

# 2024

## ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2024

Offered by Educators Financial Group  
Portfolio Adviser: Fiera Capital Inc., Toronto, Ontario

### Educators Money Market Fund





This 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](http://www.educatorsfinancialgroup.ca) or SEDAR at [www.sedar.com](http://www.sedar.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 Money Market Fund (*the "Fund"*) is to produce a high level of interest income consistent with the goal of preserve invested capital. The Fund invests primarily in Canadian government treasury bills and other high quality short-term Canadian corporate debt instruments of not more than one year to maturity, selecting a variety of investment maturities based on the interest rate outlook, analyzing the creditworthiness of various issuers and achieving a diversified portfolio by allocating investments among government and corporate securities. 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. No changes affecting the overall level of risk of investing in the Fund were made to the Fund in the one-year period ending December 31, 2024.

### Results of Operations

The Fund's net assets increased by 11.4% to \$40.1 million at the end of December 31, 2024, up from \$36.0 million at the end of December 2023.

#### Investment Performance

For the year/period ending December 21, 2024 (*the period*), the Educators Money Market Fund – Class A Series provided a return of 4.30% versus the FTSE Canada 91 Day Treasury Bill Index (*the Benchmark*) return of 4.92%.

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.

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.

The Fund's weighted average term to maturity was held significantly shorter than that of the Benchmark during the first five months, as yields on longer-dated securities were not sufficiently attractive. As additional evidence pointed to a likely cut in the BoC's rate in June, the Fund's portfolio adviser increased the average term-to-maturity

to align more closely with that of the Benchmark. Further, the portfolio adviser has maintained this longer term-to-maturity positioning for the remainder of the year, as yields locked-in on securities with longer maturities has proven sufficient to compensate for the longer holding period, allowing the Fund to benefit from higher rates for a longer time. The Fund ended the period with an average term of 80 days.

There was a change in the security types offered in the Canadian money market during the first half of 2024. On June 30, the Canadian Dollar Offered Rate (*CDOR*) was replaced by the Canadian Overnight Repo Rate Average (*CORRA*) as the overnight interest rate for Canadian banks. As a result of this, Banker's Acceptances (*securities allowing corporations to borrow while providing lenders with a guarantee from the issuing bank*) were phased out. Within the Fund, the allocation to Bankers Acceptances was redeployed into Bank Deposit Notes late in the second quarter. These are issued directly by banks and provide additional yield, as compared to Government Treasury Bills, while being guaranteed by high-quality banks. In the fourth quarter, the Fund's non-government holdings were further diversified with the allocation to Bank Deposit Notes being reduced and the allocation to bank-sponsored, asset-backed securities increasing, as the yield spread on Bank Deposit Notes over Government of Canada Treasury Bills had reduced.

The yield of the Benchmark remained above 5% during the first quarter and then began to decline as interest rate cut expectations grew—with cuts being implemented primarily in the second half of the year. The Benchmark ended the period with a yield of 3.12%, down sharply from 5.05% in December 2023, as the result of numerous cuts to interest rates by the BoC. Though Bank Deposit Notes and corporate money market instruments continue to yield more than government securities, their yields also declined on a year-to-date basis. As a result of the allocation to non-government money market instruments, the Fund yielded 3.5% as of December 31, above the yield of the Benchmark.

During the period, the Fund underperformed its Benchmark due to its greater weight in shorter-term securities in the second quarter—and to the reduction in yield spreads on Bank Deposit Notes and Corporate paper following the disappearance of the Banker's Acceptance market.

The proportion of government guaranteed securities within the Fund increased during the period. As of December 31, 2024, the Fund held 14.1% of its investments in Government of Canada and Provincial Treasury Bills, up from 9.72% at the beginning of the year, with the balance held in Bank Deposit Notes and Corporate money market securities, which includes bank-sponsored, asset-backed commercial paper.

### **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.

Given the possibility that rates will need to be cut more quickly, the Fund was positioned close to its maximum allowable average term of 90 days to lock in the highest yield. The portfolio adviser continues to see attractive yield pickup in corporate securities and will continue to hold a significant weight in non-government securities, as long as the compensation remains appropriate.

