

2022

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2022

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

Educators Monthly Income Fund



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

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

Caution Regarding Forward-looking Statements

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

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

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events, including the potential impact of the COVID-19 pandemic on the Fund and/or its operations.

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

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Risk

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

Results of Operations

The Fund's net assets decreased by 7.2% to \$56.5 million at the end of June 2022, down from \$60.9 million at the end of December 2021.

Investment Performance

For the year/period ending June 30, 2022 (the 'period'), the Educators Monthly Income Fund – Class A Series provided a negative return of 8.69%, versus a Benchmark return of negative 10.12%. The Benchmark comprises 70% S&P/TSX Composite Total Return Index, 27% FTSE Canada Bond Universe Index and 3% FTSE Canada 91 Day Treasury Bill Index.

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

In the Canadian equity market, the year began with continued uncertainty as investor fears shifted from COVID-19 variants towards socio-political crises and the war between Russia and the Ukraine. Coupled with rising energy prices and inflation concerns, the first quarter was one of significant volatility across markets and sectors. In this environment, the S&P/TSX Composite posted a positive return, benefitting from strong performance in the Energy and Materials sectors. The volatility continued in the second quarter, as investors adjusted to a more persistent inflationary environment and socio-political turmoil in Europe showed no signs of ending. Despite aggressive central bank action, recession fears increased and fueled negative sentiment in all areas of the market. After eight consecutive quarters of positive returns, the S&P/TSX Composite shifted into negative territory in April, with a broad-based downturn affecting all sectors. Market performance is negative on a year-to-date basis.

The Canadian fixed-income market started the year on weak footing. Both the Bank of Canada and Federal Reserve kept interest rates unchanged at their scheduled policy meetings in January due to the COVID-19 Omicron variant, much to the chagrin of capital markets, which were poised for a hike. Inflation continued to rise and both central banks raised rates by 0.25% in March and accompanied the moves with a more aggressive tightening outlook. In the second

quarter, as it became clear that inflation had become entrenched and persistent, the Bank of Canada and Federal Reserve had no choice but to aggressively raise interest rates. The rate hikes negatively affected fixed-income market sentiment, leading to negative absolute performance across all government and corporate sectors in the first half of the year. The Provincial, Municipal, Infrastructure, and Energy sectors underperformed, as yields increased and impacted longer duration sectors more significantly. The Financials and Securitization sectors were the best performers, given their shorter duration nature. On a credit quality basis, A and BBB-rated securities underperformed higher-rated sectors, as continued risks of persistent inflation, higher rates, and slowing global growth were detrimental to risk tone and risk assets over the quarter.

The equity portfolio enhanced relative performance due principally to the Fund's Canadian equity holdings, which outperformed the S&P/TSX—benefitting from positive relative contributions in most sectors. The portfolio is positioned with strong capital preservation attributes, providing protection in down markets while also providing growth in up markets. This positioning was particularly beneficial during the second quarter. The Information Technology sector contributed significantly as the Fund's holdings outperformed the sector, whose performance was negatively impacted by the steep decline of Shopify Inc's share price. The Fund does not hold Shopify, which contributed positively on a relative basis. Additional positive relative contributions came from the Financials sectors, where the Fund benefitted from its holdings in a property and casualty insurance provider. Within the Consumer Staples sector, the Fund benefitted from good security selection, which included holdings of a national Canadian grocer and a U.S. food and beverage company. The principal detractor to relative performance during the period was the Energy sector, where the Fund had a lower exposure than the Benchmark. The sector performed positively as energy prices rose, fueled by geopolitical concerns.

The fixed-income portfolio underperformed the FTSE Canada Universe Bond Index during the period. Corporate spreads widened to levels last seen during March and April 2020; however, liquidity remained strong. Given the increase in yields, longer dated issues underperformed. The Fund benefitted from its underweight position in the Provincial and Municipal sectors, which are primarily of longer duration. Strong corporate earnings and demand for yield and diversification helped to support credit spreads to a certain degree during the period. Nevertheless, demand for yield was overshadowed by record-breaking primary supply. On a sector basis, the Financial sector detracted due to the Fund's overweight allocation in insurers; these securities have a longer duration than other industries within the sector. The Securitization sector also detracted as valuations weakened, despite displaying strong credit metrics.

