

2024

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2024

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

Educators U.S. 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.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 U.S. Equity Fund (*the "Fund"*) is to provide long-term capital growth by investing primarily in common shares of established U.S. corporations and other equity securities of U.S. companies. The Fund may hedge all, or a portion of, the U.S. or other foreign currency exposure to protect the Fund's capital. 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 25.2% to \$176.6 million at the end of December 2024, up from \$141.0 million at the end of December 2023.

Investment Performance

For the year/period ending December 31, 2024 (*the period*) the Educators U.S. Equity Fund – Class A Series provided a return of 28.96%, versus the S&P 500 NR Index (*the Benchmark*) return of 35.80%.

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.

The underperformance of the Active U.S. Equities was due to both stock selection and sector allocation. In security selection, Technology and Financials were the largest detractors. At the security level, sales from China have seen continued weakness and headwinds from the region have also been felt at leading athletic footwear company NIKE, Inc.—experiencing lower demand from consumers and increased competition from indie brands. Management has reiterated its key focus on cost-cutting—which has already led to margin expansion, along with product innovation. The healthcare conglomerate CVS Health Corporation was impacted by higher-than-expected medical costs in its Medicare insurance business and also had to deal with some product recalls. Earnings of dollar store operator Dollar General Corporation continued to be negatively impacted, as its lower-income customers have been disproportionately affected by higher inflation, especially in rural areas—despite gaining market share from direct competitors.

On the positive side, technology-focused stocks were the big winners in the portfolio. Global manufacturer of connectors Amphenol Corporation has continued seeing strong demand for its products in

AI data centers, its fastest-growing business segment. Amazon.com, Inc. has also been a beneficiary of a cloud boom, as its cloud computing platform AWS has continued seeing substantial growth in demand and margins. Alphabet Inc.'s main concern from the past year (*that generative AI will materially impair Google's search business*) appears to be waning, as the company integrates AI technology into its search product. Payment network Visa Inc. also gained, along with other financial stocks.

Some of the notable initiations included CACI International Inc. and CVS Health Corporation. CACI International Inc., an IT consultant, specializes in developing and deploying systems for agencies under the U.S. Department of Defense (*such as in-house software to support intelligence gathering operations*). Its prior in-depth knowledge of the systems and a proven track record of executing projects for the government for over half a century provides the company with an edge over competitors, as agencies tend to hire trustworthy firms they are familiar with. CVS Health Corporation is a healthcare conglomerate with three distinct businesses: pharmacy benefit management, managed care, and the namesake drugstore chain—all of which are leaders in their respective markets. While the drugstore industry has recently faced some challenges, the portfolio adviser believes expectations appear too pessimistic for the business as a whole, suggesting an unappreciated growth runway at the current share price.

Meanwhile, notable exits included a global leader in industrial gases and engineering Linde plc and technology company Cognizant Technology Solutions Corporation. Linde's stock price has rebounded sharply over the last two years, but growth continues to slow. There are probabilistically few scenarios in which the current valuation can be justified in the portfolio adviser's view. They met with the management team of Cognizant Technology Solutions Corporation and subsequently decided to exit its position. Cognizant appears to have recently shifted its corporate strategy, notably its M&A strategy, to grow into new service lines and geographies rather than focus on its core activities. In an increasingly competitive industry, the manager believes this may put the company at greater risk of losing ground against competitors.

Recent Developments

Overall, as defined by the S&P 500, recent U.S. market conditions have been exuberant, being up 36% over the past year. This type of outlier performance in the market with extremely narrow leadership and strong momentum is typically an environment where their investment style is challenged to keep pace.

Admittedly, there are important transitions occurring in the world today. Election results in 2024 can be broadly summarized as a resounding rejection of status quo incumbents and a swing to the right. A shift toward the G-Zero model coined by Ian Bremmer (*a multipolar world devoid of global leadership*) appears to have

accelerated, with mercantilist trade policies and conflict on the ascendency. There's the promise of artificial intelligence—and bond investors appear increasingly wary of stretched government coffers.

In the 50 years of managing public equities, the portfolio adviser has experienced many transitions due to world events including the fall of the Berlin wall, the advent of the Internet, China's accession to the WTO, the global financial crisis, the European sovereign debt crisis, and COVID-19. Each event produced its winners and losers, although the results of which were not always immediately apparent.

