

# 2025

## ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2025

Offered by Educators Financial Group  
Portfolio Adviser: Fiera Capital Inc., Toronto, Ontario

### Educators Monthly Income 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](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 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 Objective and Strategies

The investment objective of the Educators Monthly Income Fund (the “Fund”) is to provide a consistent stream of monthly income and some capital appreciation by investing in a portfolio of fixed income, investment trust units and equity investments. A minimum of 6% and a maximum of 60% of the portfolio will be invested in fixed income securities, while a minimum of 40% and a maximum of 94% of the portfolio will be invested in Canadian equity securities. Non-Canadian securities are generally limited to no more than 30% of the Fund’s net assets. Foreign currency exposure may or may not be hedged. 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. No changes affecting the overall level of risk of investing in the Fund were made to the Fund in the one-year period ending December 31, 2025.

### Results of Operations

The Fund’s net assets increased by 16.9% to \$103.9 million at the end of December 2025, up from \$88.9 million at the end of December 2024.

#### Investment Performance

For the year/period ending December 31, 2025 (*the period*), the Educators Monthly Income Fund – Class A Series provided a return of 5.92%, versus a Benchmark return of 22.33%. The Benchmark comprises 70% S&P/TSX Composite Total Return Index, 27% FTSE Canada Bond Universe Index and 3% FTSE Canada 91 Day Treasury Bill Index (the Benchmark).

The Fund underperformed its blended 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 performance of Canadian equities was very strong throughout 2025, with the S&P/TSX Composite returning 31.7%. Market performance was volatile earlier in the year, with negative returns between February and the end of April, followed by a sustained rally between May and September and heightened volatility in the fourth quarter. The Materials sector was a significant contributor, with the gold sub-sector alone rising 130% and contributing almost one third of the total market return. Other notable contributors included Shopify (+45%) and Celestica (+200%) within the Information Technology sector. However, this sector experienced significant disparity, as the remaining seven companies within the sector generated returns below -10%.

The Canadian Fixed Income market was also volatile through 2025 as the market grappled with the implications of sweeping trade policy changes and persistent geopolitical tensions. The Bank of Canada (“BoC”) reduced the overnight interest rate by one percentage point, leaving the overnight interest rate at 2.25%. The Canadian market saw a record-breaking \$160B in primary issuance in 2025. This was boosted by inaugural issuers as well as non-Canadian companies looking to access the maple market. Corporate bond spreads also saw sustained tightening and benefitted from the macro backdrop, in-line other risk assets. Corporate bonds spreads closed the year at their tightest levels since 2007, leading them to outperform government issues. The Canadian yield curve steepens during the period; while front-end yields were lower due to BoC rate cuts, long-end yields remained elevated due to expectations of stickier inflation in future and higher term premiums to compensate for slower growth.

The Fund recorded positive performance but underperformed its Benchmark during the period. This underperformance was due to the defensive positioning of asset classes within the Fund, which resulted in a lower weight in equities and bonds than the Benchmark. Additionally, while the equity portfolio performed positively, it trailed the broader Canadian stock market.

The relative underperformance of the equity portfolio stemmed from a lack of exposure to the outperforming Materials sector, an underweight position in Consumer Staples, and a pullback in certain holdings in the Information Technology and Financials sectors, namely FactSet, Constellation Software, and Accenture. Furthermore, not holding the top performers within the Information Technology sector, Shopify and Celestica, hurt performance relative to the Benchmark. These factors were partially offset by positive contributions from not holding securities in the Energy sector, which underperformed the broader index, and from high-quality holdings such as Quebecor, Toromont, and Dollarama.

The Fixed Income portfolio outperformed its Benchmark during the period, with the Securitization and Financial sectors being the most significant contributors. These sectors benefitted from the continued strength of the Canadian consumer in the face of high interest rates, with the insurance sub-sector contributing notably. Additionally, because these holdings primarily comprised of higher risk premium securities with shorter maturities, they benefitted from the steady spread compression and the decrease in yields for securities with shorter maturities.

