



# EDUCATORS

## Annual Report of IRC

### Annual Report of the Independent Review Committee of the Educators Financial Group Family of Funds

February 11, 2026

#### Independent Review Committee Annual Report to the Securityholders in the Educators Financial Group of Funds

Dear Securityholders,

In accordance with **National Instrument 81-107 *Independent Review Committee for Investment Funds*** ('NI 81-107' or the '*Instrument*'), Educators Financial Group (the '*Manager*') established an Independent Review Committee (the '*Committee*' or '*IRC*') for the Funds in April 2007. The IRC has functioned in accordance with the applicable securities laws and is composed of three individuals, each of whom is and remains independent of the Funds, the Manager and each entity related to the Manager (*as defined in the Instrument*).

The IRC is pleased to publish its annual report to securityholders, covering the period from **January 1, 2025, to December 31, 2025** (the '*Reporting Period*').

In accordance with the Instrument, the mandate of the IRC is to consider and provide decisions to the Manager with regard to any conflicts of interest that the Manager encounters as it manages the Funds. The Manager is required under the Instrument: to identify potential conflicts of interest inherent in its management of the Funds; to develop written policies and procedures guiding its management of those conflicts; and, to request input from the IRC on those written policies and procedures, (the Conflict of Interest Manual).

When a conflict matter arises, the Manager must refer its proposed course of action in respect to any conflict to the IRC for its review. The IRC will then provide a decision to the Manager as to whether or not the Manager's proposed action provides a fair and reasonable result for the Funds. For recurring conflict of interest matters, the IRC can provide the Manager with Standing Instructions ('SIs') that enable the Manager to proceed with certain matters without having to refer them to the IRC each time for approval as long as the Manager deals with the conflicts in accordance with the SIs.

The IRC is entrusted to represent the best interest of the Funds in any conflict of interest matter that has been referred to by the Manager. In those cases, the IRC seeks to ensure that the Manager's proposed course of action represents a fair and reasonable result for the Funds.

This report is available on the Manager's website at [educatorsfinancialgroup.ca](http://educatorsfinancialgroup.ca), or you may request a copy (*at no cost to you*) by contacting Educators Financial Group at **416.752.6843** or **1.800.263.9541**, or by emailing Educators Financial Group at [info@educatorsfinancialgroup.ca](mailto:info@educatorsfinancialgroup.ca). This document and other information about Educators Financial Group's Funds are available on [www.sedarplus.com](http://www.sedarplus.com).

Yours truly,

Signed,

"Neil Gross"  
Neil Gross, Chair



PLANNING



INVESTING



LENDING

## Composition of the IRC

The current members of the IRC and their principal occupations are as follows:

<b>Neil Gross, Chair</b> Mississauga, Ontario	Lawyer and independent public policy consultant	Initial Appointment: January 1, 2025 for a period of two years
<b>Ken Thomson,</b> Toronto, Ontario.	President, Monfort Capital Corp.	Initial Appointment: November 29, 2017 Retired December 31, 2025
<b>Violaine Des Roches</b> Montreal Quebec	Senior legal, compliance and governance executive	Initial Appointment: January 1, 2025 for a period of three years
<b>Michèle McCarthy,</b> Toronto, Ontario.	President, McCarthy Law Professional Corp., and President Independent Review Inc.	Initial Appointment: January 1, 2026 for a period of three years

### Members' Fees

In aggregate, the IRC members were paid \$57,500 plus applicable taxes during the Reporting Period. IRC fees are taken from each Fund series based on their percentage of the overall AUM.

## Compensation and Indemnification

### Review of Compensation

The IRC reviews its compensation annually, considering the following:

- The nature and extent of the workload of each member of the IRC, including the commitment of time and energy expected from each member,
- The number of meetings required by the IRC, including special meetings to consider conflict issues brought to the Committee,
- Industry best practices, including industry averages and surveys on IRC compensation, and,
- The complexity of the conflict issues brought to the IRC.

The IRC reviewed comparable compensation benchmarks and has determined not to make any changes in the Members' compensation at this time.

### Indemnities Granted

The Funds and the Manager have provided each IRC Member with a contractual indemnity in keeping with NI 81-107. The Funds or the Manager paid no payments to the IRC Members pursuant to this indemnity during the Reporting Period.

### Disclosure of IRC Members' Holdings

As of December 31, 2025, the IRC Members did not beneficially own directly or indirectly:

- Any units in any of the Funds,
- Any interest in the Manager, or,
- Any material interest in a company or person that provides services to the Manager or any Fund.

### Decisions and Approvals

The IRC did not provide any decisions or approvals during the Reporting Period.

### Standing Instructions Approved

The IRC has approved three (3) SIs, which constitute a written approval or decision from the IRC.

#### *Standing Instruction No. 1: Omnibus.*

This SI deals with a number of conflicts of interest matters including:

1. Soft-dollar arrangements
2. Best execution
3. Participation in new issues underwritten by affiliated dealers
4. Allocation of investment opportunities
5. Trade error policy
6. Proxy voting procedures
7. Security valuation policies
8. Personal trading by the money managers
9. Personal trading by the Manager
10. Confidentiality policy
11. Expense allocation

#### *Standing Instruction No. 2: Related Party Issues: Securities of a Related Issuer*

### **Manager's Report on its Standing Instructions**

In accordance with the Instrument, the Manager provided annual written reports to the IRC describing its reliance on the SIs during the Reporting Period.

### **Funds served by the IRC**

Educators Monitored Aggressive Portfolio  
Educators Monitored Balanced Portfolio  
Educators Monitored Conservative Portfolio  
Educators Monitored Growth Portfolio  
Educators Balanced Fund  
Educators Bond Fund  
Educators Dividend Fund  
Educators Growth Fund  
Educators Money Market Fund  
Educators Monthly Income Fund  
Educators Mortgage and Income Fund  
Educators U.S. Equity Fund  
Educators BrighterFuture Bond Fund  
Educators BrighterFuture Global Equity Fund

### **The members of the IRC served on the following IRCs:**

#### **Ken Thomson:**

Algonquin Capital Corp.,  
Educators Financial Group Inc.,  
*(Retired effective December 31, 2025)*  
Goodwood Inc.  
Harvest Portfolio Group,  
*(appointed effective January 1, 2026)*

#### **Violaine Des Roches:**

Educators Financial Group Inc.,  
Russell Investments Canada Limited

#### **Neil Gross:**

Accelerate Financial Technologies Inc.  
*(Retired effective December 31, 2025)*  
Educators Financial Group,  
Goodwood Inc.  
Harvest Portfolio Group,  
PIMCO Canada

#### **Michèle McCarthy:**

Educators Financial Group,  
*(appointed effective January 1, 2026)*  
Addenda Capital Inc.,  
Capstone Asset Management Inc.  
*(appointed effective October 15, 2025)*  
EHP Funds Inc.  
*(Retired effective December 31, 2025)*  
Global X Investments (Canada) Inc.,  
Northwest & Ethical Investments L.P.,  
PIMCO Canada Corp.,  
*(Retired effective June 30, 2025)*