

2025

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2025

Offered by Educators Financial Group
Portfolio Adviser: Mawer Investment Management Ltd., Calgary, Alberta

Educators U.S. Equity 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 U.S. Equity Fund (*the "Fund"*) is to provide long-term capital growth by investing primarily in common shares of established U.S. corporations and other equity securities of U.S. companies. The Fund may hedge all, or a portion of, the U.S. or other foreign currency exposure to protect the Fund's capital. 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 1.5% to \$179.3 million at the end of December 2025, up from \$176.6 million at the end of December 2024.

Investment Performance

For the year/period ending December 31, 2025 (*the period*) the Educators U.S. Equity Fund – Class A Series provided a return of 8.5%, versus the S&P 500 NR Index (*the Benchmark*) return of 12.35%.

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 Fund underperformed the S&P 500 Index NTR, with the passive allocation to U.S. equities performing in line with the Benchmark and the Active U.S. equities lagging. Within the Active U.S. equities, security selection was the predominant driver of underperformance for the period, as holdings within the Financials, Health Care, and Industrials sectors lagged their counterparts in the Benchmark. Sector allocation was a more modest detractor to relative performance, driven by an underweight in Information Technology.

Overall, markets continued to be buoyed by optimism with regards to Artificial Intelligence ("AI"). More traditionally value-oriented industries, such as banks and mining companies, also continued to perform well due to steepening yield curves and robust precious metal prices, respectively.

At the security level, many of the top performers included companies benefiting from AI-related tailwinds. Examples include Microsoft Corporation, a global software and cloud services provider, and Amphenol Corporation, a manufacturer of electronic and fiber optic connectors and interconnect systems. Robust demand for cloud

computing continued to exceed available supply, easing recent concerns about a potential slowdown due to more efficient models. The market now anticipates that supply constraints will persist in the near term, reinforcing confidence in sustained AI-related demand.

The impact of AI, however, was not universally positive across the portfolio. Accenture, an IT Consulting firm, was one of the weaker performers in the portfolio for the year, in part due to concerns that AI solutions could cannibalize demand for their services. Meanwhile, UnitedHealth Group Incorporated, a U.S.-based diversified health care and insurance company, declined as its Medicare Advantage business faced pressure from lower government reimbursement and higher costs related to increased claims. This weakness emerged as the company faced a federal investigation related to Medicare fraud, replaced its CEO, and missed guidance for the first time in over a decade, causing market confidence to wane.

Over the past year, the portfolio adviser made some notable initiations in Active U.S. equities. A position was initiated in Northrop Grumman Corporation, one of the largest defence contractors in the world and one of five prime contractors to the U.S. government. Its scale within highly specialized technology niches creates significant barriers to entry, while its mission-critical offerings result in exceptionally high customer stickiness. Management is viewed by the portfolio adviser as following disciplined capital allocation while maintaining a strategy built around technological leadership, sustainable and profitable growth, strong performance focus, and value-creating capital deployment. Elevance Health was another addition to the Fund. This leading U.S. health insurer's strong local scale and dominant market positions create significant customer loyalty and pricing power, making it a top choice for large employers seeking comprehensive coverage. Management is focused on organic growth, shareholder returns and expanding into personalized care through acquisitions. Additionally, a position was initiated in AAON, Inc., a manufacturer of heating, ventilation, and air conditioning (HVAC) equipment for commercial buildings, as well as air and liquid cooling systems used in data centres. With a focus on product innovation and fully custom solutions for clients, AAON has been consistently gaining market share while delivering strong organic growth. This position was added opportunistically as the stock pulled back, which was viewed by the portfolio adviser as an overreaction to temporary headwinds.

Meanwhile, notable exits from Active U.S. equities included: Aon plc, a global professional services firm specializing in risk, retirement, and health solutions; CVS Health Corporation, an American healthcare company offering pharmacy services and health insurance; and Carrier Global Corporation, a provider of heating, air conditioning, and refrigeration solutions, in favor of better opportunities elsewhere. Elsewhere, macroeconomic challenges partially weighed in the portfolio adviser's decision to exit its position in Paychex, a provider of payroll solutions.