### **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.



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

#### Educators Money Market Fund – Class A Series – Net Assets per Unit <sup>(1)</sup>

	Year ended December 31				
	2024	2023	2022	2021	2020
Net Assets, beginning of year/period	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
<b>Increase (decrease) from operations:</b>					
Total revenue	\$0.48	\$0.49	\$0.19	\$0.02	\$0.08
Total expenses, including transaction costs [excluding distributions]	(\$0.07)	(\$0.07)	(\$0.06)	(\$0.02)	(\$0.03)
Realized gains (losses) for the period	\$--	\$--	\$--	\$--	\$--
Unrealized gains (losses) for the period	\$--	\$--	\$--	\$--	\$--
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>\$0.41</b>	<b>\$0.42</b>	<b>\$0.13</b>	<b>\$--</b>	<b>\$0.05</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	\$0.41	\$0.42	\$0.13	\$--	\$0.05
From dividends	\$--	\$--	\$--	\$--	\$--
From capital gains	\$--	\$--	\$--	\$--	\$--
Return of capital	\$--	\$--	\$--	\$--	\$--
<b>Total Annual Distributions <sup>(3)</sup></b>	<b>\$0.41</b>	<b>\$0.42</b>	<b>\$0.13</b>	<b>\$0.00</b>	<b>\$0.05</b>
<b>Net Assets, end of year/period</b>	<b>\$10.00</b>	<b>\$10.00</b>	<b>\$10.00</b>	<b>\$10.00</b>	<b>\$10.00</b>

#### Ratios and Supplemental Data (based on Net Asset Value)

	Year ended December 31				
	2024	2023	2022	2021	2020
Total Net Asset Value (000's) <sup>(4)</sup>	\$35,001	\$26,654	\$18,272	\$21,596	\$24,620
Number of units outstanding <sup>(4)</sup>	3,500,072	2,665,420	1,827,239	2,159,613	2,461,987
Management expense ratio <sup>(5)</sup>	0.63%	0.63%	0.57%	0.18%	0.31%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.63%	0.63%	0.62%	0.58%	0.59%
Trading expense ratio <sup>(7)</sup>	NA	N/A	N/A	N/A	N/A
Net Asset Value per unit	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00



# EDUCATORS MONEY MARKET FUND

## **Educators Money Market Fund – Class I Series – Net Assets per Unit <sup>(1)</sup>**

	Year ended December 31				
	2024	2023	2022	2021	2020
Net Assets, beginning of year/period	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
<b>Increase (decrease) from operations:</b>					
Total revenue	\$0.49	\$0.48	\$0.21	\$0.02	\$0.08
Total expenses, including transaction costs [excluding distributions]	\$--	\$--	\$--	\$--	\$--
Realized gains (losses) for the period	\$--	\$--	\$--	\$--	\$--
Unrealized gains (losses) for the period	\$--	\$--	\$--	\$--	\$--
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>\$0.49</b>	<b>\$0.48</b>	<b>\$0.21</b>	<b>\$0.02</b>	<b>\$0.08</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	\$0.49	\$0.48	\$0.21	\$0.02	\$0.08
From dividends	\$--	\$--	\$--	\$--	\$--
From capital gains	\$--	\$--	\$--	\$--	\$--
Return of capital	\$--	\$--	\$--	\$--	\$--
<b>Total Annual Distributions <sup>(3)</sup></b>	<b>\$0.49</b>	<b>\$0.48</b>	<b>\$0.21</b>	<b>\$0.02</b>	<b>\$0.08</b>
<b>Net Assets, end of year/period</b>	<b>\$10.00</b>	<b>\$10.00</b>	<b>\$10.00</b>	<b>\$10.00</b>	<b>\$10.00</b>

## **Ratios and Supplemental Data (based on Net Asset Value)**

	Year ended December 31				
	2024	2023	2022	2021	2020
Total Net Asset Value (000's) <sup>(4)</sup>	\$4,293	\$8,008	\$8,953	\$6,116	\$5,296
Number of units outstanding <sup>(4)</sup>	429,260	800,769	895,293	611,598	529,564
Management expense ratio <sup>(5)</sup>	0.01%	0.01%	0.01%	0.01%	0.01%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.01%	0.01%	0.01%	0.01%	0.01%
Trading expense ratio <sup>(7)</sup>	NA	N/A	N/A	N/A	N/A
Net Asset Value per unit	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00

