

2025

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2025

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

Educators BrighterFuture Bond 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.sedarplus.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, global trade restrictions and tariffs, 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 BrighterFuture Bond Fund™ (*the “Fund”*) is to maximize portfolio returns by investing in a diversified portfolio comprised primarily of Canadian dollar denominated debt instruments using a responsible investment approach. 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. Since inception of the Fund no changes affecting the overall level of risk of investing in the Fund were made to the Fund as at December 31, 2025.

Results of Operations

The Fund’s net assets increased by 19.8% to \$13.3 million at the end of December 2025, up from \$11.1 million at the end of December 2024.

Investment Performance

Class A and Class I units of the Educators BrighterFuture Bond Fund were launched on January 17, 2024. For the year/period ending December 31, 2025 (*the period*) the Educators BrighterFuture Bond Fund – Class A Series provided a return of 1.99%, versus the FTSE Canada Universe Bond Index (*the Benchmark*) return of 2.64%.

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.

With inflation near target and the labour market showing signs of improvement, the Bank of Canada (“BoC”) cut its policy rate to 2.25% in October and held it at that level through December. In total, there were four rate cuts in 2025. The current level is at the lower bound of the BoC’s estimated neutral range which it has deemed appropriate to keep inflation near target while providing support to the economy. As a result, the BoC signaled that it is approaching the end of its easing cycle. Meanwhile, job growth has been limited over the past year, particularly in trade-exposed sectors, while immigration growth, which was a meaningful tailwind to demand over the past five years, has slowed to zero. These changes have helped the unemployment rate fall toward the end of the year but are also expected to weigh on aggregate demand. During the year, markets grappled with assessing the impact of U.S. tariff policy on international trade and the broader economic backdrop. Trade policy will likely remain a key source of potential volatility in 2026, particularly as the Canada–United States–Mexico Agreement (CUSMA) review approaches.

During 2025, the fixed income team performed 117 engagements on a variety of ESG-related subjects. As of December 31, 2025, sustainable finance positions in the Fund totalled 31%.

The Fund’s duration positioning was accretive during the year due to the portfolio’s tactical duration positions amid interest rate volatility. Curve positioning added value due to the portfolio’s overweight position in the 10-year of the curve, which outperformed during the period. Sector allocation also contributed positively due to the portfolio’s overweight position in corporate and municipal bonds, which outperformed. Government security selection was roughly neutral during the year. Corporate security selection was accretive due to the selection of hybrid securities and high-yield bonds, as well as an overweight in energy bonds.

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 the team’s investment process, market performance and general management activity, the Fund’s weightings in corporate and municipal government bonds increased, while weightings in provincial and federal government bonds decreased during the period.

Recent Developments

Canada closed off 2025 with policy rates nearing neutral levels, inflation closer to target, and the labour market showing early signs of stabilization. The outlook, however, remains sensitive to the durability of domestic growth and the ongoing trade uncertainty, including the upcoming CUSMA renegotiation. For now, expectations for a soft landing remain intact, but the Canadian economy remains vulnerable.

Related Party Transactions

In 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 past two years since inception. Currently Class I units of the Fund and not being offered to purchase by retail investors.

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

	Year ended 2025	December 31 2024
Net Assets, beginning of year/period	\$10.32	\$10.00
Increase (decrease) from operations:		
Total revenue	\$0.42	\$0.40
Total expenses, including transaction costs [excluding distributions]	(\$0.14)	(\$0.13)
Realized gains (losses) for the period	\$0.07	\$0.08
Unrealized gains (losses) for the period	(\$0.14)	\$0.34
Total increase (decrease) from operations ⁽²⁾	\$0.21	\$0.69
Distributions:		
From net investment income (excluding dividends)	\$0.28	\$0.28
From dividends	\$--	\$--
From capital gains	\$0.08	\$0.07
Return of capital	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.36	\$0.35
Net Assets, end of year/period	\$10.16	\$10.32

Ratios and Supplemental Data (based on Net Asset Value)

	Year ended 2025	December 31 2024
Total Net Asset Value (000's) ⁽⁴⁾	\$1,107	\$683
Number of units outstanding ⁽⁴⁾	108,990	66,198
Management expense ratio ⁽⁵⁾	1.31%	1.30%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.31%	1.30%
Trading expense ratio ⁽⁷⁾	--%	--%
Portfolio turnover rate ⁽⁸⁾	96.97%	109.25%
Net Asset Value per unit	\$10.16	\$10.32