The Fund's allocation to both equities and fixed-income decreased during the period, while the allocation to cash increased. The Fund's

holdings in equities decreased from 70.2% to 68.5%, composed of a 51.5% exposure to Canadian equity and an 17.0% exposure to foreign equity. The fixed-income allocation ended the period at 19.8%, down from 23.6%, and it continues to include exposure to short-term Canadian fixed income. The Fund ended the period with an allocation of 11.7% in cash. Both the overweight allocation to money market securities and the underweight allocation to fixed income enhanced returns through the period.

Recent Developments

Within the equity portfolio of the Fund, the portfolio manager remains disciplined and focused on high-quality businesses that can withstand tough times. For this reason, the portfolio is well positioned for the long-term compounding of returns. The equity portfolio will continue to be complemented by a diversified fixed-income portfolio with a significant concentration of corporate bonds. The fixed-income portfolio will continue to remain duration-neutral to its Benchmark to reduce interest rate risk, as the portfolio manager anticipates further increases in yields over the next year. The Fund will continue to focus on defensive characteristics as it navigates through these volatile times to drive Fund performance.

Related Party Transactions

In the first six months of 2022 Educators Financial Group did not refer any conflict of interest matters to the Fund's Independent Review Committee (IRC) and accordingly did not rely upon any recommendation of the IRC in respect of any related party transactions.

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



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the six-month period and past five years. Currently Class I units of the Fund are not being offered to purchase.

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

| | Six months ended June 30 | Year ended December 31 | | | | |
|---|--------------------------|------------------------|---------------|---------------|-----------------|---------------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
| Net Assets, beginning of year/period | \$10.20 | \$9.30 | \$9.74 | \$9.07 | \$10.33 | \$10.12 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | \$0.13 | \$0.27 | \$0.29 | \$0.33 | \$0.31 | \$0.33 |
| Total expenses, including transaction costs [excluding distributions] | (\$0.07) | (\$0.13) | (\$0.13) | (\$0.14) | (\$0.15) | (\$0.15) |
| Realized gains (losses) for the period | (\$0.01) | \$0.28 | (\$0.04) | \$0.62 | \$0.44 | \$0.27 |
| Unrealized gains (losses) for the period | (\$0.93) | \$1.08 | (\$0.04) | \$0.47 | (\$1.27) | \$0.36 |
| Total increase (decrease) from operations ⁽²⁾ | (\$0.88) | \$1.50 | \$0.08 | \$1.28 | (\$0.67) | \$0.81 |

Distributions:

| | | | | | | |
|--|---------------|----------------|---------------|---------------|---------------|----------------|
| From net investment income (excluding dividends) | \$-- | \$-- | \$-- | \$-- | \$-- | \$-- |
| From dividends | \$0.30 | \$0.12 | \$0.15 | \$0.20 | \$0.16 | \$0.16 |
| From capital gains | \$-- | \$-- | \$0.02 | \$0.39 | \$0.45 | \$0.02 |
| Return of capital | \$-- | \$0.48 | \$0.43 | \$0.01 | \$-- | \$0.42 |
| Total Annual Distributions ⁽³⁾ | \$0.30 | \$0.60 | \$0.60 | \$0.60 | \$0.61 | \$0.60 |
| Net Assets, end of year/period | \$9.03 | \$10.20 | \$9.30 | \$9.74 | \$9.07 | \$10.33 |

