

2025

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2025

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

Educators Dividend 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 Dividend Fund (*the "Fund"*) is to provide investors with a stable and growing stream of after-tax income with long-term capital growth by investing primarily in securities of Canadian corporations. The Fund may invest in common and preferred shares, index participation units, and American / Global Depository Receipts. To achieve lower volatility through diversification, the Fund also invests in debt securities. Non-Canadian securities are generally limited to no more than 25% 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 10.7% to \$221.8 million at the end of December 2025, up from \$200.4 million at the end of December 2024.

Investment Performance

For the year/period ending December 31, 2025 (*the period*), the Educators Dividend Fund – Class A Series provided a return of 17.17% versus the S&P/TSX Composite Index (the Benchmark) return of 31.68%.

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.

The Canadian equity market ended the 12-month period in positive territory, with the S&P/TSX Composite Index returning 31.7%. The macroeconomic backdrop evolved in a broadly supportive direction for risk assets: inflation cooled, policy became more accommodative, and external conditions stabilized, even as growth remained moderate.

Canada's newly elected Liberal government faced challenges in managing U.S. trade relations, while policy shifts under the Carney administration aimed to attract foreign investment and diversify trade beyond the U.S. In the meantime, exemptions under the Canada–United States–Mexico Agreement ("CUSMA") kept most Canadian exports duty free.

A pivotal and constructive development was the Bank of Canada's continuation of its easing cycle, lowering its policy rate by 100 basis points over 2025 in response to easing inflation and contained financial stability risks. This helped reduce borrowing costs for households and businesses. The shift toward lower rates was particularly encouraging for interest sensitive sectors and helped alleviate concerns around the mortgage renewal cycle, improving the outlook for the broader economy.

Real GDP, which had softened earlier in the year, saw a modest pickup as exports and household spending gradually improved from subdued levels, though overall growth remained below trend. Labour markets cooled from very tight conditions, with unemployment drifting higher; this reduced wage price pressures and created room for policy to lean more toward supporting growth.

Canada benefited from global macro forces, including strong commodity prices—particularly precious metals—amid geopolitical uncertainty. Robust commodities and supportive interest rate policy helped offset subdued real economic growth and fueled a strong equity market rally in 2025.

All 11 Global Industry Classification Standard ("GICS") sectors posted positive returns over the 12-month period. The best performing sectors were Materials, Financials, Consumer Discretionary, and Information Technology.

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

During the one-year period ending December 31, 2025, the Fund underperformed its benchmark, the S&P/TSX Composite Index. This was the third year in a row in which both the Canadian and U.S. indices produced double digit total returns. In the view of the portfolio adviser, valuations in both countries are high, but the U.S. market remains more richly priced than its Canadian counterpart. Underlying economic and political uncertainties, including trade tensions, government instability, and various geopolitical situations around the world, continue to impact market sentiment. The complexity of these factors signaled that while the economy appears resilient, caution is warranted due to geopolitical and fiscal risks. The portfolio adviser remains cautious in their approach.

The Fund's underweight allocation and security selection in the Materials sector was the primary detractor from relative performance. Individual detractors from performance included diversified wood products company, West Fraser Timber Company, private equity investment firm, Brookfield Corporation, and U.S. financial holding company, Bank of America Corporation.



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From a currency hedging standpoint, the Fund's hedging position on foreign currency was a slight contributor to performance during the period. However, the portfolio adviser hedging strategy is intended to reduce foreign currency risk, not to generate alpha.

In terms of positive contributors to the Fund's relative performance, an underweight allocation and security selection in the Industrials sector contributed the most to relative returns. Individual contributors to relative returns included financial services company, Power Corporation of Canada and diversified financial services companies, Toronto-Dominion Bank and Bank of Nova Scotia.

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

Recent Developments

As we enter 2026, a complex mix of economic uncertainty, trade tensions, and geopolitical developments continues to influence market sentiment. While the economy appears resilient, the backdrop remains fluid and warrants a disciplined, risk-aware approach. As a result, the portfolio adviser remains cautious in positioning and focuses on investing in companies where they believe they are being appropriately compensated for the risks being taken.

