

2025

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2025

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

Educators Balanced 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 0.7% to \$286.4 million at the end of June 2025, up from \$284.3 million at the end of December 2024.

Investment Performance

For the year/period ending June 30, 2025 (*the period*), the Educators Balanced Fund – Class A Series provided a return of 3.66%, versus a Benchmark return of 5.91%. The Benchmark comprises 40% FTSE Canada Universe Bond Index, 35% S&P/TSX Composite Total Return Index, 12% Russell 1000 Value Index (NR) and 13% MSCI EAFE Total Return Index (*Canadian\$*) (*the Benchmark*).

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.

The equity portfolio of the Fund is divided into three portions: Canadian equities, U.S. equities, and international equities. The Fund holds a passive SPDR Portfolio S&P 500 Growth ETF index fund at the benchmark weight to mitigate the portfolio advisor's active risk. Underperformance in the U.S. equity portion was due to an underperformance and an overweight position to the portfolio

advisor's active U.S. equity holdings. The Canadian equity component underperformed its benchmark. The international equity component and the fixed income portion of the Fund outperformed their benchmark.

From an asset allocation perspective, relative underperformance was driven primarily by stock selection in Canadian and U.S. equity. Stock selection in international equity was the primary contributor to relative performance. The selection and weighting effects in fixed income also contributed to relative performance.

Within the Canadian equity portion of the Fund, the top-performing sectors during the period relative to its benchmark were Consumer Staples and Industrials sectors, whereas the Materials and Consumer Discretionary sectors were the largest detractors from relative performance. Within the U.S. equity portion of the Fund, the top-performing sectors during the period relative to its benchmark were the Energy and Real Estate sectors, whereas the Communication Services and Consumer Staples sectors were the largest detractors from relative performance. Within the international equity portion of the Fund, the top-performing sectors during the period relative to its benchmark were Materials and Health Care, whereas the Energy and Financials sectors were the largest detractors from relative performance.

Over the period, the top individual contributors to Fund performance included Toronto-Dominion Bank, SPDR Portfolio S&P 500 Growth ETF, and Heidelberg Materials AG. Whereas the largest individual detractors from Fund performance included Magna International Inc., Alimentation Couche-Tard Inc., and BRP Inc.

From a fixed income perspective, the Fund's short duration positioning relative to the benchmark contributed to performance amid rising yields. Curve positioning was slightly positive due to an underweight position in 30-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 detracted slightly due to the selection in bail-in financial bonds.

For the equity portfolio, the portfolio adviser employs a stock selection process that is based on identifying securities trading at a significant discount to their business value. The Fund's sector and stock weights are outcomes of the portfolio adviser's investment decisions based on bottom-up fundamentals and business quality. As a by-product of this investment process, market performance and general management activity, changes that occurred in the Fund's portfolio during the reporting period included an increased weighting in the Fund's Industrials, Materials, Utilities, Health Care, and Information Technology sectors—and a decreased weighting in the Consumer Discretionary, Consumer Staples, Communication Services, Financials, and Energy sectors, because of relative performance and the team's buy/sell activities. Element Fleet

Management Corp., AltaGas Ltd., and Elevance Health, Inc were new additions to the Fund. The Fund's position in Magna International Inc., Saputo Inc., BRP Inc., Bank of Nova Scotia, Gentex Corp., Polaris Inc., Semigroups International Inc., Kellanova, and Biogen Inc. were liquidated.

For the fixed income portfolio, the portfolio adviser employs macroeconomic analysis, rigorous bottom-up credit research, and proprietary risk-management tools and 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 weightings in municipal government bonds increased over the period, while the allocation in federal, corporate and provincial bonds decreased.

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

Pursuant to the Fund's investment strategies included in the Fund's Simplified Prospectus, the Fund may invest in other mutual funds, and for the period has invested in Beutel Goodman International Equity Fund, Class I; and Beutel Goodman American Equity Fund, Class I, all of which are funds managed by the Fund's portfolio adviser.

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-month period and for the past five years. Currently Class I units of the Fund are not being offered to purchase.

