fund’s income and capital gains will be made and reported to unitholders on this basis. The CRA’s practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and therefore no advance income tax ruling relating to these matters has been requested or obtained. If these dispositions or transactions of a Fund are determined not to be on capital account, the net income of the Fund for tax purposes and the taxable component of distributions to unitholders could increase. Any such redetermination by the CRA may result in a Fund being liable for unremitted withholding taxes on prior distributions made to unitholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution. Such potential liability may reduce the net asset value of a Fund or net asset value per unit of a Fund.

The Tax Act contains rules (the “DFA Rules”) that target certain financial arrangements (described in the DFA Rules as “derivative forward agreements”) that seek to reduce tax by converting, through the use of derivative contracts, the return on an investment that would have the character of ordinary income to capital gains. The DFA Rules are broad in scope and could apply to other agreements or transactions. If the DFA Rules were to apply in respect of derivatives utilized by a Fund, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains.

Pursuant to rules in the Tax Act, a Fund that experiences a “loss restriction event” (i) will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the Fund’s income and net realized capital gains, if any, at such time to unitholders so that the Fund is not liable for income tax on such amounts under Part I of the Tax Act), and (ii) will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and

restrictions on its ability to carry forward losses. Generally, a Fund will be subject to a loss restriction event if a person becomes a “majority-interest beneficiary”, or a group of persons becomes a “majority-interest group of beneficiaries”, of the Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of a Fund is a beneficiary in the income or capital, as the case may be, of the Fund whose beneficial interests, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, have a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, as the case may be, of the Fund. See “*Income Tax Considerations for Investors*” for the tax consequences of an unscheduled or other distribution to unitholders. Trusts that qualify as “investment funds” as defined in the rules in the Tax Act relating to loss restriction events are generally excepted from the application of such rules. An “investment fund” for this purpose includes a trust that meets certain conditions, including satisfying certain of the conditions necessary to qualify as a “mutual fund trust” for purposes of the Tax Act, not using any property in the course of carrying on a business and complying with certain asset diversification requirements. If a Fund were not to qualify as an “investment fund”, it could potentially have a loss restriction event and thereby become subject to the related tax consequences described above.

Certain of the Funds invest in foreign securities. Many foreign countries preserve their right under domestic tax laws and applicable tax conventions with respect to taxes on income and on capital (“Tax Treaties”) to impose tax on dividends and interest paid or credited to persons who are not resident in such countries. While the Funds intend to make their investments in such a manner as to mitigate the amount of foreign taxes incurred under foreign tax laws and subject to any applicable Tax Treaties, investments in selected foreign securities may subject a Fund to foreign taxes on dividends and interest paid or credited to the Fund or any gains realized on the disposition of such securities. Any foreign taxes incurred by a Fund will generally reduce the value of the Fund and amounts payable to its unitholders. To the extent that such foreign tax paid by the Fund exceeds 15% of the amount included in the Fund’s income from such investments, such excess may generally be deducted by the Fund in computing its net income for the purposes of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of such amount and has not been deducted in computing the Fund’s income and the Fund designates its income from a foreign source in respect of a unitholder of the Fund, the unitholder will, for the purposes of computing its foreign tax credits, be entitled to treat the unitholder’s proportionate share of foreign taxes paid by the Fund in respect of such income as foreign taxes paid by the unitholder. The availability of foreign tax credits to a unitholder of a Fund is subject to the detailed rules in the Tax Act.

#### *Risks in Relation to Securities Lending*

Each Fund other than the Bond Fund and the Portfolio Funds is permitted to lend its portfolio securities. In a securities lending transaction, the Fund lends its portfolio securities to another party (known as the counterparty) in exchange for a fee and collateral of a type acceptable to the Canadian securities administrators. The value of this collateral relative to the value of the loaned securities is adjusted each trading day, so that at the end of the day, the Fund has collateral with a value greater than the value of the securities which have been loaned. There is the possibility that the counterparty may default on its obligation to return the loaned securities to the Fund, and that the collateral held by the Fund might not be sufficient to permit the Fund to replace the loaned securities, if (for example) there has been a significant increase in the value of the loaned securities on the day the default occurs.

As part of a Fund's securities lending activities, the Fund may enter into repurchase or reverse repurchase agreements. A repurchase transaction occurs when the Fund sells a security that it owns to a third party for cash and agrees to buy back the same security from the same party at a specified price at an agreed upon future date. In a reverse repurchase transaction, the Fund buys a security at one price from a third party and agrees to sell the same security back to that party at a specified price at an agreed upon future date. One of the risks with these types of transactions is that the other party may default under its agreement with the Fund or become insolvent. In a reverse repurchase transaction, the Fund is left holding the security and may not be able to sell the security at the same price it paid for it, plus interest, if the other party defaults and the value of the security has dropped in the meantime. In a repurchase transaction, the Fund could incur a loss if the other party defaults and the value of the security sold has increased more than the value of the cash and the collateral held by the Fund. As with securities lending generally, these risks are reduced by the collateral requirements in applicable securities legislation, as well as the other limits such legislation imposes on a Fund's securities lending activities including the use of repurchase or reverse repurchase agreements.

#### *Multiple Class Risk*

Each Fund offers more than one class of units. Each class has its own fees and expenses, which are tracked separately. Those expenses will be deducted in calculating the unit value for that class, thereby reducing its unit value. If one class is unable to pay its expenses or liabilities, the assets of the other class or classes will be used to pay those expenses or liabilities. As a result, the unit price of the other class or classes may also be reduced.

#### *Asset Allocation Risk*

Funds that invest across different asset classes, such as domestic fixed income, foreign fixed income, Canadian equities and/or foreign equities, will assign a strategic weight to each of the asset classes that is consistent with the intended investment objective and risk profile of the Fund. This is called "asset allocation". In certain cases, the Fund's investment advisor may also utilize tactical asset allocation strategies in an attempt to add value to the Fund and to provide more stable returns by taking advantage of current and expected future market conditions. This is done by actively adjusting the Fund's exposure to the different asset classes by increasing or decreasing its weight to a particular asset class or asset classes, while remaining within an acceptable range. Asset allocation risk is the risk that one or more of the asset classes for which the Fund's exposure was tactically increased may underperform relative to other asset classes; or conversely, that one or more of the asset classes for which the Fund's exposure was tactically decreased may outperform relative to other asset classes.

#### *Underlying Fund Risk*

The Portfolio Funds invest directly in, or obtain exposure to, other mutual funds as part of their investment strategy. The Portfolio Funds will be subject to the risks of the underlying funds. In addition, if a Portfolio Fund holds units of an underlying fund, and the underlying fund suspends redemptions, the Portfolio Fund will be unable to value part of its portfolio and may be unable to redeem units in the underlying fund. The Portfolio Funds may have more than 10% of their net assets invested in an underlying fund or they may own more than 10% of the units of an underlying fund at any time. Therefore, if a Portfolio Fund redeems a large number of units of an underlying fund, it may cause the underlying fund to have to change the composition of its portfolio significantly or sell its investments at unfavourable prices, which could impact the overall

performance of the underlying fund, and consequently the Portfolio Funds' remaining investment, if any, in the underlying fund.

*Volatile Markets and Market Disruption Risk*

The performance of the Funds may go up or down, sometimes rapidly or unpredictably. The Funds' investments are subject to changes in general economic conditions, general market fluctuations and the risks inherent in investment in securities markets. Securities markets can be volatile, and prices of investments can change substantially due to various factors including but not limited to, economic growth or recession; changes in interest rates; changing supply and demand relationships; trade, fiscal, monetary and exchange control programs and policies of governments; and national and international political and economic events and policies. Even if general economic conditions do not change, the value of an investment in a Fund could decline if the particular industries, sectors or issuers in which a Fund invests do not perform well or are adversely affected by certain events. Further, political, legal, regulatory and tax changes may also cause fluctuations in markets and securities prices. In addition, unexpected and unpredictable events such as war and occupation, a widespread health crisis or global pandemic, terrorism and related geopolitical risks may lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally, including U.S., Canadian and other economies and securities markets. For example, the spread of coronavirus disease (COVID-19) and its variants throughout 2020 and 2021 has caused volatility in the global financial markets, resulted in significant disruptions to global business activity and caused a slowdown in the global economy. The effects of similar unexpected disruptive events could affect the economies and securities markets of countries in ways that cannot necessarily be foreseen at the present time. These events could also have an acute effect on individual issuers or related groups of issuers and exacerbate other pre-existing political, social and economic risks. Such impacts could also cause substantial market volatility, exchange trading suspensions and closures, affect a Fund's performance and significantly reduce the value of an investment in units. Each Fund is therefore exposed to some, and at times, a substantial, degree of market risk.

*Confidentiality of Personal Information*

At Educators Financial Group we maintain current security standards to ensure that personal and financial information is protected against unauthorized access, disclosure, inappropriate alteration or misuse. All safety and security measures are appropriate to the sensitivity of the information. Some of our service providers may be located in the United States, and to the extent your personal information is located outside of Canada, it will be subject to any legal requirements in the US applicable to these service providers. For example, there could be lawful requirements imposed on our US service providers to disclose personal information to various US government authorities.

**ORGANIZATION AND MANAGEMENT OF THE FUNDS**

<p>Manager  <b>Educators Financial Group Inc.</b>                  2225 Sheppard Ave. East                  Suite 1105                  Toronto, Ontario M2J 5C2                  1-800-263-9541</p>	<p>The manager is responsible for the management of the overall business and operations of the Funds.</p>
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<p>Trustee  <b>Educators Financial Group Inc.</b>  Toronto, Ontario</p>	<p>The Funds are organized as trusts. When you invest in the Funds, you are buying units of the trust. The Trustee holds actual title to the property in the Funds (the cash and securities) on your behalf and has a fiduciary responsibility to act in the best interest of the unitholders.</p>
<p>Portfolio Advisers  <b>Fiera Capital Corporation</b>  Toronto, Ontario  <b>HSBC Global Asset Management (Canada) Limited</b>  Vancouver, British Columbia  <b>BMO Asset Management Inc.</b>  Toronto, Ontario  <b>Beutel, Goodman &amp; Company Ltd.</b>  Toronto, Ontario</p>	<p>The portfolio advisers have been retained to manage the Funds' investment portfolios. They make decisions relating to the investment of the Funds' assets and supervise the Funds' investment portfolios on a continuous basis. Information as to which portfolio advisers are responsible for a particular Fund is set out under <i>Fund Details</i> in Part B.</p>
<p>Principal Distributor  <b>Educators Financial Group Inc.</b>  Toronto, Ontario</p>	<p>The principal distributor sells units of the Funds and may enter into arrangements with other dealers to assist it in this regard.</p>
<p>Custodian  <b>RBC Investor Services Trust</b>  Toronto, Ontario</p>	<p>The custodian holds the Funds' cash and securities on behalf of the Funds. The custodian also provides certain administrative services to the Funds, including Fund valuation and accounting services.</p>
<p>Registrar  <b>Educators Financial Group Inc.</b>  Toronto, Ontario</p>	<p>The registrar keeps a register of the owners of units for each Fund, processes orders and issues account statements to unitholders. The registrar is assisted in these functions by RPM Technologies.</p>
<p>Securities Lending Agent  <b>RBC Investor Services Trust</b>  Toronto, Ontario</p>	<p>The securities lending agent manages the Funds' securities lending program in accordance with the requirements of National Instrument 81-102 <i>Investment Funds</i>.</p>
<p>Auditor  <b>Grant Thornton LLP</b>  Chartered Professional Accountants  Toronto, Ontario</p>	<p>The auditor of the Funds is Grant Thornton LLP. The auditor is an independent firm of chartered accountants. Grant Thornton LLP audits the annual financial statements of the Funds and provides an opinion as to whether they are fairly presented in accordance with International Financial Reporting Standards ("IFRS"). The auditor's responsibilities are outlined in full in the independent auditor's report. The auditor is located in Toronto, Ontario.</p>

## **Independent Review Committee**

The Manager has established an independent review committee (“IRC”) for the Funds, as required by National Instrument 81-107 *Independent Review Committee for Investment Funds* (“NI 81-107”). The purpose of the IRC is to review and provide a recommendation or decision to the Manager with respect to conflict of interest matters referred by the Manager to the IRC and to assist the Manager in preparing appropriate conflict of interest policies. A conflict of interest matter is any matter in which the interests of the Manager may be such that they conflict, or could be perceived to conflict, with its obligation to act in the best interests of the Funds.

The members of the Funds’ IRC are Kenneth Thomson, W. William Woods and Audrey Robinson. For biographical details of the IRC members and additional information about the IRC, see the Fund’s Annual Information Form. The IRC prepares a report to unitholders for each Fund annually in respect of its activities during the previous fiscal year of the Fund. Such reports are available on SEDAR at [www.sedar.com](http://www.sedar.com), and the most recent report may be found on the Manager’s website at [www.educatorsfinancialgroup.ca](http://www.educatorsfinancialgroup.ca). A copy of the most recent of such reports will also be provided, free of charge, by the Manager to any unitholder who requests a copy. Unitholders should contact the Manager by telephone or in writing, at the telephone number and address specified on the last page of this Simplified Prospectus.

## **PURCHASES, SWITCHES AND REDEMPTIONS**

The Educators Bond Fund, Educators Dividend Fund, Educators Growth Fund, Educators Money Market Fund, Educators Monthly Income Fund, Educators Mortgage & Income Fund and Educators U.S. Equity Fund currently offer three classes of units: Class A units, Class I units and Class F units. The Educators Balanced Fund and the Portfolio Funds currently offer four classes of units: Class A units, Class I units, Class E units and Class F units. Units are purchased and redeemed through Educators Financial Group and are offered to qualified investors only in the provinces of Ontario and British Columbia as described under “Purchases, Switches and Redemptions – Purchases” below.

