



**EDUCATORS FINANCIAL GROUP INC.
NO LOAD MUTUAL FUNDS
Simplified Prospectus**

This document is a simplified prospectus dated January 4, 2018 in respect of following mutual funds offering Class A units and Class I units:

**EDUCATORS MONITORED AGGRESSIVE PORTFOLIO
EDUCATORS MONITORED BALANCED PORTFOLIO
EDUCATORS MONITORED CONSERVATIVE PORTFOLIO
EDUCATORS MONITORED GROWTH PORTFOLIO**

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise.

TABLE OF CONTENTS

PART A: GENERAL INFORMATION ABOUT THE FUNDS

	<i>Page</i>
Introduction.....	1
What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?	1
Organization and Management of the Funds	7
Purchases, Switches and Redemptions	8
Optional Services	11
Fees and Expenses	12
Dealer Compensation.....	14
Income Tax Considerations for Investors	14
What are your Legal Rights?	16

PART B: FUND SPECIFIC INFORMATION

	<i>Page</i>
Introduction.....	17
Educators Monitored Aggressive Portfolio.....	19
Educators Monitored Balanced Portfolio.....	22
Educators Monitored Conservative Portfolio	25
Educators Monitored Growth Portfolio	28

PART A: GENERAL INFORMATION ABOUT THE FUNDS

INTRODUCTION

This simplified prospectus contains selected important information to help you make an informed decision about investing in certain of the mutual funds managed by Educators Financial Group Inc. (“Educators Financial Group” or the “Manager”) and to help you understand your rights as an investor in the Funds. The Educators Monitored Aggressive Portfolio, the Educators Monitored Balanced Portfolio, the Educators Monitored Conservative Portfolio and the Educators Monitored Growth Portfolio (the “Funds”) do not invest directly in underlying securities such as stocks or bonds but rather hold shares or units of other mutual funds and ETFs, including other mutual funds managed by Educators Financial Group. For information about these other Funds, please see the simplified prospectus dated May 12, 2017, as amended.

This document is divided into two parts:

- Part A, from pages 1 to 16, contains general information about all of the Funds.
- Part B, from pages 17 to 30, contains specific information about each individual Fund.

Additional information about each Fund is available in the following documents:

- The Annual Information Form,
- The most recently filed Fund Facts for each Fund,
- The most recently filed annual financial statements,
- Any interim financial statements filed after those annual financial statements,
- The most recently filed annual management report of fund performance, and
- Any interim management report of fund performance filed after that annual report of fund performance.

These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as part of this document. You can get copies of these documents, at no cost, by calling us toll free at 1-800-263-9541.

These documents and other information about the Funds are also available on the internet site of SEDAR at www.sedar.com. or at www.educatorsfinancialgroup.ca.

WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

A mutual fund is a pool of money contributed by investors with similar investment objectives. Fund investors share the fund’s income, expenses and the gains and losses the fund makes on its investments in proportion to the units they own. Other attributes of mutual funds are:

A mutual fund may invest in many different types of securities – stocks, bonds, and cash – depending on the fund’s investment objectives. The values of these securities will change from day to day, reflecting

changes in interest rates, economic conditions, and market and company news. As a result, the value of any fund's units may go up and down and the value of your investment in a mutual fund may be more, or less, when you redeem it, than when it was purchased.

For a mutual fund that invests primarily in other mutual funds (a "fund of funds"), such as each of the Funds, its performance and ability to meet its investment objectives are directly related to the investment performance and the objectives of the underlying funds it holds, and the risks of investing in such a fund include the risks of the underlying funds in which it invests.

Educators Financial Group does not guarantee that the full amount of your original investment in any of the Funds will be returned to you. Unlike bank accounts or GICs, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

When you want to exit your investment in a mutual fund, you cause the fund to buy back, or "redeem", your units. Under exceptional circumstances, a mutual fund may suspend redemptions. Please see *Purchases, Switches and Redemptions – Redemptions* starting on page 8.

Investment Risks

All investments have some level and type of risk. Simply stated, risk is the possibility you will lose money, or not make money on your investment. Each investor has a different tolerance for risk. Some investors are more conservative than others when making their investment decisions. It is important to take into account your own comfort with risk as well as the amount of risk suitable for your financial circumstances and goals. The risks associated with investing in a mutual fund are similar to the risks associated with the securities in which the mutual fund invests.

Generally, there is a strong relationship between the amount of risk associated with a particular investment and that investment's long-term potential to increase in value. Investments that have a lower risk also tend to have lower returns because factors that can affect the value of the investment, the risks, are well known or are well controlled and have already been worked into the price of the investment. On the other hand, investments that could have potentially higher returns when conditions are favourable also risk resulting in higher losses if conditions become unfavourable. This is because the factors affecting the value of such investments are less certain or difficult to control.

One way to reduce risk is to diversify your investments across the three main asset classes: money market investments for safety, bonds for income, and equity investments for growth. Since different types of investments tend to move independently from one another, positive performance in one asset class can help offset negative performance in another, thereby reducing overall risk in the long term.

When deciding how much risk is right for you, think about how much time you have until you need the money:

- If you are investing for less than a year, you should not take undue risk. There may not be enough time to recover the full amount of your investment if the mutual fund falls in value. Lower-risk money market funds might be the best choice in these circumstances.
- A longer time horizon allows you to take on more risk. Although the value of your investments may drop in the short term, longer investment horizons may help to lessen the effects of short-term market volatility. Short investment horizons may result in you having to sell your investments in adverse conditions. Ideally, investors in growth funds have an investment horizon of five years or more, which may provide enough time for their investments to overcome any short-term decreases in value and grow.

The following summarizes the range of potential risks generally associated with investing in the Funds. Not all of the risks outlined below apply to all of the Funds. For the specific risks associated with a particular Fund, please see *What are the Risks of Investing in the Fund?* in Part B.

Risks in Relation to Fixed Income Investments

Fixed income funds have the advantage of providing a consistent stream of income, but generally lack the growth potential of equity funds. Funds that invest primarily in fixed income securities will be affected by both interest rate risk and credit risk as discussed below.

Interest Rate Risk: Those funds which concentrate on bonds and other fixed income investments will generally be affected by the general level of interest rates and the prevailing market conditions. Bond prices are usually more stable than stock prices, but will fluctuate inversely with interest rates. Generally, when interest rates fall, unit values will rise and, conversely, when interest rates rise, unit values will fall.

Credit Risk: Credit risk is the risk that the issuer of a debt obligation owned by a fund will be unable to make interest payments or repay the principal owing on that debt instrument. Securities issued by well established companies or by governments of developed countries tend to have a lower credit risk, and are generally assigned a higher credit rating by rating organizations. Securities that have a low credit rating have a high credit risk. The market value of a debt security can be affected by a down grade in the issuer's credit rating, which generally reflects that the perceived credit worthiness of the issuer or any assets backing the debt security has deteriorated.

Risks in Relation to Equity Investments

Funds that invest primarily in equities will have varying degrees of risk, from being relatively conservative at one end, to very aggressive, or risky, at the other end, depending on the nature of their investment objectives and strategies. For example, a fund that invests in smaller capitalization companies and/or growth stocks may be more volatile than a fund that invests in value stocks.

Equity funds tend to be more volatile than fixed income funds and the value of their units may fluctuate to a greater degree than fixed income funds.

Those funds which concentrate on equity investment will be affected by the fortunes of the companies that issue the equity securities and will be influenced by conditions affecting the stock market prices where the securities are traded, as well as general economic trends.