The portfolio adviser continues to adhere to a process designed to level temperament in the face of greed and fear. Employing both a robust risk management framework (*focused on guarding against the permanent impairment of capital*) and a philosophical focus on resilient businesses (*whereby their goods and services are valued by clients in excess of the cost of capital*), will continue to drive wealth creation for the Fund.

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 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⁾

	Year ended December 31				
	2024	2023	2022	2021	2020
Net Assets, beginning of year/period	\$23.32	\$19.63	\$21.02	\$21.10	\$21.28
Increase (decrease) from operations:					
Total revenue	\$0.39	\$0.34	\$0.46	\$0.49	\$1.12
Total expenses, including transaction costs [excluding distributions]	(\$0.55)	(\$0.44)	(\$0.47)	(\$0.53)	(\$0.58)
Realized gains (losses) for the period	\$0.52	\$0.35	\$1.11	\$3.21	\$1.43
Unrealized gains (losses) for the period	\$6.40	\$3.44	(\$1.72)	(\$0.61)	(\$0.46)
Total increase (decrease) from operations ⁽²⁾	\$6.76	\$3.69	(\$0.62)	\$2.56	\$1.51
Distributions:					
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$--
From dividends	\$--	\$--	\$0.01	\$0.04	\$0.58
From capital gains	\$--	\$--	\$0.77	\$2.56	\$1.14
Return of capital	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$--	\$--	\$0.78	\$2.60	\$1.72
Net Assets, end of year/period	\$30.07	\$23.32	\$19.63	\$21.02	\$21.10

Ratios and Supplemental Data (based on Net Asset Value)

	Year ended December 31				
	2024	2023	2022	2021	2020
Total Net Asset Value (000's) ⁽⁴⁾	\$139,525	\$113,051	\$101,548	\$109,552	\$102,683
Number of units outstanding ⁽⁴⁾	4,639,838	4,848,038	5,172,818	5,210,914	4,866,727
Management expense ratio ⁽⁵⁾	1.81%	1.81%	1.94%	1.98%	1.98%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.81%	1.81%	1.94%	1.98%	1.98%
Trading expense ratio ⁽⁷⁾	--%	--%	0.05%	0.04%	0.05%
Portfolio turnover rate ⁽⁸⁾	5.45%	5.85%	153.41%	38.23%	36.22%
Net Asset Value per unit	\$30.07	\$23.32	\$19.63	\$21.02	\$21.10



EDUCATORS U.S. EQUITY FUND

Educators U.S. Equity Fund – Class I Series – Net Assets per Unit ⁽¹⁾

	Year ended December 31				
	2024	2023	2022	2021	2020
Net Assets, beginning of year/period	\$12.76	\$10.62	\$11.37	\$11.37	\$11.37
Increase (decrease) from operations:					
Total revenue	\$0.21	\$0.18	\$0.26	\$0.26	\$0.56
Total expenses, including transaction costs [excluding distributions]	(\$0.03)	(\$0.03)	(\$0.04)	(\$0.04)	(\$0.09)
Realized gains (losses) for the period	\$0.29	\$0.18	\$0.56	\$1.84	\$0.82
Unrealized gains (losses) for the period	\$3.55	\$1.91	(\$1.15)	\$0.07	(\$0.07)
Total increase (decrease) from operations ⁽²⁾	\$4.02	\$2.24	(\$0.37)	\$2.13	\$1.22
Distributions:					
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$--
From dividends	\$0.11	\$0.09	\$0.21	\$0.14	\$0.43
From capital gains	\$--	\$--	\$0.42	\$1.46	\$0.61
Return of capital	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.11	\$0.09	\$0.63	\$1.60	\$1.04
Net Assets, end of year/period	\$16.63	\$12.76	\$10.62	\$11.37	\$11.37

Ratios and Supplemental Data (based on Net Asset Value)