EDUCATORS BRIGHTERFUTURE BOND FUND

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

	Year ended 2025	December 31 2024
Net Assets, beginning of year/period	\$10.35	\$10.00
Increase (decrease) from operations:		
Total revenue	\$0.42	\$0.40
Total expenses, including transaction costs [excluding distributions]	\$--	\$--
Realized gains (losses) for the period	\$0.08	\$0.07
Unrealized gains (losses) for the period	(\$0.16)	\$0.31
Total increase (decrease) from operations ⁽²⁾	\$0.34	\$0.78
Distributions:		
From net investment income (excluding dividends)	\$0.41	\$0.36
From dividends	\$--	\$--
From capital gains	\$0.08	\$0.07
Return of capital	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.49	\$0.43
Net Assets, end of year/period	\$10.20	\$10.35

Ratios and Supplemental Data (based on Net Asset Value)

	Year ended 2025	December 31 2024
Total Net Asset Value (000's) ⁽⁴⁾	\$12,229	\$10,395
Number of units outstanding ⁽⁴⁾	1,198,580	1,004,752
Management expense ratio ⁽⁵⁾	0.01%	--%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.01%	--%
Trading expense ratio ⁽⁷⁾	--%	--%
Portfolio turnover rate ⁽⁸⁾	96.97%	109.25%
Net Asset Value per unit	\$10.20	\$10.35



EDUCATORS BRIGHTERFUTURE BOND FUND

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

	Year ended	December 31
	2024	
Net Assets, beginning of year/period	\$10.42	\$10.00
Increase (decrease) from operations:		
Total revenue	(\$0.01)	\$--
Total expenses, including transaction costs [excluding distributions]	\$--	\$--
Realized gains (losses) for the period	\$0.03	\$0.03
Unrealized gains (losses) for the period	\$0.98	(\$0.03)
Total increase (decrease) from operations ⁽²⁾	\$1.00	\$--
Distributions:		
From net investment income (excluding dividends)	\$0.42	\$0.36
From dividends	\$--	\$--
From capital gains	\$0.08	\$0.07
Return of capital	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.50	\$0.43
Net Assets, end of year/period	\$10.51	\$10.42

Ratios and Supplemental Data (based on Net Asset Value)

	Year ended	December 31
	2024	
Total Net Asset Value (000's) ⁽⁴⁾	\$--	\$0
Number of units outstanding ⁽⁴⁾	1	1
Management expense ratio ⁽⁵⁾	--%	--%
Management expense ratio before waivers or absorptions ⁽⁶⁾	--%	--%
Trading expense ratio ⁽⁷⁾	--%	--%
Portfolio turnover rate ⁽⁸⁾	96.97%	109.25%
Net Asset Value per unit	\$10.51	\$10.42

⁽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 1.15% for the Class A Series and 0.50% 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 240.3% of the total management fees collected from all Series (excluding Class I Series approximately 19.9% 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

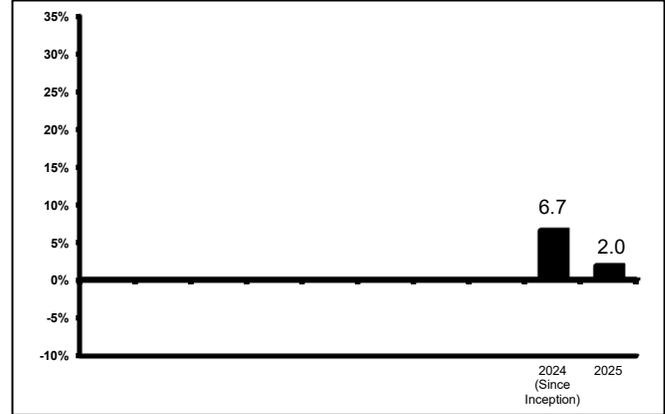
The Fund's performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund.

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.

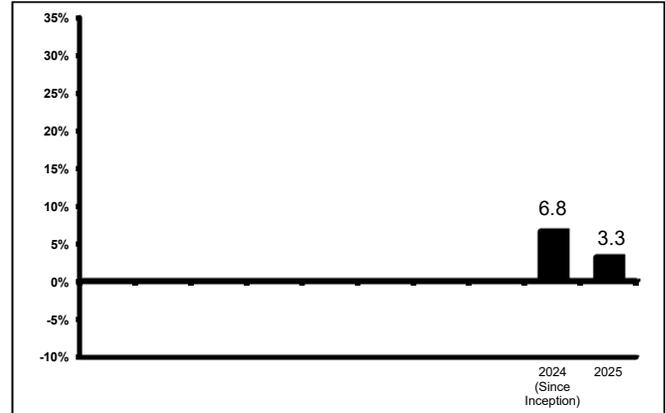
Year-by-Year Returns

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.