Risks in Relation to Commodities

The Funds do not invest in commodities, such as oil, gold or natural gas. However, certain of the Funds may invest indirectly in issuers that hold commodities or which derive their value from commodities. The market value of the securities of these issuers, and hence the value of the Fund's investment in these issuers, may be affected by adverse movements in commodity prices. When commodity prices decline, it generally has a negative impact on the earnings and hence share value of companies whose business is dependent on commodities.

Risks in Relation to Foreign Investments

In addition to the risks described above, funds that invest in foreign securities will be affected by the following:

Exchange Rate Risk. The investments of funds that directly invest in debt or equity securities of foreign issuers are affected by world economic factors and by the value of the Canadian dollar as measured against the foreign currencies in which those debt or equity investments are denominated.

Foreign Portfolio Investment Risk. Investing on a global basis involves certain additional risks that are not typically associated with investing in Canada and the United States. These include the following.

- Companies may be less regulated and may have lower accounting, auditing and financial reporting standards.
- There may be less publicly available information about a foreign issuer than about a Canadian or a US company.
- Volume and liquidity in some foreign stock and bond markets are less than in Canada and the United States. Fewer market trades mean greater volatility.
- Commissions on foreign securities transactions are generally higher than negotiated commissions on Canadian and United States exchanges.
- There is generally less government supervision and regulation of stock exchanges, listed companies, and investment dealers.
- With respect to certain foreign countries, particularly emerging countries, there is a possibility of asset expropriation or confiscatory taxation, political or social instability, adverse diplomatic developments or restrictions on the movement of capital and the availability of securities that could affect the value or liquidity of investments.

Risks in Relation to Derivatives

The Funds may invest in permitted derivatives to the extent and for the purposes permitted by securities legislation but only for hedging purposes. The primary risk associated with an investment in a permitted derivative is that its value can be reduced to nil or a nominal amount if the price of the underlying security should decrease significantly below the exercise price (in the case of a call option or warrant) or increase significantly above the exercise price (in the case of a put option). Also, because permitted derivatives have a limited term, their value is influenced by the length of time to expiry. Some other risks of investing in derivatives are:

- We cannot assure you the Fund's hedging strategies will be effective. There may be an imperfect historical correlation between changes in the market value of the investment or attributes of the investment (including currency exposure) being hedged and the instrument with which the investment or attribute is hedged. Any historical correlation may not continue for the period during which the hedge is in place. Hedging against changes in stock markets or interest rates does not eliminate fluctuations in the prices of portfolio securities or prevent losses if the prices of such securities decline.
- We cannot assure you that a liquid exchange or over-the-counter market will exist to permit the Fund to realize profits or limit losses by closing out positions.
- The Fund is subject to the credit risk that its counterparties may be unable to meet their obligations.

- There is a risk of loss of margin deposits in the event of bankruptcy of a dealer with whom the Fund has an open position in an option or futures or forward contract.
- Derivative investments traded in foreign markets may offer less liquidity and greater credit risk than comparable instruments traded in North American markets.
- The Fund's ability to close out a position may also be affected by stock exchange imposed daily trading limits on options and futures contracts. If the Fund is unable to close out a position, it will be unable to realize profits or limit losses until such time as the option becomes exercisable or expires or the futures or forward contract terminates, as the case may be. If the Fund is unable to close out options, futures or forward positions, then this could have an adverse impact on the Fund's ability to use derivatives to hedge its portfolio effectively or implement its investment strategy.

Risks in Relation to Asset-backed and Mortgage-backed Securities

Asset-backed securities are debt obligations that are backed by pools of consumer or business loans. Some asset-backed securities are short-term debt obligations, called asset-backed commercial paper ("ABCP"). Mortgage-backed securities are debt obligations backed by pools of mortgages on commercial or residential real estate. If there are changes in the market perception of issuers of these types of securities, or in the creditworthiness of the parties involved, then the value of the securities may be affected. In the case of ABCP, there is an additional risk that there may be a mismatch in timing between the cash flow of the underlying assets backing the security and the repayment obligation of the security upon maturity. In the case of mortgage-backed securities, there is also the risk that there may be a drop in the interest rates charged on the mortgages, a mortgagor may default on its obligations under a mortgage or there may be a drop in the value of the property secured by the mortgage.

Risks in Relation to Tax Matters

If a Fund fails or ceases to qualify as a mutual fund trust under the *Income Tax Act* (Canada) and the regulations thereunder (the "Tax Act"), the income tax considerations described under "*Income Tax Considerations for Investors*" would be materially and adversely different in certain respects. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency ("CRA") respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the unitholders.

In determining its income for tax purposes, each Fund will treat gains or losses realized on the disposition of portfolio securities held by it as capital gains and losses. Each Fund intends to take the position that gains or losses in respect of foreign currency hedges entered into in respect of amounts invested in its portfolio, if any, will constitute capital gains and capital losses to such Fund if the portfolio securities are capital property to such Fund and there is sufficient linkage. Designations with respect to each Fund's income and capital gains will be made and reported to unitholders on the foregoing basis. The CRA's practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If these foregoing dispositions or transactions of a Fund are determined not to be on capital account (whether because of the DFA Rules discussed below or otherwise), the net income of the Fund for tax purposes and the taxable component of distributions to unitholders could increase. Any such redetermination by the CRA may result in a Fund being liable for unremitted withholding taxes on prior distributions made to unitholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution. Such potential liability may reduce the net asset value of a Fund or net asset value per unit of a Fund.

The Tax Act contains rules (the “DFA Rules”) that target certain financial arrangements (described in the DFA Rules as “derivative forward agreements”) that seek to reduce tax by converting, through the use of derivative contracts, the return on an investment that would have the character of ordinary income to capital gains. The DFA Rules are broad in scope and could apply to other agreements or transactions. If the DFA Rules were to apply in respect of derivatives utilized by a Fund, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains.

Pursuant to rules in the Tax Act, a Fund that experiences a “loss restriction event” (i) will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the Fund’s income and net realized capital gains, if any, at such time to unitholders so that the Fund is not liable for income tax on such amounts under Part I of the Tax Act), and (ii) will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, a Fund will be subject to a loss restriction event if a person becomes a “majority-interest beneficiary”, or a group of persons becomes a “majority-interest group of beneficiaries”, of the Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of a Fund is a beneficiary in the income or capital, as the case may be, of the Fund whose beneficial interests, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, have a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, as the case may be, of the Fund. See “*Income Tax Considerations for Investors*” for the tax consequences of an unscheduled or other distribution to unitholders. Trusts that qualify as “investment funds” as defined in the rules in the Tax Act relating to loss restriction events are generally excepted from the application of such rules. An “investment fund” for this purpose includes a trust that meets certain conditions, including satisfying certain of the conditions necessary to qualify as a “mutual fund trust” for purposes of the Tax Act, not using any property in the course of carrying on a business and complying with certain asset diversification requirements. If a Fund were not to qualify as an “investment fund”, it could potentially have a loss restriction event and thereby become subject to the related tax consequences described above.

Confidentiality of Personal Information

Educators Financial Group maintains current security standards to ensure that personal and financial information is protected against unauthorized access, disclosure, inappropriate alteration or misuse. All safety and security measures are appropriate to the sensitivity of the information. Some service providers may be located in the United States, and to the extent personal information is located outside of Canada, it will be subject to any legal requirements in the U.S. applicable to these service providers. For example, there could be lawful requirements imposed on such U.S. service providers to disclose personal information to various U.S. government authorities.

Multiple Class Risk

Our Funds are available in more than one class of units. Each class has its own fees and expenses, which are tracked separately. Those expenses will be deducted in calculating the unit value for that class, thereby reducing its unit value. If one class is unable to pay its expenses or liabilities, the assets of the other class or classes will be used to pay those expenses or liabilities. As a result, the unit price of the other class or classes may also be reduced. Please see “*Purchases, Switches and Redemptions*” and “*Fees and Expenses*” for more information regarding each class and how its unit value is calculated.

