

2025

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2025

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

Educators Bond Fund



This interim management report of fund performance contains financial highlights but does not contain either the interim financial report or the annual financial statements of the investment fund. You can get a copy of the interim financial report or annual financial statements at your request, and at no cost, by calling 1.800.263.9541, by writing to us at Educators Financial Group, 2225 Sheppard Ave. East, Suite 1105, Toronto, Ontario, M2J 5C2, or by visiting our website at www.educatorsfinancialgroup.ca or SEDAR+ at www.sedarplus.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Caution Regarding Forward-looking Statements

This report may contain forward-looking statements about the Fund, including its strategy, risks, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar forward-looking expressions.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, and the general business environment, in each case assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks, and uncertainties, some of which may be unforeseeable. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, including international conflicts, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

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 3.5% to \$56.1 million at the end of June 2025, up from \$54.2 million at the end of December 2024.

Investment Performance

For the year/period ending June 30, 2025 (*the period*), the Educators Bond Fund – Class A Series provided a return of 1.03% versus the FTSE Canada Universe Bond Index (*the Benchmark*) return of 1.44%.

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 events of 'Liberation Day' ushered in a new era for global trade and caused a great deal of volatility in securities markets. The April 2 announcement introduced a 10% global baseline tariff, alongside higher reciprocal tariffs targeting countries with large trade deficits with the United States. This prompted a sell-off in both risk assets and government bonds on stagflation concerns, which continued until April 9, when the U.S. administration implemented a 90-day moratorium on tariffs for most regions. Although the baseline 10% global tariff was maintained, the pause on more punitive tariffs drove a market reversal, with equities and credit markets rebounding through to the end of the period. Not even the plethora of geopolitical events unfolding in the background, including the bombing of nuclear facilities in Iran in June and a resulting mini oil price shock, managed to temper the rally in risk assets.

The Fund's short duration positioning relative to the benchmark contributed to performance amid rising yields. Curve positioning detracted due to the portfolio's underweight position in 5-year bonds. Sector allocation contributed to performance, as the Fund was overweight in corporate bonds. Security selection in government bonds was roughly neutral. Corporate security selection contributed to performance due to the selection of hybrid securities and high yield, as well as the overweight in energy bonds. Foreign exchange detracted as the U.S. dollar weakened; the Fund's U.S. exposure was approximately 90% hedged.

The portfolio adviser employs macroeconomic analysis, rigorous bottom-up credit research, and proprietary risk-management tools to search for opportunities where the market has mispriced risk and reward. As a by-product of this investment process, market performance and general management activity, the Fund's weighting in federal and municipal government bonds increased

over the period, while weightings in provincial government bonds decreased. The Fund's weighting in investment grade and high-yield corporate bonds decreased over the period.

Recent Developments

Escalating tariff and trade tensions cloud the economic outlook and may intensify inflationary pressures. Secular themes such as de-globalization, protectionism, increased geopolitical conflict, stretched government finances, and a multipolar world, continue to gain momentum.

Although volatility in interest rates has led to some duration opportunities—given the heightened uncertainty, the Fund remains defensively positioned in. The portfolio adviser expects interest rates to move lower over the medium term, particularly in Canada, and anticipates a continued steepening in the yield curve. Therefore, the Fund is positioned with an overweight in the mid part of the curve, which historically tends to perform best during steepening environments.

Related Party Transactions

In the first six months of 2025 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 six months period and for the past five years. Currently Class I units of the Fund are not being offered to purchase by retail investors.

