

2024

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2024

Offered by Educators Financial Group
Portfolio Adviser: 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, 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 13.9% to \$74.8 million at the end of June 2024, up from \$65.7 million at the end of December 2023.

Investment Performance

For the year/period ending June 30, 2024 (*the period*), the Educators Monthly Income Fund – Class A Series provided a return of 4.08%, versus a Benchmark return of 4.21%. 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 Benchmark).

The Fund underperformed 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.

Market performance was positive throughout the first few months of 2024, though technology stocks, which had outperformed in 2023, abated—and commodity stocks led the way, reflecting rising prices and more resilient geopolitical uncertainty. During the second quarter, the rally abated, as concerns around declining productivity in Canada became more pronounced. Despite the first interest rate cut by the Bank of Canada in June, the Canadian stock market had its first negative quarter since late 2023, as most non-resource heavy sectors had negative returns for the period.

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. The move was likely also influenced by the impact of upcoming mortgage renewals. Within corporate bonds, credit spreads tightened and enhanced performance, as corporate balance sheets remained strong. Primary issuance was easily absorbed, as market participants sought additional yield.

The equity portfolio enhanced performance on an absolute basis but underperformed its Benchmark over the period. The Fund benefited from security selection within the Information Technology, Consumer Staples, and Consumer Discretionary sectors. Within the Information Technology sector, holdings of Constellation Software, a specialized software company, and not holding Shopify Inc., which performed negatively and is a significant weight in the index, contributed to relative performance. COSTCO was the strongest contributor within the Consumer Staples sector and returns in the sector were further enhanced by positive contributions from Canadian grocers Loblaw, Metro, and Empire. Within Consumer Discretionary, Dollarama, a

provider of general merchandise through their network of discount retail stores, was the strongest performer. Their stores continue to be a trusted destination for consumers and their basic needs, with the company showing resiliency in managing inflationary and supply chain pressures, while continuing to open new stores and focus on optimizing their product offering.

The Equity portfolio's underweight position in both the Energy and Materials sectors detracted from relative performance, as prices of base commodities rose through the period.

The Fixed Income portfolio outperformed its Benchmark during the quarter, with the Financial and Securitization sectors being the most significant contributors. These sectors have benefitted from the continued strength of the Canadian consumer in the face of high interest rates, with the major Canadian banks contributing notably. Additionally, as both the Financials and Securitization sectors are primarily comprised of higher-risk premium, shorter-dated maturities, they benefitted more than sectors with overall longer maturities, as the yield curve finished the quarter only slightly lower (*and there was no large catalyst for risk premiums to move wider*).

The Fund's allocation to equities increased during the period, the fixed income weight remained stable, and the allocation to cash and equivalents was reduced. The Fund's holdings in equities increased from 66.4% to 68.9%, composed of a 52.6% exposure to Canadian equity and an 16.3% exposure to foreign equity. The fixed income allocation ended the period at 19.7%, up slightly from its weight of 19.3% at the beginning of the year and it continues to include exposure to short-term Canadian fixed income. The Fund ended the period with an allocation of 11.5% in cash and equivalents, down from 14.3%, as assets were redeployed primarily within the equity portfolio. The asset allocation positioning versus the Benchmark contributed positively during the period.

Recent Developments

Market sentiment has remained strong, despite weakness in recent data releases, including Canadian June employment data and in both manufacturing and services' Purchasing Managers' Index (*PMI*). Following the portfolio adviser's monthly asset allocation review, the asset mix of the Fund remains unchanged.

Additionally, the Fund's equity positioning has been maintained and will continue to focus on a selection of companies that can withstand tough times and are currently trading at an attractive discount to their intrinsic value. These characteristics are expected to position the portfolio well for long-term compounding of returns. Within the fixed income portfolio, the portfolio adviser will focus on corporate bonds with low-leverage, high-income generation and strong balance sheets, as they expect them to provide the best risk-adjusted return in a market that is anticipated to be volatile, given the upcoming U.S.



presidential elections and the divergence of monetary policy between Canada and the U.S.

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.

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.



EDUCATORS MONTHLY INCOME 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.