Asset Allocation Risk

Funds that invest across different asset classes, such as domestic fixed income, foreign fixed income, Canadian equities and/or foreign equities, will assign a strategic weight to each of the asset classes that is

consistent with the intended investment objective and risk profile of the Fund. This is called “asset allocation”. In certain cases, the Fund’s investment advisor may also utilize tactical asset allocation strategies in an attempt to add value to the Fund and to provide more stable returns by taking advantage of current and expected future market conditions. This is done by actively adjusting the Fund’s exposure to the different asset classes by increasing or decreasing its weight to a particular asset class or asset classes, while remaining within an acceptable range. Asset allocation risk is the risk that one or more of the asset classes for which the Fund’s exposure was tactically increased may underperform relative to other asset classes; or conversely, that one or more of the asset classes for which the Fund’s exposure was tactically decreased may outperform relative to other asset classes.

Underlying Fund Risk

The Funds invest directly in, or obtain exposure to, other mutual funds as part of their investment strategy. The Funds will be subject to the risks of the underlying funds. In addition, if a Fund holds units of an underlying fund, and the underlying fund suspends redemptions, the Fund will be unable to value part of its portfolio and may be unable to redeem units in the underlying fund. The Funds may have more than 10% of their net assets invested in an underlying fund or they may own more than 10% of the units of an underlying fund at any time. Therefore, if the Funds redeem a large number of units of the underlying funds, it may cause the underlying fund to have to change the composition of its portfolio significantly or sell its investments at unfavourable prices, which could impact the overall performance of the underlying fund, and consequently the Funds’ remaining investment, if any, in the underlying fund.

ORGANIZATION AND MANAGEMENT OF THE FUNDS

<p>Manager Educators Financial Group Inc. 2225 Sheppard Ave. East Suite 1105 Toronto, Ontario M2J 5C2 1-800-263-9541</p>	<p>The manager is responsible for the management of the overall business and operations of the Funds.</p>
<p>Trustee Educators Financial Group Inc. Toronto, Ontario</p>	<p>The Funds are organized as trusts. When you invest in the Funds, you are buying units of the trust. The Trustee holds actual title to the property in the Funds on your behalf and has a fiduciary responsibility to act in the best interest of the unitholders.</p>
<p>Portfolio Advisers HSBC Global Asset Management (Canada) Limited Vancouver, British Columbia</p>	<p>The portfolio adviser has been retained to manage the Funds’ investment portfolios. It makes decisions relating to the investment of the Funds’ assets and supervise the Funds’ investment portfolios on a continuous basis.</p>
<p>Principal Distributor Educators Financial Group Inc. Toronto, Ontario</p>	<p>The principal distributor sells units of the Funds and may enter into arrangements with other dealers to assist it in this regard.</p>

Custodian RBC Investor Services Trust Toronto, Ontario	The custodian holds the Funds’ cash and securities on behalf of the Funds. The custodian also provides certain administrative services to the Funds, including Fund valuation and accounting services.
Registrar Educators Financial Group Inc. Toronto, Ontario	The registrar keeps a register of the owners of units for each Fund, processes orders and issues account statements to unitholders. The registrar is assisted in these functions by RPM Technologies.
Auditor Grant Thornton LLP Chartered Accountants Markham, Ontario	The auditor is an independent firm of chartered accountants. The auditor audits the annual financial statements of the Funds and provides an opinion as to whether they are fairly presented in accordance with Canadian generally accepted accounting principles.

Independent Review Committee

The Manager has established an independent review committee (“IRC”) for the Funds, as required by National Instrument 81-107 *Independent Review Committee for Investment Funds* (“NI 81-107”). The purpose of the IRC is to review and provide a recommendation or decision to the Manager with respect to conflict of interest matters referred by the Manager to the IRC and to assist the Manager in preparing appropriate conflict of interest policies. A conflict of interest matter is any matter in which the interests of the Manager may be such that they conflict, or could be perceived to conflict, with its obligation to act in the best interests of the Funds.

The members of the Funds’ IRC are David Taylor, Michele D. McCarthy and William Woods. For biographical details of the IRC members and additional information about the IRC, see the Fund’s Annual Information Form. The IRC prepares a report to unitholders for each Fund annually in respect of its activities during the previous fiscal year of the Fund. Such reports are available on SEDAR at www.sedar.com, and the most recent report may be found on the Manager’s website at www.educatorsfinancialgroup.ca. A copy of the most recent of such reports will also be provided, free of charge, by the Manager to any unitholder who requests a copy. Unitholders should contact the Manager by telephone or in writing, at the telephone number and address specified on the last page of this Simplified Prospectus.

PURCHASES, SWITCHES AND REDEMPTIONS

Each Fund currently offers two classes of units: Class A units and Class I units. Units are purchased and redeemed through Educators Financial Group and are offered to qualified investors only in the provinces of Ontario and British Columbia as described under “*Purchases, Switches and Redemptions – Purchases*” below.

Purchases are made, distributions reinvested, and switches and redemptions are implemented for all Funds on the basis of the net asset value per unit applicable to the transaction, which are then reflected in the next calculation of the net asset value. The net asset value per unit of a particular class of a particular Fund is calculated by dividing the value of net assets of the Fund (that is, the value of the Fund’s assets

less the Fund's liabilities) attributable to the relevant class of units by the total number of units of that class of the Fund then outstanding.

The net asset value per unit for each class of the Funds is calculated at the close of business on each Fund's Valuation Date. If we receive a buy, switch or redemption order before 3:00 p.m. (Eastern Time) on a Valuation Date, the order will be processed at the net asset value determined on that day. Otherwise, we will process your order at the net asset value on the first Valuation Date following the date by which the request was received.

The Valuation Dates for each Fund are the close of trading on each day the Toronto Stock Exchange is open for business.

Once your account is opened, you may call your financial adviser or other licensed representative to purchase, switch or redeem units, open a pre-authorized contribution plan (a "PAC") or a systematic withdrawal program (a "SWP") or undertake other transactions (including transactions in third party funds), or meet with him or her in person. For trades made by telephone, signatures are not required. It is our policy that email trading instructions are not generally permitted, unless they are signed by you and we have agreed in advance to proceed on the basis of an email, and we have then acknowledged to you the receipt of the same.

Purchases

Units of the Funds are offered for sale only in the Provinces of Ontario and British Columbia to eligible purchasers, who must be members of the education community in those provinces, meaning teachers and non-teaching administration personnel and staff employed by a Board of Education and their immediate family members in Ontario or British Columbia. Unless you are purchasing through a PAC, the minimum initial purchase order for any Fund is \$500, regardless of whether you already have invested in another Fund or not. With a PAC, the minimum investment that can be made in a Fund on any investment date is \$25.

Class A units are the regular retail class of units available to all eligible purchasers. Class I units are identical in all respects to the Class A units, except that there is no management fee payable by the Funds in respect of the Class I units, although the Class I units are responsible for paying certain expenses of their operation, as set out under "*Fees and Expenses – Fees and Expenses Payable by the Funds*" below. Class I units of a Fund may be purchased by such institutional investors as the Manager may determine from time to time in its discretion. As the Manager does not intend to charge a management fee to investors in Class I units, such institutional investors must be persons or companies whose relationship to Class A unit investors or to the Manager is such that it is appropriate for them to be permitted to invest in a Fund on a non-management fee basis. Such investors could include pension funds serving the education community or associated with the Manager. Individual investors may not purchase Class I units.

