

2023

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2023

Offered by Educators Financial Group
Portfolio Manager: Mawer Investment Management Ltd., Calgary, Alberta

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, including international conflicts, 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 any potential lingering 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

Results of Operations

The Fund's net assets increased by 8.3% to \$137.8 million at the end of June 2023, up from \$127.3 million at the end of December 2022.

Investment Performance

For the year/period ending June 30, 2023 (*the period*) the Educators U.S. Equity Fund – Class A Series provided a return of 11.35% versus a Benchmark return of 13.87%. The Benchmark is the S&P 500 Total Return Index and comprised of 55% S&P/TSX Composite Total Return Index, 40% S&P 500 Total Return Index (*Canadian\$*), and 5% MSCI US Small Cap 1750 Index for periods prior to September 30, 2022 (*the Benchmark*).

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

In the first half of 2023, the Active U.S. Equities underperformed the S&P 500 Index before management fees. The portfolio's underweight exposure to a group of seven technology-related companies (Apple, Microsoft, Alphabet, Amazon, Tesla, NVIDIA, and Meta) had a notable effect on relative performance. These companies had very strong returns during the first half of 2023 due to the enthusiasm for the new opportunities and efficiencies that artificial intelligence (AI) has the potential to unlock. Of the seven businesses, we own Microsoft, Alphabet, and Amazon within the Active U.S. Equities. While all three were strong contributors, our relative underweight to these technology-related companies drove relative underperformance over the period.

From a sector perspective, relative underperformance for the Active U.S. Equities was driven by negative sector allocation from an underweight to Information Technology and negative security selection in the Information Technology sector. Relative performance was also impacted by negative sector allocation from an overweight to the Financials sector. Meanwhile, the portfolio's zero weight to Energy and positive security selection in the Financials sector had a positive impact on relative performance.

At the security level, Microsoft Corp and Alphabet were the top contributors to the Active U.S. Equities performance. Microsoft advanced as the company surpassed expectations on the top and bottom lines and beat estimates on quarterly revenue guidance. Alphabet saw its shares rise as the company posted revenue above estimates as demand rose for cloud services and ad sales held up better than expected. The largest detractors were Waters

Corporation and Dollar General. Waters Corporation declined over the period as the company posted revenues that didn't meet expectations and marked a slower rate of growth. Dollar General saw some bearishness as the company cut its full year outlook after missing analysts estimates on the top and bottom lines. The retail discounter said its core customers are reining in their spending amid a worsening economic backdrop and is planning to cut back on planned store openings.

In the period within the Active U.S. Equities, we initiated a position in BorgWarner and we eliminated positions in A O Smith Corp, Netflix, and Comcast Corp. We also exited a position in Ritchie Bros Auctioneers that we received as consideration when IAA, a portfolio holding, got acquired.

Recent Developments

Providing a modicum of relief for central banks globally, inflation continued to decelerate in the first half of 2023, though core inflation – which strips out more volatile food and energy prices – remained stubbornly sticky. While the Federal Reserve opted not to hike rates at its most recent meeting in June, Chairman Powell continued to jawbone markets into expecting more hikes before 2023 is through.

U.S. equity markets shrugged off the government debt ceiling brinkmanship to post excellent returns in the first half of 2023, buoyed largely by outsized returns from a handful of mega cap technology stocks.

The yield curves in many major economies remain inverted, likely signaling we are heading towards a recession, the severity and timing of which is still highly uncertain. The widely anticipated recession, should it ever arrive, is likely to be mild. The risks lie on both sides of this consensus: either that the impact of recent monetary policy impairs demand more substantially than expected (a hard landing), or that inflation persists longer than projected, emboldening policymakers to hike even further than currently expected. Both would likely be negative for equities.

Related Party Transactions

In the first six months of 2023 Educators Financial Group did not refer any conflict of interest matters to the Fund's Independent Review Committee (*the IRC*) and accordingly did not rely upon any recommendation of the IRC in respect of any related party transactions.

