

UNAUDITED INTERIM FINANCIAL STATEMENTS

EDUCATORS FINANCIAL GROUP INC.



EDUCATORS MONEY MARKET FUND
EDUCATORS MORTGAGE & INCOME FUND
EDUCATORS BOND FUND
EDUCATORS BALANCED FUND
EDUCATORS MONTHLY INCOME FUND
EDUCATORS DIVIDEND FUND
EDUCATORS GROWTH FUND
EDUCATORS U.S. EQUITY FUND
EDUCATORS MONITORED CONSERVATIVE PORTFOLIO
EDUCATORS MONITORED BALANCED PORTFOLIO
EDUCATORS MONITORED GROWTH PORTFOLIO
EDUCATORS MONITORED AGGRESSIVE PORTFOLIO

Dated: June 30, 2019

Educators Financial Group Inc. Funds
Unaudited Interim Financial Statements

June 30, 2019

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NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS

Educators Financial Group Inc., the Manager of the Funds, appoints independent auditors to audit the Funds' Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Interim Financial Statements, it must be disclosed in an accompanying notice.

The Funds' independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants.

The next report on the Funds will contain annual audited financial information as of December 31, 2019.

Educators Money Market Fund
Statements of Financial Position

As at June 30, 2019 (unaudited) and December 31, 2018 (audited)

	2019	2018
Assets		
Current assets		
Cash	\$ 19,326	\$ -
Interest receivable	67,025	58,440
Subscriptions receivable	564,478	117,584
Investments	<u>19,482,148</u>	<u>17,498,297</u>
Total assets	\$ <u>20,132,977</u>	\$ <u>17,674,321</u>
Liabilities		
Current liabilities		
Bank overdraft	-	88,296
Redemptions payable	15,057	16,714
Distributions payable	274	292
Amounts due to Manager-Trustee (Note 6)	<u>7,786</u>	<u>8,054</u>
Total liabilities	<u>23,117</u>	<u>113,356</u>
Net assets attributable to holders of redeemable units	\$ <u>20,109,860</u>	\$ <u>17,560,965</u>
Net Assets attributable to holders of redeemable units per class		
Class A	17,732,643	15,959,370
Class I	<u>2,377,217</u>	<u>1,601,595</u>
Number of redeemable units outstanding (Note 3)		
Class A	1,773,265	1,595,937
Class I	<u>237,720</u>	<u>160,159</u>
Net Assets attributable to holders of redeemable units per class per unit		
Class A	10.00	10.00
Class I	<u>10.00</u>	<u>10.00</u>

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", President and CEO

Signed: "Stuart Mulcahy", Chief Financial Officer

Educators Money Market Fund**Statements of Comprehensive Income***For the six months ended June 30, 2019 and 2018 (unaudited)*

	2019		2018
Income			
Interest for distribution purposes	\$ 163,541	\$	101,444
Securities lending (Note 5)	<u>2,277</u>		<u>1,978</u>
Total income	<u>165,818</u>		<u>103,422</u>
Expenses			
Management fees (Note 6)	42,879		40,668
Harmonised sales tax	<u>5,456</u>		<u>4,931</u>
	48,335		45,599
Less expenses waived/absorbed by Manager-Trustee (Note 6)	<u>(810)</u>		<u>(1,928)</u>
Total expenses	<u>47,525</u>		<u>43,671</u>
Increase in net assets attributable to holders of redeemable units	\$ <u>118,293</u>	\$	<u>59,751</u>
Increase in net assets attributable to holders of redeemable units per class			
Class A	\$ 98,636	\$	57,246
Class I	<u>19,657</u>	\$	<u>2,505</u>
Weighted average redeemable units outstanding during the period			
Class A	1,589,923		1,483,322
Class I	<u>204,425</u>		<u>34,915</u>
Increase in net assets attributable to holders of redeemable units per class per unit			
Class A	\$ 0.06	\$	0.04
Class I	<u>0.10</u>	\$	<u>0.07</u>

See accompanying notes to the financial statements

Educators Money Market Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units***For the six months ended June 30, 2019 and 2018 (unaudited)*

	2019	2018
Net assets attributable to holders of redeemable units, beginning of period		
Class A	\$ 15,959,370	\$ 14,624,377
Class I	1,601,595	-
	<u>17,560,965</u>	<u>14,624,377</u>
Increase in net assets attributable to holders of redeemable units		
Class A	98,636	57,246
Class I	19,657	2,505
	<u>118,293</u>	<u>59,751</u>
Distributions to holders of redeemable units		
From net investment income		
Class A	(99,694)	(59,004)
Class I	(21,036)	(2,985)
	<u>(120,730)</u>	<u>(61,989)</u>
Total distributions to holders of redeemable units	<u>(120,730)</u>	<u>(61,989)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	7,912,259	7,101,566
Class I	858,274	837,310
	<u>8,770,533</u>	<u>7,938,876</u>
Redemption of redeemable units		
Class A	(6,235,458)	(6,189,811)
Class I	(100,437)	(14,303)
	<u>(6,335,895)</u>	<u>(6,204,114)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	97,530	56,256
Class I	19,164	2,636
	<u>116,694</u>	<u>58,892</u>
Net increase from redeemable unit transactions	<u>2,551,332</u>	<u>1,793,654</u>
Net increase in net assets attributable to holders of redeemable units		
Class A	1,773,273	966,253
Class I	775,622	825,163
	<u>2,548,895</u>	<u>1,791,416</u>
Net assets attributable to holders of redeemable units, end of period		
Class A	17,732,643	15,590,630
Class I	2,377,217	825,163
	<u>20,109,860</u>	<u>16,415,793</u>

See accompanying notes to the financial statements

Educators Money Market Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (continued)***For the six months ended June 30, 2019 and 2018 (unaudited)*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the period ended June 30, 2019 and year ended December 31, 2018.

Class A	2019	2018
Number of units, beginning of period	1,595,937	1,462,438
Units issued	790,879	1,368,548
Units issued from reinvested distributions	9,753	14,189
Units redeemed	(623,304)	(1,249,238)
Number of units, end of period	<u>1,773,265</u>	<u>1,595,937</u>
Class I	2019	2018
Number of units, beginning of period	160,159	-
Units issued	85,674	173,759
Units issued from reinvested distributions	1,916	1,364
Units redeemed	(10,029)	(14,964)
Number of units, end of period	<u>237,720</u>	<u>160,159</u>

Educators Money Market Fund**Statements of Cash Flows***For the six months ended June 30, 2019 and 2018 (unaudited)*

	2019	2018
Cash Flow from Operating Activities		
Increase in net assets attributable to holders of redeemable units	\$ 118,293	\$ 59,751
Adjustments for:		
Purchase of investments	(28,763,386)	(23,738,958)
Proceeds from disposal of investments	26,779,535	21,446,650
Increase in interest receivable	(8,585)	(10,607)
(Decrease) increase in amounts due to Manager-Trustee	(268)	427
Cash used provided by operating activities	<u>(1,874,411)</u>	<u>(2,242,737)</u>
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	8,323,639	8,009,722
Redemption of redeemable units	(6,337,552)	(6,185,694)
Distributions paid to holders of redeemable units, net of reinvested distributions	(4,054)	(3,073)
Cash provided by financing activities	<u>1,982,033</u>	<u>1,820,955</u>
Increase (decrease) in cash	\$ <u>107,622</u>	\$ <u>(421,782)</u>
(Bank overdraft), beginning of period	\$ <u>(88,296)</u>	\$ <u>(11,402)</u>
Cash (Bank overdraft), end of period	\$ <u>19,326</u>	\$ <u>(433,184)</u>
Supplemental cash flow information:		
Interest received	\$ 154,956	\$ 90,837

See accompanying notes to the financial statements

Educators Money Market Fund Schedule of Investments

As at June 30, 2019 (unaudited)

Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Short-Term Investments						
Bankers' Acceptances						
230,000	Bank of Nova Scotia	1.961%	9-Sep-2019	\$ 227,785	\$ 227,785	
430,000	Bank of Nova Scotia	1.879%	20-Nov-2019	426,117	426,117	
400,000	Canadian Imperial Bank of Commerce	2.251%	30-Sep-2019	393,880	393,880	
260,000	Canadian Imperial Bank of Commerce	1.850%	2-Dec-2019	257,728	257,728	
600,000	Bank of Montreal	1.841%	29-Jul-2019	597,168	597,168	
375,000	Royal Bank of Canada	1.861%	30-Aug-2019	372,795	372,795	
252,000	Royal Bank of Canada	1.840%	11-Oct-2019	250,359	250,359	
410,000	Toronto-Dominion Bank	2.290%	2-Jul-2019	404,293	404,293	
250,000	Toronto-Dominion Bank	1.861%	30-Aug-2019	248,053	248,053	
				3,178,178	3,178,178	15.80
Discount Commercial Paper						
450,000	Clarity Trust	1.899%	22-Aug-2019	447,903	447,903	
400,000	OMERS Finance Trust	1.790%	3-Jul-2019	399,608	399,608	
120,000	OMERS Finance Trust	1.792%	16-Jul-2019	119,876	119,876	
163,000	OMERS Finance Trust	1.791%	26-Jul-2019	162,760	162,760	
				1,130,147	1,130,147	5.62
Treasury Bills						
1,715,000	Canadian Treasury Bill	1.513%	11-Jul-2019	1,706,589	1,706,589	
1,315,000	Canadian Treasury Bill	1.676%	22-Aug-2019	1,306,318	1,306,318	
1,300,000	Canadian Treasury Bill	1.664%	5-Sep-2019	1,290,475	1,290,475	
3,065,000	Canadian Treasury Bill	1.664%	19-Sep-2019	3,038,239	3,038,239	
2,605,000	Canadian Treasury Bill	1.659%	3-Oct-2019	2,585,558	2,585,558	
1,405,000	Canadian Treasury Bill	1.719%	31-Oct-2019	1,393,881	1,393,881	
1,035,000	Canadian Treasury Bill	1.659%	14-Nov-2019	1,026,310	1,026,310	
420,000	Canadian Treasury Bill	1.680%	28-Nov-2019	416,446	416,446	
2,230,000	Canadian Treasury Bill	1.666%	12-Dec-2019	2,211,687	2,211,687	
200,000	Canadian Treasury Bill	1.690%	27-Dec-2019	198,320	198,320	
				15,173,823	15,173,823	75.46
				19,482,148	19,482,148	96.88
Total Investments				\$ 19,482,148	\$ 19,482,148	96.88
Other Assets Less Liabilities					627,712	3.12
Net Assets Attributable to Holders of Redeemable Units					\$ 20,109,860	100.00

Summary of Investment Portfolio

The fair value percentages of Net Assets Attributable to Holders of Redeemable Units by major portfolio category are shown in the following table:

Asset Type	As a % of Fund's Net Assets attributable to holders of redeemable units	
	2019	2018
Treasury Bills	75.46%	76.78%
Bankers' Acceptances	15.80%	17.34%
Discount Commercial Paper	5.62%	5.52%
Cash	0.10%	-0.50%
Net Other Assets	3.02%	0.86%
	100.00%	100.00%

Educators Mortgage & Income Fund

Statements of Financial Position

As at June 30, 2019 (unaudited) and December 31, 2018 (audited)

	2019	2018
Assets		
Current assets		
Cash	\$ 17,739	\$ 141,693
Interest receivable	488,670	385,960
Due from brokers	506,803	-
Forward contracts (Note 10)	17,473	-
Investments	<u>132,171,751</u>	<u>140,203,593</u>
Total assets	\$ <u>133,202,436</u>	\$ <u>140,731,246</u>
Liabilities		
Current liabilities		
Due to brokers	480,000	-
Redemptions payable	1,692	84,410
Distributions payable	2,464	-
Amounts due to Manager-Trustee (Note 6)	126,855	142,012
Forward contracts (Note 10)	<u>-</u>	<u>21,470</u>
Total liabilities	<u>611,011</u>	<u>247,892</u>
Net assets attributable to holders of redeemable units	\$ <u>132,591,425</u>	\$ <u>140,483,354</u>
Net Assets attributable to holders of redeemable units per class		
Class A	<u>132,591,425</u>	<u>140,483,354</u>
Number of redeemable units outstanding (Note 3)		
Class A	<u>11,728,774</u>	<u>12,668,872</u>
Net Assets attributable to holders of redeemable units per class per unit		
Class A	<u>11.30</u>	<u>11.09</u>

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", President and CEO

Signed: "Stuart Mulcahy", Chief Financial Officer

Educators Mortgage & Income Fund

Statements of Comprehensive Income

For the six months ended June 30, 2019 and 2018 (unaudited)

	2019	2018
Income		
Interest for distribution purposes	\$ 2,005,681	\$ 2,520,318
Security lending (Note 5)	3,519	17,496
Other changes in fair value of investments:		
Net realized loss	(87,227)	(1,235,148)
Net realized gain (loss) on forward contracts	4,982	(24,830)
Net change in unrealized appreciation (depreciation) on forward contracts	38,943	(40,302)
Net change in unrealized appreciation (depreciation)	<u>2,750,759</u>	<u>(5,183)</u>
Total income	<u>4,716,657</u>	<u>1,232,351</u>
Expenses		
Management fees (Note 6)	734,676	961,850
Independent review committee fees	5,558	7,431
Withholding taxes	-	7,406
Harmonised sales tax	<u>93,170</u>	<u>118,480</u>
	<u>833,404</u>	<u>1,095,167</u>
Less expenses waived/absorbed by Manager-Trustee (Note 6)	<u>(14,106)</u>	<u>(45,526)</u>
Total expenses	<u>819,298</u>	<u>1,049,641</u>
Increase in net assets attributable to holders of redeemable units	<u>\$ 3,897,359</u>	<u>\$ 182,710</u>
Increase in net assets attributable to holders of redeemable units per class		
Class A	<u>\$ 3,897,359</u>	<u>\$ 182,710</u>
Weighted average redeemable units outstanding during the period		
Class A	<u>12,149,596</u>	<u>15,702,120</u>
Increase in net assets attributable to holders of redeemable units per class per unit		
Class A	<u>\$ 0.32</u>	<u>\$ 0.01</u>

See accompanying notes to the financial statements

Educators Mortgage & Income Fund
Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the six months ended June 30, 2019 and 2018 (unaudited)

	2019	2018
Net assets attributable to holders of redeemable units, beginning of period		
Class A	\$ 140,483,354	\$ 188,011,275
Increase in net assets attributable to holders of redeemable units		
Class A	<u>3,897,359</u>	<u>182,710</u>
Distributions to holders of redeemable units		
From net investment income		
Class A	<u>(1,265,818)</u>	<u>(1,574,986)</u>
Total distributions to holders of redeemable units	<u>(1,265,818)</u>	<u>(1,574,986)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	<u>4,974,963</u>	<u>7,234,934</u>
Redemption of redeemable units		
Class A	<u>(16,742,625)</u>	<u>(33,538,673)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	<u>1,244,192</u>	<u>1,550,237</u>
Net decrease from redeemable unit transactions	<u>(10,523,470)</u>	<u>(24,753,502)</u>
Net decrease in net assets attributable to holders of redeemable units		
Class A	<u>(7,891,929)</u>	<u>(26,145,778)</u>
Net assets attributable to holders of redeemable units, end of period		
Class A	<u>132,591,425</u>	<u>161,865,497</u>

See accompanying notes to the financial statements

Educators Mortgage & Income Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (continued)***For the six months ended June 30, 2019 and 2018 (unaudited)*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the period ended June 30, 2019 and year ended December 31, 2018.

