2026

INTERM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2026

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

Educators Balanced Fund

Educators
FINANCIAL GROUP

This interim management report of fund performance contains financial highlights but does not contain either the interim financial report or 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 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

Results of Operations

The Fund's net assets increased by 4.7% to $309.4 million at the end of June 2026, up from $295.6 million at the end of December 2025.

Investment Performance

For the year/period ending June 30, 2026 *(the period),* the Educators Balanced Fund – Class A Series provided a return of 7.49%, versus a Benchmark return of 8.21%. The Benchmark comprises 40% FTSE Canada Universe Bond Index, 35% S&P/TSX Composite Total Return Index, 12% Russell 1000 Value Index (NR) and 13% MSCI EAFE Total Return Index *(Canadian$) (the Benchmark)*.

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 period had a volatile start, shaped by renewed geopolitical risk and continued trade policy uncertainty. Global developed equity markets advanced in the second quarter as the prospect of a U.S.-Iran agreement to reopen the Strait of Hormuz edged closer, along with the tailwind of the AI investment cycle boosting the Technology sector. With respect to fixed income, the second quarter of 2026 marked a transition in market conditions, as easing geopolitical tensions helped stabilize sentiment following a period of elevated uncertainty. The partial resolution of the Middle East conflict led to a sharp retracement in oil prices and a moderation in near-term inflation expectations.

The equity portfolio of the Fund is divided into three portions: Canadian equities, U.S. equities, and international equities. The Canadian, U.S., and international equity components underperformed their benchmarks. The fixed-income portion of the Fund outperformed its benchmark.

From an asset-allocation perspective, relative underperformance was driven primarily by selection in U.S. and Canadian equities. Selection in international equities also detracted from relative performance. The primary contributor to relative performance was weighting effects from an underweight in fixed income and an overweight in U.S. equity. Selection in fixed income also contributed to relative performance.

Within the Canadian equity portion of the Fund, the top-performing sectors during the period relative to their benchmarks were the Materials and Information Technology sectors. In the U.S. equity portion of the Fund, the top-performing sectors during the period relative to their benchmarks were the Consumer Discretionary and Industrials sectors. In the international equity portion of the Fund, the top-performing sectors during the period relative to their benchmarks were Consumer Discretionary and Energy. The SPDR Portfolio S&P 500 Growth ETF was the largest individual contributor to performance; however, this holding forms part of a separate tactical allocation and is not reflective of the Fund's core investment strategy. Excluding this allocation, Toronto-Dominion Bank and Bank of Montreal were the leading contributors generated through the Fund's primary investment mandates.

Within the Canadian equity portion of the Fund, the Industrials and Real Estate sectors were the largest detractors from relative performance. In the U.S. equity portion of the Fund, the Information Technology and Financials sectors were the largest detractors from relative performance. In the international equity portion of the Fund, the Information Technology and Industrials sectors were the largest detractors from relative performance. Over the period, the largest individual detractors from Fund performance included Boyd Group Services Inc., CGI Inc., and Colliers International Group Inc.

The Fund's duration positioning added value 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 mid part of the curve, which outperformed. Sector-allocation added value due to the portfolio's overweight position in corporate bonds, which outperformed. Government security selection was roughly neutral. Corporate security selection added value due to the selection of short- and mid-term corporate bonds, which outperformed longer-term corporate bonds.

The Portfolio Adviser for the equity portion of the Fund *(the equity team)* employs a stock selection process that is based on identifying securities trading at a significant discount to their estimated business value. The Fund's sector and stock weights are outcomes of the equity team's investment decisions based on bottom-up fundamentals and business quality. As a by-product of the equity team's bottom-up investment process, market performance, and general management activity, any changes that occurred in the Fund's portfolio during the reporting period included an increased weighting in the Fund's Financials, Consumer Staples, and Consumer Discretionary sectors and a decreased exposure to the Industrials, Health Care, Energy, Materials, Information Technology, Communication Services, Real Estate, and Utilities sectors.

Gildan Activewear Inc., Intact Financial Corp., Union Pacific Corp., Sysco Corp., Wells Fargo & Co., Becton, Dickinson and Co., Marsh & McLennan Co., Inc., Royal Caribbean Cruises Ltd., Danone SA, and AutoZone Inc. were new additions to the Fund.

The Fund's position in Versant Media Group, Inc. *(a spin-out from our holding in Comcast Corp., Class A)*, Harley-Davidson Inc., The Campbell's Co., and Open Text Corp. were liquidated.

The Portfolio Adviser for the fixed-income portion of the Fund *(the fixed-income team)* 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 result of the fixed-income team's investment process, market performance, and general management activity, the Fund's weightings in federal government bonds decreased over the period, while the allocation to municipal, corporate, and provincial bonds increased.