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

	Six-months ended June 30 2025	Year ended December 31				
		2024	2023	2022	2021	2020
Net Assets, beginning of year/period	\$22.28	\$20.34	\$19.42	\$21.14	\$20.38	\$20.09
Increase (decrease) from operations:						
Total revenue	\$0.24	\$0.63	\$0.59	\$0.58	\$0.51	\$0.63
Total expenses, including transaction costs [excluding distributions]	(\$0.21)	(\$0.41)	(\$0.38)	(\$0.37)	(\$0.41)	(\$0.37)
Realized gains (losses) for the period	\$0.21	\$1.12	\$0.38	\$0.47	\$1.48	\$0.82
Unrealized gains (losses) for the period	\$0.56	\$1.39	\$0.69	(\$1.94)	\$0.36	(\$0.16)
Total increase (decrease) from operations ⁽²⁾	\$0.80	\$2.73	\$1.28	(\$1.26)	\$1.94	\$0.92
Distributions:						
From net investment income (excluding dividends)	\$--	\$0.03	\$0.02	\$--	\$--	\$0.07
From dividends	\$0.05	\$0.20	\$0.19	\$0.17	\$0.08	\$0.20
From capital gains	\$--	\$0.56	\$0.17	\$0.31	\$1.10	\$0.49
Return of capital	\$--	\$--	\$--	\$0.05	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.05	\$0.79	\$0.38	\$0.53	\$1.18	\$0.76
Net Assets, end of year	\$23.04	\$22.28	\$20.34	\$19.42	\$21.14	\$20.38

Ratios and Supplemental Data (based on Net Asset Value)

	Six-months ended June 30 2025	Year ended December 31				
		2024	2023	2022	2021	2020
Total Net Asset Value (000's) ⁽⁴⁾	\$255,272	\$253,768	\$242,262	\$242,387	\$274,423	\$250,171
Number of units outstanding ⁽⁴⁾	11,080,675	11,391,364	11,908,169	12,478,650	12,981,545	12,275,259
Management expense ratio ⁽⁵⁾	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%
Trading expense ratio ⁽⁷⁾	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%
Portfolio turnover rate ⁽⁸⁾	21.45%	48.58%	51.97%	39.74%	55.32%	80.68%
Net Asset Value per unit	\$23.04	\$22.28	\$20.34	\$19.42	\$21.14	\$20.38



EDUCATORS BALANCED FUND

Educators Balanced Fund – Class E Series – Net Assets per Unit ⁽¹⁾

	Six-months ended June 30 2025	Year ended December 31				
		2024	2023	2022	2021	2020
Net Assets, beginning of year/period	\$12.02	\$10.98	\$10.48	\$11.39	\$10.96	\$10.00
Increase (decrease) from operations:						
Total revenue	\$0.13	\$0.34	\$0.32	\$0.32	\$0.28	\$0.27
Total expenses, including transaction costs [excluding distributions]	(\$0.09)	(\$0.18)	(\$0.16)	(\$0.16)	(\$0.18)	(\$0.10)
Realized gains (losses) for the period	\$0.11	\$0.61	\$0.21	\$0.25	\$0.81	\$0.44
Unrealized gains (losses) for the period	\$0.31	\$0.75	\$0.35	(\$0.01)	\$0.17	\$0.83
Total increase (decrease) from operations ⁽²⁾	\$0.46	\$1.52	\$0.72	(\$0.60)	\$1.08	\$1.44
Distributions:						
From net investment income (excluding dividends)	\$--	\$0.02	\$0.01	\$--	\$--	\$0.05
From dividends	\$0.05	\$0.15	\$0.14	\$0.11	\$0.07	\$0.15
From capital gains	\$--	\$0.30	\$0.09	\$0.17	\$0.59	\$0.26
Return of capital	\$--	\$--	\$--	\$0.03	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.05	\$0.47	\$0.24	\$0.31	\$0.66	\$0.46
Net Assets, end of year/period	\$12.43	\$12.02	\$10.98	\$10.48	\$11.39	\$10.96

Ratios and Supplemental Data (based on Net Asset Value)