Class A	2019	2018
Number of units, beginning of period	12,668,872	16,764,263
Units issued	444,594	1,236,118
Units issued from reinvested distributions	111,013	241,513
Units redeemed	<u>(1,495,705)</u>	<u>(5,573,022)</u>
Number of units, end of period	<u>11,728,774</u>	<u>12,668,872</u>

Educators Mortgage & Income Fund**Statements of Cash Flows***For the six months ended June 30, 2019 and 2018 (unaudited)*

	2019	2018
Cash Flow from Operating Activities		
Increase in net assets attributable to holders of redeemable units	\$ 3,897,359	\$ 182,710
Adjustments for:		
Net realized loss on sale of investments	87,227	1,235,148
Net change in unrealized (appreciation) depreciation in value of investments	(2,750,759)	5,183
Net change in unrealized (appreciation) depreciation on forward contracts	(38,943)	40,302
Purchase of investments	(16,778,671)	(54,845,337)
Proceeds from disposal of investments	27,447,242	79,814,225
Increase in interest receivable	(102,710)	(26,190)
Decrease in amounts due to Manager-Trustee	(15,157)	(23,717)
Cash provided by operating activities	<u>11,745,588</u>	<u>26,382,324</u>
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	4,974,963	7,234,934
Redemption of redeemable units	(16,825,343)	(33,033,806)
Distributions paid to holders of redeemable units, net of reinvested distributions	(19,162)	(21,432)
Cash used by financing activities	<u>(11,869,542)</u>	<u>(25,820,304)</u>
(Decrease) increase in cash	\$ <u>(123,954)</u>	\$ <u>562,020</u>
Cash, beginning of period	\$ <u>141,693</u>	\$ <u>91,324</u>
Cash, end of period	\$ <u>17,739</u>	\$ <u>653,344</u>
Supplemental cash flow information:		
Interest received	\$ 1,902,971	\$ 2,494,128

Educators Mortgage & Income Fund Schedule of Investments

As at June 30, 2019 (unaudited)

Par Value or No. of Units	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Short-Term Investments						
Treasury Bills						
470,000	Canadian Treasury Bill	1.647%	22-Aug-2019	\$ 468,373	\$ 468,373	
				<u>468,373</u>	<u>468,373</u>	<u>0.35</u>
Canadian Bonds						
Asset-Backed						
230,000	Canadian Mortgage Pools	1.620%	1-Mar-2022	185,003	184,896	
1,000,000	Canadian Mortgage Pools	1.420%	1-Jun-2022	853,605	850,333	
1,925,000	Institutional Mortgage Securities Canada Inc.	1.936%	12-Sep-2024	1,532,618	1,514,723	
1,200,000	MCAP CMBS Issuer Corp.	2.341%	12-Apr-2054	513,848	513,429	
300,000	MCAP CMBS Issuer Corp.	2.804%	12-Apr-2054	299,993	299,493	
300,000	MCAP CMBS Issuer Corp.	3.202%	12-Apr-2054	299,994	299,334	
300,000	MCAP CMBS Issuer Corp.	3.600%	12-Apr-2054	296,789	298,476	
890,000	Real Estate Asset Liquidity Trust	1.856%	12-Sep-2021	682,929	677,638	
2,075,000	Real Estate Asset Liquidity Trust	2.557%	12-Oct-2049	1,585,240	1,585,800	
780,000	Real Estate Asset Liquidity Trust	2.870%	12-Nov-2052	678,880	685,815	
560,000	Real Estate Asset Liquidity Trust	3.072%	12-Aug-2053	503,051	512,201	
				<u>7,431,950</u>	<u>7,422,138</u>	<u>5.59</u>
Corporate Bonds						
1,050,000	Alimentation Couche-Tard Inc.	3.899%	1-Nov-2022	1,107,833	1,102,277	
1,530,000	Bank of Montreal	2.700%	11-Sep-2024	1,497,717	1,577,333	
250,000	Bank of Montreal	3.320%	1-Jun-2026	249,965	255,296	
350,000	Bank of Nova Scotia	1.830%	27-Apr-2022	349,867	348,645	
2,000,000	Bank of Nova Scotia	2.290%	28-Jun-2024	1,917,480	2,020,057	
500,000	bclMC Realty Corp.	3.000%	31-Mar-2027	503,511	521,339	
590,000	Bell Canada Inc.	3.350%	22-Mar-2023	595,039	611,527	
210,000	Bell Canada Inc.	2.700%	27-Feb-2024	211,508	212,690	
1,250,000	Brookfield Asset Management Inc.	4.540%	31-Mar-2023	1,325,580	1,338,965	
600,000	Brookfield Infrastructure Finance ULC	3.315%	22-Feb-2024	589,926	613,581	
1,400,000	Brookfield Property Finance ULC	4.346%	3-Jul-2023	1,400,540	1,451,985	
650,000	Bruce Power LP	2.844%	23-Jun-2021	669,454	658,294	
1,500,000	Canadian Imperial Bank of Commerce	1.640%	12-Jul-2021	1,491,009	1,491,122	
900,000	Canadian Imperial Bank of Commerce	2.900%	14-Sep-2021	899,973	918,400	
1,100,000	Canadian Natural Resources Ltd.	3.310%	11-Feb-2022	1,136,022	1,128,815	
560,000	Canadian Western Bank	2.833%	14-Mar-2022	560,000	567,506	
1,120,000	Canadian Western Bank	2.737%	16-Jun-2022	1,119,080	1,131,650	
865,000	Canadian Western Bank	2.924%	15-Dec-2022	858,115	880,448	
200,000	Choice Properties Real Estate Investment Trust	3.010%	21-Mar-2022	199,966	203,568	
590,000	Choice Properties Real Estate Investment Trust	3.196%	7-Mar-2023	595,901	603,567	
950,000	Coast Capital Savings Credit Union	2.660%	28-Feb-2020	950,000	949,839	
530,000	Coast Capital Savings Credit Union	5.000%	3-May-2028	530,000	555,143	
1,070,000	Empire Life Insurance Co.	3.383%	16-Dec-2026	1,074,620	1,090,701	
900,000	Empire Life Insurance Co.	3.664%	15-Mar-2028	902,770	930,602	
250,000	Enbridge Gas Distribution Inc.	3.310%	11-Sep-2025	259,903	264,741	
200,000	Enbridge Inc.	3.190%	5-Dec-2022	200,620	205,933	
900,000	Genworth MI Canada Inc.	4.242%	1-Apr-2024	907,677	943,784	
1,220,000	Granite REIT Holdings LP	3.873%	30-Nov-2023	1,225,332	1,271,372	
900,000	Intact Financial Corp.	4.700%	18-Aug-2021	963,072	947,959	
310,000	Ivanhoe Cambridge II Inc.	2.909%	27-Jun-2023	310,000	319,528	
250,000	Manulife Financial Corp.	3.317%	9-May-2028	250,000	257,407	
1,075,000	Pembina Pipeline Corp.	3.770%	24-Oct-2022	1,145,200	1,124,812	
500,000	Royal Bank of Canada	2.360%	5-Dec-2022	489,500	505,730	
1,950,000	Royal Bank of Canada	3.296%	26-Sep-2023	2,001,818	2,028,866	
480,000	Royal Bank of Canada	2.352%	2-Jul-2024	480,000	480,056	
1,800,000	Saputo Inc.	2.827%	21-Nov-2023	1,774,944	1,815,372	
1,000,000	Sun Life Financial Inc.	3.050%	19-Sep-2028	1,000,941	1,027,010	
1,000,000	Suncor Energy Inc.	3.100%	26-Nov-2021	1,048,852	1,022,310	
1,800,000	TMX Group Ltd.	4.461%	3-Oct-2023	1,985,148	1,947,846	
900,000	Toronto-Dominion Bank	1.994%	23-Mar-2022	875,289	900,924	

Educators Mortgage & Income Fund Schedule of Investments

As at June 30, 2019 (unaudited)

Par Value or No. of Units	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
680,000	Toronto-Dominion Bank	3.005%	30-May-2023	680,000	705,300	
260,000	Toronto-Dominion Bank	2.850%	8-Mar-2024	260,000	266,106	
730,000	Toronto-Dominion Bank	3.226%	24-Jul-2024	748,278	771,294	
				<u>37,342,450</u>	<u>37,969,700</u>	<u>28.64</u>
Government Bonds						
2,575,000	Canada Housing Trust No. 1	2.350%	15-Jun-2027	2,583,490	2,673,685	
2,140,000	Canadian Government Real Return Bond	6.959%	1-Dec-2021	3,893,230	3,853,946	
560,000	Municipal Finance Authority of British Columbia	2.600%	23-Apr-2023	559,950	576,220	
1,400,000	Province of Alberta	2.200%	1-Jun-2026	1,361,760	1,416,201	
				<u>8,398,430</u>	<u>8,520,052</u>	<u>6.43</u>
				<u>53,172,830</u>	<u>53,911,890</u>	<u>40.66</u>
Canadian Mutual Funds						
280,523	HSBC Emerging Markets Debt Fund, Institutional Series			2,849,678	2,819,421	
6,091,138	HSBC Mortgage Fund, Institutional Series			64,957,302	64,720,173	
				<u>67,806,980</u>	<u>67,539,594</u>	<u>50.94</u>
Foreign Bonds						
Channel Islands						
1,000,000	Heathrow Funding Ltd.	3.250%	21-May-2025	1,005,340	1,036,315	
				<u>1,005,340</u>	<u>1,036,315</u>	<u>0.78</u>
United Kingdom						
900,000	Aviva PLC	4.500%	10-May-2021	937,843	929,691	
300,000	BP Capital Markets PLC	3.497%	9-Nov-2020	305,398	305,373	
				<u>1,243,241</u>	<u>1,235,064</u>	<u>0.93</u>
United States						
1,050,000	Anheuser-Busch InBev Finance Inc.	2.600%	15-May-2024	1,026,942	1,051,574	
800,000	AT&T Inc.	2.850%	25-May-2024	808,896	807,298	
620,000	Bank of America Corp.	3.301%	24-Apr-2024	620,000	639,383	
1,300,000	Citigroup Inc.	3.390%	18-Nov-2021	1,349,849	1,337,514	
1,500,000	Goldman Sachs Group Inc.	2.433%	26-Apr-2023	1,500,000	1,498,067	
500,000	JPMorgan Chase & Co.	3.190%	5-Mar-2021	514,743	509,528	
1,000,000	Morgan Stanley	3.000%	7-Feb-2024	983,140	1,020,929	
825,000	QVC Inc.	4.850%	1-Apr-2024	914,999	1,116,222	
				<u>7,718,569</u>	<u>7,980,515</u>	<u>6.02</u>
				<u>9,967,150</u>	<u>10,251,894</u>	<u>7.73</u>
Total Investments				\$ 131,415,333	\$ 132,171,751	99.68
Other Assets Less Liabilities					419,674	0.32
Net Assets Attributable to Holders of Redeemable Units					<u>\$ 132,591,425</u>	<u>100.00</u>

Educators Mortgage & Income Fund Schedule of Investments

As at June 30, 2019 (unaudited)

Par Value or No. of Units	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
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Summary of Investment Portfolio

The fair value percentages of Net Assets Attributable to Holders of Redeemable Units by major portfolio category are shown in the following table:

Asset Type	As a % of Fund's Net Assets attributable to holders of redeemable units	
	2019	2018
Canadian Mutual Funds	50.94%	51.91%
Corporate Bonds	36.37%	35.16%
Government Bonds	6.43%	6.02%
Asset-Backed Securities	5.59%	6.39%
Short-term investments	0.35%	0.32%
Cash	0.06%	0.10%
Net Other Assets	0.26%	0.10%
	100.00%	100.00%

Educators Bond Fund

Statements of Financial Position

As at June 30, 2019 (unaudited) and December 31, 2018 (audited)

	2019	2018
Assets		
Current assets		
Interest receivable	\$ 96,359	\$ 77,766
Subscriptions receivable	133,903	68,870
Due from brokers	1,345,213	-
Investments	<u>22,045,071</u>	<u>15,620,225</u>
Total assets	\$ <u>23,620,546</u>	\$ <u>15,766,861</u>
Liabilities		
Current liabilities		
Bank overdraft	10,290	18,903
Due to brokers	1,530,520	12,898
Redemptions payable	12,835	-
Distributions payable	99	-
Amounts due to Manager-Trustee (Note 6)	<u>7,231</u>	<u>7,276</u>
Total liabilities	<u>1,560,975</u>	<u>39,077</u>
Net assets attributable to holders of redeemable units	\$ <u>22,059,571</u>	\$ <u>15,727,784</u>
Net Assets attributable to holders of redeemable units per class		
Class A	7,845,238	6,879,990
Class I	<u>14,214,333</u>	<u>8,847,794</u>
Number of redeemable units outstanding (Note 3)		
Class A	765,183	705,316
Class I	<u>1,357,120</u>	<u>888,105</u>
Net Assets attributable to holders of redeemable units per class per unit		
Class A	10.25	9.75
Class I	<u>10.47</u>	<u>9.96</u>

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", President and CEO

Signed: "Stuart Mulcahy", Chief Financial Officer

Educators Bond Fund

Statements of Comprehensive Income

For the six months ended June 30, 2019 and 2018 (unaudited)

		2019		2018
Income				
Interest for distribution purposes	\$	255,747	\$	144,022
Securities lending (Note 5)		1,132		471
Other changes in fair value of investments:				
Net realized gain (loss)		293,459		(125,297)
Net change in unrealized appreciation		647,589		95,795
Total income		1,197,927		114,991
Expenses				
Management fees (Note 6)		37,791		45,812
Independent review committee fees		833		480
Harmonised sales tax		4,879		5,905
Total expenses		43,503		52,197
Increase in net assets attributable to holders of redeemable units	\$	1,154,424	\$	62,794
Increase in net assets attributable to holders of redeemable units per class				
Class A	\$	404,687	\$	2,793
Class I	\$	749,737	\$	60,001
Weighted average redeemable units outstanding during the period				
Class A		699,989		857,226
Class I		1,137,598		200,551
Increase in net assets attributable to holders of redeemable units per class per unit				
Class A	\$	0.58	\$	-
Class I	\$	0.66	\$	0.30

See accompanying notes to the financial statements

Educators Bond Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the six months ended June 30, 2019 and 2018 (unaudited)

	2019	2018
Net assets attributable to holders of redeemable units, beginning of period		
Class A	\$ 6,879,990	\$ 8,953,082
Class I	<u>8,847,794</u>	<u>-</u>
	<u>15,727,784</u>	<u>8,953,082</u>
Increase in net assets attributable to holders of redeemable units		
Class A	404,687	2,793
Class I	<u>749,737</u>	<u>60,001</u>
	<u>1,154,424</u>	<u>62,794</u>
Distributions to holders of redeemable units		
From net investment income and return of capital		
Class A	(56,454)	(60,629)
Class I	<u>(176,135)</u>	<u>(40,405)</u>
Total distributions to holders of redeemable units	<u>(232,589)</u>	<u>(101,034)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	1,314,178	386,002
Class I	<u>5,223,734</u>	<u>4,503,710</u>
	<u>6,537,912</u>	<u>4,889,712</u>
Redemption of redeemable units		
Class A	(753,558)	(1,368,226)
Class I	<u>(606,880)</u>	<u>(21,836)</u>
	<u>(1,360,438)</u>	<u>(1,390,062)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	56,395	60,599
Class I	<u>176,083</u>	<u>40,329</u>
	<u>232,478</u>	<u>100,928</u>
Net increase from redeemable unit transactions	<u>5,409,952</u>	<u>3,600,578</u>
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class A	965,248	(979,461)
Class I	<u>5,366,539</u>	<u>4,541,799</u>
	<u>6,331,787</u>	<u>3,562,338</u>
Net assets attributable to holders of redeemable units, end of period		
Class A	7,845,238	7,973,621
Class I	<u>14,214,333</u>	<u>4,541,799</u>
	<u>22,059,571</u>	<u>12,515,420</u>

See accompanying notes to the financial statements

Educators Bond Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units** (continued)*For the six months ended June 30, 2019 and 2018 (unaudited)*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the period ended June 30, 2019 and year ended December 31, 2018.

Class A	2019	2018
Number of units, beginning of period	705,316	909,935
Units issued	130,025	63,915
Units issued from reinvested distributions	5,552	10,580
Units redeemed	(75,710)	(279,114)
Number of units, end of period	<u>765,183</u>	<u>705,316</u>
Class I	2019	2018
Number of units, beginning of period	888,105	-
Units issued	511,394	905,695
Units issued from reinvested distributions	16,965	13,449
Units redeemed	(59,344)	(31,039)
Number of units, end of period	<u>1,357,120</u>	<u>888,105</u>

Educators Bond Fund
Statements of Cash Flows*For the six months ended June 30, 2019 and 2018 (unaudited)*

	2019	2018
Cash Flow from Operating Activities		
Increase in net assets attributable to holders of redeemable units	\$ 1,154,424	\$ 62,794
Adjustments for:		
Net realized (gain) loss on sale of investments	(293,459)	125,297
Net change in unrealized (appreciation) in value of investments	(647,589)	(95,795)
Purchase of investments	(26,728,212)	(24,753,152)
Proceeds from disposal of investments	21,416,823	21,214,435
Increase in interest receivable	(18,593)	(21,559)
Decrease in amounts due to Manager-Trustee	(45)	(1,015)
Cash (used) by operating activities	<u>(5,116,651)</u>	<u>(3,468,995)</u>
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	6,472,879	4,864,351
Redemption of redeemable units	(1,347,603)	(1,369,011)
Distributions paid to holders of redeemable units, net of reinvested distributions	(12)	(13)
Cash provided by financing activities	<u>5,125,264</u>	<u>3,495,327</u>
Increase in cash	\$ <u>8,613</u>	\$ <u>26,332</u>
(Bank overdraft) cash, beginning of period	\$ <u>(18,903)</u>	\$ <u>22,094</u>
(Bank overdraft) cash, end of period	\$ <u>(10,290)</u>	\$ <u>48,426</u>
Supplemental cash flow information:		
Interest received	\$ 237,154	\$ 122,463

See accompanying notes to the financial statements

Educators Bond Fund

Schedule of Investments

As at June 30, 2019 (unaudited)