Educators Financial Group may reject your purchase order within two business day of receiving it, but only if we believe it is in the best interests of the Fund to do so. Any monies sent with your order will be returned immediately, without interest. Also, Educators Financial Group may not be able to process purchase, switch or redemption orders if market trading is suspended.

Units of the Funds must be purchased in Canadian dollars and are redeemed in Canadian dollars.

There are no acquisition charges applicable on purchases of units of the Funds or on the automatic reinvestment of distributions of net income and net capital gains.

How to Submit a Purchase Order

Please follow these steps if you are buying units through Educators Financial Group:

- Contact Educators Financial Group in person or by telephone to request appropriate documentation or print an appropriate application form or transaction request form from our website.
- Complete the appropriate application form or transaction request form.
- Forward the completed application form or transaction request form to Educators Financial Group promptly with a cheque payable to Educators Financial Group Inc.

Your money will be invested in the Fund(s) you select on the day it is received if it arrives in the Educators Financial Group office before 3:00 p.m. (Toronto time) on a Valuation Date or on the next Valuation Date, if it is received after that time.

Switches

Unitholders may switch from one of the Funds to another. A switch is the transfer of your investment money from one Fund to another. Switches may be effected using the form authorized from time to time by Educators Financial Group. No switches will be permitted during any period when redemption of units has been suspended (see “*Purchases, Switches and Redemptions – Redemptions*” below). See “*Income Tax Considerations for Investors*” for a discussion of tax considerations relating to a switch.

Redemptions

Requests for redemption may be made in the form authorized from time to time by Educators Financial Group and submitted to Educators Financial Group at its head office in Toronto, Ontario. No administration or other fees are charged in respect of redemption of units, other than an Account Transfer Fee in respect of transfers of an account to another financial institution or a Short-Term Trading Fee in respect of units redeemed within 90 days of the date of purchase.

The minimum account balance that you must maintain with Educators Financial Group is \$500. In the discretion of Educators Financial Group, if the value of the Funds in your account falls below the minimum, Educators Financial Group may redeem the Funds you hold. Educators Financial Group will generally try to contact you before any such redemption, to give you an opportunity to contribute additional amounts to your account, and will generally not exercise their discretion to effect a redemption if the reason for having less than \$500 in your account is market declines.

The units will be redeemed at their net asset value. Redemption payments will be made in Canadian dollars. See “*Income Tax Considerations for Investors*” for a discussion of tax considerations relating to a redemption.

How to Submit a Redemption Order

Please follow these steps to redeem your units purchased through Educators Financial Group:

- Forward your redemption request to Educators Financial Group.

- To protect you from fraud, Educators Financial Group may require that your written request be signature-guaranteed by a bank, trust company or member of a Canadian stock exchange.

Educators Financial Group will redeem your units on the day the request is received if it arrives at the Educators Financial Group office before 3:00 p.m. (Toronto time) on a Valuation Date or on the next Valuation Date if it is received later.

Educators Financial Group will mail your cheque, or electronically transfer the funds to your bank account if instructed, on or before the third business day following the applicable Valuation Date.

Under exceptional circumstances we may be unable to process your redemption order. This would most likely occur if market trading has been suspended on any stock exchange on which a significant portion of a Fund's assets are listed.

Short-Term Trading

Where investors make short-term trades in a Fund's units, buying such units one day and redeeming them a short time thereafter, there can be adverse effects on the other investors in the Fund. For example, the Fund may incur extra trading costs in first purchasing portfolio securities with the short term investor's subscription funds, and then in selling portfolio securities to pay the proceeds of redemption to that investor, depending upon the Fund's cash position. Further, short-term investors may enjoy the benefits of capital appreciation incurred in the Fund without that investor's subscription actually being invested in time to contribute to that appreciation.

For this and other reasons, the Manager has the right to impose a short-term trading fee if units of the Funds are redeemed within 90 days of the date of purchase. See "*Fees and Expenses – Fees and Expenses Payable Directly by You*" for details of this fee. The Manager would generally not charge this fee in circumstances where the reason for an early redemption was an unexpected change in personal or financial circumstances, or other legitimate reason, and was not part of a course of conduct of short-term trading. Where the Manager detects repeated short-term trading occurring by an investor, in addition to charging the short-term trading fee the Manager may decline to accept future purchase orders from that investor.

OPTIONAL SERVICES

Educators Financial Group offers Registered Retirement Savings Plans ("RRSPs"), Locked-in Retirement Savings Plans ("LIRAs"), Registered Retirement Income Funds ("RRIFs"), Locked-in Retirement Income Funds ("LIFs"), Registered Educational Savings Plans ("RESPs") and Tax-Free Savings Accounts ("TFSA") (collectively, "registered plans"). The Royal Trust Company acts as trustee of these registered plans. Other dealers may also offer registered plans. Registered plans may invest in units of a Fund without penalty if units of the Fund are "qualified investments" as defined in the Tax Act for registered plans and are not "prohibited investments" for purposes of the Tax Act. Provided the Funds qualify or are deemed to qualify as mutual fund trusts under the Tax Act, units of each of the Funds will be qualified investments for registered plans. See "*Fund Details*" in Part B and see "*Income Tax Considerations for Investors*" for information regarding the status of units as "prohibited investments" for purposes of the Tax Act and for more information on the registered plan tax status for each of the Funds.

All of the provisions concerning the registered plans offered by Educators Financial Group are contained in the application and the Declaration of Trust which is attached to the application form. There are no annual administration fees for this service.

Regular Investment Plan

You can buy units of the Funds through a PAC. You can invest weekly, bi-weekly, monthly, quarterly, semi-annually or annually. Ask Educators Financial Group for an authorization form to start the plan. There is no charge for this service.

Systematic Withdrawal Plan

You can also set up a SWP. You can choose when to withdraw (monthly, quarterly, semi-annually or annually) and how much to redeem each time. There is no charge for this program. Please be advised that regular withdrawals could eventually consume your entire account. See *“Income Tax Considerations for Investors”* for a discussion of tax considerations relating to redemptions of units of the Funds.

Automatic Reinvestment of Distributions

We automatically reinvest your distributions to purchase additional units of the Funds. If you would prefer to receive your distributions in cash, please request this service in writing.

FEES AND EXPENSES

The tables below list the fees and expenses that you have to pay if you invest in units of the Funds. Each Fund itself will pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund. The fees or expenses may be increased by the Manager on not less than 60 days’ notice to unitholders. The Funds are also responsible for paying any applicable harmonized sales taxes (HST) owing on the management fees or expenses of the Funds.

The Manager may charge management fees that are less than the management fees the Manager is otherwise entitled to charge a Fund. If the Manager does so, it may later charge the full rate of the annual management fee without giving notice to unitholders.

Fees and Expenses Payable by the Funds

Management Fees

The Manager is responsible for the day-to-day management and administration of the Funds. As compensation for its services, the Manager is entitled to receive a management fee, which is calculated daily based on the net asset value of a Fund from the previous trading day and payable monthly. The Manager monitors and evaluates the performance of each Fund, pays for the investment management services of the portfolio adviser and arranges for the other administrative services required to be provided to support the Fund. Other administrative services include: marketing, advertising, product development, information technology, and general business services. Management fees differ by Fund and by class of units. The management fees are as follows:

	Class A units	Class I units
Educators Monitored Aggressive Portfolio	1.75%	Nil
Educators Monitored Balanced Portfolio	1.65%	Nil

Educators Monitored Conservative Portfolio	1.45%	Nil
Educators Monitored Growth Portfolio	1.75%	Nil

No management fees are payable to the Manager in respect of the Class I units, but the Funds pay certain expenses associated with the Class I units as described under “– *Operating Expenses*” below.

Portfolio Adviser Fees The fees of the Portfolio Adviser with respect to the Funds are borne by Educators Financial Group.