The Fund’s allocation to equities remained largely unchanged during the period, while the allocation to fixed income increased and the allocation to cash and equivalents decreased. Within the equity portfolio, the allocation to Canadian equities increased compared to the allocation to foreign equities. The Fund ended the period with an equity weight of 64.8% (55.4% exposure to Canadian equity and a 10.1% exposure to foreign equity), a fixed income allocation of 19.5%, and a cash and equivalents allocation of 15.0%. The Fund

maintained a reduced weight in equities as the current environment presents heightened risks, including historically elevated tariffs, low anticipated growth, and heightened inflation, making the risk-return profile both of stocks and bonds less attractive. The asset allocation positioning versus the Benchmark detracted from relative performance during the period.

### **Recent Developments**

As we enter 2026, markets continue to be affected by geopolitical risks and trade-related tensions. The portfolio adviser continues to monitor these developments and their impact on the equity portfolio, particularly those which will directly affect companies within our portfolio and their ability to execute their business plan. The effect of inflation also remains a priority. In analyzing current holdings and potential additions, heightened importance is being placed on the location of product and service delivery and company pricing power. The focus remains on identifying high quality, attractively valued businesses to be held for the long term.

Within the fixed income market, credit spreads for Canadian corporate bonds are at their tightest levels since 2007, and sustained primary market issuance could eventually lead to upward pressure on credit spreads. Although a recession is not an expectation for the Canadian economy in 2026, tariff policy, including the CUSMA renegotiations, could put pressure on growth and business spending. As a result, the Fund continues to overweight corporate debt in the fixed income portfolio, as the excess spread is expected to offset any near-term volatility. Opportunities are being sought to upgrade the credit quality of the portfolio and increase the positioning in A-rated sectors within the front-end to mid-term part of the curve. Over the course of 2026, it is likely that credit spreads will widen by 0.10-0.20%, given the narrow levels to close 2025. As the credit exposure remains in the mid-range, the portfolio adviser expects opportunities to increase the credit weight in the portfolio as wider credit spreads materialize and depress valuations.

### **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.



EDUCATORS MONTHLY INCOME 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 five years. Currently Class I units of the Fund are not being offered to purchase.

**Educators Monthly Income Fund – Class A Series – Net Assets per Unit <sup>(1)</sup>**

	Year ended December 31				
	2025	2024	2023	2022	2021
Net Assets, beginning of year/period	\$10.06	\$9.38	\$9.17	\$10.20	\$9.30
<b>Increase (decrease) from operations:</b>					
Total revenue	\$0.27	\$0.28	\$0.30	\$0.27	\$0.27
Total expenses, including transaction costs [excluding distributions]	(\$0.13)	(\$0.13)	(\$0.13)	(\$0.13)	(\$0.13)
Realized gains (losses) for the period	\$0.35	\$0.35	(\$0.08)	\$0.13	\$0.28
Unrealized gains (losses) for the period	\$0.08	\$0.76	\$0.72	(\$0.70)	\$1.08
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>\$0.57</b>	<b>\$1.26</b>	<b>\$0.81</b>	<b>(\$0.43)</b>	<b>\$1.50</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$--
From dividends	\$0.60	\$0.60	\$0.60	\$0.14	\$0.12
From capital gains	\$--	\$--	\$--	\$0.11	\$--
Return of capital	\$--	\$--	\$--	\$0.35	\$0.48
<b>Total Annual Distributions <sup>(3)</sup></b>	<b>\$0.60</b>	<b>\$0.60</b>	<b>\$0.60</b>	<b>\$0.60</b>	<b>\$0.60</b>
<b>Net Assets, end of year/period</b>	<b>\$10.04</b>	<b>\$10.06</b>	<b>\$9.38</b>	<b>\$9.17</b>	<b>\$10.20</b>

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

	Year ended December 31				
	2025	2024	2023	2022	2021
Total Net Asset Value (000's) <sup>(4)</sup>	\$95,169	\$82,454	\$61,483	\$57,070	\$59,185
Number of units outstanding <sup>(4)</sup>	9,476,232	8,198,795	6,551,306	6,224,925	5,799,608
Management expense ratio <sup>(5)</sup>	1.30%	1.30%	1.30%	1.31%	1.31%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	1.30%	1.30%	1.30%	1.31%	1.31%
Trading expense ratio <sup>(7)</sup>	0.01%	0.01%	0.01%	0.01%	0.01%
Portfolio turnover rate <sup>(8)</sup>	24.54%	29.57%	26.15%	23.22%	27.14%
Net Asset Value per unit	\$10.04	\$10.06	\$9.38	\$9.17	\$10.20