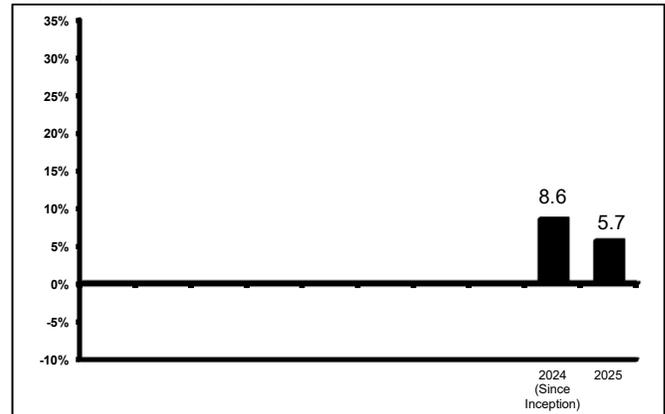
Annual Returns – Class A Series ⁽¹⁾



Annual Returns – Class I Series ⁽¹⁾



Annual Returns – Class F Series ⁽²⁾



⁽¹⁾ The Class A and Class I Series commenced operations January 17, 2024

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

Annual Compound Returns

The following table compares the historical annual compound returns of the Fund with the performance of the Benchmark index, FTSE Canada Universe Bond Index, which is a broad measure of the total return of Canadian bonds that mature in more than one year

Educators BrighterFuture Bond Fund	1 Year	3 Year	5 Year	10 Year
Class A Series ¹	1.99%	NA	NA	NA
Class F Series ²	5.74%	NA	NA	NA
Class I Series ¹	3.33%	NA	NA	NA
FTSE Canada Universe Bond Index	2.64%	NA	NA	NA

¹ Since Inception (January 17, 2024)

² Since Inception (May 14, 2021)

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, 2025

Sector Mix	Percentage of Net Asset Value
Corporate Bonds	50.39 %
Government Bonds	48.08 %
Short-term investments	1.28 %
Net Other Assets (Liabilities)	0.22 %
Cash and Cash Equivalents	0.03 %

Top 25 Holdings

Security Name	Percentage of Net Asset Value
First Nations Finance Authority, 4.10%, June 1, 2034	4.94 %
Canadian Government Bond, 3.50%, March 1, 2034	4.87 %
Province of Ontario, 3.50%, June 2, 2043	3.12 %
Province of Quebec, 3.90%, November 22, 2032	3.03 %
Province of Ontario, 4.10%, March 4, 2033	2.95 %
Province of Quebec, 4.00%, September 1, 2035	2.72 %
Stonlasec8 Indigenous Holdings LP, 4.52%, July 11, 2055	2.21 %
Canadian Government Bond, 3.25%, December 1, 2035	2.19 %
South Coast British Columbia Transportation Authority, 2.65%, October 29, 2050	2.08 %
Canadian Government Bond, 3.25%, June 1, 2035	1.91 %
OMERS Realty Corp., 4.96%, February 10, 2031	1.90 %
Province of Ontario, 1.90%, December 2, 2051	1.83 %
Pembina Pipeline Corp., 5.02%, January 12, 2032	1.82 %
Province of Ontario, 4.70%, June 2, 2037	1.79 %
Province of Alberta, 3.10%, June 1, 2050	1.78 %
Canadian Western Bank, 5.94%, December 22, 2032	1.77 %
Province of British Columbia, 2.95%, June 18, 2050	1.74 %
City of Toronto, 4.50%, March 11, 2055	1.62 %
Province of Alberta, 3.95%, June 1, 2035	1.52 %
Province of Quebec, 3.50%, December 1, 2045	1.51 %
407 International Inc., 6.47%, July 27, 2029	1.45 %
Canadian Government Bond, 5.00%, June 1, 2037	1.42 %
Brookfield Renewable Partners ULC, 5.29%, October 28, 2033	1.32 %
Videotron Ltd., 4.50%, January 15, 2030	1.31 %
Northland Power Inc., 9.25%, June 30, 2083	1.27 %
Total Net Assets (000's)	\$13,336

The top 25 holdings represent approximately 54.07% of the total net assets of the Fund.

The summary of investment portfolio of the Fund is as at December 31, 2025 and may change due to the Fund's ongoing portfolio transactions. Updates are available quarterly.

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