

2022

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2022

Offered by Educators Financial Group
Portfolio Manager: Beutel, Goodman & Company Ltd., Toronto, Ontario

Educators U.S. Equity 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 6.6% to \$115.7 million at the end of June 2022, down from \$123.9 million at the end of December 2021.

Investment Performance

For the year/period ending June 30, 2022 (the 'period') the Educators U.S. Equity Fund – Class A Series provided a negative return of 6.66% versus a Benchmark return of negative 18.45%. The Benchmark comprises 55% S&P/TSX Composite Total Return Index, 40% S&P 500 Total Return Index (Canadian\$), and 5% MSCI US Small Cap 1750 Index (the 'Benchmark').

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

Equity markets were characterized by high volatility over the period with many events on both the geopolitical and economic fronts unfolding simultaneously. The war in Ukraine and COVID lockdowns in China exacerbated supply-chain issues, which, along with strong consumer demand, helped to drive inflation to multi-decade highs globally in May. This prompted central banks to amp-up their inflation-fighting rhetoric, igniting fears that rates may be increased too much, too fast and consequently 'break' some part of the economy. The S&P 500 Index (C\$) declined 18.26% over the period. Energy was the top-performing sector and was one of two sectors in the Benchmark to record positive returns. Consumer Discretionary, Communication Services, Information Technology, Real Estate, Financials, Materials and Industrials recorded double-digit declines over the period.

The top-performing sectors during the period relative to the Benchmark were Information Technology, Consumer Staples, and Health Care. A combination of both stock selection and an underweight position in the Information Technology sector, an area of relative weakness in the Benchmark, an overweight position in Consumer Staples and Health Care, an area of relative strength in the Benchmark, and stock selection in Communication Services and

Consumer Discretionary contributed to the Fund's relative performance.

From a sector perspective, the Fund's holdings in the Energy, Utilities, and Materials sectors were the largest detractors from the Fund's relative performance over the period. A zero-weight position in Energy and Utilities, an area of relative strength in the Benchmark, and stock selection in Materials detracted from the Fund's relative performance.

Over the period, the largest individual contributors to Fund performance included Merck & Co. Inc., Amdocs Ltd., Kellogg Company, Campbell Soup Company, and Amgen Inc. and the largest individual detractors from Fund performance included eBay Inc., MillerKnoll Inc., Ameriprise Financial Inc., Interpublic Group of Companies Inc., and Harley-Davidson Inc.

The portfolio management team (the team) employs a stock selection process that is based on identifying securities trading at a significant discount to their business value. The Fund's sector and stock weights are outcomes of the team's investment decisions based on bottom-up fundamentals and business quality. As a by-product of the team's bottom-up investment process, market performance, and general management activity, changes that occurred in the Fund's portfolio during the reporting period included an increased weightings in the Fund's Financials, Information Technology, and Consumer Staples sector and a decreased weightings in the Fund's Industrials, Communication Services, and Consumer Discretionary sector because of relative performance and the team's buy/sell activities. BlackRock Inc. and Tempur Sealy International Inc. were new additions to the Fund. Some of the more significant additions in existing holdings included NetApp Inc., Interpublic Group of Companies Inc., and American Express Company. The Fund's position in Ingersoll Rand Inc. was liquidated. Some of the more significant trims from the Fund over the period included Verizon Communications Inc., AmerisourceBergen Corp., and Wabtec Corp. By the end of the period there were 31 holdings in the Fund, up from 29 at the beginning of the period. The Funds level of cash and cash equivalents slightly increased from the beginning of the period.

Recent Developments

The U.S. Federal Reserve and the Bank of Canada have both aggressively raised their Benchmark interest rates and appear committed to combatting high inflation. The impact of both higher prices and rising interest rates could potentially drive an economic slowdown and is creating a challenging environment for securities globally. Growing recessionary fears, questions about consumer spending behavior, and the effect on corporate profits add to an uncertain macroeconomic outlook.