Ratios and Supplemental Data (based on Net Asset Value)

| | Six months ended June 30 | Year ended December 31 | | | | |
|---|--------------------------|------------------------|-----------|-----------|-----------|-----------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
| Total Net Asset Value (000's) ⁽⁴⁾ | \$54,807 | \$59,185 | \$53,215 | \$59,411 | \$59,836 | \$65,293 |
| Number of units outstanding ⁽⁴⁾ | 6,067,292 | 5,799,608 | 5,721,925 | 6,101,290 | 6,596,034 | 6,323,244 |
| Management expense ratio ⁽⁵⁾ | 1.31% | 1.31% | 1.31% | 1.31% | 1.31% | 1.31% |
| Management expense ratio before waivers or absorptions ⁽⁶⁾ | 1.31% | 1.31% | 1.31% | 1.31% | 1.31% | 1.31% |
| Trading expense ratio ⁽⁷⁾ | 0.01% | 0.01% | 0.02% | 0.05% | 0.07% | 0.05% |
| Portfolio turnover rate ⁽⁸⁾ | 15.29% | 27.14% | 46.75% | 98.31% | 78.88% | 62.06% |
| Net Asset Value per unit | \$9.03 | \$10.20 | \$9.30 | \$9.74 | \$9.07 | \$10.33 |

Educators Monthly Income Fund – Class F Series – Net Assets per Unit ⁽¹⁾

| | Six months ended June 30 2022 | Year ended December 31 2021 |
|---|----------------------------------|--------------------------------|
| Net Assets, beginning of year/period | \$10.06 | \$10.00 |
| Increase (decrease) from operations: | | |
| Total revenue | \$0.13 | \$0.10 |
| Total expenses, including transaction costs [excluding distributions] | (\$0.03) | (\$0.02) |
| Realized gains (losses) for the period | (\$0.01) | \$0.01 |
| Unrealized gains (losses) for the period | (\$0.92) | \$0.72 |
| Total increase (decrease) from operations ⁽²⁾ | (\$0.83) | \$0.81 |
| Distributions: | | |
| From net investment income (excluding dividends) | \$-- | \$-- |
| From dividends | \$0.30 | \$0.06 |
| From capital gains | \$-- | \$-- |
| Return of capital | \$-- | \$0.24 |
| Total Annual Distributions ⁽³⁾ | \$0.30 | \$0.30 |
| Net Assets, end of year/period | \$8.93 | \$10.06 |

Ratios and Supplemental Data (based on Net Asset Value)

| | Six months ended June 30 2022 | Year ended December 31 2021 |
|---|----------------------------------|--------------------------------|
| Total Net Asset Value (000's) ⁽⁴⁾ | \$1,688 | \$1,756 |
| Number of units outstanding ⁽⁴⁾ | 189,106 | 174,594 |
| Management expense ratio ⁽⁵⁾ | 0.63% | 0.62% |
| Management expense ratio before waivers or absorptions ⁽⁶⁾ | 0.63% | 0.62% |
| Trading expense ratio ⁽⁷⁾ | 0.01% | 0.01% |
| Portfolio turnover rate ⁽⁸⁾ | 15.29% | 27.14% |
| Net Asset Value per unit | \$8.93 | \$10.06 |

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

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

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

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

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

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

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

⁽⁶⁾ The management expense ratio before waivers or absorptions shows what the management expense ratio of the Fund would have been if Educators Financial Group had not charged a lesser amount for its management fee.

⁽⁷⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

⁽⁸⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Management Fees

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

The Manager-Trustee monitors and evaluates the performance of the Fund and pays for the investment management services of the portfolio manager, as well as all administrative services required by the Fund. As compensation for these services, Educators Financial Group is entitled to receive a fee, payable monthly and calculated daily, based on the Net Asset Value of the Fund, at the annual rate of 1.15% for the Class A Series and 0.55% for the Class F Series. The Class I Series is identical on all respect to the Class A Series, except that there is no management fee payable by the Fund in respect of the Class I units.

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

Approximately 15.0% of the total management fees collected from all Series were used to pay for portfolio management services, with the remainder of the fees allocated to custodial services, marketing, technology, and Manager-Trustee operating expenses.

