

2024

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2024

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

Educators BrighterFuture Bond Fund™





This interim management report of fund performance contains financial highlights but does not contain either the interim financial report or the 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.sedarplus.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

Investment Objectives and Strategies

The investment objective of the Educators BrighterFuture Bond Fund™ (*the "Fund"*) is to maximize portfolio returns by investing in a diversified portfolio comprised primarily of Canadian dollar denominated debt instruments using a responsible investment approach. The fundamental investment objective of the Fund may not be changed without the prior approval of the unitholders.

Risk

The risks of investing in the Fund remain as discussed in the Simplified Prospectus. Since inception of the Fund no changes affecting the overall level of risk of investing in the Fund were made to the Fund as at June 30, 2024.

Results of Operations

Investment Performance

Class A and Class I units of the Educators BrighterFuture Bond Fund™ were launched on January 17, 2024. Due to policies issued by the Canadian Securities Administrators, investment performance data is not reported for funds in existence for less than one year. The Fund's benchmark is the FTSE Canada Universe Bond Index.

Unlike the Benchmark, the Fund's return is net of fees and expenses paid by the Fund. Investors cannot invest in the Benchmark without incurring fees, expenses and commissions which are not reflected in Benchmark returns.

Within the Canadian Fixed Income market, yields continued to be volatile, as participants sought to anticipate the timing of initial interest rate cuts by the Bank of Canada (*BoC*). Following substantial optimism for cuts at the end of 2023, yields moved higher in early 2024, as those expectations began to be revised. Towards the end of the second quarter, as yields and inflation began to decrease, supported the BoC 0.25% rate cut in early June. Within corporate bonds, credit spreads tightened and enhanced performance, as corporate balance sheets remained strong.

There has been significant divergence between Canadian and U.S. bond yields since the midpoint of 2022. This divergence increased even further in June; with Canada 10-year Government bond yields ending the quarter 90 bps below their U.S. Treasury equivalents. This difference has been largely driven by contrasting economic prospects and the relative interest rate sensitivity of the Canadian and U.S. economies. In June, the U.S. Federal Reserve (*Fed*) did not follow the BoC's lead on cutting rates, maintaining its target range at 5.25% to 5.50%. The June meeting was also notable for the release of the Fed's latest 'dot-plot' in the Summary of Economic Projections, which indicated just one rate cut in 2024.

The Fund's long duration positioning relative to the benchmark contributed to performance amid falling yields during May and June. Sector allocation contributed to performance, as the Fund was overweight in corporate bonds amid a tightening of spreads. During the Period, there were portfolio transactions made based on the portfolio adviser's responsible investing approach for the Fund, which included over 60 ESG-related engagements with management of issuers in the portfolio and under consideration. The Fund invests in a diversified portfolio that includes green, social, and sustainable bond issuers as well as other bond issuers who are committed to reducing their carbon footprint. The Fund's addition of sustainable bonds, issued by Hydro One, are designated for environmental projects such as greening the electric grid, conversion of fleet to electric vehicles, energy efficiency and climate change resiliency. The social use of proceeds is designated for indigenous business procurement and connecting remote communities to the grid.

Recent Developments

The ebb and flow of rate cut expectations in both the U.S. and Canada continues to dominate market sentiment in 2024, as it did in 2023. Slow, but definitive progress on inflation eventually produced the first Canadian cut of the cycle in June, while U.S. central bank officials have yet to act. Inflation in both countries is still above the two central banks' common target of 2.00%, but the achievement of that level in both markets now appears to be likely in 2025. Despite the reluctance of policy makers to lower rates, economic growth has proved resilient, and the prospect of a recession has diminished. Slow growth and continued improvement on inflation should provide an environment conducive to less restrictive policy, with a consensus view of cuts by 50-basis points in both markets for the remainder of 2024.

Growth has indeed moderated, as evidenced by the sharp rise in the unemployment rate over the last few quarters in both Canada and the U.S. Aside from slow growth and continued improvement on inflation, the much-publicized election in the fourth quarter is expected to bring increased volatility across financial markets.

Related Party Transactions

In the first six months of 2024 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.



FINANCIAL HIGHLIGHTS

As the Fund has recently been created no Financial Highlights are provided in this document. Financial Highlights will be provided in our next management report of fund performance ("MRFP") which will cover the Fund for the financial year ended December 31, 2024.

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. Currently Class I units of the Fund and not being offered to purchase by retail investors.

Educators BrighterFuture Bond Fund™ – Class A Series – Net Assets per Unit ⁽¹⁾

	Six-months ended June 30 2024	Year ended December 31
Net Assets, beginning of year/period	\$10.00	
Increase (decrease) from operations:		
Total revenue	\$0.18	
Total expenses, including transaction costs [excluding distributions]	(\$0.06)	
Realized gains (losses) for the period	\$0.01	
Unrealized gains (losses) for the period	\$0.10	
Total increase (decrease) from operations ⁽²⁾	\$0.23	
Distributions:		
From net investment income (excluding dividends)	\$0.12	
From dividends	\$--	
From capital gains	\$--	
Return of capital	\$--	
Total Annual Distributions ⁽³⁾	\$0.12	
Net Assets, end of year/period	\$10.10	

Ratios and Supplemental Data (based on Net Asset Value)

	Six-months ended June 30 2024	Year ended December 31
Total Net Asset Value (000's) ⁽⁴⁾	\$415	
Number of units outstanding ⁽⁴⁾	41,089	
Management expense ratio ⁽⁵⁾	1.31%	
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.31%	
Trading expense ratio ⁽⁷⁾	--%	
Portfolio turnover rate ⁽⁸⁾	69.86%	
Net Asset Value per unit	\$10.10	