Class A units are the regular retail class of units available to all eligible purchasers. 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, although the Class I units are responsible for paying all expenses of their operation. Class E units are identical in all respects to the Class A units, except with respect to the management fee payable by the applicable Fund to the Manager. Class F units are available to investors who have a fee-based account with us and are identical in all respects to the Class A units, except with respect to the management fee payable by the applicable Fund to the Manager.

Purchases are made, distributions reinvested, and switches and redemptions are implemented for all Funds based on the net asset value per unit applicable to the transaction, which are then reflected in the next calculation of the net asset value. The net asset value per unit of a particular class of a particular Fund is calculated by dividing the value of the net assets of the Fund (that is, the value of the Fund’s assets less the Fund’s liabilities) attributable to the relevant class of units by the total number of units of that class of the Fund then outstanding.

The net asset value per unit for each class of units of a Fund is calculated at the close of business on each business day and such other days as the Manager may specify from time to time (each

a "Valuation Date"). If we receive a buy, switch or redemption order before 3:00 p.m. (Eastern Time) on a Valuation Date, the order will be processed at the net asset value determined on that day. Otherwise, we will process your order at the net asset value on the first Valuation Date following the date by which the request was received.

Once your account is opened, you may call your financial adviser or other licensed representative to purchase, switch or redeem units, open a pre-authorized contribution plan (a "PAC") or a systematic withdrawal program (a "SWP") or undertake other transactions (including transactions in third party funds), or meet with him or her in person. For trades made by telephone, signatures are not required. It is our policy that email trading instructions are not generally permitted, unless they are signed by you and we have agreed in advance to proceed on the basis of an email, and we have then acknowledged to you the receipt of the same.

## **PURCHASES**

Units of the Funds are offered for sale only in the Provinces of Ontario and British Columbia to eligible purchasers, who in respect of the Class A units means (i) an individual who is either a teaching or non-teaching educational worker in a province in Canada, which includes staff of a board of education, a university, a college, a private educational facility, an education consortium or affiliate (including the Ontario Secondary School Teachers' Federation and other education unions), or their family members; or (ii) a registered plan of which the holder, annuitant or "subscriber" (as defined in subsection 146.1(1) of the Tax Act) thereof is an individual described by (i).

Class I units of a Fund, other than a Portfolio Fund, have been created primarily for purchase by a Portfolio Fund. Class I units of a Portfolio Fund may be purchased by such institutional investors as the Manager may determine from time to time in its discretion. As the Manager does not intend to charge a management fee to investors in Class I units, such institutional investors must be persons or companies whose relationship to Class A unit investors or to the Manager is such that it is appropriate for them to be permitted to invest in a Fund on a non-management fee basis. Such investors could include pension funds serving the education community or associated with the Manager. Individual investors may not purchase Class I units of a Fund.

Class E units of a Fund may be purchased by any RESP of which (i) the Manager is the "promoter" (as described in paragraph (b) of the definition of "educations savings plan" in subsection 146.1(1) of the Tax Act) and (ii) the "subscriber" (as defined in subsection 146.1(1) of the Tax Act) is a "Class E Units Eligible Subscriber". A Class E Units Eligible Subscriber means an individual who is either a teaching or non-teaching educational worker in a province in Canada, which includes staff of a board of education, a university, a college, a private educational facility, an education consortium or affiliate (including the Ontario Secondary School Teachers' Federation and other education unions), or their family members.

Class F units of a Fund may be purchased by purchasers who are eligible to purchase Class A units, and who have one or more fee-based accounts with Educators Financial Group. The Manager has designed Class F units to offer eligible purchasers an alternative means of paying for investment advice and other services. Instead of paying sales charges, eligible purchasers purchasing Class F units pay fees directly to Educators Financial Group for certain investment and account services. The Manager does not pay any commissions to dealers in respect of Class F units, which allows it to charge a lower management fee.



Units of the Funds may only be purchased from Educators Financial Group. Units of the Funds may either be purchased directly or be held by Registered Plans of eligible investors.

Unless you are purchasing through a PAC, the minimum initial purchase order for any Fund is \$500, regardless of whether you already have invested in another Fund or not and any subsequent investment must be a minimum of \$25. With a PAC, the minimum investment that can be made in a Fund on any investment date is \$25.

Educators Financial Group may reject your purchase order within two business day of receiving it, but only if we believe it is in the best interests of the Fund to do so. Any monies sent with your order will be returned immediately, without interest. Also, Educators Financial Group may not be able to process purchase, switch or redemption orders if market trading is suspended.

Units of the Funds must be purchased in Canadian dollars and are redeemed in Canadian dollars.

There are no acquisition charges applicable on purchases of units of the Funds or on the automatic reinvestment of distributions of net income and net capital gains.

#### *How to Submit a Purchase Order*

Please follow these steps if you are buying units through Educators Financial Group:

- Contact Educators Financial Group in person or by telephone to request appropriate documentation or print an appropriate application form or transaction request form from our website.
- Complete the appropriate application form or transaction request form.
- Forward the completed application form or transaction request form to Educators Financial Group promptly with a cheque payable to Educators Financial Group Inc.

Your money will be invested in the Fund(s) you select on the day it is received if it arrives in the Educators Financial Group office before 3:00 p.m. (Toronto time) on a Valuation Date or on the next Valuation Date, if it is received after that time.

If the documentation on your purchase is incomplete, we will generally invest your money in the Educators Money Market Fund so that you will earn daily interest until complete instructions have been received. Your investment, including interest, will then be exchanged into the Fund(s) you select without any additional charge once completed documentation is received. The only situation in which a temporary investment in the Educators Money Market Fund is not made is the rare case where the Manager is not legally permitted to make such an investment. In these circumstances, funds received remain un-invested pending receipt of the complete subscription documentation.

#### **Switches**

Unitholders may switch from one of the Funds to another. A switch is the transfer of your investment money from one Fund to another. Switches may be effected using the form authorized from time to time by Educators Financial Group. No switches will be permitted during any period when redemption of units has been suspended (see “*Redemptions*” below). See “*Income Tax Considerations for Investors*” for a discussion of tax considerations relating to a switch.

## **Redemptions**

Requests for redemption may be made in the form authorized from time to time by Educators Financial Group and submitted to Educators Financial Group at its head office in Toronto, Ontario. No administration or other fees are charged in respect of redemption of units, other than an Account Transfer Fee in respect of transfers of an account to another financial institution or a Short-Term Trading Fee in respect of units redeemed within 90 days of the date of purchase.

The minimum account balance that you must maintain with Educators Financial Group is \$500. In the discretion of Educators Financial Group, if the value of the Funds in your account falls below the minimum, Educators Financial Group may redeem the Funds you hold. Educators Financial Group will generally try to contact you before any such redemption, to give you an opportunity to contribute additional amounts to your account and will generally not exercise their discretion to effect a redemption if the reason for having less than \$500 in your account is market declines.

The units will be redeemed at their net asset value. Redemption payments will be made in Canadian dollars. See *"Income Tax Considerations for Investors"* for a discussion of tax considerations relating to a redemption.

### *How to Submit a Redemption Order*

Please follow these steps to redeem your units purchased through Educators Financial Group:

- Forward your redemption request to Educators Financial Group.
- To protect you from fraud, Educators Financial Group may require that your written request be signature-guaranteed by a bank, trust company or member of a Canadian stock exchange.

Educators Financial Group will redeem your units on the day the request is received if it arrives at the Educators Financial Group office before 3:00 p.m. (Toronto time) on a Valuation Date or on the next Valuation Date if it is received later.

Educators Financial Group will mail your cheque, or electronically transfer the funds to your bank account if instructed, on or before the third business day following the applicable Valuation Date.

Under exceptional circumstances we may be unable to process your redemption order. This would most likely occur if market trading has been suspended on any stock exchange on which a significant portion of a Fund's assets are listed.

## **Short-Term Trading**

Where investors make short-term trades in a Fund's units, buying such units one day and redeeming them a short time thereafter, there can be adverse effects on the other investors in the Fund. For example, the Fund may incur extra trading costs in first purchasing portfolio securities with the short-term investor's subscription funds, and then in selling portfolio securities to pay the proceeds of redemption to that investor, depending upon the Fund's cash position. Further, short-term investors may enjoy the benefits of capital appreciation incurred in the Fund without that investor's subscription actually being invested in time to contribute to that appreciation.

For this and other reasons, the Manager has the right to impose a short-term trading fee if units of the Funds are redeemed within 90 days of the date of purchase. See “*Fees and Expenses – Fees and Expenses Payable Directly by You*” for details of this fee. The Manager would generally not charge this fee in circumstances where the reason for an early redemption was an unexpected change in personal or financial circumstances, or other legitimate reason, and was not part of a course of conduct of short-term trading. Where the Manager detects repeated short-term trading occurring by an investor, in addition to charging the short-term trading fee the Manager may decline to accept future purchase orders from that investor.

## **RECLASSIFICATION**

### **Transfers of Class E and Class F Units**

On any transfer of a Class E unit or a Class F unit from an eligible purchaser of Class E units or Class F units, as applicable, to another person who is not an eligible purchaser of Class E units or Class F units, as applicable, the Class E unit or Class F unit, as applicable, will first be reclassified as a Class A unit of the same Fund. Such a transfer can only be made to a person that qualifies as a Class A eligible purchaser. At the time of such reclassification, the aggregate net asset value of the Class E units or Class F units, as applicable to be reclassified and the aggregate net asset value of the Class A units into which they are reclassified shall be equal. A unitholder will not be entitled to proceeds of disposition on any such reclassification and the Class E units or Class F units, as applicable, will not be redeemed or cancelled upon the reclassification.

### **Reclassification of Class A Units**

Commencing with the offering by a Fund of the Class E units and Class F units, the Class A units of a Fund held by a unitholder may be reclassified as Class E units or Class F units of the same Fund if such unitholder is an eligible purchaser of Class E units or Class F units, as applicable, and requests such reclassification. At the time of such reclassification, the aggregate net asset value of the Class A units to be reclassified and the aggregate net asset value of the Class E units or Class F units, as applicable, into which they are reclassified shall be equal. A unitholder will not be entitled to proceeds of disposition on any such reclassification and the Class A units will not be redeemed or cancelled upon the reclassification.

## **OPTIONAL SERVICES**

Educators Financial Group offers Registered Retirement Savings Plans (“RRSPs”), Locked-in Retirement Savings Plans (“LIRAs”), Registered Retirement Income Funds (“RRIFs”), Locked-in Retirement Income Funds (“LIFs”), Registered Educational Savings Plans (“RESPs”) and Tax-Free Savings Accounts (“TFSA”) (collectively, “registered plans”). The Royal Trust Company acts as trustee of these registered plans. Other dealers may also offer registered plans. Registered plans may invest in units of a Fund without penalty if units of the Fund are “qualified investments” as defined in the Tax Act for registered plans and are not “prohibited investments” for purposes of the Tax Act. Provided the Funds qualify or are deemed to qualify as mutual fund trusts or qualify as registered investments under the Tax Act, units of each of the Funds will be qualified investments for registered plans. See “*Fund Details*” in Part B and see “*Income Tax Considerations for Investors*” for information regarding the status of units as “prohibited investments” for purposes of the Tax Act and for more information on the registered plan tax status for each of the Funds.

All of the provisions concerning the registered plans offered by Educators Financial Group are contained in the application and the Declaration of Trust which is attached to the application form.

### **Regular Investment Plan**

You can buy units of the Funds through a PAC. You can invest weekly, bi-weekly, monthly, quarterly, semi-annually or annually. Ask Educators Financial Group for an authorization form to start the plan. There is no charge for this service.

### **Systematic Withdrawal Plan**

You can also set up a SWP. You can choose when to withdraw (monthly, quarterly, semi-annually or annually) and how much to redeem each time. There is no charge for this program. Please be advised that regular withdrawals could eventually consume your entire account. See "*Income Tax Considerations for Investors*" for a discussion of tax considerations relating to redemptions of units of the Funds.

### **Automatic Reinvestment of Distributions**

We automatically reinvest your distributions to purchase additional units of the Funds. If you would prefer to receive your distributions in cash, please request this service in writing.

## **FEES AND EXPENSES**

The tables below list the fees and expenses that you have to pay if you invest in units of the Funds. Each Fund itself will pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund. The fees or expenses may be increased by the Manager on not less than 60 days' notice to unitholders. The Funds are also responsible for paying any applicable harmonized sales taxes ("HST") owing on the management fees or expenses of the Funds.

The Manager may charge management fees that are less than the management fees the Manager is otherwise entitled to charge a Fund. If the Manager does so, it may later charge the maximum rate of the annual management fee without giving notice to unitholders.

### **Fees and Expenses Payable by the Funds**

Management Fees	The Manager is responsible for the day-to-day management and administration of the Fund. As compensation for its services, the Manager is entitled to receive a management fee, which is calculated daily based on the net asset value of a Fund from the previous trading day and payable monthly. The Manager monitors and evaluates the performance of each Fund, pays for the investment management services of the portfolio adviser and arranges for the other administrative services required to be provided to support the Fund. Other administrative services include marketing, advertising, product development, information technology, and general business services.
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No management fees are payable by a Portfolio Fund that, to a reasonable person, would duplicate a fee payable by the underlying funds of such Portfolio Fund for the same service. In addition, a Portfolio Fund will not pay any sales

fees or redemption fees upon a purchase or redemption of securities of an underlying fund.