For several years, equity valuations have been driven higher as investors have sought yield and capital appreciation with few

available investment alternatives. With rising inflation, bond yields have increased substantially, and equity valuations are returning to more normal levels based on historical averages. As always, the portfolio manager remains disciplined and focused on the valuation opportunities in the market—seeking to protect capital and deliver capital appreciation over the long-term.

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.

Related Party Transactions

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 the past five years. Currently Class I units of the Fund are not being offered to purchase by retail investors.

Educators U.S. Equity 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	\$21.02	\$21.10	\$21.28	\$17.64	\$18.59	\$20.18
Increase (decrease) from operations:						
Total revenue	\$0.25	\$0.49	\$1.12	\$0.51	\$0.45	\$0.45
Total expenses, including transaction costs [excluding distributions]	(\$0.24)	(\$0.53)	(\$0.58)	(\$0.48)	(\$0.43)	(\$0.44)
Realized gains (losses) for the period	\$0.60	\$3.21	\$1.43	\$0.72	\$0.84	\$4.34
Unrealized gains (losses) for the period	(\$2.00)	(\$0.61)	(\$0.46)	\$3.06	(\$1.19)	(\$2.27)
Total increase (decrease) from operations ⁽²⁾	(\$1.39)	\$2.56	\$1.51	\$3.81	(\$0.33)	\$2.08

Distributions:

From net investment income (excluding dividends)	\$--	\$--	\$--	\$0.05	\$0.01	\$--
From dividends	\$0.01	\$0.04	\$0.58	\$--	\$--	\$--
From capital gains	\$--	\$2.56	\$1.14	\$0.12	\$0.58	\$3.61
Return of capital	\$--	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.01	\$2.60	\$1.72	\$0.17	\$0.59	\$3.61
Net Assets, end of year/period	\$19.61	\$21.02	\$21.10	\$21.28	\$17.64	\$18.59

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⁾	\$100,158	\$109,552	\$102,683	\$103,370	\$92,385	\$99,517
Number of units outstanding ⁽⁴⁾	5,107,098	5,210,914	4,866,727	4,858,227	5,237,316	5,353,332
Management expense ratio ⁽⁵⁾	1.98%	1.98%	1.98%	1.97%	1.93%	1.93%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.98%	1.98%	1.98%	1.98%	1.98%	1.98%
Trading expense ratio ⁽⁷⁾	0.03%	0.04%	0.05%	0.03%	0.04%	0.10%
Portfolio turnover rate ⁽⁸⁾	12.66%	38.23%	36.22%	16.05%	29.27%	125.26%
Net Asset Value per unit	\$19.61	\$21.02	\$21.10	\$21.28	\$17.64	\$18.59



EDUCATORS U.S. EQUITY FUND

Educators U.S. Equity Fund – Class I Series – Net Assets per Unit ⁽¹⁾

	Six months ended June 30	Year ended December 31			
	2022	2021	2020	2019	2018
Net Assets, beginning of year/period	\$11.37	\$11.37	\$11.37	\$9.42	\$10.00
Increase (decrease) from operations:					
Total revenue	\$0.13	\$0.26	\$0.56	\$0.27	\$0.24
Total expenses, including transaction costs [excluding distributions]	(\$0.02)	(\$0.04)	(\$0.09)	(\$0.05)	(\$0.04)
Realized gains (losses) for the period	\$0.33	\$1.84	\$0.82	\$0.39	\$0.57
Unrealized gains (losses) for the period	(\$1.10)	\$0.07	(\$0.07)	\$1.63	(\$0.98)
Total increase (decrease) from operations ⁽²⁾	(\$0.66)	\$2.13	\$1.22	\$2.24	(\$0.21)

Distributions:

From net investment income (excluding dividends)	\$--	\$--	\$--	\$0.24	\$0.03
From dividends	\$0.12	\$0.14	\$0.43	\$--	\$--
From capital gains	\$--	\$1.46	\$0.61	\$0.07	\$0.36
Return of capital	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.12	\$1.60	\$1.04	\$0.30	\$0.39
Net Assets, end of year/period	\$10.60	\$11.37	\$11.37	\$11.37	\$9.42