	Year ended December 31				
	2024	2023	2022	2021	2020
Total Net Asset Value (000's) ⁽⁴⁾	\$25,187	\$20,355	\$20,549	\$11,525	\$16,295
Number of units outstanding ⁽⁴⁾	1,514,885	1,595,506	1,934,847	1,013,368	1,433,533
Management expense ratio ⁽⁵⁾	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%
Trading expense ratio ⁽⁷⁾	--%	--%	0.05%	0.04%	0.05%
Portfolio turnover rate ⁽⁸⁾	5.45%	5.85%	153.41%	38.23%	36.22%
Net Asset Value per unit	\$16.63	\$12.76	\$10.62	\$11.37	\$11.37



EDUCATORS U.S. EQUITY FUND

Educators U.S. Equity Fund – Class F Series – Net Assets per Unit ⁽¹⁾

	Year ended December 31			
	2024	2023	2022	2021
Net Assets, beginning of year/period	\$9.76	\$8.16	\$8.75	\$10.00
Increase (decrease) from operations:				
Total revenue	\$0.16	\$0.15	\$0.19	\$0.10
Total expenses, including transaction costs [excluding distributions]	(\$0.10)	(\$0.08)	(\$0.10)	(\$0.05)
Realized gains (losses) for the period	\$0.22	\$0.15	\$0.43	\$0.53
Unrealized gains (losses) for the period	\$2.67	\$1.41	(\$0.68)	(\$0.50)
Total increase (decrease) from operations ⁽²⁾	\$2.95	\$1.63	(\$0.16)	\$0.08
Distributions:				
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--
From dividends	\$0.05	\$0.04	\$0.11	\$--
From capital gains	\$--	\$--	\$0.32	\$1.13
Return of capital	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.05	\$0.04	\$0.43	\$1.13
Net Assets, end of year/period	\$12.67	\$9.76	\$8.16	\$8.75

Ratios and Supplemental Data (based on Net Asset Value)

	Year ended December 31			
	2024	2023	2022	2021
Total Net Asset Value (000's) ⁽⁴⁾	\$11,909	\$7,614	\$5,191	\$2,786
Number of units outstanding ⁽⁴⁾	940,067	780,088	636,193	318,311
Management expense ratio ⁽⁵⁾	0.68%	0.68%	0.80%	0.84%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.68%	0.68%	0.80%	0.84%
Trading expense ratio ⁽⁷⁾	--%	--%	0.05%	0.04%
Portfolio turnover rate ⁽⁸⁾	5.45%	5.85%	153.41%	38.23%
Net Asset Value per unit	\$12.67	\$9.76	\$8.16	\$8.75

⁽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 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.

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

Approximately 9.7% of the total management fees collected from all Series (excluding Class I Series approximately 8.3% 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

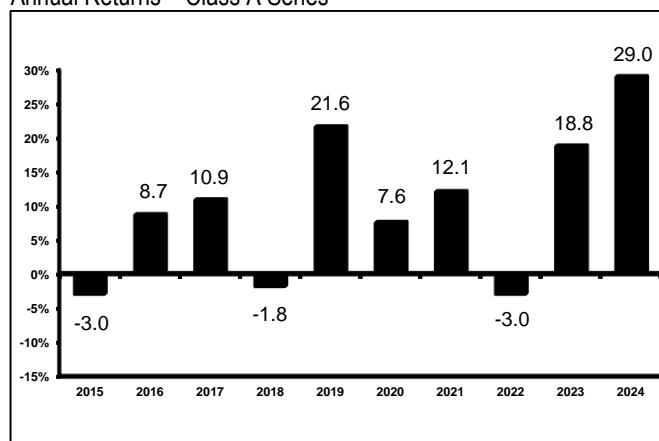
The Fund's performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund.

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.

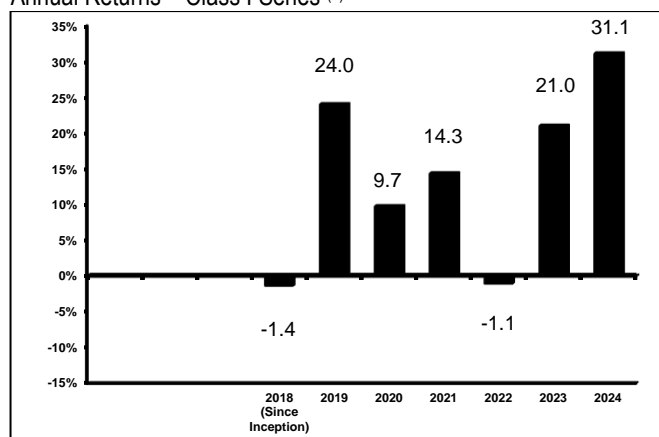
Year-by-Year Returns

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.