Management fees are as follows:

<b>Fund</b>	<b>Class A units</b>	<b>Class I units</b>	<b>Class E units</b>	<b>Class F units</b>
Educators Balanced Fund	1.65%	Nil	1.32%	0.70%
Educators Bond Fund	1.10%	Nil	Nil	0.45%
Educators Dividend Fund	1.60%	Nil	Nil	0.70%
Educators Growth Fund	1.75%	Nil	Nil	0.75%
Educators Money Market Fund	0.55%	Nil	Nil	0.30%
Educators Monthly Income Fund	1.15%	Nil	Nil	0.55%
Educators Mortgage & Income Fund	1.10%	Nil	Nil	0.40%
Educators U.S. Equity Fund	1.75%	Nil	Nil	0.75%
Educators Monitored Aggressive Portfolio	1.75%	Nil	1.40%	0.80%
Educators Monitored Balanced Portfolio	1.65%	Nil	1.32%	0.65%
Educators Monitored Conservative Portfolio	1.45%	Nil	1.16%	0.55%
Educators Monitored Growth Portfolio	1.75%	Nil	1.40%	0.75%

While no management fees are payable to the Manager in respect of the Class I units, the Funds pay certain expenses associated with the Class I units as described under “– *Operating Expenses*” below.

Portfolio Adviser Fees	The fees of the portfolio advisers with respect to the Funds are borne by Educators Financial Group out of its management fee.
Custodial Fees	The fees of the custodian are borne by Educators Financial Group out of its management fee.
Operating Expenses	Each Fund is responsible for paying all commissions and brokerage fees on the purchase and sale of the Fund's portfolio securities ("Portfolio Transaction Costs"), the fees and expenses of the Fund's IRC (as discussed below) and withholding taxes. These costs are apportioned between the Class A units, Class E units, the Class I units and Class F units on a pro rata basis.
	As noted above, the Manager pays the fees of the portfolio adviser and custodial fees. The Manager bears all of the other expenses properly attributable to the Class A units, Class E units and Class F units.
	All of the other expenses properly attributable to the Class I units of the Funds (being a pro rata share of common expenses and any class-specific expenses) are borne by the Class I units, unless the Manager in its discretion agrees to absorb or pay such expenses on behalf of the holders of Class I units. If the Manager chooses to do so, it may discontinue such practice at any time without notice to unitholders.
IRC Fees	Each Fund is responsible for paying its pro rata share of the fees and expenses of the IRC (consisting of the annual fees of \$22,500 paid to the Chair, \$17,500 paid to each additional member of the IRC, any reimbursement of their expenses and any other expenses related to the operation of the IRC such as the fees and expenses of any independent counsel retained by the IRC and the costs of any approved continuing education courses).

### *Management Expense Ratio*

A separate management expense ratio, or MER, is calculated for each class of units of each Fund. The MER of a class is the total of the management fees payable in respect of that class plus the HST payable on that management fee, plus its share of the expenses of the IRC and any other expenses properly payable by that class that are not waived or absorbed by the Manager, but excluding any Portfolio Transaction Costs, expressed as an annualized percentage of the average net asset value of the class allocated during the period.

### **Fees and Expenses Payable Directly by You**

Short Term Trading Fee	If units tendered for redemption have been purchased within the preceding 90 days, units are redeemed at their net asset value less 1%. This short-term trading fee is retained by the Fund. See "Purchases – Short-Term Trading."
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Account Transfer Fee A fee of \$150, plus any applicable taxes, is charged to any unitholder who transfers his (excluding RESPs) or her account to another financial institution.

Fee-Based Accounts If you hold Class F units of a Fund in a fee-based account with Educators Financial Group, you will be required to pay an account fee pursuant to and in accordance with the terms of the fee-based account agreement (the “Fee Agreement”) entered into by and between you and Educators Financial Group.

### **Impact of Sales Charges**

You do not pay any administration or sales charges in connection with the purchase, switching and redemption of units of the Funds.

The following table shows the sales charges that you would pay if you made an investment of \$1,000 in a Fund, and if you held that investment in the Fund for one, three, five or ten years and redeemed immediately before the end of each of those periods.

	<b>AT TIME OF PURCHASE</b>	<b>1 YEAR</b>	<b>3 YEARS</b>	<b>5 YEARS</b>	<b>10 YEARS</b>
All sales are made on a “no load” basis	Nil	Nil	Nil	Nil	Nil

### **DEALER COMPENSATION FROM MANAGEMENT FEES**

Units of the Funds are not sold through third party dealers.

### **INCOME TAX CONSIDERATIONS FOR INVESTORS**

This is a brief summary of the principal Canadian federal income tax considerations for investors who are Canadian-resident individuals, who hold their units as capital property and who deal at arm’s length with and are not affiliated with the Funds. This summary is only a general discussion and does not discuss all income tax considerations and is not intended to be legal or tax advice. The summary is qualified in its entirety by the more detailed discussion of income tax considerations in the Funds’ Annual Information Form. Investors should consult their own tax advisers with respect to their individual circumstances.

The taxes payable by an investor depend on the kind of account that units of the Fund are held in.

#### **For Fund Units Held in a Registered Plan**

You do not pay tax on earnings distributed to you if units of the Funds are held in a registered plan such as an RRSP, RRIF, LIF, LIRA, RESP or TFSA, nor on any capital gains the registered plan realizes from redeeming units or switching between Funds, as long as the proceeds remain in the registered plan and the units are qualified investments and are not prohibited investments, in each case under the Tax Act for registered plans.

You will be taxed at your personal tax rate if you withdraw money from an RRSP, RRIF, LIF, LIRA, or (subject to the comments below) RESP but not if you withdraw money from a TFSA. Withdrawing large sums may even put you into a higher tax bracket.

Amounts may generally be distributed by an RESP either to a beneficiary or to a subscriber, provided the requirements of the Tax Act are met. Amounts so distributed by an RESP to a beneficiary or subscriber will generally be subject to ordinary income tax, unless they are considered a return of contributions. Amounts distributed by an RESP to a subscriber will generally also be subject to an additional 20% tax, unless they are considered to be a return of contributions. However, ordinary income tax and the above additional 20% tax will not apply to amounts distributed by an RESP to a subscriber if the subscriber transfers the amounts to an RRSP under which the subscriber or his or her spouse is the annuitant. Such transfers to an RRSP may not exceed the subscriber's unused RRSP contribution room and are subject to a cumulative lifetime maximum of \$50,000. In addition, in certain circumstances investment income earned in an RESP may be transferred on a tax-free basis to a registered disability saving plan subject to the limitations set out in the Tax Act in this regard.

The units of a Fund will not be a "prohibited investment" for trusts governed by a TFSA, RRSP, RRIF or RESP unless the holder of the TFSA, the annuitant under the RRSP or RRIF or the subscriber of the RESP, as applicable, does not deal at arm's length with such Fund for purposes of the Tax Act or has a "significant interest" as defined in the Tax Act in such Fund. Generally, a holder, annuitant or subscriber, as the case may be, will not have a significant interest in a Fund unless the holder, annuitant or subscriber, as the case may be, owns interests as a beneficiary under such Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under such Fund, either alone or together with persons and partnerships with which the holder, annuitant or subscriber, as the case may be, does not deal at arm's length. In addition, the units of a Fund will not be a prohibited investment if such units are "excluded property" as defined in the Tax Act for trusts governed by a TFSA, RRSP, RRIF or RESP.

Holders, annuitants and subscribers should consult their own tax advisors with respect to whether units of a Fund would be prohibited investments, including with respect to whether such units would be excluded property.

### **For Fund Units Not Held in a Registered Plan**

If you do not hold your Fund units in a registered plan, you must report for income tax purposes all the income or capital gains distributed by a Fund to you in cash or reinvested in additional units during the year. You may also realize a capital gain or a capital loss if you redeem units or switch between Funds. The taxable portion of capital gains distributed to you by a Fund or realized by you on a redemption or switch of units of a Fund must be included in your income.

Prior to a distribution date, the unit values of a Fund may reflect income and capital gains earned by a Fund, but not yet distributed, and unrealized gains. Distribution of these amounts to you may result in a decrease in unit value and you will generally be taxed on the amount distributed. In other words, if you buy units just before a Fund's distribution date (especially late in the year), you may have to pay income tax on income or capital gains the Fund earned before you purchased units, which amounts may be reflected in a portion of the purchase price you paid for the units.

Class F investors should consult their own tax advisors regarding the deductibility of any fees paid directly by the investor to Educators Financial Group in their particular circumstances.



## Calculating Capital Gains and Losses

Your capital gain or loss for tax purposes is generally the difference between the amount you received for a redemption or switch of your units and the adjusted cost base of your units and any reasonable costs of disposition. The adjusted cost base of your units will be increased by the amount distributed to you by way of the reinvestment in additional units. This will reduce any capital gains when you redeem or switch units. The adjusted cost base of your units is generally equal to:

the total of all amounts paid to purchase your units

***plus***

the amount of any reinvested distributions

***less***

the return of capital component of distributions

***less***

the adjusted cost base of any units you have previously redeemed.

We will issue a tax statement to you each year identifying your share of a Fund's distributions of dividends from Canadian corporations, capital gains, foreign source income, other income and returns of capital. You should keep detailed records of the purchase cost and distributions related to your Fund units in order to calculate the adjusted cost base of those units. You may wish to consult a tax adviser to help you with these calculations.

## WHAT ARE YOUR LEGAL RIGHTS?

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

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

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

## PART B: SPECIFIC INFORMATION ABOUT EACH OF THE FUNDS DESCRIBED IN THIS DOCUMENT

### INTRODUCTION

You will find the key information about each of the Funds in the following pages. The following information is provided to help you more easily understand the specific information about each of the Funds described in Part B of this Simplified Prospectus.

### Fund Details

This section contains an overview of the Fund – what kind of Fund it is and when it was established. This section identifies whether units of the Fund are eligible for investment by registered plans such as RRSPs, RRIFs, RESPs and TFSAs. This section also shows the name of the portfolio adviser of each Fund – the company that manages the Fund's investment portfolio.

## **What Does the Fund Invest In?**

### *Investment Objective and Strategies*

This section outlines the investment objectives and strategies of the Fund. A Fund's investment objectives are the primary goals of the Fund and the type of securities the Fund invests in. The Fund's investment strategies set out how the Fund's portfolio adviser tries to achieve the Fund's investment objective.

### *Securities Lending*

Each of the Funds, other than the Educators Bond Fund and the Portfolio Funds, may engage in securities lending, using the Custodian as the Fund's securities lending agent. Securities lending transactions earn fees for a Fund from the counterparty to whom the securities are loaned. The rules regarding a Fund's securities lending activities are prescribed by the securities regulatory authorities. In particular, a Fund may only deal with counterparties that meet generally acceptable creditworthiness standards; the Fund must receive collateral from the counterparty equal to 102% of the value of the securities loaned, adjusted each trading day that the loan remains outstanding; and the Fund is limited in the aggregate value of the securities which may be loaned to no more than 50% of the total assets of the Fund (calculated without including the value of the collateral received by the Fund).

## **What are the Risks of Investing in the Fund?**

This section sets out the specific risks of investing in the Fund. You will find general information on the risks associated with investing in mutual funds in *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund – General Investment Risks*, on page 2.

### *Investment Risk Classification Methodology*

We assign a risk rating to each Fund as a guide to help you decide whether to invest in the Fund. The investment risk level of the Funds is required to be determined in accordance with a standardized risk classification methodology that is based on the Fund's historical volatility as measured by the 10-year standard deviation of the returns of the Fund. The standardized risk classification methodology that we use to identify the investment risk level of the Funds is available at no cost by calling us or writing to us at the telephone number and address set out on the last page of this simplified prospectus.

### The Portfolio Funds

The Portfolio Funds were created on January 2, 2018. As these Funds have less than 10 years of performance history, we will use the actual performance of a Fund for the period of time it has been in existence and the return for an appropriate reference index or blend of reference indices, or the returns of an appropriate other mutual fund, for the remainder of the 10-year period. The names of the reference indices or funds we use to calculate the risk rating for these Funds are as follows:

<b>Name of Fund</b>	<b>Reference Index</b>	
Educators Monitored Aggressive Portfolio	<i>FTSE Canada Universe Bond Index</i>	10.0%
	<i>S&amp;P/TSX Composite Total Return Index</i>	27.5%
	<i>S&amp;P 500 Total Return Index – C\$ (net of withholding taxes)</i>	34.0%
	<i>MSCI EAFE Total Return Index – \$ (net of withholding taxes)</i>	28.5%
Educators Monitored Balanced Portfolio	<i>FTSE 91-day T-bill Index</i>	5.0%
	<i>FTSE Canada Short Term Bond Index</i>	6.0%
	<i>FTSE Canada Universe Bond Index</i>	37.0%
	<i>S&amp;P/TSX Composite Total Return Index</i>	24.5%
	<i>S&amp;P 500 Total Return Index – C\$ (net of withholding taxes)</i>	15.0%
	<i>MSCI EAFE Total Return Index – C\$ (net of withholding taxes)</i>	12.5%
Educators Monitored Conservative Portfolio	<i>FTSE 91-day T-bill Index</i>	5.0%
	<i>FTSE Canada Short Term Bond Index</i>	15.5%
	<i>FTSE Canada Universe Bond Index</i>	51.5%
	<i>S&amp;P/TSX Composite Total Return Index</i>	16.0%
	<i>S&amp;P 500 Total Return Index – C\$ (net of withholding taxes)</i>	6.5%
	<i>MSCI EAFE Total Return Index – C\$ (net of withholding taxes)</i>	5.5%
Educators Monitored Growth Portfolio	<i>FTSE Canada Short Term Bond Index</i>	2.5%
	<i>FTSE Canada Universe Bond Index</i>	22.5%
	<i>S&amp;P/TSX Composite Total Return Index</i>	30.0%
	<i>S&amp;P 500 Total Return Index – C\$ (net of withholding taxes)</i>	25.0%
	<i>MSCI EAFE Total Return Index – C\$ (net of withholding taxes)</i>	20.0%

### **Who Should Invest in this Fund?**

This section describes the kind of investor the Fund may be suitable for, including the investor's level of risk tolerance and investment horizon. Determining which Fund or Funds may be suitable for you involves considering the volatility of the Funds (based on our investment risk classification methodology discussed below) and your investment goals, your willingness and ability to accept risk, and your investment time horizon. We will assist you in examining these issues and work with you to select the most suitable Fund(s) for you.