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

	Six-months ended June 30	Year ended December 31				
	2025	2024	2023	2022	2021	2020
Net Assets, beginning of year/period	\$9.07	\$8.99	\$8.72	\$10.24	\$10.64	\$10.14
Increase (decrease) from operations:						
Total revenue	\$0.19	\$0.40	\$0.36	\$0.32	\$0.32	\$0.34
Total expenses, including transaction costs [excluding distributions]	(\$0.06)	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.13)	(\$0.13)
Realized gains (losses) for the period	(\$0.02)	(\$0.16)	(\$0.55)	(\$0.37)	\$--	\$0.40
Unrealized gains (losses) for the period	(\$0.02)	\$0.28	\$0.82	(\$1.32)	(\$0.46)	\$0.32
Total increase (decrease) from operations ⁽²⁾	\$0.09	\$0.41	\$0.52	(\$1.48)	(\$0.27)	\$0.93
Distributions:						
From net investment income (excluding dividends)	\$0.15	\$0.29	\$0.25	\$0.19	\$0.17	\$0.21
From dividends	\$--	\$--	\$--	\$--	\$--	\$--
From capital gains	\$--	\$--	\$--	\$--	\$0.02	\$0.26
Return of capital	\$--	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.15	\$0.29	\$0.25	\$0.19	\$0.19	\$0.47
Net Assets, end of year/period	\$9.01	\$9.07	\$8.99	\$8.72	\$10.24	\$10.64

Ratios and Supplemental Data (based on Net Asset Value)

	Six-months ended June 30	Year ended December 31				
	2025	2024	2023	2022	2021	2020
Total Net Asset Value (000's) ⁽⁴⁾	\$11,436	\$11,419	\$7,844	\$7,163	\$11,823	\$15,951
Number of units outstanding ⁽⁴⁾	1,269,829	1,259,533	872,417	821,326	1,154,946	1,498,675
Management expense ratio ⁽⁵⁾	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Trading expense ratio ⁽⁷⁾	--%	--%	--%	--%	--%	--%
Portfolio turnover rate ⁽⁸⁾	75.64%	149.39%	157.64%	82.01%	129.98%	200.45%
Net Asset Value per unit	\$9.01	\$9.07	\$8.99	\$8.72	\$10.24	\$10.64



EDUCATORS BOND FUND

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

	Six-months ended June 30	Year ended December 31				
	2025	2024	2023	2022	2021	2020
Net Assets, beginning of year/period	\$9.29	\$9.21	\$8.93	\$10.49	\$10.92	\$10.39
Increase (decrease) from operations:						
Total revenue	\$0.20	\$0.41	\$0.37	\$0.33	\$0.32	\$0.35
Total expenses, including transaction costs [excluding distributions]	\$--	\$--	\$--	\$--	\$--	\$--
Realized gains (losses) for the period	(\$0.02)	(\$0.19)	(\$0.57)	(\$0.40)	(\$0.01)	\$0.41
Unrealized gains (losses) for the period	(\$0.03)	\$0.23	\$0.85	(\$1.13)	(\$0.32)	\$0.35
Total increase (decrease) from operations ⁽²⁾	\$0.15	\$0.45	\$0.65	(\$1.20)	(\$0.01)	\$1.11
Distributions:						
From net investment income (excluding dividends)	\$0.22	\$0.40	\$0.37	\$0.33	\$0.32	\$0.34
From dividends	\$--	\$--	\$--	\$--	\$--	\$--
From capital gains	\$--	\$--	\$--	\$--	\$0.02	\$0.27
Return of capital	\$--	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.22	\$0.40	\$0.37	\$0.33	\$0.34	\$0.61
Net Assets, end of year/period	\$9.23	\$9.29	\$9.21	\$8.93	\$10.49	\$10.92

Ratios and Supplemental Data (based on Net Asset Value)

	Six-months ended June 30	Year ended December 31				
	2025	2024	2023	2022	2021	2020
Total Net Asset Value (000's) ⁽⁴⁾	\$43,617	\$41,703	\$44,564	\$45,075	\$48,289	\$34,651
Number of units outstanding ⁽⁴⁾	4,726,417	4,488,648	4,841,275	5,048,652	4,601,941	3,173,583
Management expense ratio ⁽⁵⁾	0.01%	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%	0.01%
Trading expense ratio ⁽⁷⁾	--%	--%	--%	--%	--%	--%
Portfolio turnover rate ⁽⁸⁾	75.64%	149.39%	157.64%	82.01%	129.98%	200.45%
Net Asset Value per unit	\$9.23	\$9.29	\$9.21	\$8.93	\$10.49	\$10.92