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



EDUCATORS U.S. EQUITY 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 for 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				
	2023	2022	2021	2020	2019	2018
Net Assets, beginning of year/period	\$19.63	\$21.02	\$21.10	\$21.28	\$17.64	\$18.59
Increase (decrease) from operations:						
Total revenue	\$0.15	\$0.46	\$0.49	\$1.12	\$0.51	\$0.45
Total expenses, including transaction costs [excluding distributions]	(\$0.20)	(\$0.47)	(\$0.53)	(\$0.58)	(\$0.48)	(\$0.43)
Realized gains (losses) for the period	\$0.09	\$1.11	\$3.21	\$1.43	\$0.72	\$0.84
Unrealized gains (losses) for the period	\$2.19	(\$1.72)	(\$0.61)	(\$0.46)	\$3.06	(\$1.19)
Total increase (decrease) from operations ⁽²⁾	\$2.23	(\$0.62)	\$2.56	\$1.51	\$3.81	(\$0.33)
Distributions:						
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$0.05	\$0.01
From dividends	\$--	\$0.01	\$0.04	\$0.58	\$--	\$--
From capital gains	\$--	\$0.77	\$2.56	\$1.14	\$0.12	\$0.58
Return of capital	\$--	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$--	\$0.78	\$2.60	\$1.72	\$0.17	\$0.59
Net Assets, end of year/period	\$21.86	\$19.63	\$21.02	\$21.10	\$21.28	\$17.64

Ratios and Supplemental Data (based on Net Asset Value)

	Six-months ended June 30	Year ended December 31				
	2023	2022	2021	2020	2019	2018
Total Net Asset Value (000's) ⁽⁴⁾	\$110,459	\$101,548	\$109,552	\$102,683	\$103,370	\$92,385
Number of units outstanding ⁽⁴⁾	5,053,100	5,172,818	5,210,914	4,866,727	4,858,227	5,237,316
Management expense ratio ⁽⁵⁾	1.81%	1.94%	1.98%	1.98%	1.97%	1.93%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.81%	1.94%	1.98%	1.98%	1.98%	1.98%
Trading expense ratio ⁽⁷⁾	--%	0.05%	0.04%	0.05%	0.03%	0.04%
Portfolio turnover rate ⁽⁸⁾	2.02%	153.41%	38.23%	36.22%	16.05%	29.27%
Net Asset Value per unit	\$21.86	\$19.63	\$21.02	\$21.10	\$21.28	\$17.64



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				
	2023	2022	2021	2020	2019	2018
Net Assets, beginning of year/period	\$10.62	\$11.37	\$11.37	\$11.37	\$9.42	\$10.00
Increase (decrease) from operations:						
Total revenue	\$0.08	\$0.26	\$0.26	\$0.56	\$0.27	\$0.24
Total expenses, including transaction costs [excluding distributions]	(\$0.01)	(\$0.04)	(\$0.04)	(\$0.09)	(\$0.05)	(\$0.04)
Realized gains (losses) for the period	\$0.05	\$0.56	\$1.84	\$0.82	\$0.39	\$0.57
Unrealized gains (losses) for the period	\$1.20	(\$1.15)	\$0.07	(\$0.07)	\$1.63	(\$0.98)
Total increase (decrease) from operations ⁽²⁾	\$1.32	(\$0.37)	\$2.13	\$1.22	\$2.24	(\$0.21)
Distributions:						
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$0.24	\$0.03
From dividends	\$0.09	\$0.21	\$0.14	\$0.43	\$--	\$--
From capital gains	\$--	\$0.42	\$1.46	\$0.61	\$0.07	\$0.36
Return of capital	\$--	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.09	\$0.63	\$1.60	\$1.04	\$0.30	\$0.39
Net Assets, end of year/period	\$11.85	\$10.62	\$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				
	2023	2022	2021	2020	2019	2018
Total Net Asset Value (000's) ⁽⁴⁾	\$21,103	\$20,549	\$11,525	\$16,295	\$12,591	\$5,207
Number of units outstanding ⁽⁴⁾	1,780,533	1,934,847	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%	0.01%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Trading expense ratio ⁽⁷⁾	--%	0.05%	0.04%	0.05%	0.03%	0.04%
Portfolio turnover rate ⁽⁸⁾	2.02%	153.41%	38.23%	36.22%	16.05%	29.27%
Net Asset Value per unit	\$11.85	\$10.62	\$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	
	2023	2022	2021
Net Assets, beginning of year/period	\$8.16	\$8.75	\$10.00
Increase (decrease) from operations:			
Total revenue	\$0.06	\$0.19	\$0.10
Total expenses, including transaction costs [excluding distributions]	(\$0.04)	(\$0.10)	(\$0.05)
Realized gains (losses) for the period	\$0.04	\$0.43	\$0.53
Unrealized gains (losses) for the period	\$0.93	(\$0.68)	(\$0.50)
Total increase (decrease) from operations ⁽²⁾	\$0.99	(\$0.16)	\$0.08
Distributions:			
From net investment income (excluding dividends)	\$--	\$--	\$--
From dividends	\$0.04	\$0.11	\$--
From capital gains	\$--	\$0.32	\$1.13
Return of capital	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.04	\$0.43	\$1.13
Net Assets, end of year/period	\$9.10	\$8.16	\$8.75