Markets are emotional and volatile, but the portfolio adviser's process is not: the portfolio adviser remains patient and adheres to a disciplined approach of building a well-diversified portfolio of leading businesses with strong balance sheets that can be owned through different economic cycles.

Related Party Transactions

In the 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 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⁽¹⁾

	Year ended December 31				
	2025	2024	2023	2022	2021
Net Assets, beginning of year/period	\$36.28	\$33.76	\$36.14	\$40.35	\$32.77
Increase (decrease) from operations:					
Total revenue	\$1.22	\$1.27	\$1.28	\$1.01	\$0.98
Total expenses, including transaction costs [excluding distributions]	(\$0.74)	(\$0.69)	(\$0.73)	(\$0.71)	(\$0.69)
Realized gains (losses) for the period	\$4.09	\$3.17	\$7.31	\$0.09	\$0.69
Unrealized gains (losses) for the period	\$1.59	\$0.78	(\$4.91)	(\$4.43)	\$6.71
Total increase (decrease) from operations⁽²⁾	\$6.16	\$4.53	\$2.95	(\$4.04)	\$7.69
Distributions:					
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$--
From dividends	\$0.35	\$0.49	\$0.40	\$0.16	\$0.12
From capital gains	\$2.04	\$1.50	\$4.88	\$--	\$--
Return of capital	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions⁽³⁾	\$2.39	\$1.99	\$5.28	\$0.16	\$0.12
Net Assets, end of year/period	\$40.08	\$36.28	\$33.76	\$36.14	\$40.35

Ratios and Supplemental Data (based on Net Asset Value)

	Year ended December 31				
	2025	2024	2023	2022	2021
Total Net Asset Value (000's) ⁽⁴⁾	\$191,080	\$173,574	\$167,086	\$163,962	\$183,480
Number of units outstanding ⁽⁴⁾	4,768,000	4,784,568	4,948,537	4,537,010	4,547,148
Management expense ratio ⁽⁵⁾	1.82%	1.81%	1.82%	1.81%	1.81%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.82%	1.81%	1.82%	1.81%	1.81%
Trading expense ratio ⁽⁷⁾	0.08%	0.05%	0.09%	0.01%	0.01%
Portfolio turnover rate ⁽⁸⁾	52.64%	36.70%	64.05%	7.30%	4.11%
Net Asset Value per unit	\$40.08	\$36.28	\$33.76	\$36.14	\$40.35



EDUCATORS DIVIDEND FUND

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

	Year ended December 31				
	2025	2024	2023	2022	2021
Net Assets, beginning of year/period	\$12.68	\$11.81	\$12.66	\$14.15	\$11.44
Increase (decrease) from operations:					
Total revenue	\$0.43	\$0.45	\$0.45	\$0.36	\$0.34
Total expenses, including transaction costs [excluding distributions]	(\$0.02)	(\$0.01)	(\$0.02)	(\$0.01)	(\$0.01)
Realized gains (losses) for the period	\$1.44	\$1.11	\$2.57	\$0.03	\$0.23
Unrealized gains (losses) for the period	\$0.54	\$0.28	(\$1.73)	(\$1.56)	\$2.36
Total increase (decrease) from operations ⁽²⁾	\$2.39	\$1.83	\$1.27	(\$1.18)	\$2.92
Distributions:					
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$--
From dividends	\$0.37	\$0.41	\$0.39	\$0.30	\$0.22
From capital gains	\$0.72	\$0.53	\$1.72	\$--	\$--
Return of capital	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$1.09	\$0.94	\$2.11	\$0.30	\$0.22
Net Assets, end of year/period	\$14.01	\$12.68	\$11.81	\$12.66	\$14.15

Ratios and Supplemental Data (based on Net Asset Value)