Ratios and Supplemental Data (based on Net Asset Value)

	Six months ended June 30	Year ended December 31			
	2022	2021	2020	2019	2018
Total Net Asset Value (000's) ⁽⁴⁾	\$10,955	\$11,525	\$16,295	\$12,591	\$5,207
Number of units outstanding ⁽⁴⁾	1,033,560	1,013,368	1,433,533	1,107,668	552,851
Management expense ratio ⁽⁵⁾	0.01%	0.01%	0.01%	0.01%	0.01%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.01%	0.01%	0.01%	0.01%	0.01%
Trading expense ratio ⁽⁷⁾	0.03%	0.04%	0.05%	0.03%	0.04%
Portfolio turnover rate ⁽⁸⁾	12.66%	38.23%	36.22%	16.05%	29.27%
Net Asset Value per unit	\$10.60	\$11.37	\$11.37	\$11.37	\$9.42



EDUCATORS U.S. EQUITY FUND

Educators U.S. Equity Fund – Class F Series – Net Assets per Unit ⁽¹⁾

	Six months ended June 30	Year ended December 31
	2022	2021
Net Assets, beginning of year/period	\$8.75	\$10.00
Increase (decrease) from operations:		
Total revenue	\$0.11	\$0.10
Total expenses, including transaction costs [excluding distributions]	(\$0.05)	(\$0.05)
Realized gains (losses) for the period	\$0.24	\$0.53
Unrealized gains (losses) for the period	(\$0.95)	(\$0.50)
Total increase (decrease) from operations ⁽²⁾	(\$0.65)	\$0.08
Distributions:		
From net investment income (excluding dividends)	\$--	\$--
From dividends	\$--	\$--
From capital gains	\$0.07	\$1.13
Return of capital	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.07	\$1.13
Net Assets, end of year/period	\$8.15	\$8.75

Ratios and Supplemental Data (based on Net Asset Value)

	Six months ended June 30	Year ended December 31
	2022	2021
Total Net Asset Value (000's) ⁽⁴⁾	\$4,571	\$2,786
Number of units outstanding ⁽⁴⁾	561,066	318,311
Management expense ratio ⁽⁵⁾	0.85%	0.84%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.85%	0.84%
Trading expense ratio ⁽⁷⁾	0.03%	0.04%
Portfolio turnover rate ⁽⁸⁾	12.66%	38.23%
Net Asset Value per unit	\$8.15	\$8.75

⁽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 1.75% for the Class A Series and 0.75% for the Class F Series. The Class I Series is identical in all respect to the Class A Series, except that there is no management fee payable by the Fund in respect of the Class I units.

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

Approximately 25.8% 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

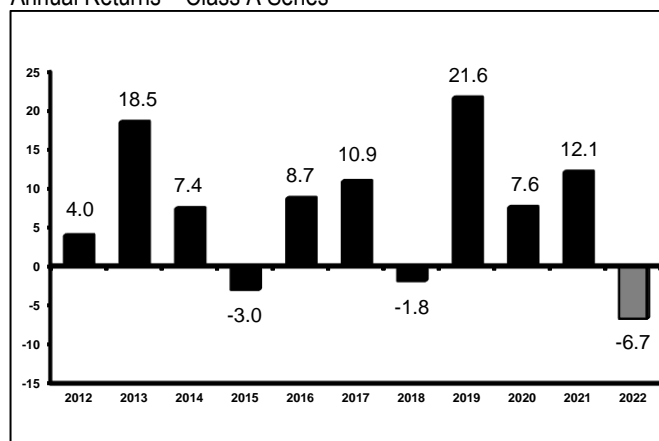
The Fund's performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund.