Par Value or No. of Units	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Short-Term Investments						
Treasury Bills						
175,000	Canadian Treasury Bill	1.664%	19-Sep-2019	\$ 174,289	\$ 174,289	
100,000	Canadian Treasury Bill	1.659%	3-Oct-2019	99,559	99,559	
				<u>273,848</u>	<u>273,848</u>	<u>1.24</u>
Canadian Bonds						
Asset-Backed						
219,000	Canadian Mortgage Pools	1.620%	1-Mar-2022	173,350	176,052	
327,000	Canadian Mortgage Pools	1.420%	1-Jun-2022	274,475	278,059	
85,000	Canadian Mortgage Pools	1.840%	1-Dec-2022	75,274	76,644	
				<u>523,099</u>	<u>530,755</u>	<u>2.41</u>
Corporate Bonds						
64,000	AltaGas Ltd.	3.720%	28-Sep-2021	65,600	66,053	
83,000	AltaLink LP	2.978%	28-Nov-2022	83,200	85,769	
52,000	AltaLink LP	3.717%	3-Dec-2046	54,532	58,823	
426,000	Bank of Montreal	1.610%	28-Oct-2021	413,378	422,895	
250,000	Bank of Montreal	2.270%	11-Jul-2022	246,630	251,983	
510,000	Bank of Montreal	2.850%	6-Mar-2024	511,658	521,167	
156,000	Bank of Nova Scotia	2.836%	3-Jul-2029	156,046	155,848	
226,000	Bell Canada Inc.	3.000%	3-Oct-2022	227,252	231,649	
2,000	Bell Canada Inc.	2.700%	27-Feb-2024	1,937	2,026	
60,000	Bell Canada Inc.	2.750%	29-Jan-2025	59,877	60,756	
53,000	Bell Canada Inc.	3.600%	29-Sep-2027	54,491	55,847	
157,000	Brookfield Infrastructure Finance ULC	3.315%	22-Feb-2024	156,359	160,554	
7,000	Brookfield Infrastructure Finance ULC	4.193%	11-Sep-2028	7,000	7,342	
147,000	Canadian Imperial Bank of Commerce	1.900%	26-Apr-2021	144,187	146,867	
547,000	Canadian Imperial Bank of Commerce	2.040%	21-Mar-2022	538,357	547,810	
287,000	Canadian Imperial Bank of Commerce	3.290%	15-Jan-2024	287,150	298,290	
70,000	Canadian Imperial Bank of Commerce	3.420%	26-Jan-2026	70,564	71,301	
198,000	Canadian Imperial Bank of Commerce	3.450%	4-Apr-2028	203,552	203,544	
177,000	Canadian Imperial Bank of Commerce	2.950%	19-Jun-2029	177,111	177,870	
116,000	Canadian Natural Resources Ltd.	3.420%	1-Dec-2026	117,439	119,635	
26,000	CU Inc	4.947%	18-Nov-2050	31,599	35,468	
89,000	Enbridge Gas Distribution Inc.	4.040%	23-Nov-2020	91,467	91,317	
63,000	Enbridge Gas Distribution Inc.	7.600%	29-Oct-2026	81,989	83,997	
72,000	Enbridge Gas Distribution Inc.	4.950%	22-Nov-2050	91,298	98,293	
136,000	Enbridge Pipelines Inc.	6.350%	17-Nov-2023	156,251	157,986	
17,000	Enbridge Pipelines Inc.	8.200%	15-Feb-2024	21,469	21,165	
37,000	Enbridge Pipelines Inc.	3.520%	22-Feb-2029	36,984	39,380	
41,000	EPCOR Utilities Inc.	3.554%	27-Nov-2047	40,043	44,825	
93,000	FortisAlberta Inc.	3.734%	18-Sep-2048	95,835	104,282	
15,000	FortisAlberta Inc.	4.800%	27-Oct-2050	17,805	19,975	
35,000	FortisBC Energy Inc.	5.900%	26-Feb-2035	44,752	47,938	
26,000	FortisBC Energy Inc.	6.000%	2-Oct-2037	34,035	36,988	
45,000	FortisBC Energy Inc.	3.690%	30-Oct-2047	45,444	50,748	
24,000	FortisBC Inc.	5.000%	24-Nov-2050	30,633	32,875	
112,000	Loblaws Cos Ltd.	3.918%	10-Jun-2024	116,405	119,383	
337,000	Lower Mattagami Energy LP	4.331%	18-May-2021	350,695	351,910	
1,000	North West Redwater Partnership	3.650%	1-Jun-2035	960	1,054	
82,000	North West Redwater Partnership	2.800%	1-Jun-2027	80,168	82,817	
18,000	NOVA Gas Transmission Ltd.	6.590%	1-Dec-2027	21,694	22,451	
5,000	Nova Scotia Power Inc.	6.950%	25-Aug-2033	6,986	7,140	
191,000	Pembina Pipeline Corp.	2.990%	22-Jan-2024	187,860	194,738	
110,000	Rogers Communications Inc.	3.250%	1-May-2029	109,798	112,828	
167,000	Royal Bank of Canada	2.030%	15-Mar-2021	164,543	167,261	
306,000	Royal Bank of Canada	3.296%	26-Sep-2023	307,280	318,376	
329,000	Royal Bank of Canada	2.352%	2-Jul-2024	329,000	329,038	
241,000	Royal Bank of Canada	3.310%	20-Jan-2026	243,734	245,155	
80,000	TELUS Corp.	2.750%	8-Jul-2026	79,898	80,293	
269,000	Toronto-Dominion Bank	2.045%	8-Mar-2021	264,459	269,527	
297,000	Toronto-Dominion Bank	3.005%	30-May-2023	301,687	308,050	
103,000	Toronto-Dominion Bank	2.319%	28-Jun-2023	103,000	103,551	

Educators Bond Fund Schedule of Investments

As at June 30, 2019 (unaudited)

Par Value or No. of Units	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
425,000	Toronto-Dominion Bank	2.850%	8-Mar-2024	425,000	434,981	
140,000	Toronto-Dominion Bank	2.692%	24-Jun-2025	139,953	140,678	
298,000	Toronto-Dominion Bank	3.589%	14-Sep-2028	299,268	309,775	
103,000	Toronto-Dominion Bank	3.060%	26-Jan-2032	102,963	103,461	
172,000	TransCanada PipeLines Ltd.	8.290%	5-Feb-2026	227,817	226,826	
10,000	TransCanada PipeLines Ltd.	7.310%	15-Jan-2027	12,535	12,869	
58,000	TransCanada PipeLines Ltd.	7.900%	15-Apr-2027	76,225	77,800	
60,000	TransCanada PipeLines Ltd.	6.280%	26-May-2028	73,249	74,733	
12,000	TransCanada PipeLines Ltd.	8.210%	25-Apr-2030	16,610	16,472	
13,000	TransCanada PipeLines Ltd.	8.200%	15-Aug-2031	18,212	18,677	
9,000	TransCanada PipeLines Ltd.	4.340%	15-Oct-2049	8,997	9,775	
34,000	TransCanada Trust	4.650%	18-May-2077	33,845	32,453	
55,000	Union Gas Ltd	4.850%	25-Apr-2022	58,314	59,237	
39,000	Union Gas Ltd.	3.790%	10-Jul-2023	40,675	41,390	
51,000	Union Gas Ltd.	8.650%	10-Nov-2025	69,480	69,182	
54,000	Union Gas Ltd.	2.880%	22-Nov-2027	52,853	55,540	
31,000	Union Gas Ltd.	3.590%	22-Nov-2047	31,018	33,879	
86,000	Westcoast Energy Inc.	3.883%	28-Oct-2021	88,643	89,297	
26,000	Westcoast Energy Inc.	8.850%	21-Jul-2025	34,424	34,852	
157,000	Westcoast Energy Inc.	7.300%	18-Dec-2026	199,600	202,041	
20,000	Westcoast Energy Inc.	7.150%	20-Mar-2031	25,948	27,320	
				9,099,720	9,296,076	42.14
Government Bonds						
150,000	Canadian Government Bond	1.250%	1-Feb-2020	149,598	149,596	
390,000	Canadian Government Bond	1.500%	1-Jun-2026	384,043	391,808	
1,367,000	Canadian Government Bond	2.250%	1-Jun-2029	1,461,573	1,465,795	
708,000	Canadian Government Bond	2.750%	1-Dec-2048	809,775	882,578	
126,000	Canadian Government Bond	2.000%	1-Dec-2051	122,137	136,171	
171,000	Canadian Government Real Return Bond	6.959%	1-Dec-2021	309,413	307,955	
130,000	City of Montreal	3.000%	1-Sep-2027	130,618	136,911	
203,000	City of Toronto	3.900%	29-Sep-2023	215,857	219,257	
43,000	Province of Alberta	2.350%	1-Jun-2025	42,316	43,994	
445,000	Province of Alberta	2.900%	1-Dec-2028	449,860	472,174	
14,000	Province of Alberta	3.900%	1-Dec-2033	15,375	16,537	
165,000	Province of Alberta	3.050%	1-Dec-2048	164,773	182,544	
295,000	Province of British Columbia	2.950%	18-Dec-2028	303,629	317,130	
49,000	Province of British Columbia	2.800%	18-Jun-2048	47,032	53,089	
36,000	Province of British Columbia	2.950%	18-Jun-2050	35,857	40,425	
53,000	Province of Manitoba	4.400%	5-Sep-2025	58,591	60,400	
328,000	Province of Ontario	2.600%	8-Sep-2023	329,061	338,772	
1,011,000	Province of Ontario	2.600%	2-Jun-2025	1,010,978	1,049,433	
222,000	Province of Ontario	2.900%	2-Jun-2028	226,343	235,955	
123,000	Province of Ontario	4.700%	2-Jun-2037	154,214	163,000	
18,000	Province of Ontario	4.650%	2-Jun-2041	22,856	24,528	
98,000	Province of Ontario	3.500%	2-Jun-2043	102,956	115,573	
388,000	Province of Ontario	2.800%	2-Jun-2048	385,052	412,876	
239,000	Province of Ontario	2.900%	2-Jun-2049	235,117	259,962	
1,484,000	Province of Ontario	2.400%	2-Jun-2026	1,494,088	1,522,571	
901,000	Province of Ontario	2.700%	2-Jun-2029	923,513	944,902	
277,000	Province of Ontario	2.650%	2-Dec-2050	285,080	287,525	
249,000	Province of Quebec	2.750%	1-Sep-2028	246,960	262,617	
221,000	Province of Quebec	5.000%	1-Dec-2041	299,851	317,232	
300,000	Province of Quebec	3.500%	1-Dec-2048	332,561	365,281	
453,000	Province of Quebec	2.300%	1-Sep-2029	454,222	460,565	
253,000	Province of Quebec	3.100%	1-Dec-2051	267,995	290,334	
12,000	Province of Saskatchewan	5.800%	5-Sep-2033	15,822	16,902	
				11,487,116	11,944,392	54.14
				21,109,935	21,771,223	98.69

Educators Bond Fund Schedule of Investments

As at June 30, 2019 (unaudited)

Par Value or No. of Units	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
	Total Investments			\$ 21,383,783	\$ 22,045,071	99.93
	Net Investments					
	Other Assets Less Liabilities				\$ 14,500	0.07
	Net Assets Attributable to Holders of Redeemable Units				\$ 22,059,571	100.00

Summary of Investment Portfolio

The fair value percentages of Net Assets Attributable to Holders of Redeemable Units by major portfolio category are shown in the following table:

Asset Type	As a % of Fund's Net Assets attributable to holders of redeemable units	
	2019	2018
Government Bonds	54.14%	51.12%
Corporate Bonds	42.14%	43.50%
Asset-Backed Securities	2.41%	3.12%
Short-term investments	1.24%	1.58%
Cash	-0.05%	-0.12%
Net Other Assets (Liabilities)	0.12%	0.80%
	100.00%	100.00%

Educators Balanced Fund

Statements of Financial Position

As at June 30, 2019 (unaudited) and December 31, 2018 (audited)

	2019	2018
Assets		
Current assets		
Cash	\$ 112,775	\$ 114,442
Interest and dividends receivable	555,864	572,785
Subscriptions receivable	87,210	30,460
Due from brokers	4,960,559	-
Investments	253,048,131	238,161,868
Total assets	\$ 258,764,539	\$ 238,879,555
Liabilities		
Current liabilities		
Due to brokers	5,340,446	61,515
Redemptions payable	-	58,350
Amounts due to Manager-Trustee (Note 6)	361,179	378,734
Total liabilities	5,701,625	498,599
Net assets attributable to holders of redeemable units	\$ 253,062,914	\$ 238,380,956
Net Assets attributable to holders of redeemable units per class		
Class A	253,062,914	238,380,956
Number of redeemable units outstanding (Note 3)		
Class A	12,912,025	13,109,688
Net Assets attributable to holders of redeemable units per class per unit		
Class A	19.60	18.18

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", President and CEO

Signed: "Stuart Mulcahy", Chief Financial Officer

Educators Balanced Fund

Statements of Comprehensive Income

For the six months ended June 30, 2019 and 2018 (unaudited)

	2019	2018
Income		
Interest for distribution purposes	\$ 1,081,836	\$ 1,118,775
Dividends	1,186,499	1,056,270
Securities lending (Note 5)	8,503	10,394
Other changes in fair value of investments:		
Net realized gain	1,807,580	3,274,895
Net change in unrealized appreciation (depreciation)	16,772,581	(1,394,356)
	20,856,999	4,065,978
Expenses		
Management fees (Note 6)	2,030,171	2,045,448
Independent review committee fees	10,502	10,898
Transaction costs	10,955	13,180
Withholding taxes	7,761	1,282
Harmonised sales tax	262,298	263,863
Total expenses	2,321,687	2,334,671
Increase in net assets attributable to holders of redeemable units	\$ 18,535,312	\$ 1,731,307
Increase in net assets attributable to holders of redeemable units per class		
Class A	\$ 18,535,312	\$ 1,731,307
Weighted average redeemable units outstanding during the period		
Class A	13,044,991	12,729,368
Increase in net assets attributable to holders of redeemable units per class per unit		
Class A	\$ 1.42	\$ 0.14

Educators Balanced Fund
Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the six months ended June 30, 2019 and 2018 (unaudited)

	2019	2018
Net assets attributable to holders of redeemable units, beginning of period		
Class A	\$ 238,380,956	\$ 245,878,934
Increase in net assets attributable to holders of redeemable units		
Class A	<u>18,535,312</u>	<u>1,731,307</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	<u>14,079,645</u>	<u>23,062,580</u>
Redemption of redeemable units		
Class A	<u>(17,932,999)</u>	<u>(18,787,015)</u>
Net (decrease) increase from redeemable unit transactions	<u>(3,853,354)</u>	<u>4,275,565</u>
Net increase in net assets attributable to holders of redeemable units		
Class A	<u>14,681,958</u>	<u>6,006,872</u>
Net assets attributable to holders of redeemable units, end of period		
Class A	<u>253,062,914</u>	<u>251,885,806</u>

Educators Balanced Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (continued)***For the six months ended June 30, 2019 and 2018 (unaudited)*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the period ended June 30, 2019 and year ended December 31, 2018.

Class A	2019	2018
Number of units, beginning of period	13,109,688	12,529,872
Units issued	737,153	2,254,936
Units issued from reinvested distributions	-	428,734
Units redeemed	<u>(934,816)</u>	<u>(2,103,854)</u>
Number of units, end of period	<u>12,912,025</u>	<u>13,109,688</u>

Educators Balanced Fund**Statements of Cash Flows***For the six months ended June 30, 2019 and 2018 (unaudited)*

	2019	2018
Cash Flow from Operating Activities		
Increase in net assets attributable to holders of redeemable units	\$ 18,535,312	\$ 1,731,307
Adjustments for:		
Net realized (gain) on sale of investments	(1,807,580)	(3,274,895)
Net change in unrealized (appreciation) depreciation in value of investments	(16,772,581)	1,394,356
Purchase of investments	(100,042,524)	(143,079,326)
Proceeds from disposal of investments	104,054,794	138,979,256
Decrease (increase) in interest and dividends receivable	16,921	(24,437)
(Decrease) increase in amounts due to Manager-Trustee	<u>(17,555)</u>	<u>12,160</u>
Cash provided (used) by operating activities	<u>3,966,787</u>	<u>(4,261,579)</u>
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	14,022,895	22,847,714
Redemption of redeemable units	<u>(17,991,349)</u>	<u>(18,590,864)</u>
Cash (used) provided by financing activities	<u>(3,968,454)</u>	<u>4,256,850</u>
Decrease in cash	\$ <u>(1,667)</u>	\$ <u>(4,729)</u>
Cash, beginning of period	\$ <u>114,442</u>	\$ <u>2,307</u>
Cash (Bank overdraft), end of period	\$ <u>112,775</u>	\$ <u>(2,422)</u>
Supplemental cash flow information:		
Dividends received, net of withholding taxes	\$ 1,163,416	\$ 1,080,244
Interest received	\$ 1,114,370	\$ 1,070,706