### **Distribution Policy**

This section describes each Fund's policies regarding the distribution of income and capital gains to investors. Each year net income and net realized capital gains of a Fund are paid or made

payable to investors to the extent necessary to ensure that the Fund will not be subject to non-refundable income tax under Part I of the Tax Act in respect of that year.

### **Fund Expenses Indirectly Borne by Investors**

The information in this table may assist you in comparing the indirect costs of investing in a Fund with the indirect cost of investing in other mutual funds. These costs are indirect, because they are paid out of the Fund's assets instead of being paid directly by you. As a result, they have the effect of lowering the return you receive on an investment in the Fund. Details of these indirect costs are provided under "*Fees and Expenses*" starting on page 12. The information provided in this table shows your cumulative proportionate share of the fees and expenses of the Fund, in Canadian dollars, over a period of one, three, five and ten years assuming:

- an initial investment of \$1,000;
- a total annual return of the Fund of 5% in each year; and
- that the MER of the Fund for each year was the same as the Fund's MER in 2021, calculated in accordance with the requirements of National Instrument 81-106 *Investment Fund Continuous Disclosure*.

## EDUCATORS BALANCED FUND

### Fund Details

Type of Fund:	Canadian Equity Balanced
Date Fund was Started:	June 24, 1984 <sup>(1)</sup>
Nature of Securities Offered:	Class A units, Class E units, Class I units and Class F units
Portfolio Adviser:	Beutel, Goodman & Company Ltd.
Registered Plan Eligibility:	Yes

(1) Class A units were initially offered on this date. Class I units were first offered by an amendment dated September 15, 2017 to the simplified prospectus dated May 12, 2017. Class E units were first offered by an amendment dated February 20, 2020 to the simplified prospectus dated May 17, 2019. Class F units were first offered by the simplified prospectus dated May 14, 2021.

### What Does the Fund Invest In?

#### *Investment Objectives*

The Fund's investment objective is to provide a less volatile and more stable growth of assets by investing in a balanced asset mix of short-term fixed income securities, common and preferred shares, index participation units such as Standard & Poor's Depositary Receipts, and bonds. The Fund invests primarily in securities of Canadian governments and corporations. The asset mix is varied depending on the outlook for the economy and financial markets. There is no pre-determined percentage mix of securities.

The fundamental investment objective of the Fund may not be changed without the prior approval of the unitholders of the Fund.

#### *Investment Strategies*

When selecting companies to invest in to achieve the Fund's investment objective, the portfolio adviser uses a disciplined investment process to maintain the most suitable asset mix to achieve a balance of the portfolio securities given the portfolio adviser's investment outlook.

#### Securities Eligible for Investment

Acceptable equity investments include the following:

- Common and preferred stocks listed on major recognized Canadian or global exchanges;
- Warrants on qualified stocks;
- Securities which are convertible into qualified stocks;
- Income trusts;

- With respect to that portion of the Fund's portfolio invested in foreign securities, which are generally limited to no more than 40% of the Fund's net assets, the Fund may hold Index participation units and index certificates, mutual fund units, pooled fund units and ADRs / GDRs.

Acceptable debt and cash investments include the following:

- Cash;
- Short-term investments having a term to maturity not exceeding 1 year including Federal and Provincial Government and Government Guaranteed securities, deposit receipts of Canadian chartered banks and commercial paper;
- Bonds, debentures, mortgages, notes, preferred shares or other debt instruments of Federal and Provincial Governments, Government agencies and corporations. The minimum quality rating for any preferred share issue will be Pfd-3 by DBRS or P-2 by S&P;
- Guaranteed investment contracts or equivalent of insurance companies, trust companies, banks or other eligible issuers, or funds which invest primarily in such instruments;
- Inflation linked securities;
- Debt securities issued by financial institutions that can be converted into equity as determined by the regulator (Non-viability Contingent Capital and/or Bail In senior debt). If the debt is converted, a best-efforts basis will be used to liquidate the equity securities.

Private placements that are listed in a global fixed income index, consistent with the Fund's investment objectives, strategies and restrictions.

#### Diversification & Quality Standards

The Fund will only invest in debt securities rated "BBB" or higher. The maximum allocation to BBB rated debt securities will be the benchmark of the Fund plus 15% of the Fund's assets. Overall, the average rating of the bonds in the portfolio will be at least "A".

The rating for each bond is based on the FTSE Canada Index methodology.

The index methodology is based on ratings from Dominion Bond Rating Service (DBRS), Standard and Poor's, Moody's Investor Services and Fitch. In cases where the agencies do not agree on the credit rating, the rating used will be derived from the following:

- If two agencies rate a security, and the ratings are not equal, use the lower of the two ratings;
- If three agencies rate a security, use the most common rating;
- In the event all three agencies disagree, use the middle rating;
- If four agencies rate a security, use the most common rating;

- If four agencies rate a security with a two-way split, use the lower rating;
- If all four agencies disagree, consider the three lower ratings applying the three-rating methodology rule.

The Fund's current target asset mix and allowable ranges are set out in the table below.

<u>Asset Class</u>	<u>Minimum (%)</u>	<u>Target (%)</u>	<u>Maximum (%)</u>
Total Fixed Income	30	<b>40</b>	60
Cash and Equivalents	0	<b>0</b>	15
Bonds	30	<b>40</b>	60
Total Equities	40	<b>60</b>	70
Canadian Equities	25	<b>35</b>	55
Foreign Equities	15	<b>25</b>	40

### Securities Lending

The Fund may also enter into securities lending transactions to generate additional income.

### Portfolio Turnover

Depending upon the proportion of equity securities and debt securities in the portfolio, the term to maturity of the debt securities held and the portfolio adviser's frequency of trading the equity securities, the portfolio turnover rate of the Fund may in some years be higher than 70%. The higher the Fund's portfolio turnover rate, 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.

### **What are the Risks of Investing in the Fund?**

Investing in this Fund may involve the following risks, which are detailed starting on page 2:

- Fixed Income Investments (Interest Rate Risk and Credit Risk)
- Equity Investments
- Commodities
- Securities Lending
- Tax
- Volatile Markets and Market Disruption Risk

In addition, for the portion of the Fund's portfolio which is invested in foreign securities, investing in the Fund will also involve the risks associated with the following (detailed on pages 3 and 4):

- Foreign Investments (Exchange Rate Risk and Foreign Portfolio Investments Risk)

**Who Should Invest in this Fund?**

The Fund is suitable for investors who:

- Want a Canadian fund that focuses on investing in a balanced mix of fixed income and equity securities.
- Have longer term investment goals.
- Are comfortable with low to medium investment risk.

You will find an explanation of the risk classification we use in the Introduction to Part B of this Simplified Prospectus under “*Who Should Invest in this Fund – Investment Risk Classification Methodology*”.

This Fund may not be appropriate for an investor who needs regular income or stability of capital or is pursuing a short-term investment goal.

**Distribution Policy**

The Fund’s net income is distributed semi-annually to unitholders in June and December. Net realized capital gains are generally distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Fund, unless you request that the Fund pay the distributions to you in cash.

**Fund Expenses Indirectly Borne by Investors**

See *Fund Expenses Indirectly Borne by Investors* on page 24 for the assumptions we are required to use in this table. The assumptions do not reflect the actual performance of the Fund.

Expenses payable over:	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Class A units	\$19.53	\$61.58	\$107.93	\$245.68
Class E units	\$15.61	\$49.21	\$86.25	\$196.33
Class I units	Nil	Nil	Nil	Nil
Class F units	N/A	N/A	N/A	N/A



## EDUCATORS BOND FUND

### Fund Details

Type of Fund:	Canadian Fixed Income
Date Fund was Started:	March 31, 2011 <sup>(1)</sup>
Nature of Securities Offered:	Class A units, Class I units and Class F units
Portfolio Adviser:	Beutel, Goodman & Company Ltd.
Registered Plan Eligibility:	Yes

(1) The Fund was established on March 14, 2011; Class A units first offered by prospectus dated March 31, 2011. Class I units were first offered by an amendment dated September 15, 2017 to the simplified prospectus dated May 12, 2017. Class F units were first offered by the simplified prospectus dated May 14, 2021.

### What Does the Fund Invest In?

#### *Investment Objectives*

This Fund seeks to earn a high rate of income return by investing primarily in fixed-income securities of Canadian governments and corporate issuers.

The fundamental investment objective of the Fund may not be changed without the prior approval of the unitholders of the Fund.

#### *Investment Strategies*

#### Securities Eligible for Investment

The Fund may invest in any or all of the following securities:

- Cash;
- Short-term investments having a term to maturity not exceeding 1 year including Federal and Provincial Government and Government guaranteed securities, deposit receipts of Canadian chartered banks and commercial paper;
- Bonds, debentures, mortgages, notes, preferred shares or other debt instruments of Federal and Provincial Governments, Government agencies and corporations. The minimum quality rating for any preferred share issue will be Pfd-3 by DBRS or P-3 by S&P;
- Guaranteed investment contracts or equivalent of insurance companies, trust companies, banks or other eligible issuers, or funds which invest primarily in such instruments;
- Inflation linked securities;
- Debt securities issued by financial institutions that can be converted into equity as determined by the regulator (Non-viability Contingent Capital, contingent capital securities

(cocos) and/or Bail In senior debt). If the debt is converted, a best-efforts basis will be used to liquidate the equity securities; Private placements that are listed in a global fixed income index, consistent with the Fund's investment objectives, strategies and restrictions;

Derivative instruments/forward and futures contracts may be used for the purpose of risk and duration management, foreign currency hedging and liquidity enhancement. ETFs, mutual funds, pooled funds or closed end funds invested in any or all of the above asset categories. The underlying funds will not have embedded management fees in them. If ETFs are utilized, any management fees paid will be refunded to the Fund.

Diversification & Quality Standards

The Fund's target asset mix and allowable ranges are set forth in the tables below:

<u>Asset Class</u>	<u>Minimum (%)</u>	<u>Target (%)</u>	<u>Maximum (%)</u>
Total Fixed Income	70	<b>100</b>	100
Canadian Bonds	70	<b>100</b>	100
Foreign Bonds	0	<b>0</b>	30
Cash & Cash Equivalents	0	<b>0</b>	30

	<u>Minimum (%)</u>	<u>Maximum (%)</u>
Government of Canada*	0	100
Provincials	0	Benchmark + 35
Municipals	0	Benchmark + 5
Investment Grade Corporates	20	Benchmark + 40
Foreign Pay	0	20
Mortgages	0	20
Preferred Shares	0	10

\*Includes cash and short-term securities.

The weighted average credit rating of the fixed income portfolio will be at least BBB. The minimum credit rating at the time of purchase for a corporate bond is B.

The rating for each bond is based on the FTSE Canada Index methodology.

The index methodology is based on ratings from Dominion Bond Rating Service (DBRS), Standard and Poor's, Moody's Investor Services and Fitch. In cases where the agencies do not agree on the credit rating, the rating used will be derived from the following:

- If two agencies rate a security, use the lower of the two ratings;
- If three agencies rate a security, use the middle rating;
- If four agencies rate a security, use the middle of the three lowest ratings.

The duration of the fixed income portfolio will not exceed 2 duration years above or below that of the 100% FTSE Canada Universe Bond Index (the “Benchmark”).

### Securities Lending

The Fund may also enter into securities lending transactions to generate additional income.

### **What are the Risks of Investing in the Fund?**

Investing in this Fund may involve the following risks, which are detailed starting on page 2:

- Fixed Income Investments (Interest Rate Risk and Credit Risk)
- Risks in Relation to Derivatives
- Securities Lending
- Tax
- Underlying Fund
- Volatile Markets and Market Disruption Risk

In addition, for the portion of the Fund’s portfolio which is invested in foreign securities, investing in the Fund will also involve the risks associated with the following (detailed on pages 3 and 4):

- Foreign Investments (Exchange Rate Risk and Foreign Portfolio Investments Risk)

### **Who Should Invest in this Fund?**

The Fund is suitable for investors who:

- Are seeking fixed income level returns.
- Have a low tolerance for risk.
- Are investing for the medium-term to long-term.

You will find an explanation of the risk classification we use in the Introduction to Part B of this Simplified Prospectus under “*Who Should Invest in this Fund – Investment Risk Classification Methodology*”.

### **Distribution Policy**

The Fund’s net income is currently distributed quarterly to unitholders. Net realized capital gains are generally distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Fund, unless you request that the Fund pay the distributions to you in cash.

**Fund Expenses Indirectly Borne by Investors**

See *Fund Expenses Indirectly Borne by Investors* on page 24 for the assumptions we are required to use in this table. The assumptions do not reflect the actual performance of the Fund.

Expenses payable over:	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Class A units	\$12.97	\$40.90	\$71.69	\$163.19
Class I units	\$0.10	\$0.32	\$0.57	\$1.29
Class F units	N/A	N/A	N/A	N/A

## EDUCATORS DIVIDEND FUND

### Fund Details

Type of Fund:	Canadian Dividend & Income Equity
Date Fund was Started:	February 7, 2000 <sup>(1)</sup>
Nature of Securities Offered:	Class A units, Class I units and Class F units
Portfolio Adviser:	BMO Asset Management Inc.
Registered Plan Eligibility:	Yes

(1) Class A units were initially offered on this date. Class I units were first offered by an amendment dated September 15, 2017 to the simplified prospectus dated May 12, 2017. Class F units were first offered by the simplified prospectus dated May 14, 2021.

### What Does the Fund Invest In?

#### *Investment Objectives*

The Fund's investment objective is to provide investors with a stable and growing stream of after-tax income with long-term capital growth.

The fundamental investment objective of the Fund may not be changed without the prior approval of the unitholders of the Fund.