**Educators Money Market Fund – Class F Series – Net Assets per Unit <sup>(1)</sup>**

	Year ended December 31			
	2024	2023	2022	2021
Net Assets, beginning of year/period	\$10.00	\$10.00	\$10.00	\$10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	\$0.49	\$0.50	\$0.27	\$0.01
Total expenses, including transaction costs [excluding distributions]	(\$0.04)	(\$0.03)	(\$0.03)	(\$0.01)
Realized gains (losses) for the period	\$--	\$--	\$--	\$--
Unrealized gains (losses) for the period	\$--	\$--	\$--	\$--
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>\$0.45</b>	<b>\$0.47</b>	<b>\$0.04</b>	<b>\$0.00</b>
<b>Distributions:</b>				
From net investment income (excluding dividends)	\$0.45	\$0.47	\$0.24	\$--
From dividends	\$--	\$--	\$--	\$--
From capital gains	\$--	\$--	\$--	\$--
Return of capital	\$--	\$--	\$--	\$--
<b>Total Annual Distributions <sup>(3)</sup></b>	<b>\$0.45</b>	<b>\$0.47</b>	<b>\$0.24</b>	<b>\$0.00</b>
<b>Net Assets, end of year/period</b>	<b>\$10.00</b>	<b>\$10.00</b>	<b>\$10.00</b>	<b>\$10.00</b>

**Ratios and Supplemental Data (based on Net Asset Value)**

	Year ended December 31			
	2024	2023	2022	2021
Total Net Asset Value (000's) <sup>(4)</sup>	\$834	\$1,267	\$1,917	\$70
Number of units outstanding <sup>(4)</sup>	83,384	126,681	191,657	7,007
Management expense ratio <sup>(5)</sup>	0.35%	0.35%	0.34%	0.21%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.35%	0.35%	0.34%	0.33%
Trading expense ratio <sup>(7)</sup>	NA	N/A	N/A	N/A
Net Asset Value per unit	\$10.00	\$10.00	\$10.00	\$10.00

<sup>(1)</sup> This information is derived from the Fund's audited annual financial statements. For the 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> Distributions were either paid in cash or reinvested in additional units of the Fund.

<sup>(4)</sup> This information is provided as at December 31 of the year shown.

<sup>(5)</sup> 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.

<sup>(6)</sup> 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.

<sup>(7)</sup> 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.

## 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, the Manager-Trustee is entitled to receive a fee payable monthly, calculated daily, and based on the Net Asset Value of the Fund, at a maximum annual rate of 0.55% for the Class A Series and 0.30% 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 22.5% of the management fees collected from all Series (excluding Class I Series approximately 20.1% 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

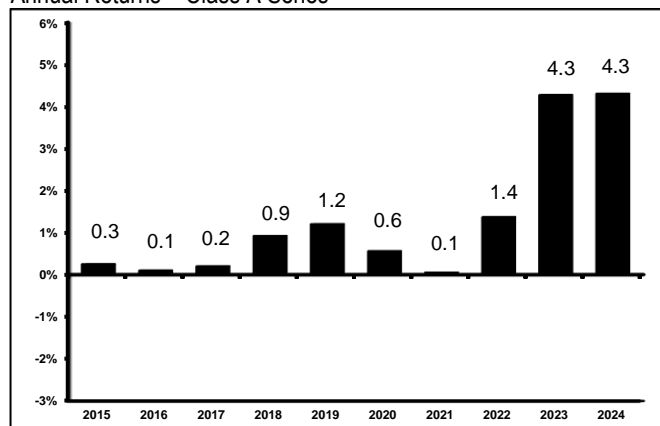
The Fund's performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund.

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.

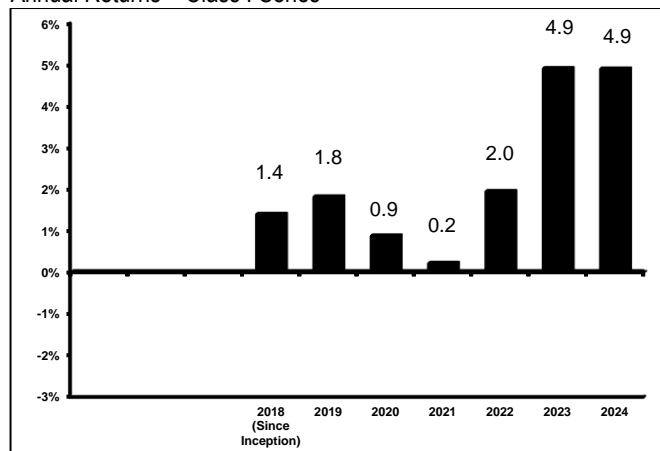
### Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown and 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.