Educators Balanced Fund Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Short-Term Investments						
Treasury Bills						
525,000	Canadian Treasury Bill	1.659%	3-Oct-2019	\$ 522,695	\$ 522,695	
60,000	Canadian Treasury Bill	1.668%	25-Jul-2019	59,751	59,751	
325,000	Canadian Treasury Bill	1.675%	8-Aug-2019	323,663	323,663	
450,000	Canadian Treasury Bill	1.679%	22-Aug-2019	448,104	448,104	
1,375,000	Canadian Treasury Bill	1.666%	5-Sep-2019	1,369,169	1,369,169	
425,000	Canadian Treasury Bill	1.664%	19-Sep-2019	423,220	423,220	
				<u>3,146,602</u>	<u>3,146,602</u>	<u>1.24</u>
Canadian Bonds						
Asset-Backed						
934,000	Canadian Mortgage Pools	1.620%	1-Mar-2022	747,189	750,837	
1,090,000	Canadian Mortgage Pools	1.420%	1-Jun-2022	925,915	926,864	
565,000	Canadian Mortgage Pools	1.840%	1-Dec-2022	505,041	509,457	
				<u>2,178,145</u>	<u>2,187,158</u>	<u>0.86</u>
Corporate Bonds						
378,000	AltaGas Ltd.	3.720%	28-Sep-2021	388,191	390,127	
497,000	AltaLink LP	2.978%	28-Nov-2022	498,202	513,583	
224,000	AltaLink LP	3.717%	3-Dec-2046	226,140	253,389	
1,651,000	Bank of Montreal	1.610%	28-Oct-2021	1,613,113	1,638,968	
1,096,000	Bank of Montreal	2.270%	11-Jul-2022	1,084,972	1,104,694	
1,789,000	Bank of Montreal	2.850%	6-Mar-2024	1,790,169	1,828,173	
546,000	Bank of Nova Scotia	2.836%	3-Jul-2029	546,162	545,467	
804,000	Bell Canada Inc.	3.000%	3-Oct-2022	809,835	824,097	
33,000	Bell Canada Inc.	2.700%	27-Feb-2024	32,208	33,423	
242,000	Bell Canada Inc.	2.750%	29-Jan-2025	241,504	245,049	
130,000	Bell Canada Inc.	3.600%	29-Sep-2027	130,090	136,983	
524,000	Brookfield Infrastructure Finance ULC	3.315%	22-Feb-2024	529,518	535,861	
119,000	Brookfield Infrastructure Finance ULC	4.193%	11-Sep-2028	119,000	124,814	
320,000	Canadian Imperial Bank of Commerce	1.900%	26-Apr-2021	317,232	319,710	
1,989,000	Canadian Imperial Bank of Commerce	2.040%	21-Mar-2022	1,963,047	1,991,945	
1,173,000	Canadian Imperial Bank of Commerce	3.290%	15-Jan-2024	1,173,296	1,219,144	
430,000	Canadian Imperial Bank of Commerce	3.420%	26-Jan-2026	433,466	437,991	
708,000	Canadian Imperial Bank of Commerce	3.450%	4-Apr-2028	727,852	727,826	
660,000	Canadian Imperial Bank of Commerce	2.950%	19-Jun-2029	660,580	663,245	
370,000	Canadian Natural Resources Ltd.	3.420%	1-Dec-2026	371,981	381,593	
96,000	CU Inc.	4.947%	18-Nov-2050	121,129	130,960	
16,000	Enbridge Gas Distribution Inc.	4.040%	23-Nov-2020	16,444	16,417	
35,000	Enbridge Gas Distribution Inc.	9.850%	2-Dec-2024	52,675	47,896	
221,000	Enbridge Gas Distribution Inc.	7.600%	29-Oct-2026	301,355	294,657	
235,000	Enbridge Gas Distribution Inc.	4.950%	22-Nov-2050	263,946	320,817	
398,000	Enbridge Pipelines Inc.	6.350%	17-Nov-2023	481,835	462,340	
112,000	Enbridge Pipelines Inc.	8.200%	15-Feb-2024	145,905	139,441	
169,000	Enbridge Pipelines Inc.	3.520%	22-Feb-2029	168,929	179,870	
194,000	EPCOR Utilities Inc.	3.554%	27-Nov-2047	193,406	212,098	
192,000	FortisAlberta Inc.	3.734%	18-Sep-2048	192,000	215,291	
98,000	FortisAlberta Inc.	4.800%	27-Oct-2050	118,056	130,502	
108,000	FortisBC Energy Inc.	5.900%	26-Feb-2035	140,550	147,923	
81,000	FortisBC Energy Inc.	6.000%	2-Oct-2037	107,632	115,232	
158,000	FortisBC Energy Inc.	3.690%	30-Oct-2047	158,017	178,183	
61,000	FortisBC Inc.	5.000%	24-Nov-2050	74,308	83,558	
474,000	Loblaws Cos Ltd.	3.918%	10-Jun-2024	490,914	505,245	
430,000	Lower Mattagami Energy LP	4.331%	18-May-2021	446,677	449,024	
192,000	North West Redwater Partnership	2.800%	1-Jun-2027	191,561	193,914	
28,000	North West Redwater Partnership	3.650%	1-Jun-2035	27,981	29,517	
109,000	NOVA Gas Transmission Ltd.	6.590%	1-Dec-2027	131,421	135,952	
102,000	Nova Scotia Power Inc.	6.950%	25-Aug-2033	144,644	145,657	
736,000	Pembina Pipeline Corp.	2.990%	22-Jan-2024	728,576	750,404	
453,000	Rogers Communications Inc.	3.250%	1-May-2029	452,083	464,647	

Educators Balanced Fund Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
70,000	Royal Bank of Canada	2.030%	15-Mar-2021	69,646	70,109	
1,213,000	Royal Bank of Canada	3.296%	26-Sep-2023	1,214,277	1,262,058	
1,148,000	Royal Bank of Canada	2.352%	2-Jul-2024	1,148,000	1,148,134	
1,030,000	Royal Bank of Canada	3.310%	20-Jan-2026	1,038,969	1,047,757	
278,000	TELUS Corp.	2.750%	8-Jul-2026	277,647	279,017	
658,000	Toronto-Dominion Bank	2.045%	8-Mar-2021	654,249	659,290	
1,001,000	Toronto-Dominion Bank	3.005%	30-May-2023	1,010,516	1,038,243	
654,000	Toronto-Dominion Bank	2.319%	28-Jun-2023	654,000	657,498	
1,112,000	Toronto-Dominion Bank	2.850%	8-Mar-2024	1,112,000	1,138,115	
626,000	Toronto-Dominion Bank	2.692%	24-Jun-2025	630,154	629,032	
1,160,000	Toronto-Dominion Bank	3.589%	14-Sep-2028	1,164,774	1,205,837	
367,000	Toronto-Dominion Bank	3.060%	26-Jan-2032	366,868	368,641	
648,000	TransCanada PipeLines Ltd.	8.290%	5-Feb-2026	895,940	854,554	
25,000	TransCanada PipeLines Ltd.	7.310%	15-Jan-2027	32,595	32,172	
262,000	TransCanada PipeLines Ltd.	7.900%	15-Apr-2027	354,100	351,441	
195,000	TransCanada PipeLines Ltd.	6.280%	26-May-2028	241,288	242,882	
55,000	TransCanada PipeLines Ltd.	8.210%	25-Apr-2030	76,432	75,497	
82,000	TransCanada PipeLines Ltd.	8.200%	15-Aug-2031	114,887	117,811	
38,000	TransCanada PipeLines Ltd.	4.340%	15-Oct-2049	37,987	41,271	
191,000	TransCanada Trust.	4.650%	18-May-2077	190,726	182,307	
95,000	Union Gas Ltd.	4.850%	25-Apr-2022	100,568	102,319	
166,000	Union Gas Ltd.	3.790%	10-Jul-2023	173,020	176,172	
147,000	Union Gas Ltd.	8.650%	10-Nov-2025	211,279	199,407	
142,000	Union Gas Ltd.	2.880%	22-Nov-2027	140,141	146,051	
174,000	Union Gas Ltd.	3.590%	22-Nov-2047	173,186	190,158	
93,000	Westcoast Energy Inc.	9.900%	10-Jan-2020	114,703	96,636	
100,000	Westcoast Energy Inc.	3.883%	28-Oct-2021	105,777	103,834	
41,000	Westcoast Energy Inc.	8.850%	21-Jul-2025	56,417	54,959	
498,000	Westcoast Energy Inc.	7.300%	18-Dec-2026	639,360	640,869	
108,000	Westcoast Energy Inc.	7.150%	20-Mar-2031	141,908	147,530	
				31,948,016	32,525,228	12.85
Government Bonds						
722,000	Canadian Government Bond	1.250%	1-Feb-2020	720,065	720,054	
1,307,000	Canadian Government Bond	1.500%	1-Jun-2026	1,280,723	1,313,059	
4,402,000	Canadian Government Bond	2.250%	1-Jun-2029	4,702,117	4,720,140	
2,086,000	Canadian Government Bond	2.750%	1-Dec-2048	2,378,415	2,600,364	
546,000	Canadian Government Bond	2.000%	1-Dec-2051	528,077	590,076	
659,000	Canadian Government Real Return Bond	6.959%	1-Dec-2021	1,198,065	1,186,799	
477,000	City of Montreal	3.000%	1-Sep-2027	475,025	502,359	
610,000	City of Toronto	3.900%	29-Sep-2023	648,121	658,851	
141,000	Province of Alberta	2.350%	1-Jun-2025	140,915	144,259	
1,627,000	Province of Alberta	2.900%	1-Dec-2028	1,626,926	1,726,353	
66,000	Province of Alberta	3.900%	1-Dec-2033	72,359	77,959	
598,000	Province of Alberta	3.050%	1-Dec-2048	589,734	661,585	
1,189,000	Province of British Columbia	2.950%	18-Dec-2028	1,208,107	1,278,197	
132,000	Province of British Columbia	2.800%	18-Jun-2048	126,346	143,015	
148,000	Province of British Columbia	2.950%	18-Jun-2050	147,156	166,192	
153,000	Province of Manitoba	4.400%	5-Sep-2025	178,813	174,363	
1,232,000	Province of Ontario	2.600%	8-Sep-2023	1,231,747	1,272,461	
3,416,000	Province of Ontario	2.600%	2-Jun-2025	3,396,137	3,545,857	
1,018,000	Province of Ontario	2.900%	2-Jun-2028	1,034,103	1,081,990	
449,000	Province of Ontario	4.700%	2-Jun-2037	561,684	595,016	
327,000	Province of Ontario	3.500%	2-Jun-2043	341,060	385,637	
1,376,000	Province of Ontario	2.800%	2-Jun-2048	1,354,134	1,464,219	
993,000	Province of Ontario	2.900%	2-Jun-2049	971,869	1,080,092	
5,407,000	Province of Ontario	2.400%	2-Jun-2026	5,428,519	5,547,532	
2,313,000	Province of Ontario	2.700%	2-Jun-2029	2,361,462	2,425,704	
863,000	Province of Ontario	2.650%	2-Dec-2050	887,708	895,791	
936,000	Province of Quebec	2.750%	1-Sep-2028	930,255	987,187	
747,000	Province of Quebec	5.000%	1-Dec-2041	983,991	1,072,274	
1,038,000	Province of Quebec	3.500%	1-Dec-2048	1,132,295	1,263,871	

Educators Balanced Fund Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
1,745,000	Province of Quebec	2.300%	1-Sep-2029	1,749,425	1,774,142	
958,000	Province of Quebec	3.100%	1-Dec-2051	1,007,972	1,099,366	
58,000	Province of Saskatchewan	5.800%	5-Sep-2033	78,358	81,691	
				<u>39,471,683</u>	<u>41,236,455</u>	<u>16.29</u>
				<u>73,597,844</u>	<u>75,948,841</u>	<u>30.00</u>
Canadian Common Stocks						
Consumer Discretionary						
18,343	Canadian Tire Corp Ltd.			2,232,181	2,617,179	
59,540	Magna International Inc.			2,871,830	3,879,626	
				<u>5,104,011</u>	<u>6,496,805</u>	<u>2.57</u>
Consumer Staples						
12,430	Loblaw Cos Ltd.			621,845	833,432	
86,990	Metro Inc.			3,470,946	4,274,689	
19,000	Molson Coors Canada Inc.			1,519,578	1,432,125	
50,050	Saputo Inc.			2,067,627	1,961,960	
				<u>7,679,996</u>	<u>8,502,206</u>	<u>3.36</u>
Energy						
107,380	Cameco Corp.			1,768,370	1,507,615	
105,990	Canadian Natural Resources Ltd.			3,702,458	3,742,507	
108,850	Cenovus Energy Inc.			2,225,774	1,257,218	
				<u>7,696,602</u>	<u>6,507,340</u>	<u>2.57</u>
Financials						
28,080	Bank of Montreal			2,778,598	2,777,674	
50,200	Bank of Nova Scotia			3,063,370	3,531,068	
64,110	Brookfield Asset Management Inc.			2,691,873	4,016,492	
7,390	Canadian Imperial Bank of Commerce			780,063	761,022	
66,280	Great-West Lifeco Inc.			2,123,988	1,998,342	
56,150	Manulife Financial Corp.			1,175,628	1,336,370	
15,220	Onex Corp.			1,220,294	1,202,228	
75,780	Royal Bank of Canada			5,735,494	7,886,425	
62,070	Sun Life Financial Inc.			3,028,833	3,366,056	
97,650	Toronto-Dominion Bank			4,905,420	7,472,177	
				<u>27,503,561</u>	<u>34,347,854</u>	<u>13.59</u>
Industrials						
21,930	Canadian National Railway Co.			1,461,086	2,657,916	
4,000	Canadian Pacific Railway Ltd.			798,121	1,233,720	
65,030	Finning International Inc.			1,628,543	1,552,266	
7,815	Thomson Reuters Corp.			112,977	660,211	
				<u>4,000,727</u>	<u>6,104,113</u>	<u>2.41</u>
Information Technology						
49,222	Open Text Corp.			1,557,862	2,659,957	
				<u>1,557,862</u>	<u>2,659,957</u>	<u>1.05</u>
Materials						
13,920	Franco-Nevada Corp.			1,126,182	1,547,208	
58,118	Nutrien Ltd.			3,576,440	4,071,166	
				<u>4,702,622</u>	<u>5,618,374</u>	<u>2.22</u>
Communication Services						
44,830	Quebecor Inc.			833,697	1,398,248	
96,100	Rogers Communications Inc.			5,218,647	6,736,610	
38,940	TELUS Corp.			1,502,061	1,885,085	
				<u>7,554,405</u>	<u>10,019,943</u>	<u>3.96</u>
				<u>65,799,786</u>	<u>80,256,592</u>	<u>31.73</u>

Educators Balanced Fund Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Canadian Mutual Funds						
2,755,996	Beutel Goodman American Equity Fund, Class I			39,661,921	46,916,705	
7,589,252	Beutel Goodman International Equity Fund, Class I			40,629,012	46,779,391	
				<u>80,290,933</u>	<u>93,696,096</u>	<u>37.02</u>
	Total Investments			\$ 222,835,165	\$ 253,048,131	99.99
	Transaction Costs			(44,138)		
	Net Investments			222,791,027	253,048,131	99.99
	Other Assets Less Liabilities				14,783	0.01
	Net Assets Attributable to Holders of Redeemable Units				\$ 253,062,914	100.00

Summary of Investment Portfolio

The fair value percentages of Net Assets Attributable to Holders of Redeemable Units by major portfolio category are shown in the following table:

Sector	As a % of Fund's Net Assets attributable to holders of redeemable units	
	2019	2018
Canadian Mutual Funds	37.02%	39.07%
Government Bonds	16.29%	14.94%
Corporate Bonds	12.85%	13.99%
Financials	13.59%	12.19%
Consumer Discretionary	2.57%	2.34%
Industrials	2.41%	2.75%
Communication Services	3.96%	3.82%
Consumer Staples	3.36%	3.15%
Energy	2.57%	2.36%
Materials	2.22%	1.98%
Asset-Backed Securities	0.86%	1.06%
Short-term investments	1.24%	1.42%
Information Technology	1.05%	0.84%
Net Other Assets	0.01%	0.09%
	100.00%	100.00%

Educators Monthly Income Fund

Statements of Financial Position

As at June 30, 2019 (unaudited) and December 31, 2018 (audited)

	2019	2018
Assets		
Current assets		
Cash	\$ 95,299	\$ 349,956
Interest and dividends receivable	170,793	185,620
Subscriptions receivable	31	-
Due from brokers	634,020	-
Forward contracts (Note 10)	13,135	-
Investments	<u>63,681,261</u>	<u>59,542,481</u>
Total assets	\$ <u>64,594,539</u>	\$ <u>60,078,057</u>
Liabilities		
Current liabilities		
Due to brokers	610,000	56,516
Redemptions payable	80,326	34,775
Distributions payable	12,612	-
Amounts due to Manager-Trustee (Note 6)	63,336	66,625
Forward contracts (Note 10)	<u>-</u>	<u>84,027</u>
Total liabilities	<u>766,274</u>	<u>241,943</u>
Net assets attributable to holders of redeemable units	\$ <u>63,828,265</u>	\$ <u>59,836,114</u>
Net Assets attributable to holders of redeemable units per class		
Class A	<u>63,828,265</u>	<u>59,836,114</u>
Number of redeemable units outstanding (Note 3)		
Class A	<u>6,567,541</u>	<u>6,596,034</u>
Net Assets attributable to holders of redeemable units per class per unit		
Class A	<u>9.72</u>	<u>9.07</u>

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", President and CEO

Signed: "Stuart Mulcahy", Chief Financial Officer

Educators Monthly Income Fund

Statements of Comprehensive Income

For the six months ended June 30, 2019 and 2018 (unaudited)

	2019	2018
Income		
Interest for distribution purposes	\$ 252,105	\$ 219,293
Dividends	794,645	754,401
Securities lending (Note 5)	4,703	5,430
Other changes in fair value of investments:		
Net realized gain	798,008	1,825,475
Net realized gain (loss) on forward contracts	10,381	(85,590)
Net change in unrealized appreciation on forward contracts	97,162	34,558
Net change in unrealized appreciation (depreciation)	4,769,767	(2,376,372)
Total income	<u>6,726,771</u>	<u>377,195</u>
Expenses		
Management fees (Note 6)	359,989	361,991
Independent review committee fees	2,739	2,725
Transaction costs	15,806	28,151
Withholding taxes	32,747	15,474
Harmonised sales tax	46,691	46,914
Total expenses	<u>457,972</u>	<u>455,255</u>
Increase (decrease) in net assets attributable to holders of redeemable units	 \$ <u>6,268,799</u>	 \$ <u>(78,060)</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class A	\$ <u>6,268,799</u>	\$ <u>(78,060)</u>
Weighted average redeemable units outstanding during the period		
Class A	<u>6,589,556</u>	<u>6,290,563</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class per unit		
Class A	\$ <u>0.95</u>	\$ <u>(0.01)</u>

See accompanying notes to the financial statements

Educators Monthly Income Fund
Statements of Changes in Net Assets Attributable to Holders of Redeemable Units
For the six months ended June 30, 2019 and 2018 (unaudited)

	2019	2018
Net assets attributable to holders of redeemable units, beginning of period		
Class A	\$ 59,836,114	\$ 65,292,627
Increase (decrease) in net assets attributable to holders of redeemable units		
Class A	<u>6,268,799</u>	<u>(78,060)</u>
Distributions to holders of redeemable units		
From net investment income and return of capital		
Class A	<u>(1,973,489)</u>	<u>(1,883,389)</u>
Total distributions to holders of redeemable units	<u>(1,973,489)</u>	<u>(1,883,389)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	<u>4,420,359</u>	<u>4,144,517</u>
Redemption of redeemable units		
Class A	<u>(6,613,901)</u>	<u>(6,285,501)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	<u>1,890,383</u>	<u>1,828,148</u>
Net decrease from redeemable unit transactions	<u>(303,159)</u>	<u>(312,836)</u>
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class A	<u>3,992,151</u>	<u>(2,274,285)</u>
Net assets attributable to holders of redeemable units, end of period		
Class A	<u>63,828,265</u>	<u>63,018,342</u>

Educators Monthly Income Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (continued)***For the six months ended June 30, 2019 and 2018 (unaudited)*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the period ended June 30, 2019 and year ended December 31, 2018.