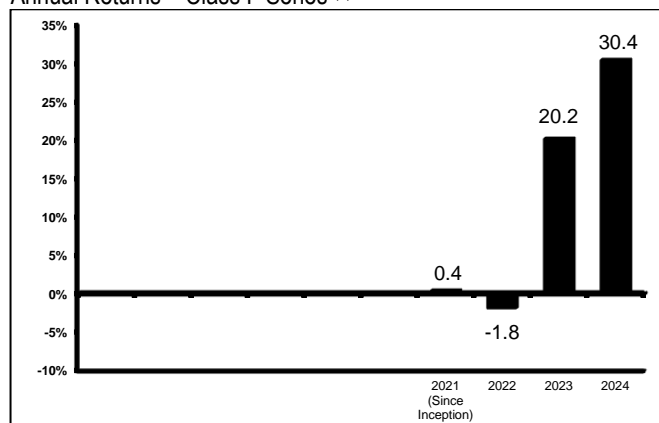
Annual Returns – Class A Series



Annual Returns – Class I Series ⁽¹⁾



Annual Returns – Class F Series ⁽²⁾



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

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



EDUCATORS U.S. EQUITY FUND

Annual Compound Returns

The following table compares the historical annual compound returns of the Fund with the performance of the S&P 500 Index, a stock market index based on the market capitalizations of 500 large companies having common stock listed on the New York Stock Exchange.

Educators U.S. Equity Fund	1 Year	3 Year	5 Year	10 Year
Class A Series	28.96%	14.13%	12.38%	9.62%
Class F Series ¹	30.43%	15.43%	NA	NA
Class I Series ²	31.11%	16.21%	14.51%	NA
S&P 500 Index	35.80%	13.23%	16.37%	14.95%

¹ Since Inception (May 14, 2021)

² Since Inception (January 4, 2018)

The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

SUMMARY OF INVESTMENT PORTFOLIO (Based on Net Asset Value)

As at December 31, 2024

Sector Mix	Percentage of Net Asset Value
Exchange-Traded Funds	70.82 %
Financials	7.99 %
Health Care	5.04 %
Information Technology	4.09 %
Industrials	3.28 %
Communication Services	2.18 %
Materials	1.96 %
Consumer Discretionary	1.68 %
Consumer Staples	1.31 %
Utilities	0.89 %
Short-term investments	0.58 %
Net Other Assets (Liabilities)	0.10 %
Cash and Cash Equivalents	0.08 %

Top 25 Holdings

Security Name	Percentage of Net Asset Value
Vanguard S&P 500 Index ETF	70.82 %
Amphenol Corp.	1.49 %
Microsoft Corp.	1.43 %
Visa Inc.	1.40 %
Alphabet Inc.	1.30 %
Marsh & McLennan Cos Inc.	1.17 %
Amazon.com Inc.	1.04 %
Arthur J Gallagher & Co.	1.02 %
CME Group Inc.	0.94 %
Verizon Communications Inc.	0.87 %
Procter & Gamble Co.	0.83 %
Mastercard Inc.	0.83 %
Waters Corp.	0.82 %
UnitedHealth Group Inc.	0.82 %
AptarGroup Inc.	0.81 %
Cencora Inc.	0.72 %
FTI Consulting Inc.	0.71 %
Intercontinental Exchange Inc.	0.71 %
Abbott Laboratories	0.68 %
Martin Marietta Materials Inc.	0.64 %
Accenture PLC	0.60 %
Canadian Treasury Bill, 3.21%, March 12, 2025	0.53 %
American Electric Power Co., Inc.	0.53 %
Verisk Analytics Inc.	0.52 %
Paychex Inc.	0.52 %

Total Net Assets (000's) \$176,622

The top 25 holdings represent approximately 91.75% 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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