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2017

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2017

Offered by Educators Financial Group
Portfolio Advisor: Foresters Asset Management Inc., Toronto, Ontario

Educators Money Market Fund

Educators
FINANCIAL GROUP

This interim management report of fund performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the investment fund. You can get a copy of the interim financial report or 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.sedar.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.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Results of Operations

For the six-month period ending June 30, 2017, the Fund provided a return of 0.04%, versus the FTSE TMX Canada 91 Day Treasury Bill Index (the "Benchmark") return of 0.19%. Note that investors cannot invest in the Benchmark without incurring fees, expenses and commissions which are not reflected in index returns.

The Fund's net assets decreased by 3.5% to $16.5 million at the end of June 2017, down from $17.1 million at the end of December 2016.

At the end of the second quarter, the Fund held 27.7% of its investments in a combination of R-1 high rated corporate paper, R-1 high rated bank-sponsored asset-backed commercial paper, and bankers' acceptances, with the balance of the portfolio invested in Government of Canada Treasury Bills. The term of the portfolio has remained in-line with that of the benchmark, and averaged 90 days over the quarter.

After months of a dovish stance on the monetary outlook for Canada, the Bank of Canada (BoC) rattled markets in mid-June by suggesting that the 2015 rate cuts have done their job; excess capacity in the economy is steadily reducing and Canada now has "*a much more diverse kind of recovery*". Governor Stephen Poloz did note that NAFTA uncertainty continues to hold business investment back. As a result, in a matter of two weeks, bond yields increased significantly, the Canadian dollar strengthened to C$1.2964 per U.S. dollar by June 30, and most economists have changed their expectations of a rate increase to 70% for July 12, and 100% by October 25 of this year. This tone is an abrupt change from the first quarter and the April 12 BoC policy meetings. There was a slight neutral to hawkish tone at the May 24BoC policy meeting. However, while the BoC noted that the adjustment to lower oil prices was largely completed, they still felt that stimulus was appropriate at "*present*". Most economists still had April 2018 set for the first rate hike.
Canadian real GDP continues to top expectations and with April's positive result, economists are forecasting second quarter growth between 2.5% to 3%, which is lower than the first quarter's 3.7% pace, but still remaining above trend.

Canadian employment continues to post robust gains. In the first six months of 2017, 186,000 jobs were added with full-time positions accounting for all of the jobs added. The unemployment rate fell to 6.5% at the end of June. U.S. non-farm payrolls are also experiencing solid growth, with the second quarter average at 194,000 vs. 166,000 in the first quarter, and the unemployment rate ended at 4.4% in June. Wage growth continues to be soft, suggesting that the labour market slack has not yet fully closed.

Both headline and core inflation in Canada continues to fall, and remains one of the main issues, in addition to falling oil prices, for the BoC to keep rates on hold. However, with growth expected to remain above potential into 2018, inflation is expected to accelerate over the next 12 to 18 months.

At the end of the first quarter, Canadian treasury bills remained flat, with no interest rate hike priced in until the second half of 2018. Even as the bi-weekly treasury bill auctions began to increase in the second quarter, it wasn't until mid-June that treasury bill yields began to increase significantly, A speech by Senior Deputy Governor Wilkins jolted markets by noting that the bank "*will be assessing whether all of the considerable monetary policy stimulus presently in place is still required*", and then a day later in a CBC Radio interview, Governor Stephen Poloz reinforced this same message. On June 12, markets had only priced in a 13.4% chance of a rate hike in July and this probability quickly increased day by day to 84.3% by June 30.

Recent Developments

After keeping rates on hold at its May 3 meeting, the Federal Open Market Committee (FOMC) decided to raise its fed funds target range by 25 basis points to 1.0-1.25%, at its June 14 policy meeting. This decision was widely expected, despite a soft run of economic data in the U.S. From the previous meeting, FOMC members' expectations remained relatively unchanged, suggesting that another rate hike is still expected in 2017, followed by three more in

2018 and another three in 2019. The Summary of Economic Projections (SEP) did upgrade the median forecast for real GDP growth to 2.2% for 2017, but left 2018 at 2.1%. Headline and core Personal Consumption Expenditures (PCE) inflation also remained unchanged at 2.0%. The FOMC also formally announced plans to normalize its balance sheet, but the exact timing is yet to be determined. Economists are expecting the start date for tapering to be announced in early fall, with another rate hike to occur later in the year.