Class A	2019	2018
Number of units, beginning of period	6,596,034	6,323,244
Units issued	459,209	1,093,690
Units issued from reinvested distributions	194,885	383,960
Units redeemed	<u>(682,587)</u>	<u>(1,204,860)</u>
Number of units, end of period	<u>6,567,541</u>	<u>6,596,034</u>

Educators Monthly Income Fund**Statements of Cash Flows***For the six months ended June 30, 2019 and 2018 (unaudited)*

	2019	2018
Cash Flow from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 6,268,799	\$ (78,060)
Adjustments for:		
Net realized (gain) on sale of investments	(798,008)	(1,825,475)
Net change in unrealized (appreciation) on forward contracts	(97,162)	(34,558)
Net change in unrealized (appreciation) depreciation in value of investments	(4,769,767)	2,376,372
Purchase of investments	(26,990,248)	(35,313,155)
Proceeds from disposal of investments	28,338,707	37,123,300
Decrease in interest and dividends receivable	14,827	6,097
(Decrease) in amounts due to Manager-Trustee	<u>(3,289)</u>	<u>(1,754)</u>
Cash provided by operating activities	<u>1,963,859</u>	<u>2,252,767</u>
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	4,420,328	4,185,813
Redemption of redeemable units	(6,568,350)	(6,312,950)
Distributions paid to holders of redeemable units, net of reinvested distributions	<u>(70,494)</u>	<u>(45,435)</u>
Cash (used) by financing activities	<u>(2,218,516)</u>	<u>(2,172,572)</u>
(Decrease) increase in cash	\$ <u>(254,657)</u>	\$ 80,195
Cash, beginning of period	\$ <u>349,956</u>	\$ 95,566
Cash, end of period	\$ <u>95,299</u>	\$ 175,761
Supplemental cash flow information:		
Dividends received, net of withholding taxes	\$ 764,412	\$ 730,859
Interest received	\$ 264,469	\$ 234,019

Educators Monthly Income Fund Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Short-Term Investments						
Treasury Bills						
150,000	Canadian Treasury Bill	1.719%	31-Oct-2019	\$ 148,857	\$ 148,857	
545,000	Canadian Treasury Bill	1.668%	8-Aug-2019	542,807	542,807	
415,000	Canadian Treasury Bill	1.681%	22-Aug-2019	413,277	413,277	
960,000	Canadian Treasury Bill	1.660%	5-Sep-2019	954,070	954,070	
				<u>2,059,011</u>	<u>2,059,011</u>	<u>3.23</u>
Canadian Bonds						
Asset-Backed						
200,000	BMW Canada Auto Trust	2.823%	20-Apr-2023	200,000	201,997	
125,000	GMF Canada Leasing Trust	2.465%	20-Sep-2022	125,000	125,039	
15,000	Institutional Mortgage Securities Canada Inc.	4.507%	12-Jan-2023	14,594	15,175	
27,000	Institutional Mortgage Securities Canada Inc.	4.240%	12-Oct-2023	26,998	27,609	
110,000	Institutional Mortgage Securities Canada Inc.	4.186%	12-May-2024	109,995	108,636	
48,000	Institutional Mortgage Securities Canada Inc.	4.192%	12-Jul-2045	47,997	49,056	
80,000	MCAP CMBS Issuer Corp.	3.600%	12-Apr-2054	79,144	79,594	
235,000	MCAP RMBS Issuer Corp Mortgage Pass-Through Certificates	2.750%	15-May-2023	211,779	216,945	
70,000	Real Estate Asset Liquidity Trust	3.451%	12-May-2025	69,995	70,231	
73,000	Real Estate Asset Liquidity Trust	3.660%	12-Jul-2025	68,670	68,854	
200,000	Real Estate Asset Liquidity Trust	3.179%	12-Jan-2026	198,076	203,960	
130,000	Real Estate Asset Liquidity Trust	3.400%	12-Oct-2049	120,779	127,043	
				<u>1,273,027</u>	<u>1,294,139</u>	<u>2.02</u>
Corporate Bonds						
740,000	AIMCo Realty Investors LP	2.712%	1-Jun-2029	740,000	747,231	
135,000	Algonquin Power Co.	4.600%	29-Jan-2029	134,935	146,493	
179,000	Bank of Montreal	2.850%	6-Mar-2024	178,959	182,919	
125,000	Bank of Nova Scotia	2.290%	28-Jun-2024	121,223	126,254	
185,000	Bank of Nova Scotia	3.890%	18-Jan-2029	191,589	193,751	
395,000	Bank of Nova Scotia	2.836%	3-Jul-2029	395,000	394,615	
100,000	Blackbird Infrastructure 407 GP	1.713%	8-Oct-2021	99,221	99,740	
195,000	Canadian Imperial Bank of Commerce	2.950%	19-Jun-2029	194,990	195,959	
282,000	Capital Power Corp.	5.276%	16-Nov-2020	301,418	292,553	
60,000	Capital Power Corp.	4.284%	18-Sep-2024	60,000	62,763	
50,000	Chip Mortgage Trust	2.330%	29-Apr-2020	50,000	49,915	
105,000	Chip Mortgage Trust	2.981%	15-Nov-2021	105,000	105,964	
141,000	Choice Properties Real Estate Investment Trust	3.532%	11-Jun-2029	141,000	143,416	
215,000	CU Inc.	5.183%	21-Nov-2035	263,399	277,672	
125,000	Eagle Credit Card Trust	3.562%	17-Jul-2023	125,000	128,320	
150,000	ENMAX Corp.	3.836%	5-Jun-2028	150,000	158,675	
215,000	Fortified Trust	1.670%	23-Jul-2021	214,146	213,553	
130,000	FortisBC Energy Inc.	6.000%	2-Oct-2037	175,933	184,940	
155,000	Glacier Credit Card Trust	3.237%	20-Sep-2020	156,073	154,346	
250,000	Glacier Credit Card Trust	3.298%	20-Sep-2022	250,000	250,323	
212,000	Glacier Credit Card Trust	3.430%	6-Jun-2024	212,000	209,515	
95,000	Inter Pipeline Ltd.	3.484%	16-Dec-2026	95,886	98,327	
190,000	Ivanhoe Cambridge II Inc.	2.909%	27-Jun-2023	190,000	195,840	
130,000	Loblaw Cos Ltd.	4.488%	11-Dec-2028	130,000	145,350	
160,000	Master Credit Card Trust II	2.954%	21-Sep-2019	160,000	160,171	
150,000	Master Credit Card Trust II	2.364%	21-Jan-2022	146,563	150,195	
430,000	Master Credit Card Trust II	3.056%	21-Jan-2022	416,740	431,226	
135,000	National Bank of Canada	3.183%	1-Feb-2028	135,000	136,758	
160,000	OMERS Realty Corp.	3.331%	5-Jun-2025	160,000	169,048	
200,000	Reliance LP	3.836%	15-Mar-2025	196,828	208,107	
90,000	Reliance LP	3.750%	15-Mar-2026	89,708	92,660	
215,000	Royal Bank of Canada	2.352%	2-Jul-2024	215,000	215,025	
272,000	Shaw Communications Inc.	3.800%	2-Nov-2023	272,000	285,864	
142,000	Shaw Communications Inc.	6.750%	9-Nov-2039	176,044	189,598	
285,000	TELUS Corp.	3.300%	2-May-2029	282,649	292,023	

Educators Monthly Income Fund Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
110,000	Teranet Holdings LP	4.807%	16-Dec-2020	118,539	113,159	
523,000	Toronto-Dominion Bank	3.060%	26-Jan-2032	522,812	525,339	
310,000	Transcanada Trust	4.650%	18-May-2077	309,732	295,892	
90,000	Union Gas Ltd.	5.200%	23-Jul-2040	112,532	119,318	
175,000	WTH Car Rental ULC	1.912%	20-Jul-2020	175,000	174,428	
325,000	WTH Car Rental ULC	2.781%	20-Jul-2024	325,000	328,931	
				<u>8,489,919</u>	<u>8,646,176</u>	<u>13.55</u>
	Government Bonds					
200,000	Canadian Government Bond	0.750%	1-Mar-2021	197,220	197,479	
211,000	Canadian Government Bond	2.000%	1-Sep-2023	216,612	216,060	
122,000	Canadian Government Bond	5.750%	1-Jun-2033	177,656	185,847	
176,000	Canadian Government Bond	2.000%	1-Dec-2051	164,307	190,208	
215,000	Financement-Quebec	5.250%	1-Jun-2034	278,204	288,919	
1,746,000	Government of Canada	2.750%	1-Dec-2048	1,949,012	2,176,526	
110,000	OPB Finance Trust	1.880%	24-Feb-2022	108,340	110,164	
265,000	Province of Ontario	5.850%	8-Mar-2033	362,690	373,622	
				<u>3,454,041</u>	<u>3,738,825</u>	<u>5.86</u>
				<u>13,216,987</u>	<u>13,679,140</u>	<u>21.43</u>
	Canadian Common Stocks					
	Communication Services					
19,171	BCE Inc.			1,029,457	1,142,208	
				<u>1,029,457</u>	<u>1,142,208</u>	<u>1.79</u>
	Consumer Discretionary					
34,717	Park Lawn Corp.			856,259	998,808	
				<u>856,259</u>	<u>998,808</u>	<u>1.56</u>
	Consumer Staples					
11,280	Empire Co Ltd.			337,906	372,014	
				<u>337,906</u>	<u>372,014</u>	<u>0.58</u>
	Energy					
31,890	Canadian Natural Resources Ltd.			1,038,774	1,126,036	
22,410	Cenovus Energy Inc.			310,075	258,836	
47,409	Enbridge Inc.			2,229,745	2,242,446	
25,500	Enerflex Ltd.			402,725	434,775	
15,000	Parkland Fuel Corp.			424,200	623,250	
29,576	Pembina Pipeline Corp.			1,221,004	1,441,830	
74,400	Pinnacle Renewable Energy Inc.			853,516	723,168	
24,600	ShawCor Ltd.			634,120	450,672	
39,919	Suncor Energy Inc.			1,682,855	1,630,691	
30,908	Vermilion Energy Inc.			1,280,123	879,333	
				<u>10,077,137</u>	<u>9,811,037</u>	<u>15.37</u>
	Financials					
10,820	Bank of Montreal			919,519	1,070,314	
30,300	Bank of Nova Scotia			2,131,549	2,131,302	
20,170	Brookfield Asset Management Inc.			969,017	1,263,651	
12,600	Canadian Imperial Bank of Commerce			315,000	307,314	
3,800	ECN Capital Corp., Preferred Shares, 6.250%			88,369	78,508	
8,541	ECN Capital Corp., Preferred Shares, 6.50%			213,407	181,667	
70,220	Manulife Financial Corp.			1,526,420	1,671,236	
27,223	Royal Bank of Canada			2,035,658	2,833,098	
8,780	Sun Life Financial Inc.			463,134	476,139	
38,046	Toronto-Dominion Bank			1,996,650	2,911,277	
				<u>10,658,723</u>	<u>12,924,506</u>	<u>20.25</u>

Educators Monthly Income Fund Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Health Care						
24,740	Charlottes Web Holdings Inc.			496,104	473,029	
				<u>496,104</u>	<u>473,029</u>	<u>0.74</u>
Industrials						
50,650	Aecon Group Inc.			787,315	970,961	
8,860	Canadian National Railway Co.			725,108	1,073,832	
6,650	Waste Connections Inc.			533,613	831,915	
				<u>2,046,036</u>	<u>2,876,708</u>	<u>4.51</u>
Materials						
22,070	Agnico Eagle Mines Ltd.			1,262,730	1,481,780	
6,430	Franco-Nevada Corp.			628,383	714,695	
3,562	Nutrien Ltd.			214,166	249,518	
37,470	Stelco Holdings Inc.			718,008	569,544	
27,740	Teck Resources Ltd.			891,489	838,303	
7,095	Wheaton Precious Metals Corp.			218,500	224,699	
				<u>3,933,276</u>	<u>4,078,539</u>	<u>6.39</u>
Real Estate						
17,346	Allied Properties Real Estate Investment Trust			720,923	821,680	
36,248	CT Real Estate Investment Trust			453,691	515,447	
35,500	Killam Apartment Real Estate Investment Trust			520,386	667,045	
35,643	WPT Industrial Real Estate Investment Trust			647,172	617,136	
				<u>2,342,172</u>	<u>2,621,308</u>	<u>4.11</u>
Utilities						
58,100	Algonquin Power & Utilities Corp.			758,883	922,047	
				<u>758,883</u>	<u>922,047</u>	<u>1.44</u>
				<u>32,535,953</u>	<u>36,220,204</u>	<u>56.74</u>
Foreign Common Stocks						
Bermuda						
Utilities						
10,000	Brookfield Infrastructure Partners LP, Preferred Shares, 5.350%, Series 5			248,832	252,000	
10,000	Brookfield Renewable Partners LP, Preferred Shares, 5.750%, Series 9			261,400	255,000	
				<u>510,232</u>	<u>507,000</u>	<u>0.79</u>
United States						
Communication Services						
11,990	Comcast Corp.			616,032	662,438	
				<u>616,032</u>	<u>662,438</u>	<u>1.04</u>
Consumer Discretionary						
3,700	Lowe's Cos Inc.			507,659	487,896	
10,361	TJX Cos. Inc.			659,595	715,952	
				<u>1,167,254</u>	<u>1,203,848</u>	<u>1.89</u>
Consumer Staples						
1,800	Costco Wholesale Corp.			485,143	621,577	
				<u>485,143</u>	<u>621,577</u>	<u>0.97</u>
Energy						
12,900	Marathon Petroleum Corp.			1,185,309	941,970	
				<u>1,185,309</u>	<u>941,970</u>	<u>1.48</u>
Financials						
13,800	Bank of America Corp.			447,925	522,960	
2,650	JPMorgan Chase & Co.			207,250	387,149	
25,900	KeyCorp			639,647	600,744	
				<u>1,294,822</u>	<u>1,510,853</u>	<u>2.37</u>
Industrials						
11,800	Masco Corp.			567,035	605,065	
3,510	Union Pacific Corp.			559,190	775,653	
				<u>1,126,225</u>	<u>1,380,718</u>	<u>2.16</u>

Educators Monthly Income Fund Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Information Technology						
1,867	Apple Inc.			461,140	482,864	
6,100	Microsoft Corp.			412,236	1,067,814	
2,190	Visa Inc.			155,171	496,661	
				<u>1,028,547</u>	<u>2,047,339</u>	3.21
				<u>7,413,564</u>	<u>8,875,743</u>	13.91
Foreign Bonds						
United States						
Corporate Bonds						
300,000	Bank of America Corp.	2.932%	25-Apr-2025	300,000	305,261	
				<u>300,000</u>	<u>305,261</u>	0.48
Channel Islands						
Corporate Bonds						
55,000	Heathrow Funding Ltd.	3.250%	21-May-2025	58,072	56,997	
				<u>58,072</u>	<u>56,997</u>	0.09
				<u>358,072</u>	<u>362,258</u>	0.57
Canadian Mutual Funds						
238,761	IMAXX Short Term Bond Fund, Class O			2,403,508	2,484,905	
				<u>2,403,508</u>	<u>2,484,905</u>	3.89
Total Investments				<u>\$ 57,987,095</u>	<u>\$ 63,681,261</u>	99.77
Transaction Costs				<u>(28,653)</u>		
Net Investments				<u>57,958,442</u>	<u>63,681,261</u>	99.77
Other Assets Less Liabilities					<u>147,004</u>	0.23
Net Assets Attributable to Holders of Redeemable Units					<u>\$ 63,828,265</u>	100.00