Ratios and Supplemental Data (based on Net Asset Value)

	Six-months ended June 30	Year ended December 31	
	2023	2022	2021
Total Net Asset Value (000's) ⁽⁴⁾	\$6,265	\$5,191	\$2,786
Number of units outstanding ⁽⁴⁾	688,612	636,193	318,311
Management expense ratio ⁽⁵⁾	0.68%	0.80%	0.84%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.68%	0.80%	0.84%
Trading expense ratio ⁽⁷⁾	--%	0.05%	0.04%
Portfolio turnover rate ⁽⁸⁾	2.02%	153.41%	38.23%
Net Asset Value per unit	\$9.10	\$8.16	\$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 or 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 1.60%* for the Class A Series and 0.60%* 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.

* As a result of the change in the portfolio manager, effective October 1, 2022, the management fee of the Class A Units of the Fund was reduced from 1.75% to 1.60% and the management fee of the Class F Units of the Fund was reduced from 0.75% to 0.60%.

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

Approximately 10.3% of the total management fees collected from all Series excluding Class I Series, approximately 8.7% of the total management fees collected, 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

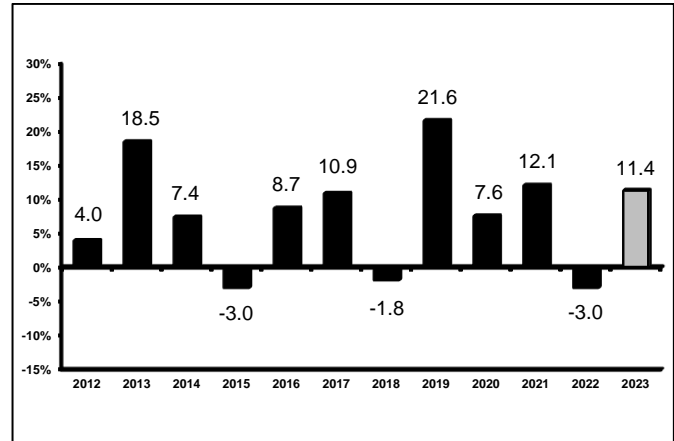
The Fund's performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund.

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.