Recent Developments

As 2025 closes, investors find themselves confronting a familiar blend of optimism and doubt. The powerful combination of AI innovation, continued fiscal support, and gradually easing monetary policy has sustained both growth and market confidence longer than many thought possible. Yet, beneath the surface, the contours of this expansion are shifting. It is increasingly clear that the world's economies are being rewired—by policy, technology, and the reorganization of trading partners.

Artificial intelligence remains central to productivity hopes, but the way that promise is being financed and valued is becoming more demanding. Debt funding is playing a larger role in the data centre buildout, and while balance sheets remain solid overall, a tail of weaker credits is drawing more scrutiny. The combination of industrial scale spending, unproven economics, and higher valuations increases the risk that expectations may outpace reality.

The year ahead will likely test the durability of this expansion. Current prosperity depends on ongoing government support and the promise of future productivity gains from AI, neither of which is yet proven. Cycles will turn and policies will shift, but companies with steady cash flow and disciplined capital management tend to endure. As always, the Fund remains focused on quality, balance, and durability. In a world leaning on policy and promise, patience and perspective may prove the rarest and most valuable advantage.

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 U.S. EQUITY 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 U.S. Equity Fund – Class A Series – Net Assets per Unit ⁽¹⁾

	Year ended December 31				
	2025	2024	2023	2022	2021
Net Assets, beginning of year/period	\$30.07	\$23.32	\$19.63	\$21.02	\$21.10
Increase (decrease) from operations:					
Total revenue	\$0.38	\$0.39	\$0.34	\$0.46	\$0.49
Total expenses, including transaction costs [excluding distributions]	(\$0.61)	(\$0.55)	(\$0.44)	(\$0.47)	(\$0.53)
Realized gains (losses) for the period	\$1.43	\$0.52	\$0.35	\$1.11	\$3.21
Unrealized gains (losses) for the period	\$1.30	\$6.40	\$3.44	(\$1.72)	(\$0.61)
Total increase (decrease) from operations ⁽²⁾	\$2.50	\$6.76	\$3.69	(\$0.62)	\$2.56
Distributions:					
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$--
From dividends	\$--	\$--	\$--	\$0.01	\$0.04
From capital gains	\$--	\$--	\$--	\$0.77	\$2.56
Return of capital	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$--	\$--	\$--	\$0.78	\$2.60
Net Assets, end of year/period	\$32.63	\$30.07	\$23.32	\$19.63	\$21.02

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⁾	\$139,647	\$139,525	\$113,051	\$101,548	\$109,552
Number of units outstanding ⁽⁴⁾	4,279,964	4,639,838	4,848,038	5,172,818	5,210,914
Management expense ratio ⁽⁵⁾	1.81%	1.81%	1.81%	1.94%	1.98%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.81%	1.81%	1.81%	1.94%	1.98%
Trading expense ratio ⁽⁷⁾	--%	--%	--%	0.05%	0.04%
Portfolio turnover rate ⁽⁸⁾	6.89%	5.45%	5.85%	153.41%	38.23%
Net Asset Value per unit	\$32.63	\$30.07	\$23.32	\$19.63	\$21.02



EDUCATORS U.S. EQUITY FUND

Educators U.S. Equity Fund – Class I Series – Net Assets per Unit ⁽¹⁾

	Year ended December 31				
	2025	2024	2023	2022	2021
Net Assets, beginning of year/period	\$16.63	\$12.76	\$10.62	\$11.37	\$11.37
Increase (decrease) from operations:					
Total revenue	\$0.21	\$0.21	\$0.18	\$0.26	\$0.26
Total expenses, including transaction costs [excluding distributions]	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.04)	(\$0.04)
Realized gains (losses) for the period	\$0.80	\$0.29	\$0.18	\$0.56	\$1.84
Unrealized gains (losses) for the period	\$0.82	\$3.55	\$1.91	(\$1.15)	\$0.07
Total increase (decrease) from operations ⁽²⁾	\$1.80	\$4.02	\$2.24	(\$0.37)	\$2.13
Distributions:					
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$--
From dividends	\$0.04	\$0.11	\$0.09	\$0.21	\$0.14
From capital gains	\$--	\$--	\$--	\$0.42	\$1.46
Return of capital	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.04	\$0.11	\$0.09	\$0.63	\$1.60
Net Assets, end of year/period	\$18.32	\$16.63	\$12.76	\$10.62	\$11.37