Operating Expenses Each Fund is responsible for paying all commissions and brokerage fees on the purchase and sale of the Fund’s portfolio securities (“Portfolio Transaction Costs”) and the fees and expenses of the Fund’s IRC discussed below. These costs are apportioned between the Class A units and the Class I units on a pro rata basis.

As noted above, the Manager pays the fees of the portfolio adviser and custodial fees. All of the other expenses properly attributable to the Class I units of the Funds (being a pro rata share of common expenses and any class-specific expenses) are borne by that class, unless the Manager in its discretion agrees to absorb or pay such expenses on behalf of the holders of Class I units. If the Manager chooses to do so, it may discontinue such practice at any time without notice to unitholders.

IRC Fees Each Fund is responsible for paying its pro rata share of the fees and expenses of the IRC (consisting of the annual fees of \$22,500 paid to the Chair, \$18,000 paid to each additional member of the IRC, any reimbursement of their expenses and any other expenses related to the operation of the IRC such as the fees and expenses of any independent counsel retained by the IRC and the costs of any approved continuing education courses).

Management Expense Ratio

A separate management expense ratio, or MER, is calculated for each class of units of each Fund. The MER of a class is the total of the management fees payable in respect of that class plus the HST payable on that management fee, plus its share of the expenses of the IRC and any other expenses properly payable by that class that are not waived or absorbed by the Manager, but excluding any Portfolio Transaction Costs, expressed as an annualized percentage of the average net asset value of the class allocated during the period.

Fees and Expenses Payable Directly by You

Short Term Trading Fee If units tendered for redemption have been purchased within the preceding 90 days, units are redeemed at their net asset value less 1%. This short term trading fee is retained by the Fund.

Account Transfer Fee (excluding RESPs) A fee of \$150, plus any applicable taxes, is charged to any unitholder who transfers his or her account to another financial institution.

Impact of Sales Charges

You do not pay any administration or sales charges in connection with the purchase, switching and redemption of units of the Funds.

The following table shows the sales charges that you would pay if you made an investment of \$1,000 in a Fund, and if you held that investment in the Fund for one, three, five or ten years and redeemed immediately before the end of each of those periods.

	AT TIME OF PURCHASE	1 YEAR	3 YEARS	5 YEARS	10 YEARS
All sales are made on a “no load” basis	Nil	Nil	Nil	Nil	Nil

DEALER COMPENSATION

Units of the Funds are not sold through third party dealers.

INCOME TAX CONSIDERATIONS FOR INVESTORS

This is a brief summary of the principal Canadian federal income tax considerations for investors who are Canadian-resident individuals, who hold their units as capital property and who deal at arm’s length with and are not affiliated with the Funds. This summary is only a general discussion and does not discuss all income tax considerations and is not intended to be legal or tax advice. The summary is qualified in its entirety by the more detailed discussion of income tax considerations in the Funds’ Annual Information Form. Investors should consult their own tax advisers with respect to their individual circumstances.

The taxes payable by an investor depend on the kind of account that units of the Fund are held in.

For Fund Units Held in a Registered Plan

You do not pay tax on earnings distributed to you if units of the Funds are held in a registered plan such as an RRSP, RRIF, LIF, LIRA, RESP or TFSA, nor on any capital gains the registered plan realizes from redeeming units or switching between Funds, as long as the proceeds remain in the registered plan and the units are qualified investments under the Tax Act for registered plans.

You will be taxed at your personal tax rate if you withdraw money from an RRSP, RRIF, LIF, LIRA, or (subject to the comments below) RESP but not if you withdraw money from a TFSA. Withdrawing large sums may even put you into a higher tax bracket.

Amounts may generally be distributed by an RESP either to a beneficiary or to a subscriber, provided the requirements of the Tax Act are met. Amounts so distributed by an RESP to a beneficiary or subscriber will generally be subject to ordinary income tax, unless they are considered a return of contributions. Amounts distributed by an RESP to a subscriber will generally also be subject to an additional 20% tax, unless they are considered to be a return of contributions. However, ordinary income tax and the above additional 20% tax will not apply to amounts distributed by an RESP to a subscriber if the subscriber transfers the amounts to an RRSP under which the subscriber or his or her spouse is the annuitant. Such transfers to an RRSP may not exceed the subscriber's unused RRSP contribution room and are subject to a cumulative lifetime maximum of \$50,000. In addition, in certain circumstances investment income

earned in an RESP may be transferred on a tax-free basis to a registered disability saving plan subject to the limitations set out in the Tax Act in this regard.

The units of a Fund will not be a “prohibited investment” for trusts governed by a TFSA, RRSP, RRIF or RESP unless the holder of the TFSA, the annuitant under the RRSP or RRIF or the subscriber of the RESP, as applicable, does not deal at arm’s length with such Fund for purposes of the Tax Act or has a “significant interest” as defined in the Tax Act in such Fund. Generally, a holder, annuitant or subscriber, as the case may be, will not have a significant interest in a Fund unless the holder, annuitant or subscriber, as the case may be, owns interests as a beneficiary under such Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under such Fund, either alone or together with persons and partnerships with which the holder, annuitant or subscriber, as the case may be, does not deal at arm’s length. In addition, the units of a Fund will not be a prohibited investment if such units are “excluded property” as defined in the Tax Act for trusts governed by a TFSA, RRSP, RRIF or RESP.

Holders, annuitants and subscribers should consult their own tax advisors with respect to whether units of a Fund would be prohibited investments, including with respect to whether such units would be excluded property.

For Fund Units Not Held in a Registered Plan

If you do not hold your Fund units in a registered plan, you must report for income tax purposes all the income or capital gains distributed by a Fund to you in cash or reinvested in additional units during the year. You may also realize a capital gain or a capital loss if you redeem units or switch between Funds. The taxable portion of capital gains distributed to you by a Fund or realized by you on a redemption or switch of units of a Fund must be included in your income.

Prior to a distribution date, the unit values of a Fund may reflect income and capital gains earned by a Fund, but not yet distributed, and unrealized gains. Distribution of these amounts to you may result in a decrease in unit value and you will generally be taxed on the amount distributed. In other words, if you buy units just before a Fund’s distribution date (especially late in the year), you may have to pay income tax on income or capital gains the Fund earned before you purchased units, which amounts may be reflected in a portion of the purchase price you paid for the units.

Calculating Capital Gains and Losses

Your capital gain or loss for tax purposes is generally the difference between the amount you received for a redemption or switch of your units and the adjusted cost base of your units and any reasonable costs of disposition. The adjusted cost base of your units will be increased by the amount distributed to you by way of the reinvestment in additional units. This will reduce any capital gains when you redeem or switch units. The adjusted cost base of your units is generally equal to:

the total of all amounts paid to purchase your units

plus

the amount of any reinvested distributions

less

the return of capital component of distributions

less

the adjusted cost base of any units you have previously redeemed.

We will issue a tax statement to you each year identifying your share of a Fund's distributions of dividends from Canadian corporations, capital gains, foreign source income, other income and returns of capital. You should keep detailed records of the purchase cost and distributions related to your Fund units in order to calculate the adjusted cost base of those units. You may wish to consult a tax adviser to help you with these calculations.

WHAT ARE YOUR LEGAL RIGHTS?

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus or Fund Facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy Fund units and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form, Fund Facts or financial statements misrepresent any facts about the Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or consult a lawyer.

PART B: FUND SPECIFIC INFORMATION

INTRODUCTION

You will find the key information about each of the Funds in the following pages. The following information is provided to help you more easily understand the specific information about each of the Funds described in Part B of this Simplified Prospectus.