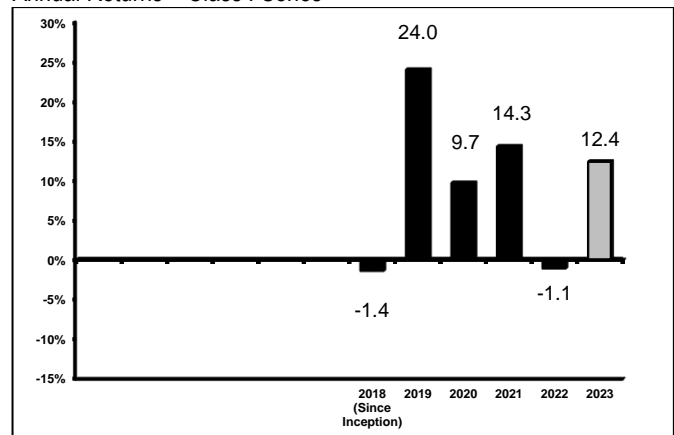
Year-by-Year Returns

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.

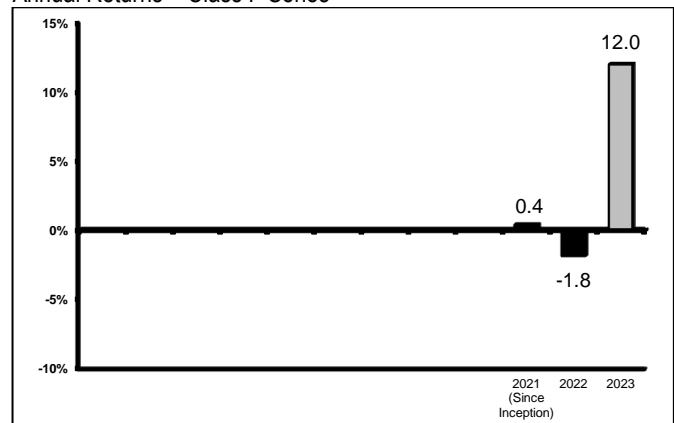
Annual Returns – Class A Series



Annual Returns – Class I Series (1)



Annual Returns – Class F Series (2)



■ % Increase/decrease ■ For the six-month period ended June 30, 2023

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

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



**SUMMARY OF INVESTMENT PORTFOLIO
(Based on Net Asset Value)**

As at June 30, 2023

The summary of investment portfolio of the Fund is as at June 30, 2023 and may change due to the Fund's ongoing portfolio transactions. Updates are available quarterly.

Sector Mix	Percentage of Net Asset Value
Exchange Traded Funds	69.97 %
Information Technology	7.58 %
Financials	5.58 %
Health Care	4.86 %
Industrials	2.98 %
Materials	2.05 %
Consumer Staples	2.00 %
Consumer Discretionary	1.57 %
Communication Services	1.51 %
Short-term investments	0.99 %
Utilities	0.50 %
Net Other Assets (Liabilities)	0.28 %
Cash and Cash Equivalents	0.13 %

Top 25 Holdings

Security Name	Percentage of Net Asset Value
Vanguard S&P 500 Index ETF	69.95 %
Microsoft Corp.	1.53 %
Marsh & McLennan Cos Inc.	1.39 %
Amphenol Corp.	1.31 %
Visa Inc.	1.22 %
Verisk Analytics Inc.	1.20 %
Alphabet Inc.	1.09 %
Arthur J Gallagher & Co.	1.00 %
Procter & Gamble Co.	0.93 %
Becton Dickinson and Co.	0.86 %
UnitedHealth Group Inc.	0.83 %
CME Group Inc.	0.80 %
Johnson & Johnson	0.80 %
Amazon.com Inc.	0.75 %
Waters Corp.	0.72 %
Paychex Inc.	0.66 %
AmerisourceBergen Corp.	0.64 %
Martin Marietta Materials Inc.	0.60 %
Canadian Treasury Bill, 4.70%, August 31, 2023	0.56 %
Cognizant Technology Solutions Corp.	0.55 %
Mastercard Inc.	0.54 %
New Linde PLC.	0.53 %
Sherwin-Williams Co.	0.52 %
Intercontinental Exchange Inc.	0.49 %
AMETEK Inc.	0.48 %
Total Net Assets (000's)	\$137,827

The top 25 holdings represent approximately 89.95% of the total net assets of the Fund.

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