

2024

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2024

Offered by Educators Financial Group
Portfolio Adviser: Genus Capital Management Inc., Vancouver, BC

Educators BrighterFuture Global Equity Fund™



This annual management report of fund performance contains financial highlights but does not contain the annual financial statements of the investment fund. You can get a copy of the 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 interim financial report, 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.

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 Global Equity Fund™ (*the "Fund"*) is to achieve moderate growth by investing primarily in a globally diversified portfolio of equity securities of companies that meet the ESG and impact related investment standards established for the Fund. 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 December 31, 2024.

Results of Operations

At the end of December 2024, the Fund's net assets were \$7.7 million.

Investment Performance

Class A and Class I units of the Educators BrighterFuture Global Equity 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 comprised of 19% S&P/TSX Composite Index and 81% MSCI World Total Return 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.

While inflation has more recently tempered, coming in line with the Bank of Canada's (*BoC*) target range at the end of 2024, Canada's tepid growth, rising unemployment, and a more restrictive immigration policy has provided the BoC leeway to cut its policy rate with a view to stimulating the economy. By year end, the BoC had cut rates by a total of 1.75%—leaving the overnight rate at 3.25%. However, the BoC has indicated it is ready to slow down the pace of monetary easing if the economy evolves according to its forecast. This was interpreted by the market as signaling the end of the big 0.50% interest rate cuts and that a pause in reductions may occur.

Equities sustained the strong growth seen in the first half of 2024, with all sectors ending the year in positive territory. The MSCI World Index, S&P 500, and TSX posted impressive annual gains of 30.0%, 36.4%, and 21.7%, respectively. Market performance broadened during the third quarter, with more sectors contributing to gains, led by cyclicals. In Canadian dollar terms, the MSCI World Index, S&P 500, and TSX advanced 5.1%, 4.5%, and 10.5%, respectively.

The equity markets closed the year on a high note in the fourth quarter, driven by strong performances in the Consumer Discretionary, Information Technology, and Financials sectors, as well as AI-focused segments within the Communications sector. However, defensive sectors and Materials lagged, finishing in negative territory. Measured in Canadian dollar terms, the MSCI World Index, S&P 500, and TSX recorded gains of 6.4%, 9.0%, and 3.8%, respectively.

Environmental, Social and Governance (ESG) Impact

The Fund seeks to invest most of its assets in sustainable and impactful securities. As such, the Fund excluded some industries and companies engaged in certain activities, such as those related to thermal coal, oil and gas, tobacco, weapons, gambling, and adult entertainment. Further, it also excluded companies involved in Indigenous controversies, misaligned with the United Nations' Sustainable Development Goals (*UNSDGs*) related to reducing inequalities and gender equality, and severe biodiversity degradation, based on a proprietary ESG rating system, irrespective of industry. Additionally, the Fund incorporates positive impact considerations when making investment decisions, scoring firms based on a proprietary Net Impact Score.

During the Period, the Fund did not own any companies that derived more than 10% of their revenue from the extraction, processing, and/or transportation of fossil fuels nor did it invest in companies that derived more than 10% of their revenue from weapons, tobacco, alcohol, gambling, and adult entertainment. The Fund also did not own any companies that were highly carbon-intensive, where their carbon intensity exceeded 600 tons of carbon emissions per US\$ 1million of sales. As of December 31, 2024, the carbon intensity of the Fund was 32 tons per U.S. \$1million of sales, whereas the benchmark recorded a carbon intensity of 123 tons per U.S. \$1million of sales. The Fund also attained an ESG rating, based on third party data providers such as MSCI ESG Research, that is higher than CCC (*laggard*). As of December 31, 2024, the Fund has an ESG score of 7.7, which is equivalent to an ESG rating of AA, whereas the benchmark has an ESG score of 6.9, equivalent to an ESG rating of A.

Furthermore, the Fund did not own any companies that were involved in severe or widespread controversies related to ESG factors. For example, any companies that were involved in severe or widespread controversies in the environment, labour, product, community, and governance matters were excluded. Controversy rankings are either severe, moderate, minor, or nil or very minor, based on MSCI ESG Research. Controversy rankings are determined by looking at how impactful and widespread a situation is, what role the company has in the event, and whether it is ongoing or concluded. During the Period, the Fund also did not own any companies that were involved in severe or high level of conflicts with Indigenous communities. Conflicts are ranked on a

numeric scale, with higher scores representing more severe conflicts. Companies that have a score higher than average, representing the worst-performing companies, are excluded.

For generating positive impact as part of the Fund's positive screening strategy, as of December 31, 2024, the Fund had a net positive impact of 27.1%, while the benchmark had a net positive impact of 2.4%. Within the Fund, impact is measured by revenue exposures of the companies that can be attributed to one or more of the 17 UNSDGs. The Fund invests to maintain at the minimum net positive impact of 20%, with no negative impact. Furthermore, the Fund did not own any companies that were assessed as misaligned with promoting gender equality and reduced inequalities, as assessed by third-party data providers, such as MSCI ESG Research.