Past Performance

General

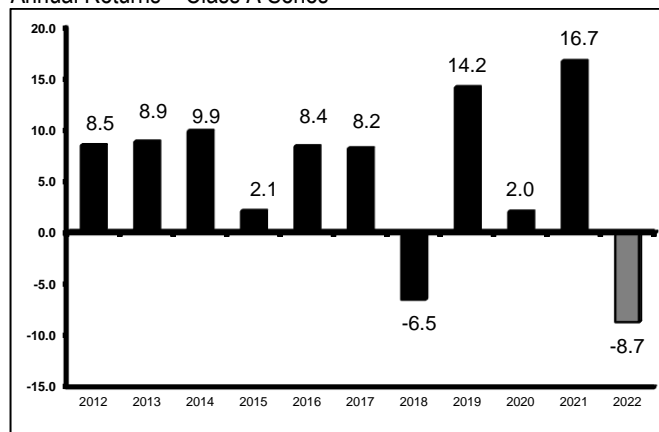
The Fund's performance information shown assumes that all distributions made by the Fund in the period(s) shown were reinvested in additional units of the Fund.

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

Year-by-Year Returns

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

Annual Returns – Class A Series



Annual Returns – Class F Series ⁽¹⁾



(1) The Class F Series commenced operation May 14, 2021

■ % Increase/decrease ■ For the six-month period ended June 30, 2022

Annual Returns – Class I Series

Currently Class I units of the Fund are not being offered to purchase.

SUMMARY OF INVESTMENT PORTFOLIO

(Based on Net Asset Value)

As at June 30, 2022

| Sector Mix | Percentage of Net Asset Value |
|---------------------------|-------------------------------------|
| Financials | 25.92 % |
| Consumer Staples | 12.10 % |
| Industrials | 11.50 % |
| Short-term investments | 11.22 % |
| Corporate Bonds | 10.55 % |
| Information Technology | 6.13 % |
| Communication Services | 5.16 % |
| Mutual funds | 4.54 % |
| Government Bonds | 3.19 % |
| Consumer Discretionary | 2.64 % |
| Utilities | 2.39 % |
| Energy | 1.54 % |
| Asset-Backed Securities | 1.44 % |
| Cash and Cash Equivalents | 0.54 % |
| Net Other Assets | 0.14 % |

Top 25 Holdings

| Security Name | Percentage of Net Asset Value |
|---|-------------------------------------|
| Canadian Treasury Bill, 1.55%, August 4, 2022 | 11.22 % |
| IMAXX Short Term Bond Fund, Class O | 4.54 % |
| TELUS Corp. | 3.49 % |
| Royal Bank of Canada | 3.33 % |
| Toronto-Dominion Bank | 3.20 % |
| Bank of Montreal | 3.15 % |
| National Bank of Canada | 3.03 % |
| Canadian Pacific Railway Ltd. | 2.88 % |
| Metro Inc. | 2.83 % |
| PepsiCo Inc. | 2.78 % |
| Intact Financial Corp. | 2.72 % |
| Canadian Utilities Ltd. | 2.39 % |
| Mastercard Inc. | 2.33 % |
| TMX Group Ltd. | 2.31 % |
| Canadian National Railway Co. | 2.27 % |
| Constellation Software Inc. | 2.20 % |
| Costco Wholesale Corp. | 2.07 % |
| Power Corp of Canada | 1.96 % |
| Restaurant Brands International Inc. | 1.91 % |
| Thomson Reuters Corp. | 1.87 % |
| Canadian Government Bond, 2.00%, December 1, 2051 | 1.85 % |
| FactSet Research Systems Inc. | 1.83 % |
| Toromont Industries Ltd. | 1.79 % |
| Alimentation Couche Tard Inc. | 1.74 % |
| CME Group Inc. | 1.67 % |
| Total Net Assets (000's) | \$56,495 |

The top 25 holdings represent approximately 71.36% of the total net assets of the Fund.

The summary of investment portfolio of the Fund is as at June 30, 2022 and may change due to the Fund's ongoing portfolio transactions. Updates are available quarterly.

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