EDUCATORS MONTHLY INCOME FUND

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

	Year ended December 31				
	2025	2024	2023	2022	2021
Net Assets, beginning of year/period	\$10.10	\$9.36	\$9.09	\$10.06	\$10.00
<b>Increase (decrease) from operations:</b>					
Total revenue	\$0.27	\$0.28	\$0.31	\$0.27	\$0.10
Total expenses, including transaction costs [excluding distributions]	(\$0.07)	(\$0.07)	(\$0.06)	(\$0.07)	(\$0.02)
Realized gains (losses) for the period	\$0.37	\$0.38	(\$0.09)	\$0.15	\$0.01
Unrealized gains (losses) for the period	\$0.06	\$0.76	\$0.74	(\$0.56)	\$0.72
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>\$0.63</b>	<b>\$1.35</b>	<b>\$0.90</b>	<b>(\$0.21)</b>	<b>\$0.81</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$--
From dividends	\$0.60	\$0.60	\$0.60	\$0.14	\$0.06
From capital gains	\$--	\$--	\$--	\$0.11	\$--
Return of capital	\$--	\$--	\$--	\$0.35	\$0.24
<b>Total Annual Distributions <sup>(3)</sup></b>	<b>\$0.60</b>	<b>\$0.60</b>	<b>\$0.60</b>	<b>\$0.60</b>	<b>\$0.30</b>
<b>Net Assets, end of year/period</b>	<b>\$10.16</b>	<b>\$10.10</b>	<b>\$9.36</b>	<b>\$9.09</b>	<b>\$10.06</b>

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

	Year ended December 31				
	2025	2024	2023	2022	2021
Total Net Asset Value (000's) <sup>(4)</sup>	\$8,718	\$6,440	\$4,189	\$2,862	\$1,756
Number of units outstanding <sup>(4)</sup>	857,837	637,342	447,338	314,875	174,594
Management expense ratio <sup>(5)</sup>	0.63%	0.63%	0.63%	0.63%	0.62%
Management expense ratio before waivers or absorptions <sup>(6)</sup>	0.63%	0.63%	0.63%	0.63%	0.62%
Trading expense ratio <sup>(7)</sup>	0.01%	0.01%	0.01%	0.01%	0.01%
Portfolio turnover rate <sup>(8)</sup>	24.54%	29.57%	26.15%	23.22%	27.14%
Net Asset Value per unit	\$10.16	\$10.10	\$9.36	\$9.09	\$10.06

<sup>(1)</sup> 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.

<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 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.



**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 0.55% for the Class F Series.

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

Approximately 15.5% of the total management fees collected from all Series 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**

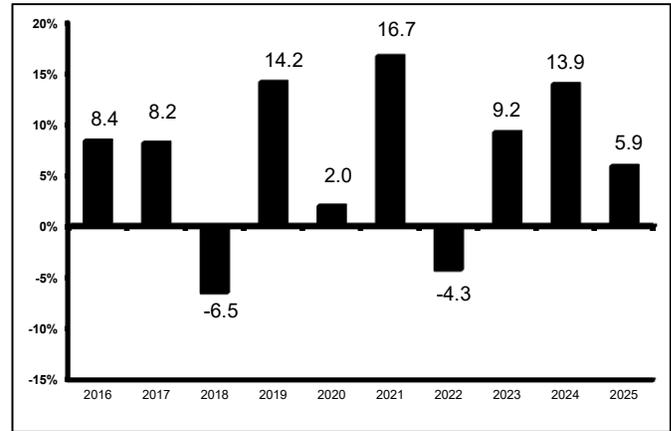
The Fund's performance information shown assumes that all distributions made by the Fund in the period(s) shown were reinvested in additional units of the Fund.

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.