#### *Investment Strategies*

To achieve its investment objective, the Fund invests primarily in dividend producing preferred and common shares of Canadian corporations to take advantage of the favourable tax treatment generally available to individual Canadians who receive dividend income from Canadian corporations.

#### Securities Eligible for Investment

Acceptable equity investments include the following:

- Common and preferred stocks listed on major recognized Canadian or global exchanges;
- Stocks which are expected to be listed on major recognized Canadian or major global stock exchanges within three months of acquisition and for which an application for listing is pending;
- Warrants on qualified stocks;
- Securities which are convertible into qualified stocks;
- Income trusts;

- With respect to that portion of the Fund's portfolio invested in foreign securities, which are generally limited to no more than 25% of the Fund's net assets, the Fund may hold index participation units and index certificates, mutual fund units and ADRs or GDRs.

Acceptable money market investments include the following:

- Cash equivalent instruments issued by governments of corporations, with terms to maturity of up to 12 months;
- The portfolio adviser will only invest in money market securities rated "R1" or higher at the time of purchase by Dominion Bond Rating Service or the equivalent rating as defined by other recognized agencies;
- In the event of a ratings downgrade the portfolio adviser will make every effort to liquidate the position as soon as it is feasible to do so.

Diversification & Quality Standards

The preferred shares will have a minimum rating of "P3". Overall, the average rating of the preferred shares in the portfolio will be at least "P2" as rated by recognized agencies.

The Fund's current target asset mix and allowable ranges are set out in the table below.

<u>Asset Class</u>	<u>Minimum (%)</u>	<u>Target (%)</u>	<u>Maximum (%)</u>
Total Equities	90	<b>100</b>	100
Canadian Equities	65	<b>100</b>	100
Foreign Equities	0	<b>0</b>	25
Cash and Equivalents	0	<b>0</b>	10

Currency Hedging

The use of currency hedging is permitted and is currently employed by the portfolio adviser.

Securities Lending

The Fund may also enter into securities lending transactions to generate additional income.

**What are the Risks of Investing in the Fund?**

Investing in this Fund may involve the following risks, which are detailed starting on page 2:

- Fixed Income Investments (Interest Rate Risk and Credit Risk)
- Equity Investments

- Securities Lending
- Tax
- Volatile Markets and Market Disruption Risk

In addition, for the portion of the Fund's portfolio which is invested in foreign securities, investing in the Fund will also involve the risks associated with the following (detailed on pages 3 and 4):

- Foreign Investments (Exchange Rate Risk and Foreign Portfolio Investments Risk)
- Risks in Relation to Derivatives

**Who Should Invest in this Fund?**

The Fund is suitable for investors who:

- Want to maximize their after-tax income in a non-registered account.
- Want a Canadian equity fund that focuses on investing in established companies.
- Are comfortable with medium investment risk.

You will find an explanation of the risk classification we use in the Introduction to Part B of this Simplified Prospectus under “*Who Should Invest in this Fund – Investment Risk Classification Methodology*”.

**Distribution Policy**

The Fund's net income is distributed semi-annually to unitholders in June and December. Net realized capital gains are generally distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Fund, unless you request that the Fund pay the distributions to you in cash.

**Fund Expenses Indirectly Borne by Investors**

See *Fund Expenses Indirectly Borne by Investors* on page 24 for the assumptions we are required to use in this table. The assumptions do not reflect the actual performance of the Fund.

Expenses payable over:	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Class A units	\$18.89	\$59.56	\$104.40	\$237.65
Class I units	\$0.10	\$0.32	\$0.57	\$1.29
Class F units	N/A	N/A	N/A	N/A

## EDUCATORS GROWTH FUND

### Fund Details

Type of Fund:	Canadian Equity
Date Fund was Started:	June 24, 1984 <sup>(1)</sup>
Nature of Securities Offered:	Class A units, Class I units and Class F units
Portfolio Adviser:	Fiera Capital Corporation
Registered Plan Eligibility:	Yes

(1) The Fund was established on June 1, 1975; Class A units first offered by prospectus on June 24, 1984. Class I units were first offered by an amendment dated September 15, 2017 to the simplified prospectus dated May 12, 2017. Class F units were first offered by the simplified prospectus dated May 14, 2021.

### What Does the Fund Invest In?

#### *Investment Objectives*

The Fund's investment objective is to provide above-average capital growth over the long-term by investing in growth oriented Canadian companies.

The fundamental investment objective of the Fund may not be changed without the prior approval of the unitholders of the Fund.

#### *Investment Strategies*

The Fund invests primarily in common shares of established Canadian corporations and other equity securities.

#### Securities Eligible for Investment

Acceptable equity investments include the following:

- Common and preferred stocks listed on major recognized Canadian or global exchanges;
- Stocks which are expected to be listed on major recognized Canadian or major global stock exchanges within three months of acquisition and for which an application for listing is pending;
- Warrants on qualified stocks;
- Securities which are convertible into qualified stocks;
- Income trusts;
- Exchange-traded funds (up to 6% maximum of 15%);



- With respect to that portion of the Fund's portfolio invested in foreign securities, which are generally limited to no more than 15% of the Fund's net assets, the Fund may hold index participation units and index certificates, mutual fund units and ADRs or GDRs.

Acceptable money market investments include the following:

- Cash equivalent instruments issued by governments of corporations, with terms to maturity of up to 12 months;
- The portfolio adviser will only invest in money market securities rated "R1" or higher at the time of purchase by Dominion Bond Rating Service or the equivalent rating as defined by other recognized agencies;
- In the event of a ratings downgrade the portfolio adviser will make every effort to liquidate the position as soon as it is feasible to do so.

#### Diversification & Quality Standards

The preferred shares will have a minimum rating of "P3". Overall, the average rating of the preferred shares in the portfolio will be at least "P2" as rated by recognized agencies.

The Fund's current target asset mix and allowable ranges are set out in the table below.

<u>Asset Class</u>	<u>Minimum (%)</u>	<u>Target (%)</u>	<u>Maximum (%)</u>
Total Equities	90	<b>100</b>	100
Canadian Equities	75	<b>100</b>	100
Foreign Equities	0	<b>0</b>	15
Cash and Equivalents	0	<b>0</b>	10

#### Currency Hedging

The use of currency hedging is permitted but is not currently employed by the portfolio adviser. Pre-approval from Educators Financial Group would be required for the portfolio adviser to introduce currency hedging for the Fund.

#### Securities Lending

The Fund may also enter into securities lending transactions to generate additional income.

#### **What are the Risks of Investing in the Fund?**

Investing in this Fund may involve the following risks, which are detailed starting on page 2:

- Equity Investments
- Commodities

- Securities Lending
- Tax
- Volatile Markets and Market Disruption Risk

In addition, for the portion of the Fund's portfolio which is invested in foreign securities, investing in the Fund will also involve the risks associated with the following (detailed on pages 3 and 4):

- Foreign Investments (Exchange Rate Risk and Foreign Portfolio Investments Risk)
- Risks in Relation to Derivatives

### Who Should Invest in this Fund?

The Fund is suitable for investors who:

- Want to invest in a fund which invests in Canadian companies with high growth potential.
- Are comfortable with medium investment risk.

You will find an explanation of the risk classification we use in the Introduction to Part B of this Simplified Prospectus under "*Who Should Invest in this Fund – Investment Risk Classification Methodology*".

This Fund may not be appropriate for an investor who needs regular income or stability of principal or is pursuing a short-term investment goal.

### Distribution Policy

The Fund's net income is distributed semi-annually to unitholders in June and December. Net realized capital gains are generally distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Fund, unless you request that the Fund pay the distributions to you in cash.

### Fund Expenses Indirectly Borne by Investors

See *Fund Expenses Indirectly Borne by Investors* on page 24 for the assumptions we are required to use in this table. The assumptions do not reflect the actual performance of the Fund.

Expenses payable over:	1 year	3 years	5 years	10 years
Class A units	\$20.70	\$65.27	\$114.41	\$260.42
Class I units	\$0.10	\$0.32	\$0.57	\$1.29
Class F units	N/A	N/A	N/A	N/A

## EDUCATORS MONEY MARKET FUND

### Funds Details

Type of Fund:	Canadian Money Market
Date Fund was Started:	June 24, 1984 <sup>(1)</sup>
Nature of Securities Offered:	Class A units, Class I units and Class F units
Portfolio Adviser:	Fiera Capital Corporation
Registered Plan Eligibility:	Yes

(1) The Fund was established on June 1, 1975; Class A units first offered by prospectus on June 24, 1984. Class I units were first offered by an amendment dated September 15, 2017 to the simplified prospectus dated May 12, 2017. Class F units were first offered by the simplified prospectus dated May 14, 2021.

### What Does the Fund Invest In?

#### *Investment Objectives*

The Fund's investment objective is to produce a high level of interest income consistent with the goal to preserve 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.

The fundamental investment objective of the Fund may not be changed without the prior approval of the unitholders of the Fund.

#### *Investment Strategies*

The portfolio adviser primarily uses the following strategies to achieve the Fund's objectives:

- Select a variety of investment maturities based on the interest rate outlook;
- Determine the best potential investments for the portfolio by analyzing the credit worthiness of various issuers;
- Diversify the Fund's portfolio by allocating investments among government and corporate securities.

#### Securities Eligible for Investment

The Fund invests primarily in Canadian federal treasury bills, short-term securities issued by a Canadian province or territory and high-quality Canadian corporate debt instruments maturing within one year. The weighted average term to maturity of holdings in the Fund shall not exceed 90 days, and 90 days when calculated on the basis that the term of a floating rate debt obligation is the period remaining to the date of the next rate setting.

Diversification & Quality Standards

Cash equivalents originally issued with a term to maturity of 12 months or less will have a minimum Dominion Bond Rating Service (DBRS) credit rating of R1 or an equivalent rating by another designated credit rating agency.

Assets denominated in a currency other than the Canadian dollar will not exceed 5% of the portfolio.

At least 5% of the Fund's assets are invested in cash or in assets readily convertible into cash within one day, and at least 15% of its assets are invested in cash or in assets readily convertible into cash within one week.

Currency Hedging

The use of currency hedging is permitted but is not currently employed by the portfolio adviser. Pre-approval from Educators Financial Group would be required for the portfolio adviser to introduce currency hedging for the Fund.

Securities Lending

The Fund may also enter into securities lending transactions to generate additional income.

**What are the Risks of Investing in the Fund?**

Investing in this Fund may involve the following risks, which are detailed starting on page 2:

- Fixed Income Investments (Interest Rate Risk and Credit Risk)
- Asset-backed and Mortgage-backed Securities
- Securities Lending
- Tax
- Volatile Markets and Market Disruption Risk

Although the Fund intends to maintain a constant price for its securities, there is no guarantee that the price will not go up or down.

In addition, the net asset value of the Fund will fluctuate throughout a month, until the income for the month is distributed to unitholders, as described under "*Distribution Policy*".

In addition, for the portion of the Fund's portfolio which is invested in foreign securities, investing in the Fund will also involve the risks associated with the following (detailed on pages 3 and 4):

- Foreign Investments (Exchange Rate Risk and Foreign Portfolio Investments Risk)

**Who Should Invest in this Fund?**

The Fund is suitable for investors who:

- Want a core Canadian money market fund for their portfolio.
- Want a regular income stream.
- Prefer low investment risk.
- Want a secure investment for the cash portion of their portfolio along with interest income.
- Want a short-term investment.

You will find an explanation of the risk classification we use in the Introduction to Part B of this Simplified Prospectus under “*Who Should Invest in this Fund – Investment Risk Classification Methodology*”.

**Distribution Policy**

Each month, the Fund distributes all of its net income, and typically does not realize any capital gains, with the result that the net asset value per unit of the Fund typically resets to \$10.00 at the end of each month. For example, if the net asset value of a unit is \$10.00 at the start of the month, and the Fund earns \$0.05 of income per unit during the month, the net asset value of the Fund immediately prior to month end will be \$10.05 (assuming no expenses that month). When that \$0.05 per unit of income is paid to the holders at the end of the month, the net asset value per unit again becomes \$10.00. Net realized capital gains, if any, are generally distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Fund, unless you request that the Fund pay the distributions to you in cash. Please note that there can be no guarantee that the net asset value of a unit of the Fund will always reset to \$10.00 at month end.

**Fund Expenses Indirectly Borne by Investors**

See *Fund Expenses Indirectly Borne by Investors* on page 24 for the assumptions we are required to use in this table. The assumptions do not reflect the actual performance of the Fund.

Expenses payable over:	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Class A units	\$1.85	\$5.83	\$10.21	\$23.25
Class I units	\$0.10	\$0.32	\$0.57	\$1.29
Class F units	N/A	N/A	N/A	N/A

## EDUCATORS MONTHLY INCOME FUND

Type of Fund:	Canadian Equity Balanced
Date Fund was Started:	March 31, 2011 <sup>(1)</sup>
Nature of Securities Offered:	Class A units, Class I units and Class F units
Portfolio Adviser:	Fiera Capital Corporation
Registered Plan Eligibility:	Yes

(1) The Fund was established on March 14, 2011; Class A units first offered by prospectus dated March 31, 2011. Class I units were first offered by an amendment dated September 15, 2017 to the simplified prospectus dated May 12, 2017. Class F units were first offered by the simplified prospectus dated May 14, 2021.

### What Does the Fund Invest In?

#### *Investment Objectives*

The fundamental investment objective of the Fund is to provide a consistent stream of monthly income and some capital appreciation by investing in a portfolio of fixed income, investment trust units and equity investments.

The fundamental investment objective of the Fund may not be changed without the prior approval of the unitholders of the Fund.

#### *Investment Strategies*

The Fund will invest in fixed income and equity securities.