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

	Six-months ended June 30	Year Ended December 31			
	2025	2024	2023	2022	2021
Net Assets, beginning of year/period	\$8.74	\$8.66	\$8.40	\$9.88	\$10.00
Increase (decrease) from operations:					
Total revenue	\$0.18	\$0.38	\$0.34	\$0.31	\$0.08
Total expenses, including transaction costs [excluding distributions]	(\$0.02)	(\$0.05)	(\$0.04)	(\$0.04)	(\$0.01)
Realized gains (losses) for the period	(\$0.02)	(\$0.16)	(\$0.54)	(\$0.38)	(\$0.01)
Unrealized gains (losses) for the period	(\$0.02)	\$0.24	\$0.81	(\$0.88)	\$0.11
Total increase (decrease) from operations ⁽²⁾	\$0.12	\$0.41	\$0.57	(\$0.99)	\$0.17
Distributions:					
From net investment income (excluding dividends)	\$0.18	\$0.33	\$0.30	\$0.27	\$0.13
From dividends	\$--	\$--	\$--	\$--	\$--
From capital gains	\$--	\$--	\$--	\$--	\$0.01
Return of capital	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.18	\$0.33	\$0.30	\$0.27	\$0.14
Net Assets, end of year/period	\$8.68	\$8.74	\$8.66	\$8.40	\$9.88

Ratios and Supplemental Data (based on Net Asset Value)

	Six-months ended June 30	Year Ended December 31			
	2025	2024	2023	2022	2021
Total Net Asset Value (000's) ⁽⁴⁾	\$1,091	\$1,044	\$1,092	\$1,101	\$619
Number of units outstanding ⁽⁴⁾	125,650	119,486	126,081	131,135	62,729
Management expense ratio ⁽⁵⁾	0.52%	0.52%	0.52%	0.51%	0.51%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.52%	0.52%	0.52%	0.51%	0.51%
Trading expense ratio ⁽⁷⁾	--%	--%	--%	--%	--%
Portfolio turnover rate ⁽⁸⁾	75.64%	149.39%	157.64%	82.01%	129.98%
Net Asset Value per unit	\$8.68	\$8.74	\$8.66	\$8.40	\$9.88

⁽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 1.10% for the Class A Series and 0.45% 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 93.6% of the total management fees collected from all Series (excluding Class I Series approximately 20.9% 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

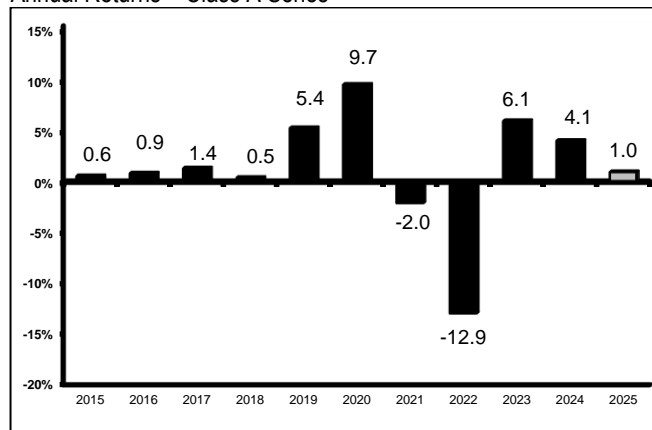
The Fund's performance information shown assumes that all distributions made by the Fund in the period(s) shown were reinvested in additional units of the Fund.

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.

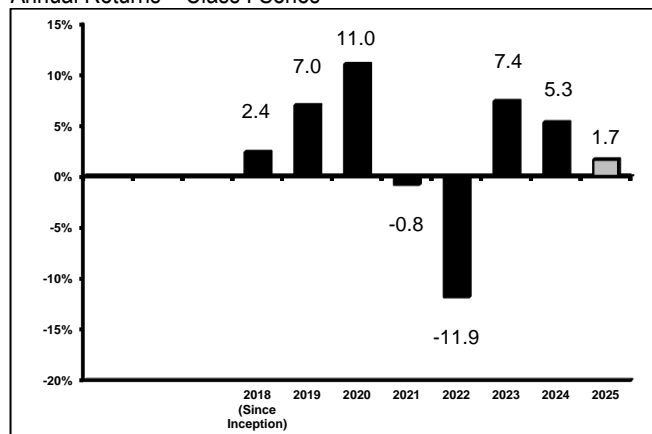
Year-by-Year Returns

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.

