

# 2025

## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2025

Offered by Educators Financial Group  
Portfolio Adviser: 1832 Asset Management L.P.

**Educators Dividend 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](http://www.educatorsfinancialgroup.ca) or SEDAR+ at [www.sedarplus.com](http://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 1.4% to \$203.3 million at the end of June 2025, up from \$200.4 million at the end of December 2024.

#### Investment Performance

For the year/period ending June 30, 2025 (*the period*), the Educators Dividend Fund – Class A Series provided a return of 5.60% versus the S&P/TSX Composite Index (the Benchmark) return of 10.17%.

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.

Tariffs have been the dominant theme affecting markets during the period. The Trump administration's 'Liberation Day' announcement on April 2 ushered in a new era for global trade with a 10% global baseline tariff, alongside higher reciprocal tariffs targeting countries with large trade deficits with the United States. The broad sell-off in equity markets that followed saw the U.S. government change direction, announcing a 90-day moratorium on the reciprocal tariffs for most regions. The pause drove an immediate market reversal for global stocks, with both the S&P 500 Index and S&P/TSX Composite Index reaching record highs by the end of the period.

The Canadian economy continued to demonstrate resilience amid global uncertainty. Buoyed by improving macroeconomic fundamentals and a favorable monetary policy environment, Canada's GDP growth remained modest but positive—underpinned by steady consumer spending and a resilient labour market. Inflation continued to ease, with headline CPI falling to around 2.3% by March, down from earlier highs, thanks to declining energy and travel costs. This moderation in inflation allowed the Bank of Canada to continue its rate-cutting cycle, lowering its policy rate by 25 basis points in both January and March, contributing to improved borrowing conditions and investor sentiment.

However, signs of economic softening emerged late in Q2, with job growth slowing and business investment showing caution. Still, the overall economic backdrop remained supportive of equities, with no immediate signs of recession or aggressive monetary tightening.

In summary, the first half of 2025 was marked by a soft-landing scenario: inflation cooled, interest rates declined, and economic growth persisted at a moderate pace. These conditions created a favorable environment for Canadian equities, particularly in cyclical and resource-driven sectors.

Ten of the 11 GICS (*Global Industry Classification Standard*) sectors posted positive returns over the 6-month period. The best performing

sectors were Materials, Consumer Discretionary, and Financials. The only negative performing sector was Health Care.

Over the period, the Canadian dollar strengthened against the U.S. dollar, but weakened against the Euro, British pound, and Japanese yen.

The portfolio adviser views the current environment as one of heightened uncertainty, driven by evolving and unconventional U.S. economic policies. While recession concerns have eased for now, global conditions remain unpredictable due to shifting trade dynamics and geopolitical tensions. Despite this cautious outlook, the Canadian market is seen as relatively attractive. The decision to increase exposure to Canadian securities reflects a more favorable risk-reward profile, which has led to the Fund's foreign allocation sitting at the lower end of its historical range.

The Fund's underweight allocation and security selection in the Materials sector was the primary detractor from relative performance. Security selection in the Industrials and Financials sectors also detracted from relative performance. Individual detractors from performance included diversified wood products company West Fraser Timber Company Limited, asset management company Brookfield Corporation, and financial holding company Bank of America Corporation.

From a currency hedging standpoint, the Fund's hedging position on the U.S. dollar was a small contributor to performance, as the Canadian dollar appreciated relative to the U.S. dollar during the period. However, the hedging strategy is intended to reduce foreign currency risk, not to generate alpha.

In terms of positive contributors to the Fund's relative performance, security selection in the Utilities sector and underweight allocation to the Information Technology sector, contributed the most. Individual contributors to relative returns included financial management and holding company Power Corporation of Canada, diversified financial services company Toronto-Dominion Bank, and resource royalty company Franco-Nevada Corporation.

The sector exposure within the Fund is diversified with Financials, Industrials, and Energy representing the top allocations. Over the period, increases were made to holdings in the Industrials sector, while holdings in the Energy and Consumer Discretionary sectors were lowered.

### Recent Developments

Despite many equity markets nearing or reaching all-time highs, significant uncertainty within a complex geopolitical and macroeconomic environment remains. 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. The U.S. continues to be the world's largest economy and a vital trading partner for many countries. In particular, Canada's economy is heavily reliant on trade with its neighbour to the south, but so far at least, the threat of tariffs has negatively affected the U.S. market much more than global markets.