Recent Developments

The S&P/TSX Composite Index has been anchored by strong financials performance. As geopolitical and trade uncertainties persist, equity market performance will be impacted by whether bank valuations can be sustained, and by the trajectory of commodity prices. U.S. markets are generally trading at high valuations and remain concentrated. The MSCI EAFE Index is also at elevated levels compared to its history, though still generally at a discount to the U.S.

Overall, the Fund's positioning reflects a balance between a generally constructive economic backdrop and a cautious view on valuations across global markets.

Looking ahead, the Portfolio Adviser believes markets are vulnerable to repricing, reinforcing the importance of preserving liquidity and maintaining the flexibility to adjust the Fund's portfolio as the outlook evolves through 2026.

Related Party Transactions

Pursuant to the Fund's investment strategies included in the Fund's Simplified Prospectus, the Fund may invest in other mutual funds, and for the period has invested in Beutel Goodman International Equity Fund, Class I; and Beutel Goodman American Equity Fund, Class I, all of which are funds managed by the Fund's portfolio adviser.

In the first six months of 2026 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 six-month period and for the past five years. Currently Class I units of the Fund are not being offered to purchase.

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

	Six-months ended June 30	Year ended December 31				
	2026	**2025**	**2024**	**2023**	**2022**	**2021**
Net Assets, beginning of year/period	$23.93	$22.28	$20.34	$19.42	$21.14	$20.38
Increase (decrease) from operations:						
Total revenue	$0.28	$0.64	$0.63	$0.59	$0.58	$0.51
Total expenses, including transaction costs [excluding distributions]	($0.23)	($0.44)	($0.41)	($0.38)	($0.37)	($0.41)
Realized gains (losses) for the period	$0.99	$0.91	$1.12	$0.38	$0.47	$1.48
Unrealized gains (losses) for the period	$0.74	$1.06	$1.39	$0.69	($1.94)	$0.36
Total increase (decrease) from operations (2)	$1.78	$2.17	$2.73	$1.28	($1.26)	$1.94
Distributions:						
From net investment income (excluding dividends)	$--	$0.03	$0.03	$0.02	$--	$--
From dividends	$0.09	$0.18	$0.20	$0.19	$0.17	$0.08
From capital gains	$--	$0.32	$0.56	$0.17	$0.31	$1.10
Return of capital	$--	$--	$--	$--	$0.05	$--
Total Annual Distributions (3)	$0.09	$0.53	$0.79	$0.38	$0.53	$1.18
Net Assets, end of year	$25.64	$23.93	$22.28	$20.34	$19.42	$21.14

Ratios and Supplemental Data (based on Net Asset Value)

	Six-months ended June 30	Year ended December 31				
	2026	**2025**	**2024**	**2023**	**2022**	**2021**
Total Net Asset Value (000's) (4)	$273,646	$262,612	$253,768	$242,262	$242,387	$274,423
Number of units outstanding (4)	10,672,569	10,972,758	11,391,364	11,908,169	12,478,650	12,981,545
Management expense ratio (5)	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%
Management expense ratio before waivers or absorptions (6)	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%
Trading expense ratio (7)	--%	0.01%	0.01%	0.01%	0.01%	0.01%
Portfolio turnover rate (8)	28.20%	40.36%	48.58%	51.97%	39.74%	55.32%
Net Asset Value per unit	$25.64	$23.93	$22.28	$20.34	$19.42	$21.14

Educators Balanced Fund – Class E Series – Net Assets per Unit [1]

	Six-months ended June 30	Year ended December 31				
	2026	2025	2024	2023	2022	2021
Net Assets, beginning of year/period	$12.91	$12.02	$10.98	$10.48	$11.39	$10.96
Increase (decrease) from operations:						
Total revenue	$0.15	$0.34	$0.34	$0.32	$0.32	$0.28
Total expenses, including transaction costs [excluding distributions]	($0.10)	($0.19)	($0.18)	($0.16)	($0.16)	($0.18)
Realized gains (losses) for the period	$0.54	$0.49	$0.61	$0.21	$0.25	$0.81
Unrealized gains (losses) for the period	$0.40	$0.58	$0.75	$0.35	($0.01)	$0.17
Total increase (decrease) from operations [2]	$0.99	$1.22	$1.52	$0.72	($0.60)	$1.08
Distributions:						
From net investment income (excluding dividends)	$--	$0.02	$0.02	$0.01	$--	$--
From dividends	$0.07	$0.14	$0.15	$0.14	$0.11	$0.07
From capital gains	$--	$0.17	$0.30	$0.09	$0.17	$0.59
Return of capital	$--	$--	$--	$--	$0.03	$--
Total Annual Distributions [3]	$0.07	$0.33	$0.47	$0.24	$0.31	$0.66
Net Assets, end of year/period	$13.84	$12.91	$12.02	$10.98	$10.48	$11.39