Fund Details

This section contains an overview of the Fund – what kind of Fund it is and when it was established. This section identifies whether units of the Fund are eligible for investment by registered plans such as RRSPs, RRIFs, RESPs and TFSAs.

What Does the Fund Invest In?

Investment Objective and Strategies

This section outlines the investment objectives and strategies of the Fund. A Fund's investment objectives are the primary goals of the Fund and the type of securities the Fund invests in. The Fund's investment strategies set out how the Fund's Portfolio Adviser tries to achieve the Fund's investment objective.

What are the Risks of Investing in the Fund?

This section sets out the specific risks of investing in the Fund. You will find general information on the risks associated with investing in mutual funds in “*What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund*”, starting on page 1.

Investment Risk Classification Methodology

We assign a risk rating to each Fund as a guide to help you decide whether to invest in the Fund. The investment risk level of the Funds is required to be determined in accordance with a standardized risk classification methodology that is based on the Fund's historical volatility as measured by the 10-year standard deviation of the returns of the Fund. The standardized risk classification methodology that we use to identify the investment risk level of the Funds is available at no cost by calling us or writing to us at the telephone number and address set out on the last page of this simplified prospectus.

As the Funds have less than 10 years of performance history, we will use the actual performance of the Fund for the period of time it has been in existence and the return for an appropriate reference index or blend of reference indices for the remainder of the 10 year period. The names of the reference indices we use to calculate the risk rating for the Funds are as follows:

<i>Name of Fund</i>	<i>Reference Index</i>	
Educators Monitored Aggressive Portfolio	FTSE TMX Canada Universe Bond index	10%
	S&P/TSX Composite Total Return Index	27.5%
	S&P 500 Total Return Index	
	C\$ (net of withholding taxes)	34%
	MSCI EAFE Total Return Index	
	C\$ (net of withholding taxes)	28.5%

<i>Name of Fund</i>	<i>Reference Index</i>	
Educators Monitored Balanced Portfolio	FTSE TMX 91-day T-bill Index	5%
	FTSE TMX Canada Short Term Bond index	6%
	FTSE TMX Canada Universe Bond index	37%
	S&P/TSX Composite Total Return Index	24.5%
	S&P 500 Total Return Index	
	C\$ (net of withholding taxes)	15%
	MSCI EAFE Total Return Index C\$ (net of withholding taxes)	12.5%
Educators Monitored Conservative Portfolio	FTSE TMX 91-day T-bill Index	5%
	FTSE TMX Canada Short Term Bond index	15.5%
	FTSE TMX Canada Universe Bond index	51.5%
	S&P/TSX Composite Total Return Index	16%
	S&P 500 Total Return Index	
	C\$ (net of withholding taxes)	6.5%
	MSCI EAFE Total Return Index C\$ (net of withholding taxes)	5.5%
Educators Monitored Growth Portfolio	FTSE TMX Canada Short Term Bond index	2.5%
	FTSE TMX Canada Universe Bond index	22.5%
	S&P/TSX Composite Total Return Index	30%
	S&P 500 Total Return Index	
	C\$ (net of withholding taxes)	25%
	MSCI EAFE Total Return Index C\$ (net of withholding taxes)	20%

Who Should Invest in this Fund?

This section describes the kind of investor the Fund may be suitable for, including the investor's level of risk tolerance and investment horizon. Determining which Fund or Funds may be suitable for you involves considering the volatility of the Funds (based on our investment risk classification methodology discussed below) and your investment goals, your willingness and ability to accept risk, and your investment time horizon. We will assist you in examining these issues and work with you to select the most suitable Fund(s) for you.

Distribution Policy

This section describes each Fund's policies regarding the distribution of income and capital gains to investors. Each year net income and net realized capital gains of a Fund are paid or made payable to investors to the extent necessary to ensure that the Fund will not be subject to non-refundable income tax under Part I of the Tax Act in respect of that year.

EDUCATORS MONITORED AGGRESSIVE PORTFOLIO

Fund Details

Type of Fund:	Global Equity
Date Fund was Started:	January 4, 2018 ⁽¹⁾
Nature of Securities Offered:	Class A units and Class I units
Registered Plan Eligibility:	Yes

(1) The Fund was established on January 2, 2018; units first offered by prospectus dated January 4, 2018.

What Does the Fund Invest In?

Investment Objectives

The Fund focuses on providing potential for long-term capital growth. It does this by maintaining a balance of investments across several asset classes. The Fund invests primarily in mutual funds that invest in securities of Canadian and foreign governments and corporations. The asset mix is varied depending on the outlook for the economy and financial markets.

The fundamental investment objective of the Fund may not be changed without the prior approval of the unitholders of the Fund.

Investment Strategies

The Fund invests primarily in the units of other mutual funds (Educators Financial Group Funds, HSBC Mutual Funds, approved ETFs and approved other third-party managed funds) that invest in the securities of Canadian and foreign governments and corporations. Specifically, the Fund will invest primarily in other mutual funds managed by the Manager; where it does not offer an appropriate fund, the Fund will next invest in mutual funds managed by its portfolio adviser, or where neither offers an appropriate fund, in third party mutual funds and exchange traded funds (“ETFs”). Determining what underlying funds are appropriate and the extent of the Fund’s investment in each appropriate underlying fund is the responsibility of the portfolio adviser, which selects underlying funds based on its discretionary asset allocations within the various asset classes specified for the Fund with a goal of achieving the optimal asset mix for the Fund consistent with its risk profile. The underlying funds will not have embedded management fees in them. If ETFs are utilized, any management fees paid will be refunded to the Fund.

Acceptable cash and money market investments include the following:

- Cash deposits
- Educators Money Market Fund
- Cash equivalent instruments issued by Canadian governments or corporations, with terms to maturity of 0 to 12 months.

The Fund’s investment advisor uses strategic asset allocation as the principal investment strategy. The investment advisor may also, at its discretion, use a tactical asset allocation overlay strategy.

The Fund’s strategic target asset mix and allowable ranges are set out in the table below:

EDUCATORS MONITORED AGGRESSIVE PORTFOLIO

Asset Class	Minimum (%)	Target (%)	Maximum (%)
Total Fixed Income	0	10	30
Cash & Money Market	0	0	10
Mortgages	0	0	5
Bonds ⁽¹⁾	0	10	20
Total Equities	70	90	100
Canadian Equities ⁽²⁾	17.5	27.5	37.5
Foreign Equities ⁽³⁾	52.5	62.5	72.5

- (1) May include allocations to HSBC Global Inflation Linked Bond Pooled Fund to a maximum allocation of 5% and to HSBC Global High Yield Bond Pooled Fund and HSBC Emerging Markets Debt Pooled Fund to maximum allocations of 10%.
- (2) May include an allocation to HSBC Small Cap Growth Fund to a maximum allocation of 6%.
- (3) May include an allocation to HSBC Emerging Markets Pooled Fund to a maximum allocation of 13%.

The Fund's investment advisor allocates assets among the underlying funds and may change the percentage holding of any underlying fund at any time within the allowable asset mix ranges of the Fund.

During periods of high market volatility, when likelihood of capital loss is high, the investment advisor may, with prior approval from Educators Financial Group, exceed the maximum Cash & Money Market investments. Such a position is expected to be temporary.

No more than 90% of the Fund's portfolio will be invested in funds with a stated objective of investing in foreign fixed income and equity securities in the aggregate.

What are the Risks of Investing in the Fund?

Investing in this Fund may involve the following risks, which are detailed starting on page 2:

- Equity Investments
- Commodities
- Tax
- Multiple Class
- Asset Allocation
- Underlying Fund

In addition, for the portion of the Fund's portfolio which is invested in foreign securities, investing in the Fund will also involve the risks associated with the following (detailed on pages 3 and 4):

EDUCATORS MONITORED AGGRESSIVE PORTFOLIO

- Foreign Investments (Exchange Rate Risk and Foreign Portfolio Investments Risk)
- Risks in Relation to Derivatives

Who Should Invest in this Fund?