#### Securities Eligible for Investment

Acceptable equity investments include the following:

- Common and preferred stocks listed on major recognized Canadian or global exchanges;
- Warrants, on qualified stocks;
- Securities which are convertible into qualified stocks;
- Index participation units and exchanged traded funds (ETFs) to a limit of 5% of the Fund's current market value and subject to post-trade approval by the Investment Committee;
- Income trusts, REITS and royalty trusts;
- With respect to that portion of the Fund's portfolio invested in foreign securities, which are generally limited to no more than 30% of the Fund's net assets, the Fund may hold index participation units, ETFs and index certificates, mutual funds units and ADRS or GDRs.

Acceptable debt and cash investments include the following:

## EDUCATORS MONTHLY INCOME FUND

- Cash equivalent instruments issued by governments or corporations, with a term to maturity of up to 12 months;
- Bonds, debentures, mortgages, mortgage-backed securities, and asset-backed securities.

The Fund may invest in securities of another mutual fund.

The non-investment grade fixed income exposure in the Fund will generally be implemented by way of ETF purchase(s). Any ETF employed must be designed to replicate a widely accepted market benchmark index and be in compliance with NI 81-102.

### Diversification & Quality Standards

The Fund will generally only invest in debt securities rated “B” or higher. Overall, the average rating of the bonds in the portfolio will be a least “BBB”. No more than 10% of the fixed income component of the Fund’s portfolio can be invested in bonds rated B, 25% in bonds rated BB or 60% in bonds rated BBB. If the Fund invests in bank sponsored asset-backed commercial paper (ABCP), such investments will not exceed 5% of the Fund, in aggregate.

The quality of the Fund is enhanced by a formal process to incorporate Environmental, Social and Governance (ESG) and Controversy considerations into security selection.

The Fund’s current target asset mix and allowable ranges are set forth in the table below:

<u>Asset Class</u>	<u>Minimum (%)</u>	<u>Target (%)</u>	<u>Maximum (%)</u>
Total Fixed Income	6	<b>30</b>	60
Cash and equivalents	0	<b>3</b>	25
Investment Grade Bonds	6	<b>27</b>	60
Non-Investment Grade Bonds	0	<b>0</b>	10
Total Equities	40	<b>70</b>	94
Canadian Equities <sup>(1)</sup>	40	<b>70</b>	94
Foreign Equities	0	<b>0</b>	30

(1) Includes income trust units, common and preferred shares, convertible bonds and convertible debentures.

### Currency Hedging

The use of currency hedging is permitted but is not currently employed by the portfolio adviser. Pre-approval from Educators Financial Group would be required for the portfolio adviser to introduce currency hedging for the Fund.

### Securities Lending

The Fund may also enter into securities lending transactions to generate additional income.

### Portfolio Turnover

The portfolio turnover rate of the Fund may exceed 70% each year. The higher the Fund's portfolio turnover rate, 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.

### **What are the Risks of Investing in the Fund?**

Investing in this Fund may involve the following risks, which are detailed starting on page 2:

- Fixed Income Investments (Interest Rate Risk and Credit Risk)
- Equity Investments
- Asset-backed and Mortgage-backed Securities
- Securities Lending
- Tax
- Volatile Markets and Market Disruption Risk

In addition, for the portion of the Fund's portfolio which is invested in foreign securities, investing in the Fund will also involve the risks associated with the following (detailed on pages 3 and 4):

- Foreign Investments (Exchange Rate Risk and Foreign Portfolio Investments Risk)

### **Who Should Invest in this Fund?**

The Fund is suitable for investors who:

- Are looking for a steady flow of income and modest capital growth.
- Are looking to invest for the medium- to long-term.
- Prefer a low to medium level of investment risk.

You will find an explanation of the risk classification we use in the Introduction to Part B of this Simplified Prospectus under "*Who Should Invest in this Fund – Investment Risk Classification Methodology*".

### **Distribution Policy**

The Fund distributes income and/or return of capital monthly and capital gains annually in December. The Fund also intends to make monthly distributions. The Manager reserves the right to change the monthly per unit distribution rate or to change from a monthly per unit distribution rate to another form of monthly distributions.

These distributions are automatically reinvested in additional units of the Fund as applicable, unless you tell us in writing that you would prefer cash payments.



## EDUCATORS MONTHLY INCOME FUND

A portion of distributions made by the Fund is expected to consist of a return of capital, which is not taxable but will generally reduce the adjusted cost base of your units.

The character for Canadian tax purposes of monthly distributions made during the year will not be determined with certainty until after the end of the Fund's taxation year. The target distribution rate may be adjusted from time to time. If the target distribution rate is increased, it may result in a larger amount being distributed as a return of capital.

Returns of capital will result in a reduction of a unitholder's original investment and may result in the return to a unitholder of the entire amount of the unitholder's original investment. You should consult your tax adviser regarding the tax implications of receiving monthly income and/or return of capital.

Distributions are not guaranteed to occur on a specific date and the Fund is not responsible for any fees or charges incurred by you because the Fund did not effect a distribution on a particular day.

### **Fund Expenses Indirectly Borne by Investors**

See *Fund Expenses Indirectly Borne by Investors* on page 24 for the assumptions we are required to use in this table. The assumptions do not reflect the actual performance of the Fund.

Expenses payable over:	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Class A units	\$13.61	\$42.89	\$75.18	\$171.13
Class I units	Nil	Nil	Nil	Nil
Class F units	N/A	N/A	N/A	N/A

## EDUCATORS MORTGAGE & INCOME FUND

### Fund Details

Type of Fund:	Canadian Short-Term Fixed Income
Date Fund was Started:	June 24, 1984 <sup>(1)</sup>
Nature of Securities Offered:	Class A units, Class I units and Class F units
Portfolio Adviser:	HSBC Global Asset Management (Canada) Limited
Registered Plan Eligibility:	Yes

(1) The Fund was established on June 1, 1975; Class A units first offered by prospectus on June 24, 1984. Class I units were first offered by an amendment dated September 15, 2017 to the simplified prospectus dated May 12, 2017. Class F units were first offered by the simplified prospectus dated May 14, 2021.

### What Does the Fund Invest In?

#### *Investment Objectives*

The Fund's investment objective is to provide income by investing in high quality fixed income securities including mortgages, mortgage related securities, and corporate and government bonds. Another goal of the Fund is to achieve lower volatility of return than the overall bond universe.

The fundamental investment objective of the Fund may not be changed without the prior approval of the unitholders of the Fund. *Investment Strategies*

This Fund seeks to achieve adequate diversification of assets and a reasonable level of net real return while not being exposed to undue market risk. It also seeks to achieve reasonable real rates of return.

Investments, based on market value, in a single security or securities of a single issuer shall not exceed 10% of the Fund's assets unless such investment is issued or fully guaranteed by the federal or a provincial government.

#### Securities Eligible for Investment

The Fund may invest in:

- Privately administered policies or mortgages advanced by financial institutions may be acquired;
- Residential mortgage-backed securities. These securities must be approved under the National Housing Act or similar provincial statutes;
- The Fund may invest in units of other Canadian prospectus-qualified mutual funds or pooled funds, including other HSBC mutual or pooled funds, provided not more than 10%

of the outstanding units of the other funds are purchased. The investment in other funds must be consistent with the investment objectives of this Fund and the investment must be permitted by securities regulatory authorities.

The investment will only be made if there is not duplication of management fees, incentive fees or sales charges between the funds. This will see to it that investors in the Fund are not paying two sets of fees.

Diversification & Quality Standards

The Fund's current target asset mix and allowable ranges are set forth in the table below:

<u>Asset Class</u>	<u>Minimum (%)</u>	<u>Maximum (%)</u>
Cash and Cash Equivalents	0	35
Fixed Income <sup>(1)</sup>	65	100
Residential Mortgages <sup>(2)</sup>	0	10

(1) Includes mortgage mutual funds holding residential mortgages.

(2) Includes mortgage-backed securities based on residential mortgages.

The Fund will only invest in money market securities rated "R-1-L" or higher at the time of purchase, and debt securities issued or guaranteed by Canadian or foreign government agencies and corporations. Such instruments should have a minimum rating of "BBB Low" by Standard & Poor's or an equivalent rating by another recognized rating agency. The aggregate exposure to corporate securities will not exceed 50% and the aggregate exposure to U.S. or other foreign bonds will not exceed 30% of the Fund.

The Fund may also invest up to 5% of its assets in portfolios of lower rated ("high yield") securities and up to 5% in emerging market bonds through the use of commingled funds, exchange-traded funds, index participation units or other index certificates denominated in Canadian dollars or foreign currencies. The aggregate exposure of these high yield bonds, emerging market bonds and individual "BBB Low" rated securities will not exceed 15%.

Foreign government securities (other than those of the United States of America), which are guaranteed as to principal and interest, are subject to the restriction that, immediately after purchase, no more than 10% of the net assets of the Fund can represent investment in the securities of any one of those foreign governments.

Up to a maximum of 5% of the market value of the Fund may be invested in a single ETF, index or certificate. These investments must be consistent with achieving the objectives of the Fund.

Currency Hedging

This Fund is intended to be invested primarily in Canadian dollar denominated securities. Any foreign currency exposure arising from foreign currency denominated securities will generally be left unhedged. The use of currency hedging is permitted and is currently employed by the portfolio adviser.

Securities Lending

The Fund may also enter into securities lending transactions to generate additional income.

### **What are the Risks of Investing in the Fund?**

Investing in this Fund may involve the following risks, which are detailed starting on page 2:

- Fixed Income Investments (Interest Rate Risk and Credit Risk)
- Asset-backed and Mortgage-Backed Securities
- Securities Lending
- Tax
- Volatile Markets and Market Disruption Risk

In addition, mortgage loan defaults may be more frequent than defaults on government bonds.

In addition, for the portion of the Fund's portfolio which is invested in foreign securities, investing in the Fund will also involve the risks associated with the following (detailed on pages 3 and 4):

- Foreign Investments (Exchange Rate Risk and Foreign Portfolio Investments Risk)
- Risks in Relation to Derivatives

### **Who Should Invest in this Fund?**

The Fund is suitable for investors who:

- Want a Canadian fund that focuses on investing in established interest paying mortgages, mortgage related securities and other fixed income securities.
- Want regular income.
- Want reasonable stability of capital.
- Are comfortable with low investment risk.

You will find an explanation of the risk classification we use in the Introduction to Part B of this Simplified Prospectus under "*Who should invest in this Fund – Investment Risk Classification Methodology*".

This Fund may not be appropriate for an investor seeking capital growth.

### **Distribution Policy**

The Fund's net income is distributed monthly to unitholders. Net realized capital gains are generally distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Fund, unless you request that the Fund pay the distributions to you in cash.

**Fund Expenses Indirectly Borne by Investors**

See *Fund Expenses Indirectly Borne by Investors* on page 24 for the assumptions we are required to use in this table. The assumptions do not reflect the actual performance of the Fund.

Expenses payable over:	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Class A units	\$12.97	\$40.90	\$71.69	\$163.19
Class I units	Nil	Nil	Nil	Nil
Class F units	N/A	N/A	N/A	N/A

## EDUCATORS U.S. EQUITY FUND

### Fund Details

Type of Fund:	U.S. Focused Equity
Date Fund was Started:	June 24, 1984 <sup>(1)</sup>
Nature of Securities Offered:	Class A units, Class I units and Class F units
Portfolio Adviser:	Beutel, Goodman & Company Ltd.
Registered Plan Eligibility:	Yes

(1) The Fund was established on June 1, 1975; Class A units first offered by prospectus on June 24, 1984. Class I units were first offered by an amendment dated September 15, 2017 to the simplified prospectus dated May 12, 2017. Class F units were first offered by the simplified prospectus dated May 14, 2021.

### What Does the Fund Invest In?

#### Investment Objective

The Fund's investment objective will be to provide long-term capital growth by investing primarily in equity securities of U.S. companies.

The fundamental investment objective of the Fund may not be changed without the prior approval of the unitholders of the Fund.

#### Investment Strategies

The Fund will invest primarily in common shares of established U.S. corporations and other equity-related securities.

#### Securities Eligible for Investment

Acceptable equity investments will include the following:

- Common and preferred stocks listed on major recognized U.S. or global exchanges;
- Warrants on qualified stocks;
- Securities which are convertible into qualified stocks;
- Income trusts;
- With respect to that portion of the Fund's portfolio invested in foreign securities the Fund may hold index participation units and index certificates, ETFs, mutual fund units and pooled fund units and ADRs or GDRs.

Acceptable money market investments will include the following:

- Cash equivalent instruments issued by governments or corporations, with terms to maturity of up to 12 months.

Diversification & Quality Standards

The Fund invests primarily in common shares of established U.S. corporations and other equity securities. The Fund may also hold convertible debentures and cash. The Fund’s holdings will normally comprise at least 65% large cap stocks. The portfolio adviser will not invest more than 10% of the Fund in the equity securities of any one corporation.

The Fund’s current target asset mix and allowable ranges are set forth in the table below:

<u>Asset Class</u>	<u>Minimum (%)</u>	<u>Target (%)</u>	<u>Maximum (%)</u>
Total Equities	85	<b>100</b>	100
U.S. Equities	65	<b>100</b>	100
Small / Mid Cap Equities	0	<b>0</b>	35
Cash and Cash Equivalents	0	<b>0</b>	15

Currency Hedging

The use of currency hedging is permitted but is not currently employed by the portfolio adviser. Pre-approval from Educators Financial Group would be required for the portfolio adviser to introduce currency hedging for the Fund.

Securities Lending

The Fund may also enter into securities lending transactions to generate additional income.

**What are the Risks of Investing in the Fund?**

Investing in this Fund may involve the following risks, which are detailed starting on page 2:

- Equity Investments
- Commodities
- Securities Lending
- Tax
- Volatile Markets and Market Disruption Risk
- Foreign Investments (Exchange Rate Risk and Foreign Portfolio Investments Risk)
- Risks in Relation to Derivatives

**Who Should Invest in this Fund?**

The Fund is suitable for investors who:

- Want a core North American equity fund that focuses on investing in established North American corporations.
- Have longer term investment goals.
- Are comfortable with medium investment risk.