Ratios and Supplemental Data (based on Net Asset Value)

	Six-months ended June 30	Year ended December 31				
	2026	2025	2024	2023	2022	2021
Total Net Asset Value (000's) [4]	$13,708	$13,292	$13,602	$12,818	$12,910	$13,621
Number of units outstanding [4]	990,793	1,029,301	1,131,764	1,167,689	1,231,618	1,196,025
Management expense ratio [5]	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Management expense ratio before waivers or absorptions [6]	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Trading expense ratio [7]	--%	0.01%	0.01%	0.01%	0.01%	0.01%
Portfolio turnover rate [8]	28.20%	40.36%	48.58%	51.97%	39.74%	55.32%
Net Asset Value per unit	$13.84	$12.91	$12.02	$10.98	$10.48	$11.39

Educators Balanced Fund – Class F Series – Net Assets per Unit [1]

	Six-months ended June 30	Year ended December 31				
	2026	2025	2024	2023	2022	2021
Net Assets, beginning of year/period	$10.82	$10.07	$9.20	$8.78	$9.52	$10.00
Increase (decrease) from operations:						
Total revenue	$0.13	$0.29	$0.29	$0.26	$0.34	$0.22
Total expenses, including transaction costs [excluding distributions]	($0.05)	($0.08)	($0.08)	($0.07)	($0.07)	($0.04)
Realized gains (losses) for the period	$0.45	$0.43	$0.51	$0.15	$0.27	$0.78
Unrealized gains (losses) for the period	$0.35	$0.46	$0.63	$0.32	($0.32)	($0.66)
Total increase (decrease) from operations [2]	$0.88	$1.10	$1.35	$0.66	$0.22	$0.30
Distributions:						
From net investment income (excluding dividends)	$--	$0.02	$0.03	$0.02	$--	$--
From dividends	$0.10	$0.19	$0.19	$0.18	$0.13	$0.12
From capital gains	$--	$0.15	$0.26	$0.08	$0.14	$0.50
Return of capital	$--	$--	$--	$--	$0.03	$--
Total Annual Distributions [3]	$0.10	$0.36	$0.48	$0.28	$0.30	$0.62
Net Assets, end of year/period	$11.59	$10.82	$10.07	$9.20	$8.78	$9.52

Ratios and Supplemental Data (based on Net Asset Value)

	Six-months ended June 30	Year ended December 31				
	2026	2025	2024	2023	2022	2021
Total Net Asset Value (000's) [4]	$22,067	$19.670	$16,963	$14,715	$19,930	8,664
Number of units outstanding [4]	1,904,345	1,818,413	1,684,326	1,599,345	2,269,506	909,817
Management expense ratio [5]	0.80%	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%	0.80%	0.79%
Trading expense ratio [7]	--%	0.01%	0.01%	0.01%	0.01%	0.01%
Portfolio turnover rate [8]	28.20%	40.36%	48.58%	51.97%	39.74%	55.32%
Net Asset Value per unit	$11.59	$10.82	$10.07	$9.20	$8.78	$9.52

(1) *This information is derived from the Fund's interim financial report and 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 June 30 or 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 1.65% for the Class A Series, 1.32% for the Class E Series and 0.70% for the Class F Series.

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

Approximately 12.2% of the total management fees collected from all Series 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

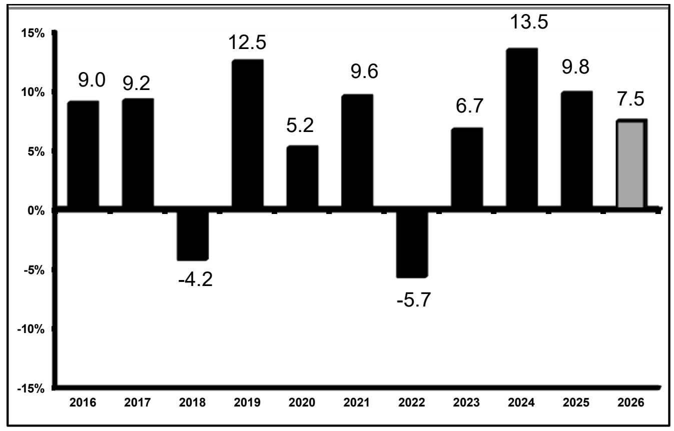
General
The Fund's performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund.

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.