While there have been no significant changes to the Fund as a result, the portfolio adviser continues to review all holdings for resilience in the face of macroeconomic changes in anticipation of any necessary changes to the portfolio. The application of the Fund's investment process does not waver during periods of market volatility and the portfolio remains well-positioned to deliver attractive long-term outperformance.

**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.



## EDUCATORS DIVIDEND 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 by retail investors.

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

	Six-months ended June30	Year ended December 31				
	2025	2024	2023	2022	2021	2020
Net Assets, beginning of year/period	\$36.28	\$33.76	\$36.14	\$40.35	\$32.77	\$32.70
<b>Increase (decrease) from operations:</b>						
Total revenue	\$0.61	\$1.27	\$1.28	\$1.01	\$0.98	\$0.94
Total expenses, including transaction costs [excluding distributions]	(\$0.36)	(\$0.69)	(\$0.73)	(\$0.71)	(\$0.69)	(\$0.57)
Realized gains (losses) for the period	\$2.37	\$3.17	\$7.31	\$0.09	\$0.69	(\$0.20)
Unrealized gains (losses) for the period	(\$0.60)	\$0.78	(\$4.91)	(\$4.43)	\$6.71	(\$0.06)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>\$2.02</b>	<b>\$4.53</b>	<b>\$2.95</b>	<b>(\$4.04)</b>	<b>\$7.69</b>	<b>\$0.11</b>
<b>Distributions:</b>						
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$--	\$--
From dividends	\$0.26	\$0.49	\$0.40	\$0.16	\$0.12	\$0.28
From capital gains	\$--	\$1.50	\$4.88	\$--	\$--	\$--
Return of capital	\$--	\$--	\$--	\$--	\$--	\$--
<b>Total Annual Distributions <sup>(3)</sup></b>	<b>\$0.26</b>	<b>\$1.99</b>	<b>\$5.28</b>	<b>\$0.16</b>	<b>\$0.12</b>	<b>\$0.28</b>
<b>Net Assets, end of year/period</b>	<b>\$38.05</b>	<b>\$36.28</b>	<b>\$33.76</b>	<b>\$36.14</b>	<b>\$40.35</b>	<b>\$32.77</b>

#### 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) <sup>(4)</sup>	\$175,393	\$173,574	\$167,086	\$163,962	\$183,480	\$146,103
Number of units outstanding <sup>(4)</sup>	4,609,066	4,784,568	4,948,537	4,537,010	4,547,148	4,458,520
Management expense ratio <sup>(5)</sup>	1.82%	1.81%	1.82%	1.81%	1.81%	1.81%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	1.82%	1.81%	1.82%	1.81%	1.81%	1.81%
Trading expense ratio <sup>(7)</sup>	0.11%	0.05%	0.09%	0.01%	0.01%	0.02%
Portfolio turnover rate <sup>(8)</sup>	37.16%	36.70%	64.05%	7.30%	4.11%	9.41%
Net Asset Value per unit	\$38.05	\$36.28	\$33.76	\$36.14	\$40.35	\$32.77



## EDUCATORS DIVIDEND FUND

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

	Six-months ended June 30	Year ended December 31				
	2025	2024	2023	2022	2021	2020
Net Assets, beginning of year/period	\$12.68	\$11.81	\$12.66	\$14.15	\$11.44	\$11.42
<b>Increase (decrease) from operations:</b>						
Total revenue	\$0.22	\$0.45	\$0.45	\$0.36	\$0.34	\$0.33
Total expenses, including transaction costs [excluding distributions]	(\$0.01)	(\$0.01)	(\$0.02)	(\$0.01)	(\$0.01)	(\$0.01)
Realized gains (losses) for the period	\$0.83	\$1.11	\$2.57	\$0.03	\$0.23	(\$0.09)
Unrealized gains (losses) for the period	(\$0.20)	\$0.28	(\$1.73)	(\$1.56)	\$2.36	\$0.40
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>\$0.84</b>	<b>\$1.83</b>	<b>\$1.27</b>	<b>(\$1.18)</b>	<b>\$2.92</b>	<b>\$0.63</b>
<b>Distributions:</b>						
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$--	\$--
From dividends	\$0.21	\$0.41	\$0.39	\$0.30	\$0.22	\$0.30
From capital gains	\$--	\$0.53	\$1.72	\$--	\$--	\$--
Return of capital	\$--	\$--	\$--	\$--	\$--	\$--
<b>Total Annual Distributions <sup>(3)</sup></b>	<b>\$0.21</b>	<b>\$0.94</b>	<b>\$2.11</b>	<b>\$0.30</b>	<b>\$0.22</b>	<b>\$0.30</b>
<b>Net Assets, end of year/period</b>	<b>\$13.30</b>	<b>\$12.68</b>	<b>\$11.81</b>	<b>\$12.66</b>	<b>\$14.15</b>	<b>\$11.44</b>