	Six-months ended June 30 2025	Year ended December 31				
		2024	2023	2022	2021	2020
Total Net Asset Value (000's) ⁽⁴⁾	\$13,526	\$13,602	\$12,818	\$12,910	\$13,621	\$11,663
Number of units outstanding ⁽⁴⁾	1,088,323	1,131,764	1,167,689	1,231,618	1,196,025	1,063,819
Management expense ratio ⁽⁵⁾	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Trading expense ratio ⁽⁷⁾	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%
Portfolio turnover rate ⁽⁸⁾	21.45%	48.58%	51.97%	39.74%	55.32%	80.68%
Net Asset Value per unit	\$12.43	\$12.02	\$10.98	\$10.48	\$11.39	\$10.96

Educators Balanced 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	\$10.07	\$9.20	\$8.78	\$9.52	\$10.00
Increase (decrease) from operations:					
Total revenue	\$0.11	\$0.29	\$0.26	\$0.34	\$0.22
Total expenses, including transaction costs [excluding distributions]	(\$0.04)	(\$0.08)	(\$0.07)	(\$0.07)	(\$0.04)
Realized gains (losses) for the period	\$0.10	\$0.51	\$0.15	\$0.27	\$0.78
Unrealized gains (losses) for the period	\$0.24	\$0.63	\$0.32	(\$0.32)	(\$0.66)
Total increase (decrease) from operations ⁽²⁾	\$0.41	\$1.35	\$0.66	\$0.22	\$0.30
Distributions:					
From net investment income (excluding dividends)	\$--	\$0.03	\$0.02	\$--	\$--
From dividends	\$0.08	\$0.19	\$0.18	\$0.13	\$0.12
From capital gains	\$--	\$0.26	\$0.08	\$0.14	\$0.50
Return of capital	\$--	\$--	\$--	\$0.03	\$--
Total Annual Distributions ⁽³⁾	\$0.08	\$0.48	\$0.28	\$0.30	\$0.62
Net Assets, end of year/period	\$10.41	\$10.07	\$9.20	\$8.78	\$9.52

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⁾	\$17,585	\$16,963	\$14,715	\$19,930	8,664
Number of units outstanding ⁽⁴⁾	1,688,635	1,684,326	1,599,345	2,269,506	909,817
Management expense ratio ⁽⁵⁾	0.80%	0.80%	0.80%	0.80%	0.79%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.80%	0.80%	0.80%	0.80%	0.79%
Trading expense ratio ⁽⁷⁾	0.01%	0.01%	0.01%	0.01%	0.01%
Portfolio turnover rate ⁽⁸⁾	21.45%	48.58%	51.97%	39.74%	55.32%
Net Asset Value per unit	\$10.41	\$10.07	\$9.20	\$8.78	\$9.52

⁽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 1.65% for the Class A Series, 1.32% for the Class E Series and 0.70% for the Class F Series.

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

Approximately 12.2% of the total management fees collected from all Series 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

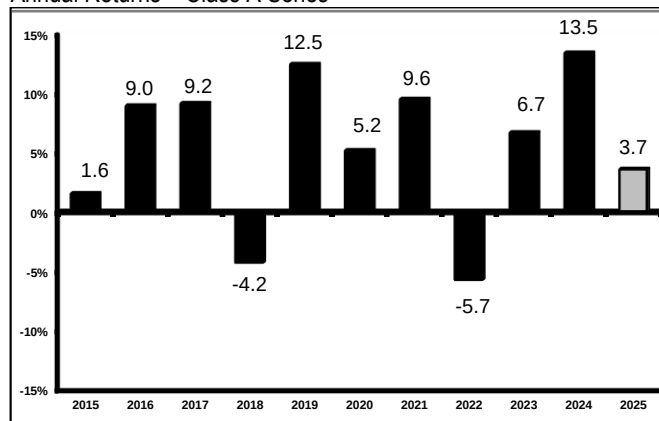
The Fund's performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund.

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.

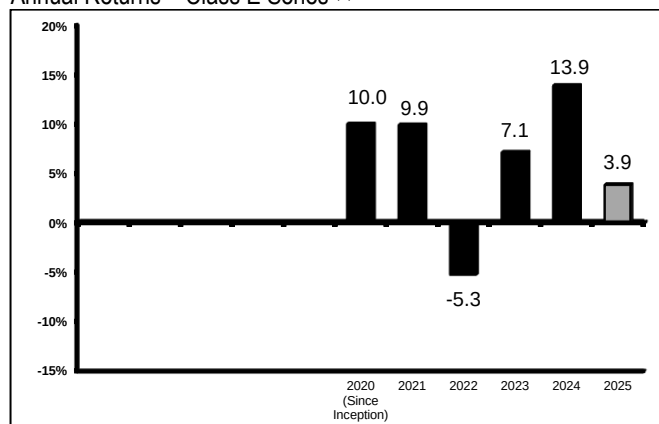
Year-by-Year Returns

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.