You will find an explanation of the risk classification we use in the Introduction to Part B of this Simplified Prospectus under “*Who Should Invest in this Fund – Investment Risk Classification Methodology*”.

This Fund may not be appropriate for an investor who needs regular income or stability of capital or is pursuing a short-term investment goal.

**Distribution Policy**

The Fund’s net income is distributed semi-annually to unitholders in June and December. Net realized capital gains are generally distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Fund, unless you request that the Fund pay the distributions to you in cash.

**Fund Expenses Indirectly Borne by Investors**

See *Fund Expenses Indirectly Borne by Investors* on page 24 for the assumptions we are required to use in this table. The assumptions do not reflect the actual performance of the Fund.

Expenses payable over:	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Class A units	\$20.70	\$65.27	\$114.41	\$260.42
Class I units	\$0.10	\$0.32	\$0.57	\$1.29
Class F units	N/A	N/A	N/A	N/A



## EDUCATORS MONITORED AGGRESSIVE PORTFOLIO

### Fund Details

Type of Fund:	Global Equity
Date Fund was Started:	January 4, 2018 <sup>(1)</sup>
Nature of Securities Offered:	Class A units, Class E units, Class I units and Class F units
Portfolio Adviser:	HSBC Global Asset Management (Canada) Limited
Registered Plan Eligibility:	Yes

(1) The Fund was established on January 2, 2018; Class A and Class I units were first offered by prospectus dated January 4, 2018. Class E units were first offered by an amendment dated February 20, 2020 to the simplified prospectus dated May 17, 2019. Class F units were first offered by the simplified prospectus dated May 14, 2021.

### What Does the Fund Invest In?

#### *Investment Objectives*

The Fund focuses on providing potential for long-term capital growth. It does this by maintaining a balance of investments across several asset classes. The Fund invests primarily in mutual funds that invest in securities of Canadian and foreign governments and corporations. The asset mix is varied depending on the outlook for the economy and financial markets.

The fundamental investment objective of the Fund may not be changed without the prior approval of the unitholders of the Fund. *Investment Strategies*

The Fund invests primarily in the units of other mutual funds (Educators Financial Group Funds, HSBC Mutual Funds, approved exchange traded funds (“ETFs”) and approved other third-party managed funds) that invest in the securities of Canadian and foreign governments and corporations. Determining what underlying funds are appropriate and the extent of the Fund’s investment in each appropriate underlying fund is the responsibility of the portfolio adviser, which selects underlying funds based on its discretionary asset allocations within the various asset classes specified for the Fund with a goal of achieving the optimal asset mix for the Fund consistent with its risk profile. The underlying funds will not have embedded management fees in them. If ETFs are utilized, any management fees paid will be refunded to the Fund.

The Fund’s portfolio advisor uses strategic asset allocation as the principal investment strategy. The portfolio advisor may also, at its discretion, use a tactical asset allocation overlay strategy. The Fund’s portfolio advisor allocates assets among the underlying funds and may change the percentage holding of any underlying fund at any time within the allowable asset mix ranges of the Fund.

## EDUCATORS MONITORED AGGRESSIVE PORTFOLIO

### Securities Eligible for Investment

The Fund will invest primarily in other mutual funds managed by the Manager; where it does not offer an appropriate fund, the Fund will next invest in mutual funds managed by its portfolio adviser, or where neither offers an appropriate fund, in third party mutual funds and ETFs.

Acceptable cash and money market investments include the following:

- Cash deposits;
- Educators Money Market Fund;
- Cash equivalent instruments issued by Canadian governments or corporations, with terms to maturity of 0 to 12 months.

### Diversification & Quality Standards

The Fund's strategic target asset mix and allowable ranges are set out in the table below:

<u>Asset Class</u>	<u>Minimum (%)</u>	<u>Target (%)</u>	<u>Maximum (%)</u>
Total Fixed Income	0	<b>10</b>	30
Cash & Money Market	0	<b>0</b>	10
Mortgages	0	<b>0</b>	5
Bonds <sup>(1)</sup>	0	<b>10</b>	20
Total Equities	70	<b>90</b>	100
Canadian Equities <sup>(2)</sup>	17.5	<b>27.5</b>	37.5
Foreign Equities <sup>(3)</sup>	52.5	<b>62.5</b>	72.5
U.S. Equities <sup>(4)</sup>	10	<b>34</b>	60
Non-North American Equities <sup>(5)</sup>	5	<b>28.5</b>	63

(1) May include allocations to HSBC Global Inflation Linked Bond Pooled Fund to a maximum allocation of 5% and to HSBC Global High Yield Bond Pooled Fund and HSBC Emerging Markets Debt Pooled Fund to maximum allocations of 10%.

(2) May include an allocation to HSBC Small Cap Growth Fund to a maximum allocation of 6%.

(3) May include HSBC Global Real Estate Equity Pooled Fund to a maximum allocation of 5%.

(4) May include an allocation to the HSBC U.S. Equity Index Fund.

(5) May include an allocation to HSBC Emerging Markets Pooled Fund and HSBC Emerging Markets Equity Index Fund to a combined maximum allocation of 13%.

During periods of high market volatility, when likelihood of capital loss is high, the investment advisor may, with prior approval from Educators Financial Group, exceed the maximum Cash & Money Market investments. Such a position is expected to be temporary.

No more than 90% of the Fund's portfolio will be invested in funds with a stated objective of investing in foreign fixed income and equity securities in the aggregate.

### Currency Hedging

The use of currency hedging is permitted but is not currently employed by the portfolio adviser. Pre-approval from Educators Financial Group would be required for the portfolio adviser to introduce currency hedging for the Fund.

### **What are the Risks of Investing in the Fund?**

Investing in this Fund may involve the following risks, either in respect of the Fund itself or in respect of the underlying funds in which it invests in, which risks are detailed starting on page 2:

- Equity Investments
- Commodities
- Tax
- Multiple Class
- Asset Allocation
- Underlying Fund
- Volatile Markets and Market Disruption Risk

In addition, for the portion of the Fund's portfolio which is indirectly invested in foreign securities, investing in the Fund will also involve the risks associated with the following (detailed on pages 3 and 4):

- Foreign Investments (Exchange Rate Risk and Foreign Portfolio Investments Risk)
- Risks in Relation to Derivatives

### **Who Should Invest in this Fund?**

The Fund is suitable for investors who:

- Want to maximize the long-term potential growth of their capital.
- Have a long-term investment time horizon.
- Prefer a medium tolerance for investment risk.

You will find an explanation of the risk classification we use in the Introduction to Part B of this Simplified Prospectus under "*What are the Risks of Investing in the Fund? – Investment Risk Classification Methodology*".

**Distribution Policy**

The Fund's net income is distributed semi-annually to unitholders in June and December. Net realized capital gains are generally distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Fund, unless you request that the Fund pay the distributions to you in cash.

**Fund Expenses Indirectly Borne by Investors**

See *Fund Expenses Indirectly Borne by Investors* on page 24 for the assumptions we are required to use in this table. The assumptions do not reflect the actual performance of the Fund.

Expenses payable over:	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Class A units	\$20.70	\$65.27	\$114.41	\$260.42
Class E units	\$16.56	\$52.21	\$91.51	\$208.30
Class I units	\$0.00	\$0.00	\$0.00	\$0.00
Class F units	N/A	N/A	N/A	N/A

## EDUCATORS MONITORED BALANCED PORTFOLIO

### Fund Details

Type of Fund:	Global Neutral Balanced
Date Fund was Started:	January 4, 2018 <sup>(1)</sup>
Nature of Securities Offered:	Class A units, Class E units, Class I units and Class F units
Portfolio Adviser:	HSBC Global Asset Management (Canada) Limited
Registered Plan Eligibility:	Yes

(1) The Fund was established on January 2, 2018; Class A and Class I units were first offered by prospectus dated January 4, 2018. Class E units were first offered by an amendment dated February 20, 2020 to the simplified prospectus dated May 17, 2019. Class F units were first offered by the simplified prospectus dated May 14, 2021.

### What Does the Fund Invest In?

#### *Investment Objectives*

The Fund focuses on providing a balance of income and potential for long-term capital growth. It does this by maintaining a balance of investments across several asset classes. The Portfolio invests primarily in mutual funds that invest in securities of Canadian and foreign governments and corporations. The asset mix is varied depending on the outlook for the economy and financial markets.

The fundamental investment objective of the Fund may not be changed without the prior approval of the unitholders of the Fund. *Investment Strategies*

The Fund invests primarily in the units of other mutual funds (Educators Financial Group Funds, HSBC Mutual Funds, approved exchange traded funds (“ETFs”) and approved other third-party managed funds) that invest in the securities of Canadian and foreign governments and corporations. Determining what underlying funds are appropriate and the extent of the Fund’s investment in each appropriate underlying fund is the responsibility of the portfolio adviser, which selects underlying funds based on its discretionary asset allocations within the various asset classes specified for the Fund with a goal of achieving the optimal asset mix for the Fund consistent with its risk profile. The underlying funds will not have embedded management fees in them. If ETFs are utilized, any management fees paid will be refunded to the Fund.

The Fund’s portfolio advisor uses strategic asset allocation as the principal investment strategy. The portfolio advisor may also, at its discretion, use a tactical asset allocation overlay strategy. The Fund’s portfolio advisor allocates assets among the underlying funds and may change the percentage holding of any underlying fund at any time within the allowable asset mix ranges of the Fund.

## EDUCATORS MONITORED BALANCED PORTFOLIO

### Securities Eligible for Investments

The Fund will invest primarily in other mutual funds managed by the Manager; where it does not offer an appropriate fund, the Fund will next invest in mutual funds managed by its portfolio adviser, or where neither offers an appropriate fund, in third party mutual funds and ETFs.

Acceptable cash and money market investments include the following:

- Cash deposits;
- Educators Money Market Fund;
- Cash equivalent instruments issued by Canadian governments or corporations, with terms to maturity of 0 to 12 months.

### Diversification & Quality Standards

The Fund's strategic target asset mix and allowable ranges are set out in the table below:

<b><u>Asset Class</u></b>	<b><u>Minimum (%)</u></b>	<b><u>Target (%)</u></b>	<b><u>Maximum (%)</u></b>
Total Fixed Income	33	48	63
Cash & Money Market	0	5	10
Mortgages	0	6	25
Bonds <sup>(1)</sup>	5	37	63
Total Equities	32	52	72
Canadian Equities <sup>(2)</sup>	14.5	24.5	34.5
Foreign Equities <sup>(3)</sup>	17.5	27.5	37.5
U.S. Equities <sup>(4)</sup>	0	15	30
Non-North American Equities <sup>(5)</sup>	0	12.5	36

(1) May include allocations to HSBC Global Inflation Linked Bond Pooled Fund to a maximum allocation of 5% and to HSBC Global High Yield Bond Pooled Fund and HSBC Emerging Markets Debt Pooled Fund to maximum allocations of 10%.

(2) May include an allocation to HSBC Small Cap Growth Fund to a maximum allocation of 5%.

(3) May include HSBC Global Real Estate Equity Pooled Fund to a maximum allocation of 5%.

(4) May include an allocation to the HSBC U.S. Equity Index Fund.

(5) May include an allocation to HSBC Emerging Markets Pooled Fund and HSBC Emerging Markets Equity Index Fund to a combined maximum allocation of 6%.

During periods of high market volatility, when likelihood of capital loss is high, the investment advisor may, with prior approval from Educators Financial Group, exceed the maximum Cash & Money Market investments. Such a position is expected to be temporary.

No more than 60% of the Fund's portfolio will be invested in funds with a stated investment objective of investing in foreign fixed income and equity securities in the aggregate.

### Currency Hedging

The use of currency hedging is permitted but is not currently employed by the portfolio adviser. Pre-approval from Educators Financial Group would be required for the portfolio adviser to introduce currency hedging for the Fund.

### **What are the Risks of Investing in the Fund?**

Investing in this Fund may involve the following risks, either in respect of the Fund itself or in respect of the underlying funds in which it invests in, which risks are detailed starting on page 2:

- Equity Investments
- Commodities
- Tax
- Volatile Markets and Market Disruption Risk
- Multiple Class
- Asset Allocation
- Underlying Fund

In addition, for the portion of the Fund's portfolio which is indirectly invested in foreign securities, investing in the Fund will also involve the risks associated with the following (detailed on pages 3 and 4):

- Foreign Investments (Exchange Rate Risk and Foreign Portfolio Investments Risk)
- Risks in Relation to Derivatives

### **Who Should Invest in this Fund?**

The Fund is suitable for investors who:

- Want to earn a balance of interest income and long-term growth of their capital.
- Have a medium-term investment time horizon.
- Prefer a low to medium tolerance for investment risk.

You will find an explanation of the risk classification we use in the Introduction to Part B of this Simplified Prospectus under "*What are the Risks of Investing in the Fund? – Investment Risk Classification Methodology*".

This Fund may not be appropriate for an investor who needs regular income or stability of capital or is pursuing a short-term investment goal.

### **Distribution Policy**

The Fund's net income is distributed semi-annually to unitholders in June and December, Net realized capital gains are generally distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Fund, unless you request that the Fund pay the distributions to you in cash.

**Fund Expenses Indirectly Borne by Investors**

See *Fund Expenses Indirectly Borne by Investors* on page 24 for the assumptions we are required to use in this table. The assumptions do not reflect the actual performance of the Fund.