While the Canadian economy continues to surprise, with robust job numbers and solid real GDP , the positive data reinforces the view at quarter end, that the first rate hike (since 2010) should occur sometime in 2017, even with inflation continuing to trend in the lower part of the inflation target range, and wage growth remaining subdued. As a result, the Bank of Canada decided to increase the Overnight Rate by 25 basis points on July 12 to 0.75%. The BoC acknowledged the recent softness in inflation but views this to be temporary. The statement also noted that the Canadian economy has been robust, fueled by household spending and, as a result, significant economic slack has been absorbed. Business investment has been slow to improve during this recovery; however, the most recent Business Outlook Survey shows that companies are becoming more supportive of additional spending. Lastly, the Monetary Policy Statement increased growth for 2017 to 2.8% from 2.6% as well as revising 2018 higher by 0.1% to 2.0%.

The Canadian treasury bill yield curve has increased, indicating a rate hike for September and October of this year, even though the markets are still looking for clarity on trade policy changes in the U.S., and the level of U.S. and Canadian fiscal stimulus implementation. The portfolio manager continues to focus on selecting securities with maturities that present the most attractive yields, and diversifying the portfolio to include non-government short-term investments, which provide a yield in excess of treasury bills, while maintaining a duration that is in-line with that of the Benchmark.

Within the Fund, the portfolio manager continues to take advantage of yield-enhancing opportunities, as they arise. The Fund will continue to hold between 25-30% in a combination of commercial paper, provincial guaranteed paper, bank-sponsored asset-backed commercial paper and banker's acceptances to complement the Fund's holdings in Government of Canada treasury bills.

Caution Regarding Forward-looking Statements

This report may contain forward-looking statements about the Fund, including its strategy, 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 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 events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

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, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, 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.

Related Party Transactions

On May 14, 2016, Foresters Financial, through Foresters Life Insurance Company, acquired 100 percent of the shares of Aegon Capital Management Inc.) and was renamed Foresters Asset Management Inc. ("FAM")., FAM the Fund's Portfolio Adviser, is an indirect wholly-owned subsidiary of The Independent Order of Foresters, which is not a publicly listed company.

In the first six months of 2017 Educators Financial Group did not refer any conflict of interest matters to the Fund's Independent Review Committee (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 ended June 30, 2017 and for each year ended December 31 for the past five years.

The Fund's Net Assets per Unit [(1)]

	Six-months ended June 30	Year ended December 31				
	2017	2016	2015	2014	2013	2012
Net Assets, beginning of period	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00
Increase (decrease) from operations:						
Total revenue	$0.03	$0.06	$0.08	$0.10	$0.11	$0.10
Total expenses [excluding distributions]	$(0.03)	$(0.05)	$(0.06)	$(0.06)	$(0.06)	$(0.06)
Realized gains (losses) for the period	$--	$--	$--	$--	$--	$--
Unrealized gains (losses) for the period	$--	$--	$--	$--	$--	$--
Total increase (decrease) from operations [(2)]	$--	$0.01	$0.02	$0.04	$0.05	$0.04
Distributions:						
From net investment income (excluding dividends)	$--	$0.01	$0.02	$0.04	$0.05	$0.04
From dividends	$--	$--	$--	$--	$--	$--
From capital gains	$--	$--	$--	$--	$--	$--
Return of capital	$--	$--	$--	$--	$--	$--
Total Annual Distributions [(3)]	$--	$0.01	$0.02	$0.04	$0.05	$0.04
Net Assets , end of period	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00

(1) This information is derived from the Fund's interim financial report and audited annual financial statements.
For the financial year 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").
For the financial year ended December 31, 2013, the financial highlights numbers were restated to comply with IFRS reporting.
For financial years beginning before January 1, 2013, the financial highlights were derived from the Fund's financial statements prepared in accordance with Canadian GAAP.
For financial years beginning after January 1, 2013, 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.

Ratios and Supplemental Data (based on Net Asset Value)

	Six-months ended June 30	Year ended December 31				
	2017	2016	2015	2014	2013	2012
Net Asset Value (000's) [(1)]	$16,465	$17,129	$19,434	$20,163	$20,931	$28,417
Number of units outstanding [(1)]	1,646,520	1,712,916	1,943,435	2,016,314	2,093,122	2,841,737
Management expense ratio [(2)]	0.57%	0.53%	0.53%	0.59%	0.59%	0.59%
Management expense ratio before waivers or absorptions [(3)]	0.61%	0.61%	0.61%	0.62%	0.62%	0.62%
Trading expense ratio [(4)]	N/A	N/A	N/A	N/A	N/A	N/A
Net Asset Value per unit	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00

(1) This information is provided as at June 30 or December 31 of the year shown.

(2) 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.

(3) 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.

(4) 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.

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, the Manager-Trustee is entitled to receive a fee payable monthly, calculated daily, and based on the Net Asset Value of the Fund, at a maximum annual rate of 0.55%.