	Year ended December 31				
	2025	2024	2023	2022	2021
Total Net Asset Value (000's) ⁽⁴⁾	\$13,015	\$11,827	\$11,301	\$11,481	\$13,244
Number of units outstanding ⁽⁴⁾	929,089	932,629	956,917	906,899	935,810
Management expense ratio ⁽⁵⁾	0.01%	0.01%	0.01%	0.01%	0.01%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.01%	0.01%	0.01%	0.01%	0.01%
Trading expense ratio ⁽⁷⁾	0.08%	0.05%	0.09%	0.01%	0.01%
Portfolio turnover rate ⁽⁸⁾	52.64%	36.70%	64.05%	7.30%	4.11%
Net Asset Value per unit	\$14.01	\$12.68	\$11.81	\$12.66	\$14.15



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

	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
Increase (decrease) from operations:					
Total revenue	\$0.32	\$0.34	\$0.34	\$0.27	\$0.13
Total expenses, including transaction costs [excluding distributions]	(\$0.09)	(\$0.09)	(\$0.09)	(\$0.09)	(\$0.04)
Realized gains (losses) for the period	\$1.09	\$0.86	\$2.06	\$0.01	(\$0.01)
Unrealized gains (losses) for the period	\$0.41	\$0.20	(\$1.42)	(\$1.21)	\$0.88
Total increase (decrease) from operations ⁽²⁾	\$1.73	\$1.31	\$0.89	(\$1.02)	\$0.96
Distributions:					
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$--
From dividends	\$0.20	\$0.23	\$0.22	\$0.15	\$0.05
From capital gains	\$0.54	\$0.40	\$1.30	\$--	\$--
Return of capital	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.74	\$0.63	\$1.52	\$0.15	\$0.05
Net Assets, end of year/period	\$10.64	\$9.63	\$8.97	\$9.62	\$10.75

Ratios and Supplemental Data (based on Net Asset Value)

	Year Ended December 31				
	2025	2024	2023	2022	2021
Total Net Asset Value (000's) ⁽⁴⁾	\$17,676	\$14,970	\$11,579	\$9,683	\$7,495
Number of units outstanding ⁽⁴⁾	1,661,341	1,554,211	1,290,581	1,006,959	696,955
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⁾	0.08%	0.05%	0.09%	0.01%	0.01%
Portfolio turnover rate ⁽⁸⁾	52.64%	36.70%	64.05%	7.30%	4.11%
Net Asset Value per unit	\$10.64	\$9.63	\$8.97	\$9.62	\$10.75

⁽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.



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 16.4% 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

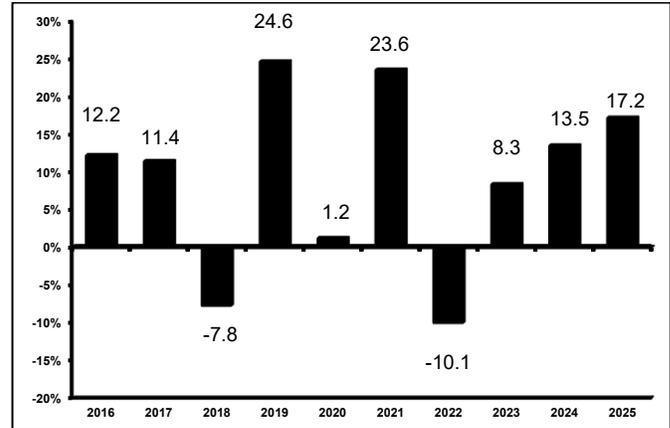
The Fund's performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund.

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.