Expenses payable over:	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Class A units	\$19.53	\$61.58	\$107.93	\$245.68
Class E units	\$15.61	\$49.21	\$86.25	\$196.33
Class I units	\$0.10	\$0.32	\$0.57	\$1.29
Class F units	N/A	N/A	N/A	N/A



## EDUCATORS MONITORED CONSERVATIVE PORTFOLIO

### Fund Details

Type of Fund:	Canadian Fixed Income Balanced
Date Fund was Started:	January 4, 2018 <sup>(1)</sup>
Nature of Securities Offered:	Class A units, Class E units, Class I units and Class F units
Portfolio Adviser:	HSBC Global Asset Management (Canada) Limited
Registered Plan Eligibility:	Yes

(1) The Fund was established on January 2, 2018; Class A and Class I units were first offered by prospectus dated January 4, 2018. Class E units were first offered by an amendment dated February 20, 2020 to the simplified prospectus dated May 17, 2019. Class F units were first offered by the simplified prospectus dated May 14, 2021.

### What Does the Fund Invest In?

#### *Investment Objectives*

The Fund focuses on providing income with some potential for low to moderate capital growth. It does this by maintaining a balance of investments across several asset classes. The Fund invests primarily in mutual funds that invest in securities of Canadian and foreign governments and corporations. The asset mix is varied depending on the outlook for the economy and financial markets.

The fundamental investment objective of the Fund may not be changed without the prior approval of the unitholders of the Fund. *Investment Strategies*

The Fund invests primarily in the units of other mutual funds (Educators Financial Group Funds, HSBC Mutual Funds, approved exchange traded funds (“ETFs”) and approved other third-party managed funds) that invest in the securities of domestic and foreign governments and corporations. Determining what underlying funds are appropriate and the extent of the Fund’s investment in each appropriate underlying fund is the responsibility of the portfolio adviser, which selects underlying funds based on its discretionary asset allocations within the various asset classes specified for the Fund with a goal of achieving the optimal asset mix for the Fund consistent with its risk profile. The underlying funds will not have embedded management fees in them. If ETFs are utilized, any management fees paid will be refunded to the Fund.

The Fund’s portfolio advisor uses strategic asset allocation as the principal investment strategy. The portfolio advisor may also, at its discretion, use a tactical asset allocation overlay strategy. The Fund’s portfolio advisor allocates assets among the underlying funds and may change the percentage holding of any underlying fund at any time within the allowable asset mix ranges of the Fund.

## EDUCATORS MONITORED CONSERVATIVE PORTFOLIO

### Securities Eligible for Investment

The Fund will invest primarily in other mutual funds managed by the Manager; where it does not offer an appropriate fund, the Fund will next invest in mutual funds managed by its portfolio adviser, or where neither offers an appropriate fund, in third party mutual funds and ETFs.

Acceptable cash and money market investments include the following:

- Cash deposits;
- Educators Money Market Fund;
- Cash equivalent instruments issued by Canadian governments or corporations, with terms to maturity of 0 to 12 months.

### Diversification & Quality Standards

The Fund's strategic target asset mix and allowable ranges are set out in the table below:

<b><u>Asset Class</u></b>	<b><u>Minimum (%)</u></b>	<b><u>Target (%)</u></b>	<b><u>Maximum (%)</u></b>
Total Fixed Income	57	72	87
Cash & Money Market	0	5	10
Mortgages	0	15.5	35
Bonds <sup>(1)</sup>	20	51.5	85
Total Equities	8	28	48
Canadian Equities	6	16	26
Foreign Equities <sup>(2)</sup>	2	12	22
U.S. Equities	0	6.5	20
Non-North American Equities <sup>(3)</sup>	0	5.5	22

(1) May include allocations to HSBC Global Inflation Linked Bond Pooled Fund to a maximum allocation of 5% and to HSBC Global High Yield Bond Pooled Fund and HSBC Emerging Markets Debt Pooled Fund to maximum allocations of 10%.

(2) May include an allocation to the HSBC U.S. Equity Index Fund

(3) May include an allocation to HSBC Emerging Markets Pooled Fund and HSBC Emerging Markets Equity Index Fund to a combined maximum allocation of 3%.

During periods of high market volatility, when likelihood of capital loss is high, the investment advisor may, with prior approval from Educators Financial Group, exceed the maximum Cash & Money Market investments. Such a position is expected to be temporary.

No more than 40% of the Fund's portfolio will be inverted in funds with a stated investment objective of investing in foreign fixed income and equity securities in the aggregate.

### Currency Hedging

The use of currency hedging is permitted but is not currently employed by the portfolio adviser. Pre-approval from Educators Financial Group would be required for the portfolio adviser to introduce currency hedging for the Fund.

### **What are the Risks of Investing in the Fund?**

Investing in this Fund may involve the following risks, either in respect of the Fund itself or in respect of the underlying funds in which it invests in, which risks are detailed starting on page 2:

- Equity Investments
- Commodities
- Tax
- Volatile Markets and Market Disruption Risk
- Multiple Class
- Asset Allocation
- Underlying Fund

In addition, for the portion of the Fund's portfolio which is indirectly invested in foreign securities, investing in the Fund will also involve the risks associated with the following (detailed on pages 3 and 4):

- Foreign Investments (Exchange Rate Risk and Foreign Portfolio Investments Risk)
- Risks in Relation to Derivatives

### **Who Should Invest in this Fund?**

The Fund is suitable for investors who:

- Want interest income and some potential for low to moderate long-term growth of their capital.
- Have a medium-term investment time horizon.
- Prefer a low tolerance for investment risk.

You will find an explanation of the risk classification we use in the Introduction to Part B of this Simplified Prospectus under "*What are the Risks of Investing in the Fund? – Investment Risk Classification Methodology*".

This Fund may not be appropriate for an investor seeking capital growth.

### **Distribution Policy**

The Fund's net income is distributed quarterly to unitholders. Net realized capital gains are generally distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Fund, unless you request that the Fund pay the distributions to you in cash.

EDUCATORS MONITORED CONSERVATIVE PORTFOLIO

**Fund Expenses Indirectly Borne by Investors**

See *Fund Expenses Indirectly Borne by Investors* on page 24 for the assumptions we are required to use in this table. The assumptions do not reflect the actual performance of the Fund.

Expenses payable over:	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Class A units	\$17.09	\$53.88	\$94.43	\$214.96
Class E units	\$13.71	\$43.22	\$75.76	\$172.46
Class I units	\$0.00	\$0.00	\$0.00	\$0.00
Class F units	N/A	N/A	N/A	N/A

## EDUCATORS MONITORED GROWTH PORTFOLIO

### Fund Details

Type of Fund:	Global Equity Balanced
Date Fund was Started:	January 4, 2018 <sup>(1)</sup>
Nature of Securities Offered:	Class A units, Class E units, Class I units and Class F units
Portfolio Adviser:	HSBC Global Asset Management (Canada) Limited
Registered Plan Eligibility:	Yes

(1) The Fund was established on January 2, 2018; Class A and Class I units were first offered by prospectus dated January 4, 2018. Class E units were first offered by an amendment dated February 20, 2020 to the simplified prospectus dated May 17, 2019. Class F units were first offered by the simplified prospectus dated May 14, 2021.

### What Does the Fund Invest In?

#### *Investment Objectives*

The Fund focuses on providing potential for long-term capital growth with low to moderate income. It does this by maintaining a balance of investments across several asset classes. The Fund invests primarily in mutual funds units that invest in securities of Canadian and foreign governments and corporations. The asset mix is varied depending on the outlook for the economy and financial markets.

The fundamental investment objective of the Fund may not be changed without the prior approval of the unitholders of the Fund.

#### *Investment Strategies*

The Fund invests primarily in the units of other mutual funds (Educators Financial Group Funds, HSBC Mutual Funds, approved exchange traded funds (“ETFs”) and approved other third-party managed funds) that invest in the securities of Canadian domestic and foreign governments and corporations. Determining what underlying funds are appropriate and the extent of the Fund’s investment in each appropriate underlying fund is the responsibility of the portfolio adviser, which selects underlying funds based on its discretionary asset allocations within the various asset classes specified for the Fund with a goal of achieving the optimal asset mix for the Fund consistent with its risk profile. The underlying funds will not have embedded management fees in them. If ETFs are utilized, any management fees paid will be refunded to the Fund.

The Fund’s portfolio advisor uses strategic asset allocation as the principal investment strategy. The portfolio advisor may also, at its discretion, use a tactical asset allocation overlay strategy. The Fund’s portfolio advisor allocates assets among the underlying funds and may change the percentage holding of any underlying fund at any time within the allowable asset mix ranges of the Fund.

## EDUCATORS MONITORED GROWTH PORTFOLIO

### Securities Eligible for Investment

The Fund will invest primarily in other mutual funds managed by the Manager; where it does not offer an appropriate fund, the Fund will next invest in mutual funds managed by its portfolio adviser, or where neither offers an appropriate fund, in third party mutual funds and ETFs.

Acceptable cash and money market investments include the following:

- Cash deposits;
- Educators Money Market Fund;
- Cash equivalent instruments issued by Canadian governments or corporations, with terms to maturity of 0 to 12 months.

### Diversification & Quality Standards

The Fund's strategic target asset mix and allowable ranges are set out in the table below:

<b><u>Asset Class</u></b>	<b><u>Minimum (%)</u></b>	<b><u>Target (%)</u></b>	<b><u>Maximum (%)</u></b>
Total Fixed Income	15	<b>25</b>	45
Cash & Money Market	0	<b>0</b>	10
Mortgages	0	<b>2.5</b>	20
Bonds <sup>(1)</sup>	0	<b>22.5</b>	45
Total Equities	55	<b>75</b>	95
Canadian Equities <sup>(2)</sup>	20	<b>30</b>	40
Foreign Equities <sup>(3)</sup>	35	<b>45</b>	55
U.S. Equities <sup>(4)</sup>	5	<b>25</b>	45
Non-North American Equities <sup>(5)</sup>	0	<b>20</b>	50

(1) May include allocations to HSBC Global Inflation Linked Bond Pooled Fund to a maximum allocation of 5% and to HSBC Global High Yield Bond Pooled Fund and HSBC Emerging Markets Debt Pooled Fund to maximum allocations of 10%.

(2) May include an allocation to HSBC Small Cap Growth Fund to a maximum allocation of 5%.

(3) May include HSBC Global Real Estate Equity Pooled Fund to a maximum allocation of 5%

(4) May include an allocation to the HSBC U.S. Equity Index Fund.

(5) May include an allocation to HSBC Emerging Markets Pooled Fund and HSBC Emerging Markets Equity Index Fund to a combined maximum allocation of 10%.

During periods of high market volatility, when likelihood of capital loss is high, the investment advisor may, with prior approval from Educators Financial Group, exceed the maximum Cash & Money Market investments. Such a position is expected to be temporary.

No more than 70% of the Fund's portfolio will be invested in funds with a stated investment objective of investing in foreign fixed income and equity securities in the aggregate.

### Currency Hedging

The use of currency hedging is permitted but is not currently employed by the portfolio adviser. Pre-approval from Educators Financial Group would be required for the portfolio adviser to introduce currency hedging for the Fund.

### **What are the Risks of Investing in the Fund?**

Investing in this Fund may involve the following risks, either in respect of the Fund itself or in respect of the underlying funds in which it invests in, which risks are detailed starting on page 2:

- Equity Investments
- Commodities
- Tax
- Volatile Markets and Market Disruption Risk
- Multiple Class
- Asset Allocation
- Underlying Fund

In addition, for the portion of the Fund's portfolio which is indirectly invested in foreign securities, investing in the Fund will also involve the risks associated with the following (detailed on pages 3 and 4):

- Foreign Investments (Exchange Rate Risk and Foreign Portfolio Investments Risk)
- Risks in Relation to Derivatives

### **Who Should Invest in this Fund?**

The Fund is suitable for investors who:

- Want long-term growth of their capital and low to moderate interest income.
- Have a long-term investment time horizon.
- Prefer a low to medium tolerance for investment risk.

You will find an explanation of the risk classification we use in the Introduction to Part B of this Simplified Prospectus under "*What are the Risks of Investing in the Fund? – Investment Risk Classification Methodology*".

This Fund may not be appropriate for an investor who needs regular income or stability of principal or is pursuing a short-term investment goal.

### **Distribution Policy**

The Fund's net income is distributed semi-annually to unitholders in June and December. Net realized capital gains are generally distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Fund, unless you request that the Fund pay the distributions to you in cash.

**Fund Expenses Indirectly Borne by Investors**

See *Fund Expenses Indirectly Borne by Investors* on page 24 for the assumptions we are required to use in this table. The assumptions do not reflect the actual performance of the Fund.

Expenses payable over:	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Class A units	\$20.70	\$65.27	\$114.41	\$260.42
Class E units	\$16.56	\$52.21	\$91.51	\$208.30
Class I units	\$0.10	\$0.32	\$0.57	\$1.29
Class F units	N/A	N/A	N/A	N/A





**EDUCATORS BALANCED FUND  
EDUCATORS BOND FUND  
EDUCATORS DIVIDEND FUND  
EDUCATORS GROWTH FUND  
EDUCATORS MONEY MARKET FUND  
EDUCATORS MONTHLY INCOME FUND  
EDUCATORS MORTGAGE & INCOME FUND  
EDUCATORS U.S. EQUITY FUND**

**EDUCATORS MONITORED AGGRESSIVE PORTFOLIO  
EDUCATORS MONITORED BALANCED PORTFOLIO  
EDUCATORS MONITORED CONSERVATIVE PORTFOLIO  
EDUCATORS MONITORED GROWTH PORTFOLIO**

You will find more information about a Fund in its annual information form, fund facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this simplified prospectus, which means they legally form part of this simplified prospectus just as if they were printed as part of this simplified prospectus.

You can get a copy of these documents, at your request, and at no cost, by calling toll-free 1-800-263-9541.

You can also get copies of this simplified prospectus, the fund facts, the annual information form, the management reports of fund performance and the financial statements from our website at [www.educatorsfinancialgroup.ca](http://www.educatorsfinancialgroup.ca).

These documents and other information about a Fund, such as information circulars and material contracts, are also available at [www.sedar.com](http://www.sedar.com).

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