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

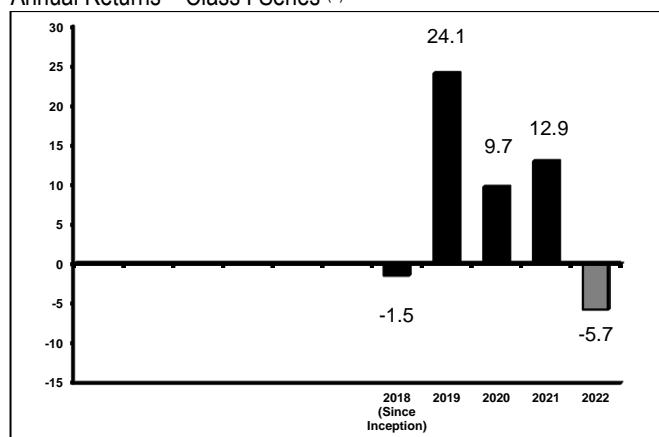
Year-by-Year Returns

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

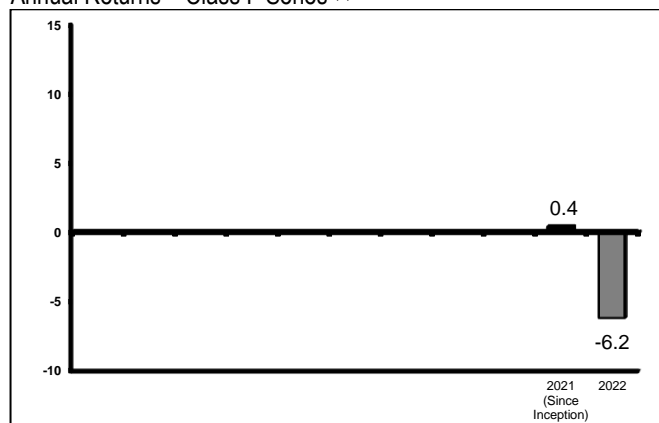
Annual Returns – Class A Series



Annual Returns – Class I Series ⁽¹⁾



Annual Returns – Class F Series ⁽²⁾



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

⁽²⁾ The Class F Series commenced operation May 14, 2021

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



SUMMARY OF INVESTMENT PORTFOLIO

(Based on Net Asset Value)

As at June 30, 2022

Sector Mix	Percentage of Net Asset Value
Health Care	17.21 %
Consumer Discretionary	15.14 %
Consumer Staples	14.77 %
Industrials	13.25 %
Financials	12.73 %
Information Technology	12.50 %
Communication Services	12.16 %
Short-term investments	1.53 %
Materials	0.73 %
Cash and Cash Equivalents	0.04 %
Net Other Liabilities	(0.06) %

Top 25 Holdings

Security Name	Percentage of Net Asset Value
Amgen Inc.	6.12 %
Amdocs Ltd.	5.72 %
Merck & Co., Inc.	5.69 %
Kimberly-Clark Corp.	4.98 %
Kellogg Co.	4.95 %
Campbell Soup Co.	4.84 %
Omnicom Group Inc.	4.41 %
NortonLifeLock Inc.	4.10 %
Westinghouse Air Brake Technologies Corp.	3.90 %
Harley-Davidson Inc.	3.74 %
Ameriprise Financial Inc.	3.62 %
SEI Investments Co.	3.42 %
Polaris Inc.	3.39 %
Biogen Inc.	3.16 %
Flowserve Corp.	3.05 %
American Express Co.	3.04 %
eBay Inc.	3.03 %
Verizon Communications Inc.	2.68 %
NetApp Inc.	2.68 %
BlackRock Inc.	2.66 %
Interpublic Group of Cos Inc.	2.58 %
Cummins Inc.	2.49 %
Comcast Corp.	2.49 %
Herman Miller Inc.	2.34 %
Gentex Corp.	2.33 %

Total Net Assets (000's) **\$115,685**

The top 25 holdings represent approximately 91.41% 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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