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

	Six-months ended June30	Year ended December 31				
	2025	2024	2023	2022	2021	2020
Total Net Asset Value (000's) <sup>(4)</sup>	\$12,772	\$11,827	\$11,301	\$11,481	\$13,244	\$8,326
Number of units outstanding <sup>(4)</sup>	960,081	932,629	956,917	906,899	935,810	727,804
Management expense ratio <sup>(5)</sup>	0.01%	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%	0.01%
Trading expense ratio <sup>(7)</sup>	0.11%	0.05%	0.09%	0.01%	0.01%	0.02%
Portfolio turnover rate <sup>(8)</sup>	37.16%	36.70%	64.05%	7.30%	4.11%	9.41%
Net Asset Value per unit	\$13.30	\$12.68	\$11.81	\$12.66	\$14.15	\$11.44

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

	Six-months ended June 30	Year Ended December 31			
	2025	2024	2023	2022	2021
Net Assets, beginning of year/period	\$9.63	\$8.97	\$9.62	\$10.75	\$10.00
<b>Increase (decrease) from operations:</b>					
Total revenue	\$0.16	\$0.34	\$0.34	\$0.27	\$0.13
Total expenses, including transaction costs [excluding distributions]	(\$0.05)	(\$0.09)	(\$0.09)	(\$0.09)	(\$0.04)
Realized gains (losses) for the period	\$0.63	\$0.86	\$2.06	\$0.01	(\$0.01)
Unrealized gains (losses) for the period	(\$0.17)	\$0.20	(\$1.42)	(\$1.21)	\$0.88
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>\$0.57</b>	<b>\$1.31</b>	<b>\$0.89</b>	<b>(\$1.02)</b>	<b>\$0.96</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$--
From dividends	\$0.12	\$0.23	\$0.22	\$0.15	\$0.05
From capital gains	\$--	\$0.40	\$1.30	\$--	\$--
Return of capital	\$--	\$--	\$--	\$--	\$--
<b>Total Annual Distributions <sup>(3)</sup></b>	<b>\$0.112</b>	<b>\$0.63</b>	<b>\$1.52</b>	<b>\$0.15</b>	<b>\$0.05</b>
<b>Net Assets, end of year/period</b>	<b>\$10.10</b>	<b>\$9.63</b>	<b>\$8.97</b>	<b>\$9.62</b>	<b>\$10.75</b>

**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) <sup>(4)</sup>	\$15,088	\$14,970	\$11,579	\$9,683	\$7,495
Number of units outstanding <sup>(4)</sup>	1,493,175	1,554,211	1,290,581	1,006,959	696,955
Management expense ratio <sup>(5)</sup>	0.80%	0.80%	0.80%	0.80%	0.79%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.80%	0.80%	0.80%	0.80%	0.79%
Trading expense ratio <sup>(7)</sup>	0.11%	0.05%	0.09%	0.01%	0.01%
Portfolio turnover rate <sup>(8)</sup>	37.16%	36.70%	64.05%	7.30%	4.11%
Net Asset Value per unit	\$10.10	\$9.63	\$8.97	\$9.62	\$10.75

<sup>(1)</sup> 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.

<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 June 30 or 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.

<sup>(8)</sup> 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.



## EDUCATORS DIVIDEND 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 0.70% 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 17.4% of the total management fees collected from all Series (excluding Class I Series approximately 16.3% of the total management fees collected), were used to pay for portfolio management services, with the remainder of the fees being allocated to custodial services, marketing, technology, and Manager-Trustee operating expenses.

### PAST PERFORMANCE

#### General

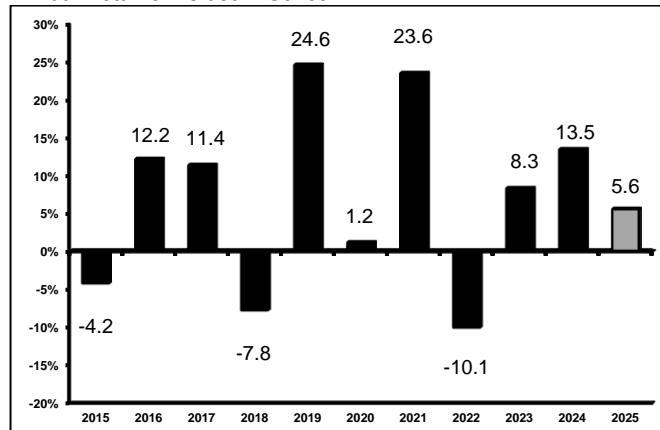
The Fund's performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund.