During the Period, the portfolio adviser exercised voting rights associated with companies held in the Fund and voted on proxies based on the Fund's proxy voting policies and guidelines that are designed, in part, to improve the performance of portfolio companies on ESG issues in a manner that is consistent with supporting the development of strong corporate governance and responsible business conduct. During the third quarter, 52 proposals were voted on. 100% of the proposals were management proposals that addressed governance issues, while 22 of them pertained to director elections, 4 of them to say-on-pay, and 2 of them represented auditor ratification. 77% of the votes were consistent with management recommendations. During the fourth quarter, 53 proposals were voted on, in which 49 of them were management proposals relating to governance matters including director elections, say-on-pay, and auditor ratification. There were 4 shareholder proposals that were voted on, with 3 of them being environment and climate-related proposals and 1 of them addressing governance matters. 50% of these shareholder proposals were voted on consistent with management recommendations. The portfolio adviser also sought to engage companies in the Fund's portfolio with the goal of improving company performance on issues related to the environment, community, labour force, and governance. During the Period, for example, engagement dialogues and progress were made with TD Bank in regard to their sustainable finance policy.

Recent Developments

The global economy proved resilient in 2024, despite ongoing concerns that the aggressive rate-hiking cycle of 2022 and 2023 could result in slow or even negative growth in some regions. A moderation in inflation gave central banks justification to begin reducing their policy rates, which has provided greater optimism that the economy can avoid recession and grow modestly in the next few years.

Following the U.S. election in November, markets have been patiently assessing the new U.S. administration and its implications for global trade around tariffs and/or other measures that may be enacted, including the newly established Department of Government Efficiency (DOGE), aimed to address the country's

escalating debt by streamlining government operations and cutting wasteful expenditures. Such events may jeopardize Canada's near-term economy and force the BoC to act more swiftly and significantly in cutting interest rates to temper these effects. However, fixed income yields remain significantly above the lows seen in the early part of this decade. Notwithstanding any surprises, central banks are likely to continue their easing cycles, but at a less aggressive pace.

However, U.S. equities remain attractive, although their appeal has moderated compared to earlier in the year when technology and AI stocks led the charge. The Fund's investment strategy currently maintains a neutral stance between momentum, value, and growth investing, seeking a balanced portfolio. Sector-wise, the Fund's models suggest an underweight position in technology, as it appears slightly overbought following its strong performance in the previous quarter. Rather, the portfolio adviser is favouring the Consumer Discretionary sector, while holding a neutral position on Financials. Looking ahead, market gains are expected to broaden beyond technology and AI to include other sectors, supported by robust U.S. labour market conditions and increased government spending.

Sector performance in 2025 will largely depend on several key factors: the direction of the new U.S. administration's policies, progress on managing inflation, and the broader economic trajectory—particularly whether the economy achieves a soft landing. Stocks linked to the 'Trump Trade' (*i.e. industries expected to benefit from his administration's policies*) have already rallied strongly, with notable gains in Consumer Discretionary, Financials, and IT. However, defensive sectors, such as Health Care and Materials, faced headwinds, with the latter experiencing its steepest annual decline due to a slowdown in China's economy.

As we move into 2025, the portfolio adviser's focus remains on monitoring the Trump administration's policy decisions, the risks posed by potential/incoming tariffs, the next phase of AI innovation, and the duration of U.S. dollar strength. The manager aims to keep the Fund's betas slightly above market levels, while maintaining an overweight position in cyclical sectors, particularly Consumer Discretionary and Financials—while continuing an underweight position in Materials, given its weaker outlook. In terms of geographic allocation, the portfolio adviser remains focused on U.S. equities, supported by the country's relatively strong economic fundamentals compared to other global markets.

With respect to the Fund's investment strategies including positive and negative screening, proxy voting, and engagement strategies, no significant changes have been made to the Fund's portfolio thus far.

Related Party Transactions

In 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

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance since inception. Currently Class I units of the Fund and not being offered to purchase by retail investors.