Summary of Investment Portfolio

The fair value percentages of Net Assets Attributable to Holders of Redeemable Units by major portfolio category are shown in the following table:

Sector	As a % of Fund's Net Assets attributable to holders of redeemable units	
	2019	2018
Financials	22.62%	22.33%
Energy	16.85%	16.91%
Corporate Bonds	14.12%	13.07%
Industrials	6.67%	7.01%
Materials	6.39%	6.58%
Government Bonds	5.86%	6.72%
Information Technology	3.21%	3.23%
Consumer Discretionary	3.45%	3.27%
Utilities	2.23%	3.51%
Short-term investments	3.23%	4.17%
Real Estate	4.11%	1.92%
Communication Services	2.83%	2.25%
Asset-Backed Securities	2.02%	2.18%
Health Care	0.74%	3.49%
Consumer Staples	1.55%	0.84%
Mutual funds	3.89%	2.03%
Cash	0.15%	0.58%
Net Other Assets (Liabilities)	0.08%	-0.09%
	100.00%	100.00%

Educators Dividend Fund

Statements of Financial Position

As at June 30, 2019 (unaudited) and December 31, 2018 (audited)

	2019	2018
Assets		
Current assets		
Cash	\$ 73,559	\$ 215,626
Interest and dividends receivable	269,485	264,119
Subscriptions receivable	107,136	145,275
Forward contracts (Note 10)	850,367	241,157
Investments	147,326,832	128,216,950
Total assets	\$ 148,627,379	\$ 129,083,127
Liabilities		
Current liabilities		
Redemptions payable	82,481	90,182
Distributions payable	5,706	-
Amounts due to Manager-Trustee (Note 6)	199,619	187,379
Forward contracts (Note 10)	85,315	972,676
Total liabilities	373,121	1,250,237
Net assets attributable to holders of redeemable units	\$ 148,254,258	\$ 127,832,890
Net Assets attributable to holders of redeemable units per class		
Class A	144,739,118	125,811,370
Class I	3,515,140	2,021,520
Number of redeemable units outstanding (Note 3)		
Class A	4,689,029	4,770,089
Class I	326,273	219,663
Net Assets attributable to holders of redeemable units per class per unit		
Class A	30.87	26.38
Class I	10.77	9.20

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", President and CEO

Signed: "Stuart Mulcahy", Chief Financial Officer

Educators Dividend Fund

Statements of Comprehensive Income

For the six months ended June 30, 2019 and 2018 (unaudited)

	2019	2018
Income		
Interest for distribution purposes	\$ 38,856	\$ 19,318
Dividends	1,990,321	1,768,223
Securities lending (Note 5)	7,319	6,533
Other changes in fair value of investments:		
Net realized gain	1,043,137	1,096,147
Net realized (loss) on forward contracts	(604,077)	(376,141)
Net change in unrealized appreciation (depreciation) on forward contracts	1,496,571	(945,198)
Net change in unrealized appreciation	19,679,502	528,401
Total income	<u>23,651,629</u>	<u>2,097,283</u>
Expenses		
Management fees (Note 6)	1,095,170	1,070,334
Independent review committee fees	6,033	5,896
Transaction costs	14,587	19,817
Withholding taxes	36,441	28,948
Harmonised sales tax	139,138	131,735
	<u>1,291,369</u>	<u>1,256,730</u>
Less expenses waived/absorbed by Manager-Trustee (Note 6)	(19,915)	(50,707)
Total expenses	<u>1,271,454</u>	<u>1,206,023</u>
Increase in net assets attributable to holders of redeemable units	<u>\$ 22,380,175</u>	<u>\$ 891,260</u>
Increase in net assets attributable to holders of redeemable units per class		
Class A	\$ 21,942,201	\$ 850,313
Class I	<u>\$ 437,974</u>	<u>\$ 40,947</u>
Weighted average redeemable units outstanding during the period		
Class A	4,705,412	4,758,069
Class I	<u>275,995</u>	<u>57,005</u>
Increase in net assets attributable to holders of redeemable units per class per unit		
Class A	\$ 4.66	\$ 0.18
Class I	<u>\$ 1.59</u>	<u>\$ 0.72</u>

See accompanying notes to the financial statements

Educators Dividend Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units***For the six months ended June 30, 2019 and 2018 (unaudited)*

	2019	2018
Net assets attributable to holders of redeemable units, beginning of period		
Class A	\$ 125,811,370	\$ 135,781,485
Class I	<u>2,021,520</u>	<u>-</u>
	<u>127,832,890</u>	<u>135,781,485</u>
Increase in net assets attributable to holders of redeemable units		
Class A	21,942,201	850,313
Class I	<u>437,974</u>	<u>40,947</u>
	<u>22,380,175</u>	<u>891,260</u>
Distributions to holders of redeemable units		
From net investment income		
Class A	(708,946)	(496,787)
Class I	<u>(46,415)</u>	<u>(13,894)</u>
	<u>(755,361)</u>	<u>(510,681)</u>
Total distributions to holders of redeemable units	<u>(755,361)</u>	<u>(510,681)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	10,019,806	11,389,010
Class I	<u>1,222,302</u>	<u>1,419,615</u>
	<u>11,242,108</u>	<u>12,808,625</u>
Redemption of redeemable units		
Class A	(13,028,628)	(10,755,627)
Class I	<u>(166,571)</u>	<u>(78,747)</u>
	<u>(13,195,199)</u>	<u>(10,834,374)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	703,315	492,335
Class I	<u>46,330</u>	<u>13,862</u>
	<u>749,645</u>	<u>506,197</u>
Net (decrease) increase from redeemable unit transactions	<u>(1,203,446)</u>	<u>2,480,448</u>
Net increase in net assets attributable to holders of redeemable units		
Class A	18,927,748	1,479,244
Class I	<u>1,493,620</u>	<u>1,381,783</u>
	<u>20,421,368</u>	<u>2,861,027</u>
Net assets attributable to holders of redeemable units, end of period		
Class A	144,739,118	137,260,729
Class I	<u>3,515,140</u>	<u>1,381,783</u>
	<u>148,254,258</u>	<u>138,642,512</u>

See accompanying notes to the financial statements

Educators Dividend Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (continued)

For the six months ended June 30, 2019 and 2018 (unaudited)

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the period ended June 30, 2019 and year ended December 31, 2018.

Class A	2019	2018
Number of units, beginning of period	4,770,089	4,725,267
Units issued	339,914	786,799
Units issued from reinvested distributions	22,785	23,275
Units redeemed	(443,759)	(765,252)
Number of units, end of period	<u>4,689,029</u>	<u>4,770,089</u>
Class I	2019	2018
Number of units, beginning of period	219,663	-
Units issued	118,127	247,366
Units issued from reinvested distributions	4,300	3,787
Units redeemed	(15,817)	(31,490)
Number of units, end of period	<u>326,273</u>	<u>219,663</u>

Educators Dividend Fund

Statements of Cash Flows

For the six months ended June 30, 2019 and 2018 (unaudited)

	2019	2018
Cash Flow from Operating Activities		
(Decrease) increase in net assets attributable to holders of redeemable units	\$ 22,380,175	\$ 891,260
Adjustments for:		
Net realized (gain) on sale of investments	(1,043,137)	(1,096,147)
Net change in unrealized (appreciation) depreciation on forward contracts	(1,496,571)	945,198
Net change in unrealized (appreciation) in value of investments	(19,679,502)	(528,401)
Purchase of investments	(14,162,460)	(26,113,541)
Proceeds from disposal of investments	15,775,217	23,933,123
(Increase) decrease in interest and dividends receivable	(5,366)	17,641
Increase in amounts due to Manager-Trustee	12,240	2,933
Cash provided (used) by operating activities	<u>1,780,596</u>	<u>(1,947,934)</u>
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	11,280,247	12,752,033
Redemption of redeemable units	(13,202,900)	(10,728,765)
Distributions paid to holders of redeemable units, net of reinvested distributions	(10)	8
Cash (used) provided by financing activities	<u>(1,922,663)</u>	<u>2,023,276</u>
Decrease (increase) in cash	\$ (142,067)	\$ 75,342
Cash, beginning of period	\$ 215,626	\$ 125,320
Cash, end of period	\$ 73,559	\$ 200,662
Supplemental cash flow information:		
Dividends received, net of withholding taxes	\$ 1,949,993	\$ 1,783,766
Interest received	\$ 37,553	\$ 17,447

See accompanying notes to the financial statements

Educators Dividend Fund Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Short-Term Investments						
Treasury Bills						
1,100,000	Canadian Treasury Bill	1.671%	8-Aug-2019	\$ 1,095,222	\$ 1,095,222	
1,150,000	Canadian Treasury Bill	1.680%	5-Sep-2019	1,143,885	1,143,885	
600,000	Canadian Treasury Bill	1.655%	3-Oct-2019	597,351	597,351	
				<u>2,836,458</u>	<u>2,836,458</u>	<u>1.91</u>
Canadian Common Stocks						
Communication Services						
42,300	Rogers Communications Inc.			2,212,312	2,965,230	
				<u>2,212,312</u>	<u>2,965,230</u>	<u>2.00</u>
Consumer Discretionary						
56,700	Dollarama Inc.			841,688	2,612,169	
16,200	Restaurant Brands International Inc.			1,487,327	1,475,334	
				<u>2,329,015</u>	<u>4,087,503</u>	<u>2.76</u>
Consumer Staples						
39,000	Alimentation Couche-Tard Inc.			2,176,663	3,213,990	
33,200	Metro Inc.			1,455,265	1,631,448	
				<u>3,631,928</u>	<u>4,845,438</u>	<u>3.27</u>
Energy						
111,600	Enbridge Inc.			4,079,535	5,278,680	
51,300	Keyera Corp.			1,471,392	1,728,810	
63,500	Pembina Pipeline Corp.			2,364,267	3,095,625	
102,648	Suncor Energy Inc.			4,667,083	4,193,171	
69,800	TC Energy Corp.			3,368,245	4,531,416	
				<u>15,950,522</u>	<u>18,827,702</u>	<u>12.70</u>
Financials						
51,000	Bank of Montreal			4,859,375	5,044,920	
128,500	Bank of Nova Scotia			7,443,945	9,038,690	
112,750	Brookfield Asset Management Inc.			3,965,773	7,063,788	
29,600	Intact Financial Corp.			1,362,183	3,582,192	
190,684	Manulife Financial Corp.			4,217,729	4,538,279	
101,100	Royal Bank of Canada			6,551,014	10,521,477	
141,700	Toronto-Dominion Bank			4,741,280	10,842,884	
				<u>33,141,299</u>	<u>50,632,230</u>	<u>34.15</u>
Industrials						
10,200	Boyd Group Income Fund			294,669	1,687,794	
51,500	Canadian National Railway Co.			2,295,788	6,241,800	
61,200	Morneau Shepell Inc.			1,362,257	1,809,684	
29,789	Waste Connections Inc.			1,008,280	3,726,541	
22,700	WSP Global Inc.			1,348,498	1,636,443	
				<u>6,309,492</u>	<u>15,102,262</u>	<u>10.19</u>
Materials						
43,800	CCL Industries Inc.			2,729,497	2,812,836	
22,200	Franco-Nevada Corp.			2,046,241	2,467,530	
				<u>4,775,738</u>	<u>5,280,366</u>	<u>3.56</u>

Educators Dividend Fund Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Real Estate						
47,000	Allied Properties Real Estate Investment Trust			1,426,804	2,226,390	
79,400	Killam Apartment Real Estate Investment Trust			1,455,724	1,491,926	
				<u>2,882,528</u>	<u>3,718,316</u>	2.51
Utilities						
158,100	Algonquin Power & Utilities Corp.			1,801,447	2,509,047	
39,800	Fortis Inc.			1,327,621	2,058,058	
58,800	Northland Power Inc.			1,419,273	1,499,400	
				<u>4,548,341</u>	<u>6,066,505</u>	4.09
				<u>75,781,175</u>	<u>111,525,552</u>	75.23
Foreign Common Stocks						
Bermuda						
Real Estate						
54,700	Brookfield Property Partners LP			1,564,096	1,353,278	
				<u>1,564,096</u>	<u>1,353,278</u>	0.91
Utilities						
79,200	Brookfield Infrastructure Partners LP			2,108,513	4,445,496	
				<u>2,108,513</u>	<u>4,445,496</u>	3.00
				<u>3,672,609</u>	<u>5,798,774</u>	3.91
United States						
Communication Services						
10,200	Walt Disney Co.			1,382,615	1,861,234	
				<u>1,382,615</u>	<u>1,861,234</u>	1.26
Consumer Discretionary						
36,800	TJX Cos Inc.			1,626,325	2,542,906	
				<u>1,626,325</u>	<u>2,542,906</u>	1.72
Consumer Staples						
7,100	Constellation Brands Inc.			1,900,529	1,827,188	
				<u>1,900,529</u>	<u>1,827,188</u>	1.23
Financials						
23,500	JPMorgan Chase & Co			1,411,226	3,433,212	
8,500	S&P Global Inc.			2,179,899	2,530,140	
				<u>3,591,125</u>	<u>5,963,352</u>	4.02
Health Care						
8,800	Becton Dickinson and Co.			2,512,768	2,897,954	
				<u>2,512,768</u>	<u>2,897,954</u>	1.95
Information Technology						
26,900	Microsoft Corp.			801,633	4,708,888	
17,200	Texas Instruments Inc.			2,215,303	2,579,348	
21,100	Visa Inc.			1,287,888	4,785,178	
				<u>4,304,824</u>	<u>12,073,414</u>	8.14
				<u>15,318,186</u>	<u>27,166,048</u>	18.3
Total Investments				<u>\$ 97,608,428</u>	<u>\$ 147,326,832</u>	99.37
Transaction Costs				<u>(66,937)</u>		
Net Investments				<u>97,541,491</u>	<u>147,326,832</u>	99.37
Other Assets Less Liabilities					<u>927,426</u>	0.63
Net Assets Attributable to Holders of Redeemable Units					<u>\$ 148,254,258</u>	100.00

Educators Dividend Fund Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
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Summary of Investment Portfolio

The fair value percentages of Net Assets Attributable to Holders of Redeemable Units by major portfolio category are shown in the following table:

Sector	As a % of Fund's Net Assets attributable to holders of redeemable units	
	2019	2018
Financials	38.17%	39.79%
Energy	12.70%	12.92%
Information Technology	8.14%	9.23%
Industrials	10.19%	11.66%
Consumer Staples	4.50%	4.16%
Utilities	7.09%	5.61%
Consumer Discretionary	4.48%	3.20%
Materials	3.56%	3.38%
Short-term investments	1.91%	1.90%
Real Estate	3.42%	2.57%
Communication Services	3.26%	4.29%
Health Care	1.95%	1.59%
Net Other Assets	0.63%	-0.30%
	100.00%	100.00%

Educators Growth Fund

Statements of Financial Position

As at June 30, 2019 (unaudited) and December 31, 2018 (audited)

	2019	2018
Assets		
Current assets		
Cash	\$ 99,433	\$ 184,650
Interest and dividends receivable	231,171	216,985
Subscriptions receivable	63,442	21,022
Investments	<u>95,068,655</u>	<u>84,477,271</u>
Total assets	\$ <u>95,462,701</u>	\$ <u>84,899,928</u>
Liabilities		
Current liabilities		
Due to brokers	-	177,450
Redemptions payable	17,622	87,034
Distributions payable	993	-
Amounts due to Manager-Trustee (Note 6)	<u>129,052</u>	<u>130,453</u>
Total liabilities	<u>147,667</u>	<u>394,937</u>
Net assets attributable to holders of redeemable units	\$ <u>95,315,034</u>	\$ <u>84,504,991</u>
Net Assets attributable to holders of redeemable units per class		
Class A	85,727,932	78,907,219
Class I	<u>9,587,102</u>	<u>5,597,772</u>
Number of redeemable units outstanding (Note 3)		
Class A	3,696,216	3,901,914
Class I	<u>983,493</u>	<u>658,596</u>
Net Assets attributable to holders of redeemable units per class per unit		
Class A	23.19	20.22
Class I	<u>9.75</u>	<u>8.50</u>

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", President and CEO

Signed: "Stuart Mulcahy", Chief Financial Officer

Educators Growth Fund

Statements of Comprehensive Income

For the six months ended June 30, 2019 and 2018 (unaudited)