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⁾	\$26,654	\$25,187	\$20,355	\$20,549	\$11,525
Number of units outstanding ⁽⁴⁾	1,454,870	1,514,885	1,595,506	1,934,847	1,013,368
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⁾	--%	--%	--%	0.05%	0.04%
Portfolio turnover rate ⁽⁸⁾	6.89%	5.45%	5.85%	153.41%	38.23%
Net Asset Value per unit	\$18.32	\$16.63	\$12.76	\$10.62	\$11.37



EDUCATORS U.S. EQUITY FUND

Educators U.S. Equity Fund – Class F Series – Net Assets per Unit ⁽¹⁾

	Year ended December 31				
	2025	2024	2023	2022	2021
Net Assets, beginning of year/period	\$12.67	\$9.76	\$8.16	\$8.75	\$10.00
Increase (decrease) from operations:					
Total revenue	\$0.16	\$0.16	\$0.15	\$0.19	\$0.10
Total expenses, including transaction costs [excluding distributions]	(\$0.11)	(\$0.10)	(\$0.08)	(\$0.10)	(\$0.05)
Realized gains (losses) for the period	\$0.60	\$0.22	\$0.15	\$0.43	\$0.53
Unrealized gains (losses) for the period	\$0.50	\$2.67	\$1.41	(\$0.68)	(\$0.50)
Total increase (decrease) from operations ⁽²⁾	\$1.15	\$2.95	\$1.63	(\$0.16)	\$0.08
Distributions:					
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$--
From dividends	\$0.02	\$0.05	\$0.04	\$0.11	\$--
From capital gains	\$--	\$--	\$--	\$0.32	\$1.13
Return of capital	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.02	\$0.05	\$0.04	\$0.43	\$1.13
Net Assets, end of year/period	\$13.88	\$12.67	\$9.76	\$8.16	\$8.75

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⁾	\$12,971	\$11,909	\$7,614	\$5,191	\$2,786
Number of units outstanding ⁽⁴⁾	934,426	940,067	780,088	636,193	318,311
Management expense ratio ⁽⁵⁾	0.68%	0.68%	0.68%	0.80%	0.84%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.68%	0.68%	0.68%	0.80%	0.84%
Trading expense ratio ⁽⁷⁾	--%	--%	--%	0.05%	0.04%
Portfolio turnover rate ⁽⁸⁾	6.89%	5.45%	5.85%	153.41%	38.23%
Net Asset Value per unit	\$13.88	\$12.67	\$9.76	\$8.16	\$8.75

⁽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.



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 0.60% 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 9.7% of the total management fees collected from all Series (excluding Class I Series approximately 8.3% 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

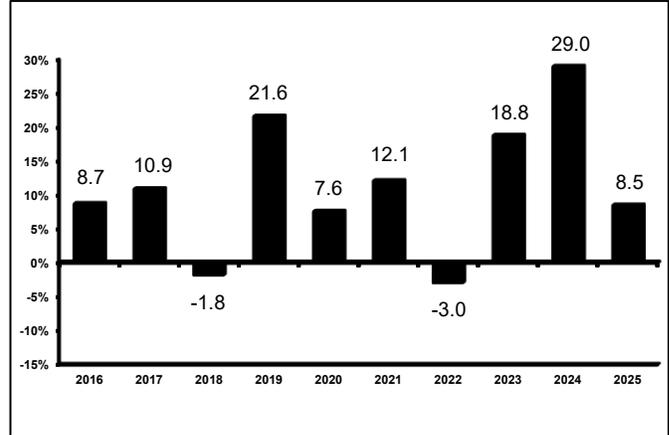
The Fund's performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund.

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.