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

	Six-months ended June 30	Year ended December 31				
	2024	2023	2022	2021	2020	2019
Net Assets, beginning of year/period	\$9.38	\$9.17	\$10.20	\$9.30	\$9.74	\$9.07
Increase (decrease) from operations:						
Total revenue	\$0.14	\$0.30	\$0.27	\$0.27	\$0.29	\$0.33
Total expenses, including transaction costs [excluding distributions]	(\$0.06)	(\$0.13)	(\$0.13)	(\$0.13)	(\$0.13)	(\$0.14)
Realized gains (losses) for the period	\$0.01	(\$0.08)	\$0.13	\$0.28	(\$0.04)	\$0.62
Unrealized gains (losses) for the period	\$0.28	\$0.72	(\$0.70)	\$1.08	(\$0.04)	\$0.47
Total increase (decrease) from operations ⁽²⁾	\$0.37	\$0.81	(\$0.43)	\$1.50	\$0.08	\$1.28

Distributions:

From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$--	\$--
From dividends	\$0.30	\$0.60	\$0.14	\$0.12	\$0.15	\$0.20
From capital gains	\$--	\$--	\$0.11	\$--	\$0.02	\$0.39
Return of capital	\$--	\$--	\$0.35	\$0.48	\$0.43	\$0.01
Total Annual Distributions ⁽³⁾	\$0.30	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60
Net Assets, end of year/period	\$9.47	\$9.38	\$9.17	\$10.20	\$9.30	\$9.74

Ratios and Supplemental Data (based on Net Asset Value)

	Six-months ended June 30	Year ended December 31				
	2024	2023	2022	2021	2020	2019
Total Net Asset Value (000's) ⁽⁴⁾	\$69,617	\$61,483	\$57,070	\$59,185	\$53,215	\$59,411
Number of units outstanding ⁽⁴⁾	7,354,993	6,551,306	6,224,925	5,799,608	5,721,925	6,101,290
Management expense ratio ⁽⁵⁾	1.30%	1.30%	1.31%	1.31%	1.31%	1.31%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.30%	1.30%	1.31%	1.31%	1.31%	1.31%
Trading expense ratio ⁽⁷⁾	--%	0.01%	0.01%	0.01%	0.02%	0.05%
Portfolio turnover rate ⁽⁸⁾	9.83%	26.15%	23.22%	27.14%	46.75%	98.31%
Net Asset Value per unit	\$9.47	\$9.38	\$9.17	\$10.20	\$9.30	\$9.74



EDUCATORS MONTHLY INCOME FUND

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

	Six-months ended June 30	Year ended December 31		
	2024	2023	2022	2021
Net Assets, beginning of year/period	\$9.36	\$9.09	\$10.06	\$10.00
Increase (decrease) from operations:				
Total revenue	\$0.14	\$0.31	\$0.27	\$0.10
Total expenses, including transaction costs [excluding distributions]	(\$0.03)	(\$0.06)	(\$0.07)	(\$0.02)
Realized gains (losses) for the period	\$0.01	(\$0.09)	\$0.15	\$0.01
Unrealized gains (losses) for the period	\$0.27	\$0.74	(\$0.56)	\$0.72
Total increase (decrease) from operations ⁽²⁾	\$0.39	\$0.90	(\$0.21)	\$0.81
Distributions:				
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--
From dividends	\$0.30	\$0.60	\$0.14	\$0.06
From capital gains	\$--	\$--	\$0.11	\$--
Return of capital	\$--	\$--	\$0.35	\$0.24
Total Annual Distributions ⁽³⁾	\$0.30	\$0.60	\$0.60	\$0.30
Net Assets, end of year/period	\$9.48	\$9.36	\$9.09	\$10.06

Ratios and Supplemental Data (based on Net Asset Value)

	Six-months ended June 30	Year ended December 31		
	2024	2023	2022	2021
Total Net Asset Value (000's) ⁽⁴⁾	\$5,160	\$4,189	\$2,862	\$1,756
Number of units outstanding ⁽⁴⁾	544,538	447,338	314,875	174,594
Management expense ratio ⁽⁵⁾	0.63%	0.63%	0.63%	0.62%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.63%	0.63%	0.63%	0.62%
Trading expense ratio ⁽⁷⁾	--%	0.01%	0.01%	0.01%
Portfolio turnover rate ⁽⁸⁾	9.83%	26.15%	23.22%	27.14%
Net Asset Value per unit	\$9.48	\$9.36	\$9.09	\$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 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 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 0.55% for the Class F Series.