		2019		2018
Income				
Interest for distribution purposes	\$	51,757	\$	9,564
Dividends		1,168,525		1,070,928
Securities lending (Note 5)		7,455		15,366
Other income		9,959		5,893
Other changes in fair value of investments:				
Net realized gain		1,025,018		2,543,248
Net change in unrealized appreciation (depreciation)		11,258,014		(1,705,992)
Total income		<u>13,520,728</u>		<u>1,939,007</u>
Expenses				
Management fees (Note 6)		729,700		801,947
Independent review committee fees		3,926		4,063
Transaction costs		12,639		10,692
Withholding taxes		12,062		-
Harmonised sales tax		92,992		100,078
		<u>851,319</u>		<u>916,780</u>
Less expenses waived/absorbed by Manager-Trustee (Note 6)		(8,268)		(23,147)
Total expenses		<u>843,051</u>		<u>893,633</u>
Increase in net assets attributable to holders of redeemable units	\$	<u>12,677,677</u>	\$	<u>1,045,374</u>
Increase in net assets attributable to holders of redeemable units per class				
Class A	\$	11,628,288	\$	952,311
Class I	\$	<u>1,049,389</u>	\$	<u>93,063</u>
Weighted average redeemable units outstanding during the period				
Class A		3,788,063		3,909,249
Class I		<u>844,741</u>		<u>122,364</u>
Increase in net assets attributable to holders of redeemable units per class per unit				
Class A	\$	3.07	\$	0.24
Class I	\$	<u>1.24</u>	\$	<u>0.76</u>

See accompanying notes to the financial statements

Educators Growth Fund
Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the six months ended June 30, 2019 and 2018 (unaudited)

	2019	2018
Net assets attributable to holders of redeemable units, beginning of period		
Class A	78,907,219	95,446,597
Class I	5,597,772	-
	<u>84,504,991</u>	<u>95,446,597</u>
Increase in net assets attributable to holders of redeemable units		
Class A	11,628,288	952,311
Class I	1,049,389	93,063
	<u>12,677,677</u>	<u>1,045,374</u>
Distributions to holders of redeemable units		
From net investment income		
Class A	(197,869)	(96,569)
Class I	(113,422)	(26,767)
	<u>(311,291)</u>	<u>(123,336)</u>
Total distributions to holders of redeemable units	<u>(311,291)</u>	<u>(123,336)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	2,552,343	4,204,405
Class I	3,387,247	3,192,025
	<u>5,939,590</u>	<u>7,396,430</u>
Redemption of redeemable units		
Class A	(7,359,250)	(7,763,278)
Class I	(446,920)	(13,509)
	<u>(7,806,170)</u>	<u>(7,776,787)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	197,201	95,988
Class I	113,036	26,705
	<u>310,237</u>	<u>122,693</u>
Net decrease from redeemable unit transactions	<u>(1,556,343)</u>	<u>(257,664)</u>
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class A	6,820,713	(2,607,143)
Class I	3,989,330	3,271,517
	<u>10,810,043</u>	<u>664,374</u>
Net assets attributable to holders of redeemable units, end of period		
Class A	85,727,932	92,839,454
Class I	9,587,102	3,271,517
	<u>95,315,034</u>	<u>96,110,971</u>

See accompanying notes to the financial statements

Educators Growth Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units** (continued)*For the six months ended June 30, 2019 and 2018 (unaudited)*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the period ended June 30, 2019 and year ended December 31, 2018.

Class A	2019	2018
Number of units, beginning of period	3,901,914	3,981,738
Units issued	114,286	356,265
Units issued from reinvested distributions	8,501	188,726
Units redeemed	(328,485)	(624,815)
Number of units, end of period	3,696,216	3,901,914

Class I	2019	2018
Number of units, beginning of period	658,596	-
Units issued	360,078	652,789
Units issued from reinvested distributions	11,596	35,225
Units redeemed	(46,777)	(29,418)
Number of units, end of period	983,493	658,596

Educators Growth Fund
Statements of Cash Flows*For the six months ended June 30, 2019 and 2018 (unaudited)*

	2019	2018
Cash Flow from Operating Activities		
(Decrease) increase in net assets attributable to holders of redeemable units	\$ 12,677,677	\$ 1,045,374
Adjustments for:		
Net realized (gain) on sale of investments	(1,025,018)	(2,543,248)
Net change in unrealized (appreciation) depreciation in value of investments	(11,258,014)	1,705,992
Purchase of investments	(31,412,498)	(22,827,523)
Proceeds from disposal of investments	32,926,696	22,952,320
(Increase) in interest and dividends receivable	(14,186)	(12,384)
(Decrease) in amounts due to Manager-Trustee	(1,401)	(2,495)
Cash provided by operating activities	1,893,256	318,036
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	5,897,170	7,357,514
Redemption of redeemable units	(7,875,582)	(7,670,444)
Distributions paid to holders of redeemable units, net of reinvested distributions	(61)	130
Cash (used) by financing activities	(1,978,473)	(312,800)
Decrease (increase) in cash	\$ (85,217)	\$ 5,236
Cash, beginning of period	\$ 184,650	\$ 70,339
Cash, end of period	\$ 99,433	\$ 75,575
Supplemental cash flow information:		
Dividends received, net of withholding taxes	\$ 1,142,246	\$ 1,059,081
Interest received	\$ 52,533	\$ 9,480

See accompanying notes to the financial statements

Educators Growth Fund Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Short-Term Investments						
Treasury Bills						
200,000	Canadian Treasury Bill	1.653%	22-Aug-2019	\$ 199,422	\$ 199,422	
500,000	Canadian Treasury Bill	1.680%	5-Sep-2019	497,550	497,550	
500,000	Canadian Treasury Bill	1.665%	19-Sep-2019	497,730	497,730	
150,000	Canadian Treasury Bill	1.655%	3-Oct-2019	149,343	149,343	
				<u>1,344,045</u>	<u>1,344,045</u>	<u>1.41</u>
Canadian Common Stocks						
Communication Services						
61,000	Quebecor Inc.			1,663,092	1,902,590	
35,000	Rogers Communications Inc.			2,046,339	2,453,500	
				<u>3,709,431</u>	<u>4,356,090</u>	<u>4.56</u>
Consumer Discretionary						
17,100	BRP Inc.			1,018,376	800,280	
3,200	Canada Goose Holdings Inc.			221,458	162,208	
12,900	Gildan Activewear Inc.			644,998	653,772	
22,900	Great Canadian Gaming Corp.			1,153,161	1,016,760	
				<u>3,037,993</u>	<u>2,633,020</u>	<u>2.76</u>
Consumer Staples						
15,300	Alimentation Couche-Tard Inc.			1,294,655	1,260,873	
44,100	Empire Co Ltd.			1,311,648	1,454,418	
3,700	George Weston Ltd.			419,091	367,669	
21,400	Maple Leaf Foods Inc.			692,531	613,752	
				<u>3,717,925</u>	<u>3,696,712</u>	<u>3.88</u>
Energy						
111,100	Canadian Natural Resources Ltd.			4,111,731	3,922,941	
164,600	Cenovus Energy Inc.			2,853,170	1,901,130	
69,500	Enbridge Inc.			3,314,068	3,287,350	
21,300	Imperial Oil Ltd.			833,919	772,338	
9,200	Parkland Fuel Corp.			384,457	382,260	
9,500	Suncor Energy Inc.			404,790	388,075	
66,100	TC Energy Corp.			3,966,963	4,291,212	
				<u>15,869,098</u>	<u>14,945,306</u>	<u>15.68</u>
Financials						
31,900	Bank of Montreal			3,135,549	3,155,548	
14,900	Bank of Nova Scotia			944,268	1,048,066	
141,600	Manulife Financial Corp.			3,184,063	3,370,080	
13,900	Onex Corp.			959,993	1,097,961	
78,300	Royal Bank of Canada			7,016,140	8,148,681	
25,000	Sun Life Financial Inc.			1,316,405	1,355,750	
100,200	Toronto-Dominion Bank			4,868,311	7,667,304	
				<u>21,424,729</u>	<u>25,843,390</u>	<u>27.11</u>
Health Care						
46,300	Bausch Health Cos Inc.			1,503,485	1,529,752	
				<u>1,503,485</u>	<u>1,529,752</u>	<u>1.60</u>

Educators Growth Fund Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Industrials						
69,800	Air Canada			1,178,255	2,770,362	
29,400	Canadian National Railway Co.			2,716,320	3,563,280	
12,400	Canadian Pacific Railway Ltd.			3,097,060	3,824,532	
25,500	TFI International Inc.			1,136,883	1,010,565	
25,600	Transcontinental Inc.			619,597	373,504	
2,300	Waste Connections Inc.			289,501	287,730	
				<u>9,037,616</u>	<u>11,829,973</u>	<u>12.41</u>
Information Technology						
33,000	CGI Inc.			1,221,304	3,322,440	
2,200	Constellation Software Inc.			2,189,079	2,715,350	
				<u>3,410,383</u>	<u>6,037,790</u>	<u>6.34</u>
Materials						
7,700	Franco-Nevada Corp.			538,014	855,855	
53,400	Kirkland Lake Gold Ltd.			1,758,274	3,012,828	
22,500	Methanex Corp.			1,505,015	1,337,625	
90,100	Pretium Resources Inc.			1,130,765	1,179,409	
46,900	Teck Resources Ltd.			1,360,753	1,417,318	
34,500	Wheaton Precious Metals Corp.			938,786	1,092,615	
				<u>7,231,607</u>	<u>8,895,650</u>	<u>9.35</u>
Real Estate						
52,700	Canadian Apartment Properties REIT			2,083,329	2,548,572	
21,300	Granite Real Estate Investment Trust			1,334,049	1,284,177	
40,600	H&R Real Estate Investment Trust			933,606	927,304	
				<u>4,350,984</u>	<u>4,760,053</u>	<u>4.99</u>
Utilities						
97,400	Algonquin Power & Utilities Corp.			1,406,339	1,545,738	
14,000	Northland Power Inc.			353,599	357,000	
				<u>1,759,938</u>	<u>1,902,738</u>	<u>2.00</u>
Canadian Exchange-Traded Fund						
56,300	BMO Low Volatility Canadian Equity ETF			1,653,824	1,879,857	
35,300	BMO NASDAQ 100 Equity Index ETF			1,156,102	1,147,074	
90,200	BMO S&P 500 Index ETF			3,365,129	3,818,165	
				<u>6,175,055</u>	<u>6,845,096</u>	<u>7.18</u>
				<u>81,228,244</u>	<u>93,275,570</u>	<u>97.9</u>

Educators Growth Fund Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Units or Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Foreign Common Stocks						
Bermuda						
Utilities						
8,000	Brookfield Infrastructure Partners LP			391,755	449,040	
				<u>391,755</u>	<u>449,040</u>	0.47
	Total Investments			\$ 82,964,044	\$ 95,068,655	99.74
	Transaction Costs			-30,430		
	Net Investments			\$ 82,933,614	95,068,655	99.74
	Other Assets Less Liabilities				246,379	0.26
	Net Assets Attributable to Holders of Redeemable Units				\$ 95,315,034	100.00

Summary of Investment Portfolio

The fair value percentages of Net Assets Attributable to Holders of Redeemable Units by major portfolio category are shown in the following table:

As a % of Fund's Net Assets attributable to holders of redeemable units		
Sector	2019	2018
Financials	27.11%	29.12%
Energy	15.68%	13.89%
Materials	9.35%	13.66%
Industrials	12.41%	11.27%
Consumer Discretionary	2.76%	2.94%
Exchange Traded Fund	7.18%	6.69%
Information Technology	6.34%	5.20%
Consumer Staples	3.88%	2.52%
Utilities	2.47%	3.99%
Communication Services	4.56%	5.95%
Real Estate	4.99%	2.76%
Short-term investments	1.41%	1.64%
Health Care	1.60%	0.34%
Net Other Assets	0.26%	0.03%
	100.00%	100.00%

Educators U.S. Equity Fund

Statements of Financial Position

As at June 30, 2019 (unaudited) and December 31, 2018 (audited)

	2019	2018
Assets		
Current assets		
Cash	\$ 66,462	\$ 61,773
Interest and dividends receivable	112,610	179,005
Subscriptions receivable	43,992	60,269
Investments	<u>105,926,036</u>	<u>97,445,411</u>
Total assets	\$ <u>106,149,100</u>	\$ <u>97,746,458</u>
Liabilities		
Current liabilities		
Redemptions payable	-	2,079
Distributions payable	1,100	-
Amounts due to Manager-Trustee (Note 6)	<u>147,776</u>	<u>152,661</u>
Total liabilities	<u>148,876</u>	<u>154,740</u>
Net assets attributable to holders of redeemable units	\$ <u>106,000,224</u>	\$ <u>97,591,718</u>
Net Assets attributable to holders of redeemable units per class		
Class A	97,567,514	92,384,894
Class I	<u>8,432,710</u>	<u>5,206,824</u>
Number of redeemable units outstanding (Note 3)		
Class A	5,029,038	5,237,316
Class I	<u>814,142</u>	<u>552,851</u>
Net Assets attributable to holders of redeemable units per class per unit		
Class A	19.40	17.64
Class I	<u>10.36</u>	<u>9.42</u>

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", President and CEO

Signed: "Stuart Mulcahy", Chief Financial Officer

Educators U.S. Equity Fund

Statements of Comprehensive Income

For the six months ended June 30, 2019 and 2018 (unaudited)

	2019	2018
Income		
Interest for distribution purposes	\$ 19,434	\$ 10,235
Dividends	1,344,740	1,101,119
Securities lending (Note 5)	13,234	10,350
Other changes in fair value of investments:		
Net realized gain	3,368,713	1,240,380
Net change in unrealized appreciation (depreciation)	6,436,558	(2,610,077)
Total income	11,182,679	(247,993)
Expenses		
Management fees (Note 6)	830,101	843,752
Independent review committee fees	4,401	4,196
Transaction costs	15,509	23,109
Withholding taxes	254,228	153,739
Harmonised sales tax	105,799	105,459
	1,210,038	1,130,255
Less expenses waived/absorbed by Manager-Trustee (Note 6)	(9,310)	(24,353)
Total expenses	1,200,728	1,105,902
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 9,981,951	\$ (1,353,895)
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class A	\$ 9,275,023	\$ (1,382,614)
Class I	\$ 706,928	\$ 28,719
Weighted average redeemable units outstanding during the period		
Class A	5,102,104	5,268,946
Class I	706,792	101,948
Increase (decrease) in net assets attributable to holders of redeemable units per class per unit		
Class A	\$ 1.82	\$ (0.26)
Class I	\$ 1.00	\$ 0.28

See accompanying notes to the financial statements

Educators U.S. Equity Fund
Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the six months ended June 30, 2019 and 2018 (unaudited)

	2019	2018
Net assets attributable to holders of redeemable units, beginning of period		
Class A	\$ 92,384,894	\$ 99,517,404
Class I	5,206,824	-
	<u>97,591,718</u>	<u>99,517,404</u>
Increase (decrease) in net assets attributable to holders of redeemable units		
Class A	9,275,023	(1,382,614)
Class I	706,928	28,719
	<u>9,981,951</u>	<u>(1,353,895)</u>
Distributions to holders of redeemable units		
From net investment income		
Class A	(228,737)	(65,336)
Class I	(100,313)	(19,986)
	<u>(329,050)</u>	<u>(85,322)</u>
Total distributions to holders of redeemable units	<u>(329,050)</u>	<u>(85,322)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	3,881,320	5,769,423
Class I	3,120,873	2,481,321
	<u>7,002,193</u>	<u>8,250,744</u>
Redemption of redeemable units		
Class A	(7,973,018)	(8,786,494)
Class I	(601,520)	(13,318)
	<u>(8,574,538)</u>	<u>(8,799,812)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	228,032	65,176
Class I	99,918	19,937
	<u>327,950</u>	<u>85,113</u>
Net decrease from redeemable unit transactions	<u>(1,244,395)</u>	<u>(463,955)</u>
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class A	5,182,620	(4,399,845)
Class I	3,225,886	2,496,673
	<u>8,408,506</u>	<u>(1,903,172)</u>
Net assets attributable to holders of redeemable units, end of period		
Class A	97,567,514	95,117,559
Class I	8,432,710	2,496,673
	<u>106,000,224</u>	<u>97,614,232</u>

See accompanying notes to the financial statements

Educators U.S. Equity Fund**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (continued)***For the six months ended June 30, 2019 and 2018 (unaudited)*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the period ended June 30, 2019 and year ended December 31, 2018.