The Fund is suitable for investors who:

- Want to maximize the long-term potential growth of their capital.
- Have a long-term investment time horizon.
- Prefer a medium tolerance for investment risk.

You will find an explanation of the risk classification we use in the Introduction to Part B of this Simplified Prospectus under “*What are the Risks of Investing in the Fund?– Investment Risk Classification Methodology*”.

Distribution Policy

The Fund’s net income is distributed semi-annually to unitholders in June and December. Net realized capital gains are generally distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Fund, unless you request that the Fund pay the distributions to you in cash.

EDUCATORS MONITORED BALANCED PORTFOLIO

Fund Details

Type of Fund:	Global Neutral Balanced
Date Fund was Started:	January 4, 2018 ⁽¹⁾
Nature of Securities Offered:	Class A units and Class I units
Registered Plan Eligibility:	Yes

(2) The Fund was established on January 2, 2018; units first offered by prospectus dated January 4, 2018.

What Does the Fund Invest In?

Investment Objectives

The Fund focuses on providing a balance of income and potential for long-term capital growth. It does this by maintaining a balance of investments across several asset classes. The Portfolio invests primarily in mutual funds that invest in securities of Canadian and foreign governments and corporations. The asset mix is varied depending on the outlook for the economy and financial markets.

The fundamental investment objective of the Fund may not be changed without the prior approval of the unitholders of the Fund.

Investment Strategies

The Fund invests primarily in the units of other mutual funds (Educators Financial Group Funds, HSBC Mutual Funds, approved ETFs and approved other third-party managed funds) that invest in the securities of Canadian and foreign governments and corporations. Specifically, the Fund will invest primarily in other mutual funds managed by the Manager; where it does not offer an appropriate fund, the Fund will next invest in mutual funds managed by its portfolio adviser, or where neither offers an appropriate fund, in third party mutual funds and ETFs. Determining what underlying funds are appropriate and the extent of the Fund's investment in each appropriate underlying fund is the responsibility of the portfolio adviser, which selects underlying funds based on its discretionary asset allocations within the various asset classes specified for the Fund with a goal of achieving the optimal asset mix for the Fund consistent with its risk profile. The underlying funds will not have embedded management fees in them. If ETFs are utilized, any management fees paid will be refunded to the Fund.

Acceptable cash and money market investments include the following:

- Cash deposits
- Educators Money Market Fund
- Cash equivalent instruments issued by Canadian governments or corporations, with terms to maturity of 0 to 12 months.

The Fund's investment advisor uses strategic asset allocation as the principal investment strategy. The investment advisor may also, at its discretion, use a tactical asset allocation overlay strategy.

The Fund's strategic target asset mix and allowable ranges are set out in the table below:

EDUCATORS MONITORED BALANCED PORTFOLIO

Asset Class	Minimum (%)	Target (%)	Maximum (%)
Total Fixed Income	33	48	63
Cash & Money Market	0	5	10
Mortgages	0	6	25
Bonds ⁽¹⁾	5	37	63
Total Equities	32	52	72
Canadian Equities ⁽²⁾	14.5	24.5	34.5
Foreign Equities ⁽³⁾	17.5	27.5	37.5

- (1) May include allocations to HSBC Global Inflation Linked Bond Pooled Fund to a maximum allocation of 5% and to HSBC Global High Yield Bond Pooled Fund and HSBC Emerging Markets Debt Pooled Fund to maximum allocations of 10%.
- (2) May include an allocation to HSBC Small Cap Growth Fund to a maximum allocation of 5%.
- (3) May include an allocation to HSBC Emerging Markets Pooled Fund to a maximum allocation of 6%.

The Fund's investment advisor allocates assets among the underlying funds and may change the percentage holding of any underlying fund at any time within the allowable asset mix ranges of the Fund.

During periods of high market volatility, when likelihood of capital loss is high, the investment advisor may, with prior approval from Educators Financial Group, exceed the maximum Cash & Money Market investments. Such a position is expected to be temporary.

No more than 60% of the Fund's portfolio will be invested in funds with a stated investment objective of investing in foreign fixed income and equity securities in the aggregate.

What are the Risks of Investing in the Fund?

Investing in this Fund may involve the following risks, which are detailed starting on page 2:

- Equity Investments
- Commodities
- Tax
- Multiple Class
- Asset Allocation
- Underlying Fund

In addition, for the portion of the Fund's portfolio which is invested in foreign securities, investing in the Fund will also involve the risks associated with the following (detailed on pages 3 and 4):

EDUCATORS MONITORED BALANCED PORTFOLIO

- Foreign Investments (Exchange Rate Risk and Foreign Portfolio Investments Risk)
- Risks in Relation to Derivatives

Who Should Invest in this Fund?

The Fund is suitable for investors who:

- Want to earn a balance of interest income and long-term growth of their capital.
- Have a medium-term investment time horizon.
- Prefer a low to medium tolerance for investment risk.

You will find an explanation of the risk classification we use in the Introduction to Part B of this Simplified Prospectus under “*What are the Risks of Investing in the Fund? – Investment Risk Classification Methodology*”.

This Fund may not be appropriate for an investor who needs regular income or stability of capital or is pursuing a short-term investment goal.

Distribution Policy

The Fund’s net income is distributed semi-annually to unitholders in June and December. Net realized capital gains are generally distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Fund, unless you request that the Fund pay the distributions to you in cash.

EDUCATORS MONITORED CONSERVATIVE PORTFOLIO

Fund Details

Type of Fund:	Canadian Fixed Income Balanced
Date Fund was Started:	January 4, 2018 ⁽¹⁾
Nature of Securities Offered:	Class A units and Class I units
Registered Plan Eligibility:	Yes

(3) The Fund was established on January 2, 2018; units first offered by prospectus dated January 4, 2018.

What Does the Fund Invest In?

Investment Objectives

The Fund focuses on providing income with some potential for low to moderate capital growth. It does this by maintaining a balance of investments across several asset classes. The Fund invests primarily in mutual funds that invest in securities of Canadian and foreign governments and corporations. The asset mix is varied depending on the outlook for the economy and financial markets.

The fundamental investment objective of the Fund may not be changed without the prior approval of the unitholders of the Fund.

Investment Strategies

The Fund invests primarily in the units of other mutual funds (Educators Financial Group Funds, HSBC Mutual Funds, approved ETFs and approved other third-party managed funds) that invest in the securities of domestic and foreign governments and corporations. Specifically, the Fund will invest primarily in other mutual funds managed by the Manager; where it does not offer an appropriate fund, the Fund will next invest in mutual funds managed by its portfolio adviser, or where neither offers an appropriate fund, in third party mutual funds and ETFs. Determining what underlying funds are appropriate and the extent of the Fund's investment in each appropriate underlying fund is the responsibility of the portfolio adviser, which selects underlying funds based on its discretionary asset allocations within the various asset classes specified for the Fund with a goal of achieving the optimal asset mix for the Fund consistent with its risk profile. The underlying funds will not have embedded management fees in them. If ETFs are utilized, any management fees paid will be refunded to the Fund.

Acceptable cash and money market investments include the following:

- Cash deposits
- Educators Money Market Fund
- Cash equivalent instruments issued by Canadian governments or corporations, with terms to maturity of 0 to 12 months.

The Fund's investment advisor uses strategic asset allocation as the principal investment strategy. The investment advisor may also, at its discretion, use a tactical asset allocation overlay strategy.