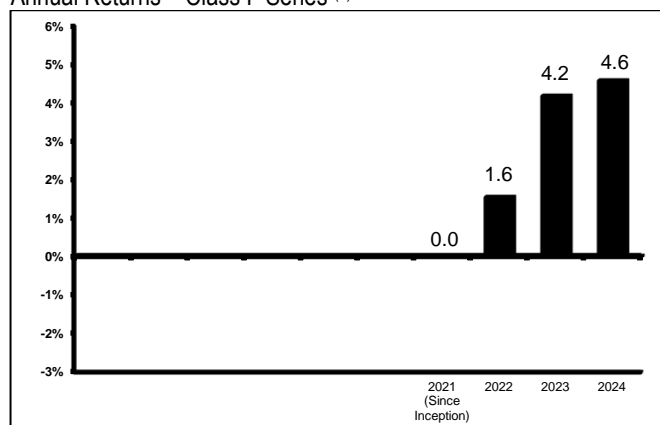
Annual Returns – Class A Series



Annual Returns – Class I Series <sup>(1)</sup>



Annual Returns – Class F Series <sup>(2)</sup>



<sup>(1)</sup> The Class I Series commenced operations January 4, 2018

<sup>(2)</sup> The Class F Series commenced operation May 14, 2021



## SUMMARY OF INVESTMENT PORTFOLIO

(Based on Net Asset Value)

As at December 31, 2024

Sector Mix	Percentage of Net Asset Value
Discount Commercial Paper	63.45 %
Bearer's Deposit Notes	21.84 %
Treasury Bills	14.19 %
Net Other Assets (Liabilities)	0.57 %
Cash and Cash Equivalents	(0.05) %

## Top Holdings

Security Name	Percentage of Net Asset Value
Municipal Finance Authority of British Columbia, 3.76%, February 19, 2025	6.74 %
Canadian Imperial Bank of Commerce, 4.62%, June 2, 2025	5.72 %
Enbridge Inc., 3.68%, January 22, 2025	5.71 %
Bank of Nova Scotia, 3.75%, March 25, 2025	4.22 %
Honda Canada Finance Inc. 4.45%, January 22, 2025	3.66 %
Bank of Montreal, 4.00%, January 15, 2025	3.57 %
Central 1 Credit Union, 3.33%, February 7, 2025	3.38 %
Province of Ontario, 3.22%, February 26, 2025	3.18 %
Zeus Receivables Trust, 3.72%, May 13, 2025	3.12 %
Enbridge Inc., 3.72%, January 3, 2025	2.99 %
Central 1 Credit Union, 3.55%, January 14, 2025	2.76 %
Clarity Trust, 3.44%, April 17, 2025	2.71 %
Banner Trust, 3.45%, June 5, 2025	2.51 %
National Bank of Canada, 3.26%, March 6, 2025	2.47 %
Central 1 Credit Union, 3.63%, January 27, 2025	2.47 %
Bank of Montreal, 3.92%, January 13, 2025	2.47 %
Clarity Trust, 3.72%, August 18, 2025	2.43 %
Canadian Treasury Bill, 3.46%, April 24, 2025	2.33 %
Zeus Receivables Trust, 3.48%, June 18, 2025	2.24 %
Province of Alberta, 3.24%, February 18, 2025	2.23 %
Canadian Imperial Bank of Commerce, 3.73%, March 24, 2025	1.96 %
Plaza Trust, 3.52%, March 25, 2025	1.85 %
Pure Grove Funding, 3.76%, April 8, 2025	1.82 %
Municipal Finance Authority of British Columbia, 3.78%, January 15, 2025	1.73 %
Honda Canada Finance Inc., 4.13%, May 5, 2025	1.58 %
<b>Total Net Assets (000's)</b>	<b>\$40,127</b>

The top 25 holdings represent approximately 75.85% 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.

## EDUCATORS FINANCIAL GROUP

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