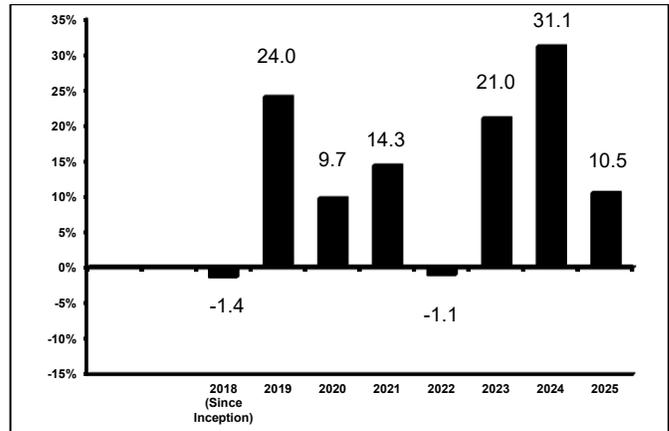
Year-by-Year Returns

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.

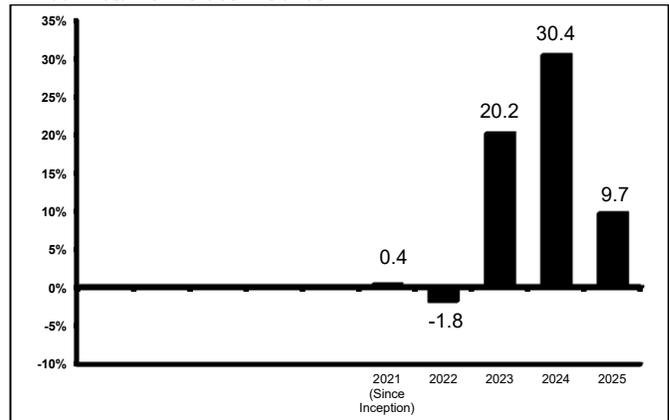
Annual Returns – Class A Series



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



EDUCATORS U.S. EQUITY FUND

Annual Compound Returns

The following table compares the historical annual compound returns of the Fund with the performance of the S&P 500 Index, a stock market index based on the market capitalizations of 500 large companies having common stock listed on the New York Stock Exchange.

Educators U.S. Equity Fund	1 Year	3 Year	5 Year	10 Year
Class A Series	8.50%	18.45%	12.58%	10.85%
Class F Series ¹	9.73%	19.82%	NA	NA
Class I Series ²	10.48%	20.57%	14.67%	NA
S&P 500 Index	12.35%	23.48%	16.11%	14.67%

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
Exchange-Traded Funds	70.16 %
Financials	6.78 %
Health Care	5.77 %
Information Technology	4.91 %
Industrials	3.69 %
Consumer Discretionary	2.07 %
Communication Services	2.06 %
Materials	1.71 %
Utilities	1.07 %
Consumer Staples	1.02 %
Short-term investments	0.70 %
Net Other Assets (Liabilities)	0.04 %
Cash and Cash Equivalents	0.02 %

Top 25 Holdings

Security Name	Percentage of Net Asset Value
Vanguard S&P 500 Index ETF	70.16 %
Amphenol Corp.	1.57 %
Microsoft Corp.	1.55 %
Alphabet Inc.	1.45 %
Amazon.com Inc.	1.27 %
Visa Inc.	1.10 %
Waters Corp.	1.06 %
Cencora Inc.	1.06 %
CME Group Inc.	0.84 %
Martin Marietta Materials Inc.	0.83 %
Arthur J Gallagher & Co.	0.83 %
Abbott Laboratories	0.79 %
Mastercard Inc.	0.77 %
Marsh & McLennan Cos Inc.	0.74 %
Intercontinental Exchange Inc.	0.74 %
BWX Technologies Inc.	0.70 %
Canadian Treasury Bill, 2.17%, March 11, 2026	0.70 %
FTI Consulting Inc.	0.67 %
AptarGroup Inc.	0.64 %
OSI Systems Inc.	0.64 %
Procter & Gamble Co.	0.64 %
Verizon Communications Inc.	0.61 %
American Electric Power Co., Inc.	0.58 %
JPMorgan Chase & Co.	0.56 %
CACI International Inc.	0.54 %
Total Net Assets (000's)	\$179,273

The top 25 holdings represent approximately 91.04% 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

2225 Sheppard Ave. East
Suite 1105
Toronto, Ontario M2J 5C2

Telephone: 416.752.6843
1.800.263.9541

Fax: 416.752.6649
1.888.662.2209

E-Mail: info@educatorsfinancialgroup.ca

Web: www.educatorsfinancialgroup.ca