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.

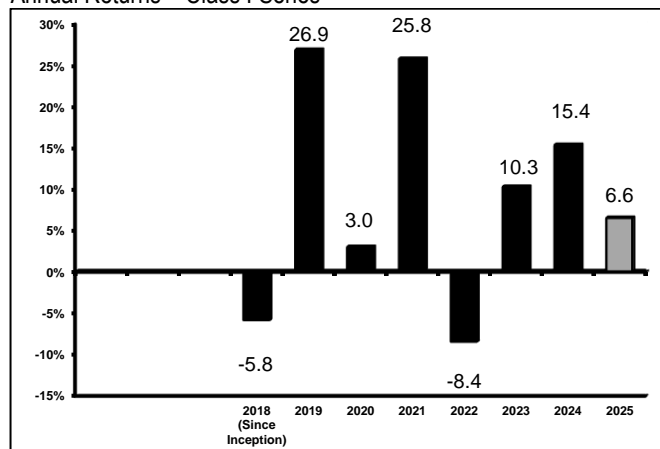
#### Year-by-Year Returns

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

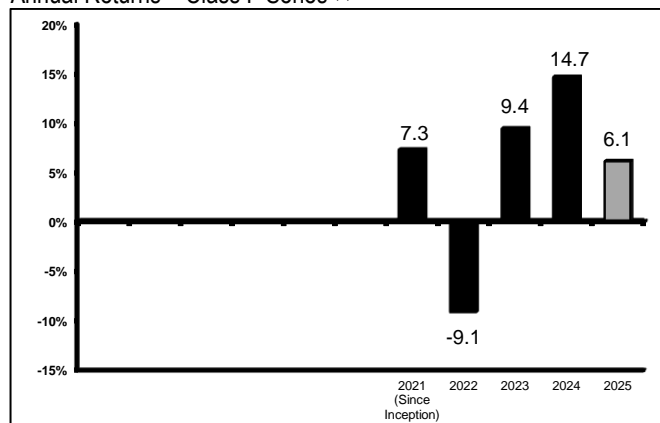
Annual Returns – Class A Series



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



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



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

<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 June 30, 2025

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.

<b>Sector Mix</b>	<b>Percentage of Net Asset Value</b>
Financials	36.02 %
Industrials	11.39 %
Energy	11.11 %
Materials	9.49 %
Information Technology	6.33 %
Communication Services	4.40 %
Real Estate	4.32 %
Utilities	3.96 %
Consumer Staples	3.75 %
Cash and Cash Equivalents	3.57 %
Health Care	3.44 %
Consumer Discretionary	2.09 %
Net Other Assets (Liabilities)	0.13 %

**Top 25 Holdings**

<b>Security Name</b>	<b>Percentage of Net Asset Value</b>
Power Corp of Canada	5.23 %
Enbridge Inc.	5.19 %
Royal Bank of Canada	5.12 %
Bank of Nova Scotia	5.00 %
Onex Corp.	4.95 %
Toronto-Dominion Bank	4.10 %
Canadian National Railway Co.	3.87 %
Canadian Pacific Kansas City Ltd.	3.66 %
Manulife Financial Corp.	3.54 %
Bank of Montreal	2.94 %
Brookfield Asset Management Ltd.	2.71 %
Rogers Communications Inc.	2.52 %
Intact Financial Corp.	2.41 %
Franco-Nevada Corp.	2.39 %
Northland Power Inc.	2.38 %
Boardwalk Real Estate Investment Trust	2.20 %
Canadian Natural Resources Ltd.	2.15 %
Toromont Industries Ltd.	2.12 %
Primaris Real Estate Investment Trust	2.12 %
Restaurant Brands International Inc.	2.09 %
West Fraser Timber Co., Ltd.	2.09 %
Microsoft Corp.	2.07 %
CCL Industries Inc.	2.03 %
TC Energy Corp.	2.02 %
Nutrien Ltd.	2.01 %
<b>Total Net Assets (000's)</b>	<b>\$203,252</b>

The top 25 holdings represent approximately 76.91% of the total net assets of the Fund.

## EDUCATORS FINANCIAL GROUP

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