The Fund's strategic target asset mix and allowable ranges are set out in the table below:

EDUCATORS MONITORED CONSERVATIVE PORTFOLIO

Asset Class	Minimum (%)	Target (%)	Maximum (%)
Total Fixed Income	57	72	87
Cash & Money Market	0	5	10
Mortgages	0	15.5	35
Bonds ⁽¹⁾	20	51.5	85
Total Equities	8	28	48
Canadian Equities	6	16	26
Foreign Equities ⁽²⁾	2	12	22

- (1) May include allocations to HSBC Global Inflation Linked Bond Pooled Fund to a maximum allocation of 5% and to HSBC Global High Yield Bond Pooled Fund and HSBC Emerging Markets Debt Pooled Fund to maximum allocations of 10%.
- (2) May include an allocation to HSBC Emerging Markets Pooled Fund to a maximum allocation of 3%.

The Fund's investment advisor allocates assets among the underlying funds and may change the percentage holding of any underlying fund at any time within the allowable asset mix ranges of the Fund.

During periods of high market volatility, when likelihood of capital loss is high, the investment advisor may, with prior approval from Educators Financial Group, exceed the maximum Cash & Money Market investments. Such a position is expected to be temporary.

No more than 40% of the Fund's portfolio will be invested in funds with a stated investment objective of investing in foreign fixed income and equity securities in the aggregate.

What are the Risks of Investing in the Fund?

Investing in this Fund may involve the following risks, which are detailed starting on page 2:

- Equity Investments
- Commodities
- Tax
- Multiple Class
- Asset Allocation
- Underlying Fund

In addition, for the portion of the Fund's portfolio which is invested in foreign securities, investing in the Fund will also involve the risks associated with the following (detailed on pages 3 and 4):

- Foreign Investments (Exchange Rate Risk and Foreign Portfolio Investments Risk)

EDUCATORS MONITORED CONSERVATIVE PORTFOLIO

- Risks in Relation to Derivatives

Who Should Invest in this Fund?

The Fund is suitable for investors who:

- Want interest income and some potential for low to moderate long-term growth of their capital.
- Have a medium term investment time horizon.
- Prefer a low tolerance for investment risk.

You will find an explanation of the risk classification we use in the Introduction to Part B of this Simplified Prospectus under “*What are the Risks of Investing in the Fund? – Investment Risk Classification Methodology*”.

This Fund may not be appropriate for an investor seeking capital growth.

Distribution Policy

The Fund’s net income is distributed quarterly to unitholders. Net realized capital gains are generally distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Fund, unless you request that the Fund pay the distributions to you in cash.

EDUCATORS MONITORED GROWTH PORTFOLIO

Fund Details

Type of Fund:	Global Equity Balanced
Date Fund was Started:	January 4, 2018 ⁽¹⁾
Nature of Securities Offered:	Class A units and Class I units
Registered Plan Eligibility:	Yes

(4) The Fund was established on January 2, 2018; units first offered by prospectus dated January 4, 2018.

What Does the Fund Invest In?

Investment Objectives

The Fund focuses on providing potential for long-term capital growth with low to moderate income. It does this by maintaining a balance of investments across several asset classes. The Fund invests primarily in mutual funds units that invest in securities of Canadian and foreign governments and corporations. The asset mix is varied depending on the outlook for the economy and financial markets.

The fundamental investment objective of the Fund may not be changed without the prior approval of the unitholders of the Fund.

Investment Strategies

The Fund's investment advisor uses strategic asset allocation as the principal investment strategy. The investment advisor may also, at its discretion, use a tactical asset allocation overlay strategy.

The Fund invests primarily in the units of other mutual funds (Educators Financial Group Funds, HSBC Mutual Funds, approved ETFs and approved other third-party managed funds) that invest in the securities of Canadian domestic and foreign governments and corporations. Specifically, the Fund will invest primarily in other mutual funds managed by Educators; where it does not offer an appropriate fund, the Fund will next invest in mutual funds managed by its portfolio adviser, or where neither offers an appropriate fund, in third party mutual funds and ETFs. Determining what underlying funds are appropriate and the extent of the Fund's investment in each appropriate underlying fund is the responsibility of the portfolio adviser, which selects underlying funds based on its discretionary asset allocations within the various asset classes specified for the Fund with a goal of achieving the optimal asset mix for the Fund consistent with its risk profile. The underlying funds will not have embedded management fees in them. If ETFs are utilized, any management fees paid will be refunded to the Fund.

Acceptable cash and money market investments include the following:

- Cash deposits
- Educators Money Market Fund
- Cash equivalent instruments issued by Canadian governments or corporations, with terms to maturity of 0 to 12 months.

The Fund's strategic target asset mix and allowable ranges are set out in the table below:

EDUCATORS MONITORED GROWTH PORTOLIO

Asset Class	Minimum (%)	Target (%)	Maximum (%)
Total Fixed Income	15	25	45
Cash & Money Market	0	0	10
Mortgages	0	2.5	20
Bonds ⁽¹⁾	0	22.5	45
Total Equities	55	75	95
Canadian Equities ⁽²⁾	20	30	40
Foreign Equities ⁽³⁾	35	45	55

- (1) May include allocations to HSBC Global Inflation Linked Bond Pooled Fund to a maximum allocation of 5% and to HSBC Global High Yield Bond Pooled Fund and HSBC Emerging Markets Debt Pooled Fund to maximum allocations of 10%.
- (2) May include an allocation to HSBC Small Cap Growth Fund to a maximum allocation of 5%.
- (3) May include an allocation to HSBC Emerging Markets Pooled Fund to a maximum allocation of 10%.

The Fund's investment advisor allocates assets among the underlying funds and may change the percentage holding of any underlying fund at any time within the allowable asset mix ranges of the Fund.

During periods of high market volatility, when likelihood of capital loss is high, the investment advisor may, with prior approval from Educators Financial Group, exceed the maximum Cash & Money Market investments. Such a position is expected to be temporary.

No more than 70% of the Fund's portfolio will be invested in funds with a stated investment objective of investing in foreign fixed income and equity securities in the aggregate.

What are the Risks of Investing in the Fund?

Investing in this Fund may involve the following risks, which are detailed starting on page 2:

- Equity Investments
- Commodities
- Tax
- Multiple Class
- Asset Allocation
- Underlying Fund

In addition, for the portion of the Fund's portfolio which is invested in foreign securities, investing in the Fund will also involve the risks associated with the following (detailed on pages 3 and 4):

EDUCATORS MONITORED GROWTH PORTOLIO

- Foreign Investments (Exchange Rate Risk and Foreign Portfolio Investments Risk)
- Risks in Relation to Derivatives

Who Should Invest in this Fund?

The Fund is suitable for investors who:

- Want long-term growth of their capital and low to moderate interest income.
- Have a long-term investment time horizon.
- Prefer a medium tolerance for investment risk.

You will find an explanation of the risk classification we use in the Introduction to Part B of this Simplified Prospectus under “*What are the Risks of Investing in the Fund? – Investment Risk Classification Methodology*”.

This Fund may not be appropriate for an investor who needs regular income or stability of principal, or is pursuing a short-term investment goal.

Distribution Policy

The Fund’s net income is distributed semi-annually to unitholders in June and December. Net realized capital gains are generally distributed to unitholders in December. Distributions are automatically reinvested in additional units of the Fund, unless you request that the Fund pay the distributions to you in cash.



EDUCATORS MONITORED AGGRESSIVE PORTFOLIO
EDUCATORS MONITORED BALANCED PORTFOLIO
EDUCATORS MONITORED CONSERVATIVE PORTFOLIO
EDUCATORS MONITORED GROWTH PORTFOLIO

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