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

Approximately 19.9% of the management fees 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

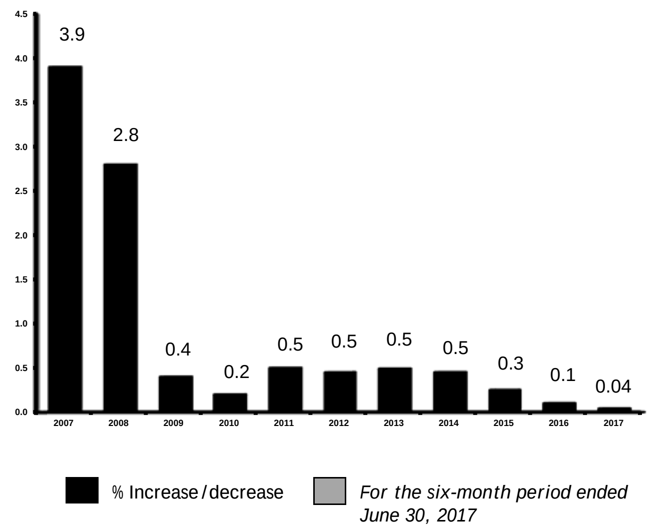
General

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.

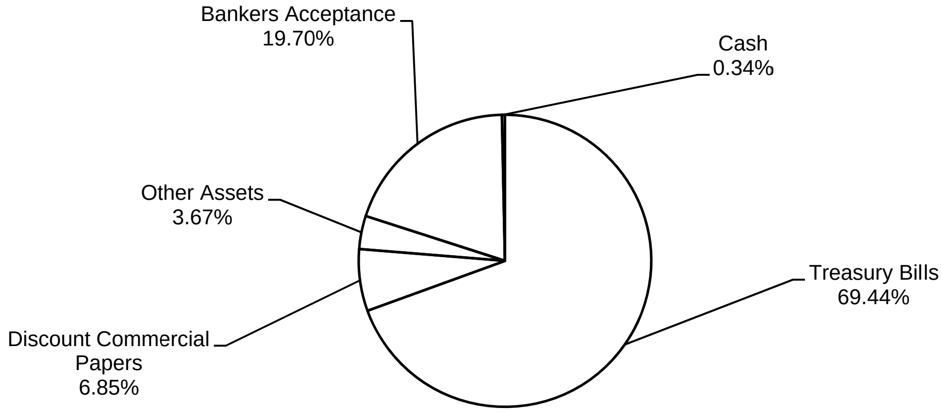
The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. Please remember that how the Fund has performed in the past does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's performance for each of its past 10 financial years and illustrates how the Fund's performance has changed for the 6-month period ended June 30, 2017 and each 12-month period ending December 31. The 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.



SUMMARY OF INVESTMENT PORTFOLIO (Based on Net Asset Value)



Top Holdings

Security Name	Coupon Rate	Maturity Date	Percentage of Net Asset Value
Canada Treasury Bill	0.70%	October 19, 2017	12.69%
Canada Treasury Bill	0.70%	October 5, 2017	9.12%
Canada Treasury Bill	0.66%	December 14, 2017	8.90%
Canada Treasury Bill	0.53%	August 10, 2017	8.72%
Canada Treasury Bill	0.53%	August 24, 2017	7.36%
Canada Treasury Bill	0.52%	September 7, 2017	5.97%
Canada Treasury Bill	0.56%	November 2, 2017	5.03%
Canada Treasury Bill	0.55%	November 16, 2017	4.54%
Canadian Imperial Bank of Commerce	0.89%	July 7, 2017	4.08%
OMERS Finance Trust	0.75%	August 1, 2017	3.94%
Canada Treasury Bill	0.70%	January 11, 2018	3.69%
Canada Treasury Bill	0.55%	July 13, 2017	3.43%
Clarity Trust	0.88%	August 28, 2017	2.91%
Bank of Nova Scotia	0.85%	November 24, 2017	2.36%
Toronto-Dominion Bank	0.90%	November 23, 2017	2.36%
Bank of Montreal	0.89%	September 1, 2017	2.30%
Royal Bank of Canada	0.90%	August 18, 2017	2.20%
Royal Bank of Canada	0.92%	September 18, 2017	1.73%
Bank of Montreal	0.91%	September 19, 2017	1.63%
Bank of Nova Scotia	0.78%	August 1, 2017	1.52%
Toronto-Dominion Bank	0.88%	July 31, 2017	1.51%
Total Net Assets (000's) ……………………………………………………………………………			**$16,465**

The summary of investment portfolio of the Fund is as at June 30, 2017 and may change due to the Fund's ongoing portfolio transactions. Updates are available quarterly.

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