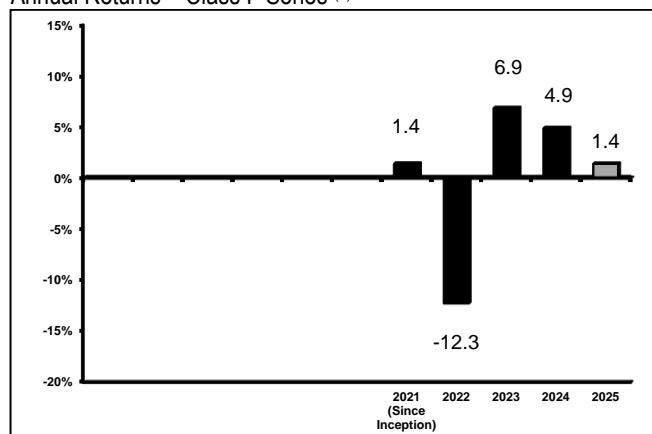
Annual Returns – Class A Series



Annual Returns – Class I Series ⁽¹⁾



Annual Returns – Class F Series ⁽²⁾



■ % Increase/decrease ■ For the six-month period ended June 30, 2025

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

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

SUMMARY OF INVESTMENT PORTFOLIO

(Based on Net Asset Value)

As at June 30, 2025

Sector Mix	Percentage of Net Asset Value
Government Bonds	52.66 %
Corporate Bonds	39.60 %
Short-term investments	6.71 %
Net Other Assets (Liabilities)	0.92 %
Cash and Cash Equivalents	0.11 %

Top 25 Holdings

Security Name	Percentage of Net Asset Value
Canadian Government Bond, 3.25%, June 1, 2035	5.27 %
Canadian Government Bond, 3.25%, December 1, 2034	3.94 %
Province of Ontario Canada, 3.60%, June 2, 2035	3.88 %
Canadian Government Bond, 3.00%, June 1, 2034	3.58 %
Province of Quebec, 4.45%, September 1, 2034	3.51 %
Province of Ontario, 1.90%, December 2, 2051	3.46 %
Province of Ontario, 3.50%, June 2, 2043	2.94 %
Canadian Government Bond, 2.75%, December 1, 2055	2.32 %
Canadian Treasury Bill, 2.67%, September 10, 2025	2.17 %
Canadian Government Bond, 5.00%, June 1, 2037	2.06 %
Canadian Treasury Bill, 2.66%, September 24, 2025	1.95 %
Province of Alberta, 4.15%, June 1, 2033	1.94 %
City of Toronto Canada, 4.50%, March 11, 2055	1.73 %
Province of Ontario, 4.70%, June 2, 2037	1.70 %
Dollarama Inc., 3.85%, December 16, 2030	1.70 %
Chartwell Retirement Residences, 3.65%, May 6, 2028	1.57 %
Province of Ontario, 3.45%, June 2, 2045	1.57 %
Northland Power Inc., 9.25%, June 30, 2083	1.52 %
Fortis Inc., 5.68%, November 8, 2033	1.48 %
Enbridge Gas Inc., 7.60%, October 29, 2026	1.46 %
407 International Inc., 6.47%, July 27, 2029	1.42 %
Videotron Ltd., 4.50%, January 15, 2030	1.41 %
Province of Quebec, 3.50%, December 1, 2045	1.40 %
Toronto-Dominion Bank, 0.75%, September 11, 2025	1.24 %
TransCanada PipeLines Ltd., 7.90%, April 15, 2027	1.22 %
Total Net Assets (000's)	\$56,143

The top 25 holdings represent approximately 56.44% of the total net assets of the Fund.

The summary of investment portfolio of the Fund is as at June 30, 2025 and may change due to the Fund's ongoing portfolio transactions. Updates are available quarterly.

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