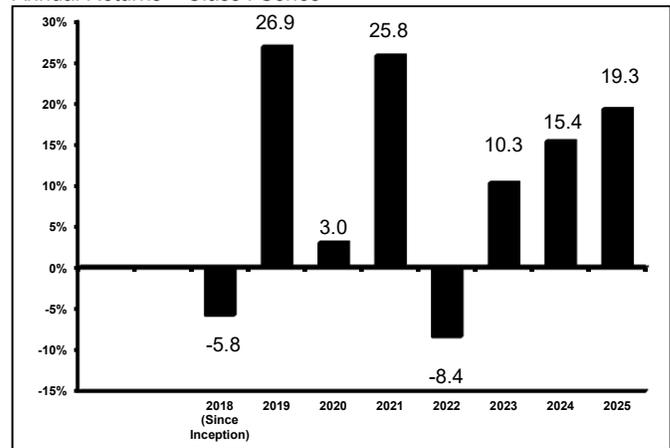
Year-by-Year Returns

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

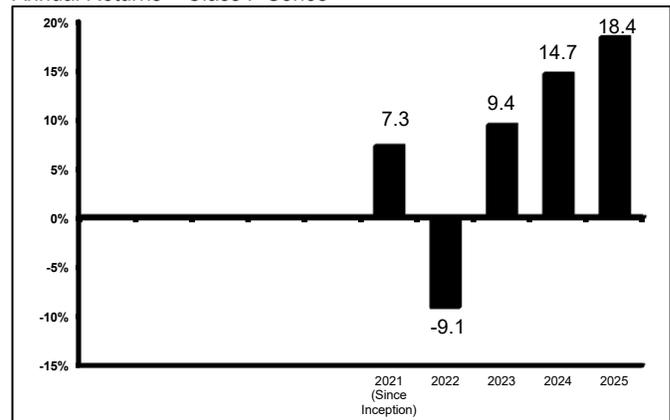
Annual Returns – Class A Series



Annual Returns – Class I Series ⁽¹⁾



Annual Returns – Class F Series ⁽²⁾



⁽¹⁾ The Class I Series commenced operations January 4, 2018

⁽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, S&P/TSX Composite Total Return Index (S&P/TSX 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.

Educators Dividend Fund	1 Year	3 Year	5 Year	10 Year
Class A Series	17.17%	12.94%	9.87%	8.82%
Class F Series ¹	18.37%	14.09%	NA	NA
Class I Series ²	19.30%	14.94%	11.83%	NA
S&P/TSX Composite Index	31.68%	21.42%	16.09%	12.66%

¹ Since Inception (May 14, 2021)

² Since Inception (January 4, 2018)

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	37.52 %
Energy	11.36 %
Industrials	10.98 %
Materials	8.53 %
Information Technology	7.43 %
Communication Services	4.46 %
Consumer Staples	4.28 %
Real Estate	4.18 %
Utilities	3.08 %
Health Care	3.06 %
Consumer Discretionary	2.04 %
Cash and Cash Equivalents	2.87 %
Net Other Assets (Liabilities)	0.21 %

Top 25 Holdings

Security Name	Percentage of Net Asset Value
Bank of Nova Scotia	6.10 %
Toronto-Dominion Bank	5.07 %
Royal Bank of Canada	5.02 %
Onex Corp.	4.67 %
Power Corp of Canada	4.44 %
Manulife Financial Corp.	4.18 %
Enbridge Inc.	4.00 %
Open Text Corp.	3.63 %
Bank of Montreal	3.18 %
Canadian Natural Resources Ltd.	2.78 %
Canadian National Railway Co.	2.73 %
Canadian Pacific Kansas City Ltd.	2.70 %
Alimentation Couche-Tard Inc.	2.53 %
CGI Inc.	2.48 %
PrairieSky Royalty Ltd.	2.47 %
Intact Financial Corp.	2.45 %
Brookfield Asset Management Ltd.	2.41 %
Franco-Nevada Corp.	2.37 %
Rogers Communications Inc.	2.34 %
Toromont Industries Ltd.	2.15 %
TELUS Corp.	2.12 %
Boardwalk Real Estate Investment Trust	2.12 %
TC Energy Corp.	2.10 %
Primaris Real Estate Investment Trust	2.05 %
West Fraser Timber Co., Ltd.	2.04 %
Total Net Assets (000's)	\$221,771

The top 25 holdings represent approximately 78.13% 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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