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

	Year ended December 31 2024
Net Assets, beginning of year/period	\$10.00
Increase (decrease) from operations:	
Total revenue	\$0.22
Total expenses, including transaction costs [excluding distributions]	(\$0.31)
Realized gains (losses) for the period	\$0.84
Unrealized gains (losses) for the period	\$1.06
Total increase (decrease) from operations ⁽²⁾	\$1.81
Distributions:	
From net investment income (excluding dividends)	\$--
From dividends	\$0.05
From capital gains	\$0.56
Return of capital	\$--
Total Annual Distributions ⁽³⁾	\$0.61
Net Assets, end of year/period	\$11.39

Ratios and Supplemental Data (based on Net Asset Value)

	Year ended December 31 2024
Total Net Asset Value (000's) ⁽⁴⁾	\$1,632
Number of units outstanding ⁽⁴⁾	143,250
Management expense ratio ⁽⁵⁾	2.26%
Management expense ratio before waivers or absorptions ⁽⁶⁾	2.26%
Trading expense ratio ⁽⁷⁾	0.27%
Portfolio turnover rate ⁽⁸⁾	127.89%
Net Asset Value per unit	\$11.39



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

	Year ended December 31 2024
Net Assets, beginning of year/period	\$10.00
Increase (decrease) from operations:	
Total revenue	\$0.20
Total expenses, including transaction costs [excluding distributions]	(\$0.09)
Realized gains (losses) for the period	\$1.44
Unrealized gains (losses) for the period	\$0.39
Total increase (decrease) from operations ⁽²⁾	\$1.94
Distributions:	
From net investment income (excluding dividends)	\$–
From dividends	\$0.16
From capital gains	\$0.58
Return of capital	\$–
Total Annual Distributions ⁽³⁾	\$0.74
Net Assets, end of year/period	\$11.67

Ratios and Supplemental Data (based on Net Asset Value)

	Year ended December 31 2024
Total Net Asset Value (000's) ⁽⁴⁾	\$10
Number of units outstanding ⁽⁴⁾	744
Management expense ratio ⁽⁵⁾	0.01%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.01%
Trading expense ratio ⁽⁷⁾	0.27%
Portfolio turnover rate ⁽⁸⁾	127.89%
Net Asset Value per unit	\$11.67



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

	Year ended December 31 2024
Net Assets, beginning of year/period	\$10.00
Increase (decrease) from operations:	
Total revenue	\$0.23
Total expenses, including transaction costs [excluding distributions]	(\$0.17)
Realized gains (losses) for the period	\$0.61
Unrealized gains (losses) for the period	\$1.49
Total increase (decrease) from operations ⁽²⁾	\$2.16
Distributions:	
From net investment income (excluding dividends)	\$–
From dividends	\$0.07
From capital gains	\$0.57
Return of capital	\$–
Total Annual Distributions ⁽³⁾	\$0.64
Net Assets, end of year/period	\$11.51

Ratios and Supplemental Data (based on Net Asset Value)

	Year ended December 31 2024
Total Net Asset Value (000's) ⁽⁴⁾	\$6,098
Number of units outstanding ⁽⁴⁾	529,942
Management expense ratio ⁽⁵⁾	1.08%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.08%
Trading expense ratio ⁽⁷⁾	0.27%
Portfolio turnover rate ⁽⁸⁾	127.89%
Net Asset Value per unit	\$11.51

⁽¹⁾ This information is derived from the Fund's 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 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 2.00% for the Class A Series and 0.95% 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 51.7% of the total management fees collected from all Series (excluding Class I Series approximately 51.7% 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

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 December 31, 2024

Sector Mix	Percentage of Net Asset Value
Information Technology	22.13 %
Financials	15.30 %
Industrials	13.67 %
Consumer Discretionary	11.87 %
Health Care	10.73 %
Consumer Staples	8.41 %
Materials	6.41 %
Communication Services	4.43 %
Real Estate	4.27 %
Cash and Cash Equivalents	2.06 %
Net Other Assets (Liabilities)	0.72 %

Top 25 Holdings

Security Name	Percentage of Net Asset Value
NVIDIA Corp.	4.72 %
International Business Machines Corp.	2.45 %
Gilead Sciences Inc.	2.40 %
Acuity Brands Inc.	2.39 %
Sprouts Farmers Market Inc.	2.22 %
National Bank of Canada	1.66 %
Shopify Inc.	1.64 %
Boston Scientific Corp.	1.61 %
Marvell Technology Inc.	1.58 %
ServiceNow Inc.	1.58 %
Visa Inc.	1.47 %
Constellation Software Inc.	1.44 %
Recruit Holdings Co., Ltd.	1.40 %
Dollarama Inc.	1.40 %
Pearson PLC	1.38 %
Motorola Solutions Inc.	1.37 %
WSP Global Inc.	1.37 %
Gildan Activewear Inc.	1.36 %
Liberty Broadband Corp.	1.28 %
Goldman Sachs Group Inc.	1.28 %
Synchrony Financial	1.27 %
Texas Instruments Inc.	1.25 %
Loblaw Cos Ltd.	1.25 %
Louisiana-Pacific Corp.	1.21 %
Deckers Outdoor Corp.	1.21 %

Total Net Assets ('000's)

\$7,738

The top 25 holdings represent approximately 42.19% of the total net assets of the Fund.

The summary of investment portfolio of the Fund is as at December 31, 2024 and may change due to the Fund's ongoing portfolio transactions. Updates are available quarterly.

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