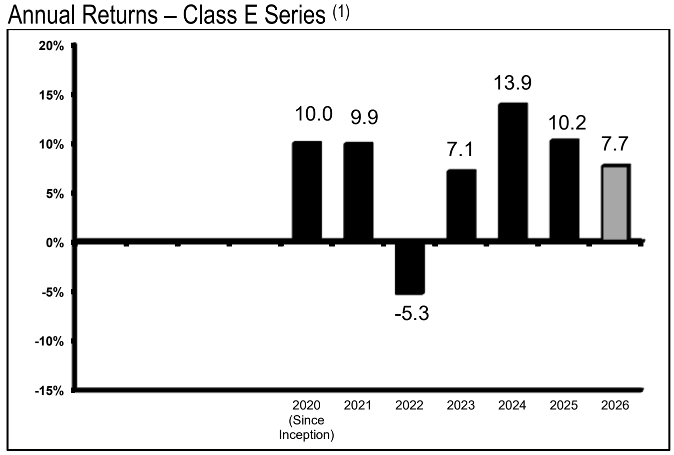
Year-by-Year Returns
The bar chart shows the Fund's annual performance for each of the years shown and for the six-month period and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.

Annual Returns – Class I Series
Currently Class I units of the Fund are not being offered to purchase.

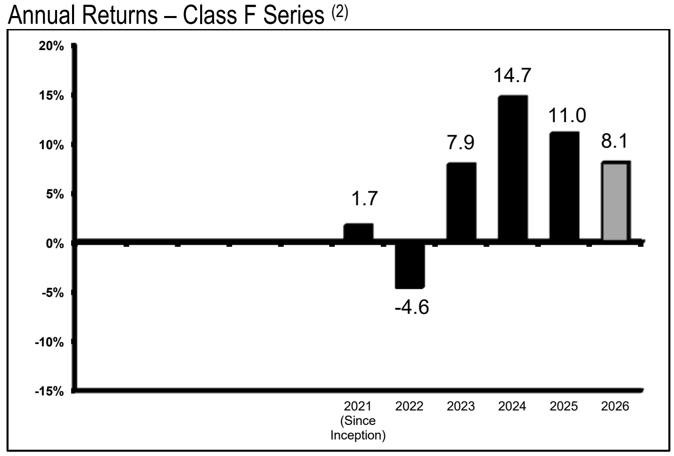
Annual Returns – Class A Series



Annual Returns – Class E Series (1)



Annual Returns – Class F Series (2)



% Increase/decrease   *For the six-month period ended June 30, 2026*

(1) The Class E Series commenced operation February 4, 2020
(2) The Class F Series commenced operation May 14, 2021

SUMMARY OF INVESTMENT PORTFOLIO
(Based on Net Asset Value)
As at June 30,2026

Sector Mix	Percentage of Net Asset Value
Canadian Mutual Funds	25.85 %
Government Bonds	16.12 %
Corporate Bonds	14.36 %
Foreign Exchange-traded funds	12.39 %
Financials	9.58 %
Industrials	5.29 %
Consumer Staples	3.12 %
Energy	2.98 %
Materials	2.03 %
Short-term investments	2.03 %
Consumer Discretionary	1.65 %
Communication Services	1.34 %
Real Estate	1.18 %
Utilities	1.17 %
Information Technology	0.73 %
Net Other Assets (Liabilities)	0.14 %
Cash and Cash Equivalents	0.04 %

Top 25 Holdings

Security Name	Percentage of Net Asset Value
Beutel Goodman American Equity Fund, Class I	12.93 %
Beutel Goodman International Equity Fund, Class I	12.92 %
SPDR Portfolio S&P 500 Growth ETF	12.39 %
Toronto-Dominion Bank	2.49 %
Bank of Montreal	1.60 %
Royal Bank of Canada	1.35 %
Alimentation Couche-Tard Inc.	1.32 %
Intact Financial Corp.	1.29 %
Canadian Pacific Kansas City Ltd.	1.10 %
Restaurant Brands International Inc.	1.08 %
Province of Ontario, 4.70%, June 2, 2037	1.08 %
Brookfield Corp.	0.96 %
Canadian Natural Resources Ltd.	0.96 %
Suncor Energy Inc.	0.92 %
Rogers Communications Inc.	0.91 %
Canadian Government Bond, 2.75%, December 1, 2055	0.85 %
Canadian Treasury Bill, 2.26%, September 9, 2026	0.84 %
Manulife Financial Corp.	0.82 %
Canadian National Railway Co.	0.81 %
Province of British Columbia, 4.00%, June 18, 2035	0.79 %
GFL Environmental Inc.	0.78 %
CCL Industries Inc.	0.77 %
Metro Inc.	0.77 %
CGI Inc.	0.73 %
Canadian Apartment Properties REIT	0.72 %
Total Net Assets (000's)	**$309,421**

The top 25 holdings represent approximately 61.18% of the total net assets of the Fund.

The summary of investment portfolio of the Fund is as at June 30, 2026 and may change due to the Fund's ongoing portfolio transactions. Updates are available quarterly. Information about the holdings of the Beutel Goodman Funds owned by the Fund is contained in their simplified prospectus, annual information form and fund facts documents available on SEDAR at www.sedar.com.

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