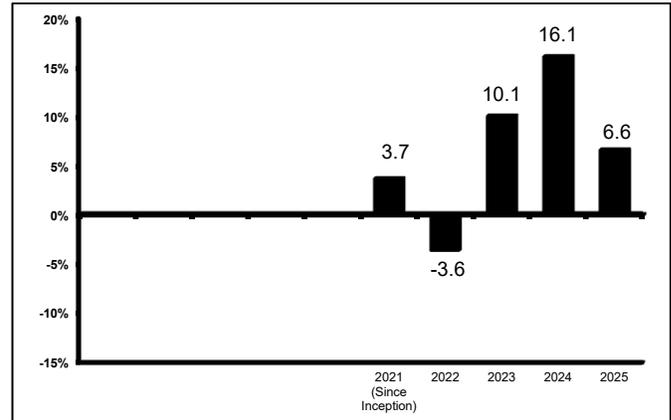
**Year-by-Year Returns**

The bar chart shows the Fund's annual performance for each of the years shown and 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 F Series <sup>(1)</sup>



<sup>(1)</sup> The Class F Series commenced operation May 14, 2021

Annual Returns – Class I Series

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

### Annual Compound Returns

The following table compares the historical annual compound returns of the Fund with the performance of the blended Benchmark index comprised as follows: 70% S&P/TSX Composite Total Return Index, a capitalization-weighted index designed to measure the market activity of some of the largest float adjusted stocks listed on the Toronto Stock Exchange, 27% FTSE Canada Universe Bond Index, which is a broad measure of the total return of Canadian bonds that mature in more than one year and 3% FTSE Canada 91 Day Treasury Bill Index, which measures the performance attributable to 91-day Treasury Bills of the provincial and federal governments.

Educators Monthly Income Fund	1 Year	3 Year	5 Year	10 Year
Class A Series	5.92%	9.65%	8.05%	6.53%
Class F Series <sup>1</sup>	6.64%	10.89%	NA	NA
Class I Series <sup>2</sup>	--	--	--	--
Blended Benchmark	22.33%	16.18%	11.14%	9.48%

<sup>1</sup> Since Inception (May 14, 2021)

<sup>2</sup> Currently not being offered to purchase

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
Financials	23.33 %
Short-term investments	14.93 %
Industrials	13.73 %
Corporate Bonds	13.15 %
Consumer Staples	9.29 %
Information Technology	7.11 %
Communication Services	6.25 %
Consumer Discretionary	5.65 %
Government Bonds	5.48 %
Asset-Backed Securities	0.86 %
Net Other Assets (Liabilities)	0.20 %
Cash and Cash Equivalents	0.02 %

### Top 25 Holdings

Security Name	Percentage of Net Asset Value
Canadian Treasury Bill, 2.18%, February 25, 2026	8.79 %
Royal Bank of Canada	4.10 %
Canadian Treasury Bill, 2.23%, June 17, 2026	3.81 %
National Bank of Canada	3.45 %
Loblaw Cos Ltd.	3.09 %
Bank of Montreal	2.96 %
Intact Financial Corp.	2.82 %
Metro Inc.	2.80 %
iA Financial Corp Inc.	2.65 %
Quebecor Inc.	2.65 %
CGI Inc.	2.53 %
Toromont Industries Ltd.	2.47 %
Canadian Pacific Kansas City Ltd.	2.45 %
RB Global Inc.	2.35 %
Constellation Software Inc.	2.34 %
Canadian National Railway Co.	2.28 %
Rogers Communications Inc.	2.16 %
Dollarama Inc.	2.07 %
Restaurant Brands International Inc.	2.00 %
Mastercard Inc.	1.98 %
Waste Connections Inc.	1.83 %
Sun Life Financial Inc.	1.83 %
Canadian Government Bond, 2.75%, December 1, 2055	1.80 %
TMX Group Ltd.	1.80 %
Alimentation Couche-Tard Inc.	1.69 %
<b>Total Net Assets (000's)</b>	<b>\$103,888</b>

The top 25 holdings represent approximately 68.70% 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.

**EDUCATORS FINANCIAL GROUP**

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