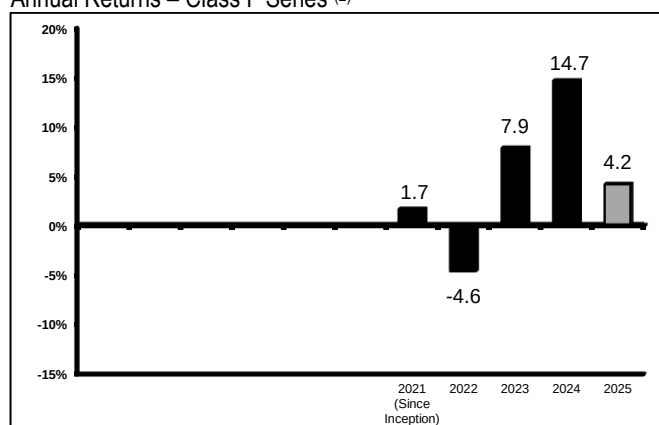
Annual Returns – Class A Series



Annual Returns – Class E Series ⁽¹⁾



Annual Returns – Class F Series ⁽²⁾



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

⁽¹⁾ The Class E Series commenced operation February 4, 2020

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



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Annual Returns – Class I Series

Currently Class I units of the Fund are not being offered to purchase.

SUMMARY OF INVESTMENT PORTFOLIO (Based on Net Asset Value)

As at June 30, 2025

Sector Mix	Percentage of Net Asset Value
Canadian Mutual Funds	26.26 %
Government Bonds	18.23 %
Foreign Exchange-traded funds	12.32 %
Corporate Bonds	11.66 %
Financials	9.52 %
Industrials	6.45 %
Short-term investments	2.68 %
Consumer Staples	2.66 %
Energy	2.29 %
Materials	2.16 %
Utilities	1.52 %
Information Technology	1.50 %
Communication Services	1.27 %
Consumer Discretionary	0.96 %
Real Estate	0.53 %
Cash and Cash Equivalents	0.05 %
Net Other Assets (Liabilities)	(0.06) %

Top 25 Holdings

Security Name	Percentage of Net Asset Value
Beutel Goodman International Equity Fund, Class I	15.20 %
SPDR Portfolio S&P 500 Growth ETF	12.32 %
Beutel Goodman American Equity Fund, Class I	11.06 %
Toronto-Dominion Bank	2.75 %
Royal Bank of Canada	2.17 %
Bank of Montreal	1.68 %
Canadian Government Bond, 3.25%, June 1, 2035	1.54 %
Canadian Government Bond, 3.00%, June 1, 2034	1.24 %
Canadian National Railway Co.	1.12 %
Canadian Government Bond, 0.50%, December 1, 2030	1.08 %
Canadian Treasury Bill, 2.66%, September 24, 2025	1.00 %
RB Global Inc.	0.99 %
CGI Inc.	0.99 %
Province of Ontario, 4.70%, June 2, 2037	0.98 %
Restaurant Brands International Inc.	0.96 %
Nutrien Ltd.	0.94 %
Manulife Financial Corp.	0.93 %
CAE Inc.	0.91 %
Fortis Inc.	0.90 %
TC Energy Corp.	0.89 %
Canadian Pacific Kansas City Ltd.	0.89 %
Metro Inc.	0.86 %
Alimentation Couche-Tard Inc.	0.85 %
Brookfield Corp.	0.85 %
GFL Environmental Inc.	0.84 %

Total Net Assets (000's)

\$286,384

The top 25 holdings represent approximately 63.94% 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. Information about the holdings of the Beutel Goodman Funds owned by the Fund is contained in their simplified prospectus, annual information form and fund facts documents available on SEDAR at www.sedar.com.

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