EDUCATORS BRIGHTERFUTURE BOND FUND™

Educators BrighterFuture Bond Fund™ – Class I Series – Net Assets per Unit ⁽¹⁾

	Six-months ended June 30 2024	Year ended December 31
Net Assets, beginning of year/period	\$10.00	
Increase (decrease) from operations:		
Total revenue	\$0.18	
Total expenses, including transaction costs [excluding distributions]	\$--	
Realized gains (losses) for the period	\$0.01	
Unrealized gains (losses) for the period	\$0.07	
Total increase (decrease) from operations ⁽²⁾	\$0.26	
Distributions:		
From net investment income (excluding dividends)	\$0.16	
From dividends	\$--	
From capital gains	\$--	
Return of capital	\$--	
Total Annual Distributions ⁽³⁾	\$0.16	
Net Assets, end of year/period	\$10.11	

Ratios and Supplemental Data (based on Net Asset Value)

	Six-months ended June 30 2024	Year ended December 31
Total Net Asset Value (000's) ⁽⁴⁾	\$9,307	
Number of units outstanding ⁽⁴⁾	920,860	
Management expense ratio ⁽⁵⁾	0.01%	
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.01%	
Trading expense ratio ⁽⁷⁾	--%	
Portfolio turnover rate ⁽⁸⁾	69.86%	
Net Asset Value per unit	\$10.11	



EDUCATORS BRIGHTERFUTURE BOND FUND™

Educators BrighterFuture Bond Fund™ – Class F Series – Net Assets per Unit ⁽¹⁾

	Six-months ended June 30 2024	Year ended December 31
Net Assets, beginning of year/period	\$10.00	
Increase (decrease) from operations:		
Total revenue	\$--	
Total expenses, including transaction costs [excluding distributions]	\$--	
Realized gains (losses) for the period	\$--	
Unrealized gains (losses) for the period	\$--	
Total increase (decrease) from operations ⁽²⁾	\$--	
Distributions:		
From net investment income (excluding dividends)	\$0.16	
From dividends	\$--	
From capital gains	\$--	
Return of capital	\$--	
Total Annual Distributions ⁽³⁾	\$0.16	
Net Assets, end of year/period	\$10.00	

Ratios and Supplemental Data (based on Net Asset Value)

	Six-months ended June 30 2024	Year ended December 31
Total Net Asset Value (000's) ⁽⁴⁾	\$--	
Number of units outstanding ⁽⁴⁾	1	
Management expense ratio ⁽⁵⁾	--%	
Management expense ratio before waivers or absorptions ⁽⁶⁾	--%	
Trading expense ratio ⁽⁷⁾	--%	
Portfolio turnover rate ⁽⁸⁾	69.86%	
Net Asset Value per unit	\$10.00	

⁽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 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 adviser 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 adviser, 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 0.50% for the Class F Series. The Class I Series are identical in all respects 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 491.5% of the total management fees collected from all Series (excluding Class I Series approximately 21.0% 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

Regulatory restrictions limit publishing performance for investment funds with a history of less than one year.

SUMMARY OF INVESTMENT PORTFOLIO (Based on Net Asset Value)

As at June 30, 2024

Sector Mix	Percentage of Net Asset Value
Government Bonds	53.09 %
Corporate Bonds	43.21 %
Short-term investments	3.43 %
Net Other Assets (Liabilities)	0.23 %
Cash and Cash Equivalents	0.04 %

Top 25 Holdings

Security Name	Percentage of Net Asset Value
Province of Quebec, 3.90%, November 22, 2032	5.13 %
Canadian Government Bond, 3.50%, March 1, 2034	5.05 %
Canadian Government Bond, 1.75%, December 1, 2053	4.38 %
Bank of Nova Scotia, 5.50%, December 29, 2025	3.95 %
Province of Ontario, 3.50%, June 2, 2043	3.44 %
First Nations Finance Authority, 4.10%, June 1, 2034	3.19 %
Canadian Treasury Bill, 4.66%, August 15, 2024	3.01 %
PSP Capital Inc., 2.60%, March 1, 2032	2.79 %
South Coast British Columbia Transportation Authority, 2.65%, October 29, 2050	2.33 %
Province of Ontario, 4.15%, June 2, 2034	2.24 %
Canadian Government Bond, 5.00%, June 1, 2037	2.19 %
Canadian Government Bond, 4.00%, March 1, 2029	2.17 %
Province of Ontario, 4.10%, March 4, 2033	2.02 %
Province of British Columbia Canada, 2.95%, June 18, 2050	2.01 %
SNC-Lavalin Group Inc., 5.70%, March 26, 2029	1.99 %
Province of Alberta, 3.10%, June 1, 2050	1.99 %
Province of Quebec, 3.50%, December 1, 2045	1.93 %
Royal Bank of Canada, 3.37%, September 29, 2025	1.92 %
Province of Quebec, 3.60%, September 1, 2033	1.74 %
Coastal Gaslink Pipeline LP, 4.69%, September 30, 2029	1.66 %
Province of Quebec, 4.45%, September 1, 2034	1.66 %
Province of Ontario, 4.70%, June 2, 2037	1.62 %
Brookfield Renewable Partners ULC, 5.29%, October 28, 2033	1.57 %
Videotron Ltd., 4.50%, January 15, 2030	1.31 %
Northland Power Inc., 9.25%, June 30, 2083	1.29 %
Total Net Assets (000's)	\$9,722

The top 25 holdings represent approximately 62.58% of the total net assets of the Fund.

The summary of investment portfolio of the Fund is as at June 30, 2024 and may change due to the Fund's ongoing portfolio transactions. Updates are available quarterly.