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

Approximately 15.5% 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

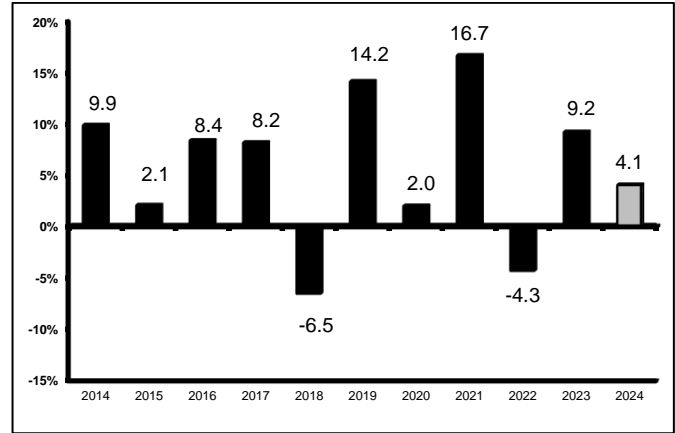
The Fund's performance information shown assumes that all distributions made by the Fund in the period(s) shown were reinvested in additional units of the Fund.

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.

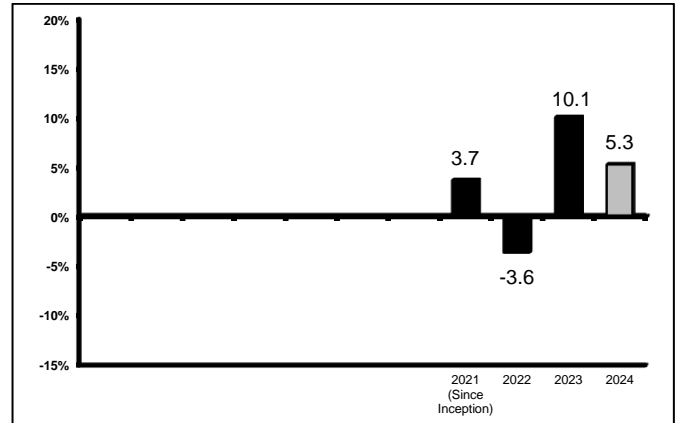
Year-by-Year Returns

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⁾



■ % Increase/decrease □ For the six-month period ended June 30, 2024

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

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, 2024

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.

Sector Mix	Percentage of Net Asset Value
Financials	23.91 %
Consumer Staples	14.98 %
Corporate Bonds	12.13 %
Industrials	12.12 %
Short-term investments	11.44 %
Information Technology	8.99 %
Consumer Discretionary	5.49 %
Canadian Mutual Funds	3.78 %
Communication Services	3.36 %
Government Bonds	2.66 %
Asset-Backed Securities	0.96 %
Net Other Assets (Liabilities)	0.16 %
Cash and Cash Equivalents	0.02 %

Top 25 Holdings

Security Name	Percentage of Net Asset Value
Canadian Treasury Bill, 4.66%, August 29, 2024	6.25 %
IMAXX Short Term Bond Fund, Class O	3.78 %
Constellation Software Inc.	3.72 %
Canadian Treasury Bill, 4.65%, September 26, 2024	3.43 %
Costco Wholesale Corp.	3.39 %
TMX Group Ltd.	3.21 %
Royal Bank of Canada	3.21 %
National Bank of Canada	3.21 %
Thomson Reuters Corp.	3.14 %
Intact Financial Corp.	3.01 %
Canadian Pacific Kansas City Ltd.	2.86 %
Mastercard Inc.	2.86 %
Metro Inc.	2.71 %
Dollarama Inc.	2.62 %
Loblaw Cos Ltd.	2.51 %
Canadian National Railway Co.	2.41 %
Bank of Montreal	2.40 %
Toronto-Dominion Bank	2.35 %
Restaurant Brands International Inc.	2.20 %
Alimentation Couche-Tard Inc.	2.18 %
TELUS Corp.	2.08 %
Toromont Industries Ltd.	2.06 %
Sun Life Financial Inc.	1.81 %
PepsiCo Inc.	1.71 %
FactSet Research Systems Inc.	1.69 %
Total Net Assets (000's)	74,777\$

The top 25 holdings represent approximately 70.80% of the total net assets of the Fund.