Class A	2019	2018
Number of units, beginning of period	5,237,316	5,353,332
Units issued	205,178	634,455
Units issued from reinvested distributions	11,753	174,834
Units redeemed	(425,209)	(925,305)
Number of units, end of period	<u>5,029,038</u>	<u>5,237,316</u>
Class I	2019	2018
Number of units, beginning of period	552,851	-
Units issued	310,372	544,136
Units issued from reinvested distributions	9,647	19,896
Units redeemed	(58,728)	(11,181)
Number of units, end of period	<u>814,142</u>	<u>552,851</u>

Educators U.S. Equity Fund**Statements of Cash Flows***For the six months ended June 30, 2019 and 2018 (unaudited)*

	2019	2018
Cash Flow from Operating Activities		
(Decrease) increase in net assets attributable to holders of redeemable units	\$ 9,981,951	\$ (1,353,895)
Adjustments for:		
Net realized (gain) on sale of investments	(3,368,713)	(1,240,380)
Net change in unrealized (appreciation) depreciation in value of investments	(6,436,558)	2,610,077
Purchase of investments	(15,078,268)	(19,083,789)
Proceeds from disposal of investments	16,402,914	19,610,166
Decrease (increase) in interest and dividends receivable	66,395	(15,212)
(Decrease) in amounts due to Manager-Trustee	(4,885)	(7,614)
Cash provided by operating activities	<u>1,562,836</u>	<u>519,353</u>
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	7,018,470	7,971,630
Redemption of redeemable units	(8,576,617)	(8,577,677)
Cash used by financing activities	<u>(1,558,147)</u>	<u>(606,047)</u>
Increase (decrease) in cash	\$ <u>4,689</u>	\$ <u>(86,694)</u>
Cash, beginning of period	\$ <u>61,773</u>	\$ <u>92,019</u>
Cash, end of period	\$ <u>66,462</u>	\$ <u>5,325</u>
Supplemental cash flow information:		
Dividends received, net of withholding taxes	\$ 1,156,266	\$ 933,053
Interest received	\$ 21,878	\$ 10,649

See accompanying notes to the financial statements

Educators U.S. Equity Fund

Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Short-Term Investments						
Treasury Bills						
125,000	Canadian Treasury Bill	1.671%	8-Aug-2019	\$ 124,451	\$ 124,451	
1,375,000	Canadian Treasury Bill	1.680%	22-Aug-2019	1,369,179	1,369,179	
300,000	Canadian Treasury Bill	1.666%	5-Sep-2019	298,722	298,722	
75,000	Canadian Treasury Bill	1.664%	19-Sep-2019	74,704	74,704	
				<u>1,867,056</u>	<u>1,867,056</u>	<u>1.76</u>
Foreign Common Stocks						
Channel Islands						
Information Technology						
61,026	Amdocs Ltd.			4,757,283	4,951,395	
				<u>4,757,283</u>	<u>4,951,395</u>	<u>4.67</u>
Ireland						
Industrials						
16,388	Ingersoll-Rand PLC			1,836,545	2,712,631	
				<u>1,836,545</u>	<u>2,712,631</u>	<u>2.56</u>
Netherlands						
Materials						
23,110	LyondellBasell Industries NV			2,754,442	2,601,030	
				<u>2,754,442</u>	<u>2,601,030</u>	<u>2.45</u>
United States						
Communication Services						
87,150	Comcast Corp.			3,643,892	4,814,967	
53,414	Omnicom Group Inc.			4,819,597	5,719,987	
84,575	Verizon Communications Inc.			5,162,686	6,313,893	
				<u>13,626,175</u>	<u>16,848,847</u>	<u>15.91</u>
Consumer Discretionary						
1,646	AutoZone Inc.			1,095,813	2,364,853	
87,670	Harley-Davidson Inc.			5,448,765	4,104,770	
				<u>6,544,578</u>	<u>6,469,623</u>	<u>6.10</u>
Consumer Staples						
54,522	Campbell Soup Co.			3,292,912	2,854,842	
61,702	Kellogg Co.			4,993,476	4,319,285	
27,590	Kimberly-Clark Corp.			4,078,936	4,805,158	
				<u>12,365,324</u>	<u>11,979,285</u>	<u>11.30</u>
Energy						
87,804	Halliburton Co.			4,433,395	2,609,130	
				<u>4,433,395</u>	<u>2,609,130</u>	<u>2.46</u>
Financials						
32,823	American Express Co.			3,653,015	5,294,502	
25,550	Ameriprise Financial Inc.			4,516,771	4,846,507	
5,100	BlackRock Inc.			2,725,553	3,127,604	
15,073	JPMorgan Chase & Co.			1,273,609	2,202,077	
21,535	Wells Fargo & Co.			1,378,708	1,331,621	
				<u>13,547,656</u>	<u>16,802,311</u>	<u>15.85</u>

Educators U.S. Equity Fund Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Shares or Par Value	Description	Coupon Rate	Maturity Date	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Health Care						
48,407	AmerisourceBergen Corp.			4,778,257	5,393,175	
19,470	Amgen Inc.			4,480,563	4,688,513	
12,915	Merck & Co Inc.			1,045,625	1,415,104	
				<u>10,304,445</u>	<u>11,496,792</u>	10.85
Industrials						
19,180	Cummins Inc.			3,713,205	4,294,359	
41,910	Flowserve Corp.			2,365,785	2,885,605	
62,460	Gardner Denver Holdings Inc.			2,910,304	2,824,028	
23,685	Parker-Hannifin Corp.			5,151,400	5,261,855	
				<u>14,140,694</u>	<u>15,265,847</u>	14.40
Information Technology						
29,830	KLA-Tencor Corp.			3,933,691	4,607,462	
48,664	Oracle Corp.			2,890,540	3,622,805	
143,902	Symantec Corp.			5,283,775	4,091,822	
				<u>12,108,006</u>	<u>12,322,089</u>	11.62
				<u>87,070,273</u>	<u>93,793,924</u>	88.49
				<u>96,418,543</u>	<u>104,058,980</u>	98.17
Total Investments				\$ 98,285,599	\$ 105,926,036	\$ 99.93
Transaction Costs				\$ (49,723)		
Net Investments				<u>\$ 98,235,876</u>	<u>\$ 105,926,036</u>	<u>99.93</u>
Other Assets Less Liabilities					\$ 74,188	0.07
Net Assets Attributable to Holders of Redeemable Units					<u>\$ 106,000,224</u>	<u>100.00</u>

Summary of Investment Portfolio

The fair value percentages of Net Assets Attributable to Holders of Redeemable Units by major portfolio category are shown in the following table:

As a % of Fund's Net Assets attributable to holders of redeemable units		
Sector	2019	2018
Consumer Discretionary	6.10%	8.01%
Health Care	10.85%	12.76%
Industrials	16.96%	12.42%
Financials	15.85%	15.07%
Information Technology	16.29%	16.11%
Consumer Staples	11.30%	11.38%
Communication Services	15.91%	9.69%
Materials	2.45%	9.39%
Energy	2.46%	2.68%
Short-term investments	1.76%	2.34%
Net Other Assets	0.07%	0.15%
	100.00%	100.00%

Educators Monitored Conservative Portfolio

Statements of Financial Position

As at June 30, 2019 (unaudited) and December 31, 2018 (audited)

	2019	2018
Assets		
Current assets		
Cash	\$ 57,027	\$ 16,916
Distributions receivable from underlying funds	124,409	953
Subscriptions receivable	31,995	53,450
Investments	<u>18,910,246</u>	<u>11,023,512</u>
Total assets	\$ <u>19,123,677</u>	\$ <u>11,094,831</u>
Liabilities		
Current liabilities		
Due to brokers	30,000	-
Distributions payable	-	33
Amounts due to Manager-Trustee (Note 6)	<u>23,060</u>	<u>14,983</u>
Total liabilities	<u>53,060</u>	<u>15,016</u>
Net assets attributable to holders of redeemable units	\$ <u>19,070,617</u>	\$ <u>11,079,815</u>
Net Assets attributable to holders of redeemable units per class		
Class A	19,059,013	11,062,147
Class I	<u>11,604</u>	<u>17,668</u>
Number of redeemable units outstanding (Note 3)		
Class A	1,875,043	1,153,112
Class I	<u>1,127</u>	<u>1,821</u>
Net Assets attributable to holders of redeemable units per class per unit		
Class A	10.16	9.59
Class I	<u>10.29</u>	<u>9.70</u>

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", President and CEO

Signed: "Stuart Mulcahy", Chief Financial Officer

Educators Monitored Conservative Portfolio

Statements of Comprehensive Income

For the period ended June 30, 2019 and for the period from January 2, 2018 (date of inception) to June 30, 2018 (unaudited)

	2019	2018
Income		
Distributions from underlying funds	228,948	66,021
Other changes in fair value of investments:		
Net realized gain (loss)	8,426	(230)
Net change in unrealized appreciation	787,124	6,423
Total income	1,024,498	72,214
Expenses		
Management fees (Note 6)	105,023	25,197
Independent review committee fees	690	218
Harmonised sales tax	13,327	3,276
Total expenses	119,040	28,691
Increase in net assets attributable to holders of redeemable units	\$ 905,458	\$ 43,523
Increase in net assets attributable to holders of redeemable units per class		
Class A	\$ 904,646	\$ 43,452
Class I	\$ 812	\$ 71
Weighted average redeemable units outstanding during the period		
Class A	1,482,592	378,375
Class I	1,008	1,065
Increase in net assets attributable to holders of redeemable units per class per unit		
Class A	\$ 0.61	\$ 0.11
Class I	\$ 0.81	\$ 0.07

Educators Monitored Conservative Portfolio
Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the period ended June 30, 2019 and for the period from January 2, 2018 (date of inception) to June 30, 2018 (unaudited)

	2019	2018
Net assets attributable to holders of redeemable units, beginning of period		
Class A	\$ 11,062,147	\$ -
Class I	17,668	-
	<u>11,079,815</u>	<u>-</u>
Increase in net assets attributable to holders of redeemable units		
Class A	904,646	43,452
Class I	812	71
	<u>905,458</u>	<u>43,523</u>
Distributions to holders of redeemable units		
From net investment income		
Class A	(117,847)	(45,894)
Class I	(139)	(76)
	<u>(117,986)</u>	<u>(45,970)</u>
Total distributions to holders of redeemable units	<u>(117,986)</u>	<u>(45,970)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	8,994,930	7,325,134
Class I	4,191	10,945
	<u>8,999,121</u>	<u>7,336,079</u>
Redemption of redeemable units		
Class A	(1,902,747)	(132,005)
Class I	(11,063)	-
	<u>(1,913,810)</u>	<u>(132,005)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	117,884	45,876
Class I	135	76
	<u>118,019</u>	<u>45,952</u>
Net increase from redeemable unit transactions	<u>7,203,330</u>	<u>7,250,026</u>
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class A	7,996,866	7,236,563
Class I	(6,064)	11,016
	<u>7,990,802</u>	<u>7,247,579</u>
Net assets attributable to holders of redeemable units, end of period		
Class A	19,059,013	7,236,563
Class I	11,604	11,016
	<u>19,070,617</u>	<u>7,247,579</u>

See accompanying notes to the financial statements

Educators Monitored Conservative Portfolio**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units** (continued)*For the period ended June 30, 2019 and for the period from January 2, 2018 (date of inception) to June 30, 2018 (unaudited)*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the period ended June 30, 2019 and year ended December 31, 2018.

Class A	2019	2018
Number of units, beginning of period	1,153,112	-
Units issued	901,889	1,305,312
Units issued from reinvested distributions	11,754	16,797
Units redeemed	(191,712)	(168,997)
Number of units, end of period	<u>1,875,043</u>	<u>1,153,112</u>
Class I	2019	2018
Number of units, beginning of period	1,821	-
Units issued	413	1,784
Units issued from reinvested distributions	13	37
Units redeemed	(1,120)	-
Number of units, end of period	<u>1,127</u>	<u>1,821</u>

Educators Monitored Conservative Portfolio**Statements of Cash Flows***For the period ended June 30, 2019 and for the period from January 2, 2018 (date of inception) to June 30, 2018 (unaudited)*

	2019	2018
Cash Flow from Operating Activities		
Decrease in net assets attributable to holders of redeemable units	\$ 905,458	\$ 43,523
Adjustments for:		
Net realized (gain) loss on sale of investments	(8,426)	230
Net change in unrealized appreciation in value of investments	(787,124)	(6,423)
Purchase of investments	(8,080,534)	(7,264,003)
Proceeds from disposal of investments	1,019,350	169,755
(Increase) in distributions receivable from underlying funds	(123,456)	(43,020)
Increase in amounts due to Manager-Trustee	8,077	8,640
Cash used by operating activities	<u>(7,066,655)</u>	<u>(7,091,298)</u>
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	9,020,576	7,228,540
Redemption of redeemable units	(1,913,810)	(132,005)
Cash provided by financing activities	<u>7,106,766</u>	<u>7,096,535</u>
Increase in cash	\$ <u>40,111</u>	\$ <u>5,237</u>
Cash, beginning of period	\$ <u>16,916</u>	\$ <u>-</u>
Cash, end of period	\$ <u>57,027</u>	\$ <u>5,237</u>

Educators Monitored Conservative Portfolio Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Units	Description	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Canadian Mutual Funds				
668,238	Educators Bond Fund, Class I	\$ 6,728,148	\$ 6,999,060	
181,709	Educators Dividend Fund, Class I	1,837,021	1,957,665	
126,550	Educators Growth Fund, Class I	1,212,789	1,233,610	
93,452	Educators Money Market Fund, Class I	935,567	934,518	
120,833	Educators U.S. Equity Fund, Class I	1,203,292	1,251,564	
98,753	HSBC Emerging Markets Debt Fund, Institutional Series	983,400	992,529	
33,102	HSBC Emerging Markets Pooled Fund	369,911	369,556	
105,554	HSBC Global High Yield Bond Pooled Fund	844,918	843,094	
27,648	HSBC Global Inflation Linked Bond Pooled Fund	317,006	327,805	
48,353	HSBC International Equity Pooled Fund	781,140	766,608	
304,390	HSBC Mortgage Fund, Institutional Series	3,209,894	3,234,237	
		<u>18,423,086</u>	<u>18,910,246</u>	<u>99.16</u>
	Total Investments	<u>\$ 18,423,086</u>	<u>\$ 18,910,246</u>	<u>99.16</u>
	Net Investments	<u>18,423,086</u>	<u>18,910,246</u>	<u>99.16</u>
	Other Assets Less Liabilities		160,371	0.84
	Net Assets Attributable to Holders of Redeemable Units		<u>\$ 19,070,617</u>	<u>100.00</u>

Educators Monitored Balanced Portfolio

Statements of Financial Position

As at June 30, 2019 (unaudited) and December 31, 2018 (audited)

	2019	2018
Assets		
Current assets		
Cash	\$ 50,578	\$ 28,240
Distributions receivable from underlying funds	204,230	1,663
Subscriptions receivable	176,795	134,173
Investments	<u>28,622,334</u>	<u>18,814,137</u>
Total assets	\$ <u>29,053,937</u>	\$ <u>18,978,213</u>
Liabilities		
Current liabilities		
Due to brokers	-	23,500
Redemptions payable	77,262	5,053
Distributions payable	-	117
Amounts due to Manager-Trustee (Note 6)	<u>39,375</u>	<u>27,817</u>
Total liabilities	<u>116,637</u>	<u>56,487</u>
Net assets attributable to holders of redeemable units	\$ <u>28,937,300</u>	\$ <u>18,921,726</u>
Net Assets attributable to holders of redeemable units per class		
Class A	28,228,996	18,315,683
Class I	<u>708,304</u>	<u>606,043</u>
Number of redeemable units outstanding (Note 3)		
Class A	2,825,747	1,971,446
Class I	<u>69,819</u>	<u>64,321</u>
Net Assets attributable to holders of redeemable units per class per unit		
Class A	9.99	9.29
Class I	<u>10.14</u>	<u>9.42</u>

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", President and CEO

Signed: "Stuart Mulcahy", Chief Financial Officer

Educators Monitored Balanced Portfolio

Statements of Comprehensive Income

For the period ended June 30, 2019 and for the period from January 2, 2018 (date of inception) to June 30, 2018 (unaudited)

	2019	2018
Income		
Distributions from underlying funds	\$ 332,012	\$ 59,245
Other changes in fair value of investments:		
Net realized gain	20,577	19
Net change in unrealized appreciation	1,687,591	4,129
Total income	<u>2,040,180</u>	<u>63,393</u>
Expenses		
Management fees (Note 6)	200,935	21,186
Independent review committee fees	1,134	193
Harmonised sales tax	26,082	2,754
Total expenses	<u>228,151</u>	<u>24,133</u>
Increase in net assets attributable to holders of redeemable units	<u>\$ 1,812,029</u>	<u>\$ 39,260</u>
Increase in net assets attributable to holders of redeemable units per class		
Class A	\$ 1,756,942	\$ 38,188
Class I	<u>\$ 55,087</u>	<u>\$ 1,072</u>
Weighted average redeemable units outstanding during the period		
Class A	2,535,990	281,784
Class I	<u>66,119</u>	<u>27,475</u>
Increase in net assets attributable to holders of redeemable units per class per unit		
Class A	\$ 0.69	\$ 0.14
Class I	<u>\$ 0.83</u>	<u>\$ 0.04</u>

See accompanying notes to the financial statements

Educators Monitored Balanced Portfolio
Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the period ended June 30, 2019 and for the period from January 2, 2018 (date of inception) to June 30, 2018 (unaudited)

	2019	2018
Net assets attributable to holders of redeemable units, beginning of period		
Class A	\$ 18,315,683	\$ -
Class I	606,043	-
	<u>18,921,726</u>	<u>-</u>
Increase in net assets attributable to holders of redeemable units		
Class A	1,756,942	38,188
Class I	55,087	1,072
	<u>1,812,029</u>	<u>39,260</u>
Distributions to holders of redeemable units		
From net investment income		
Class A	(107,272)	(43,230)
Class I	(8,146)	(2,431)
	<u>(115,418)</u>	<u>(45,661)</u>
Total distributions to holders of redeemable units	<u>(115,418)</u>	<u>(45,661)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	10,536,231	8,115,878
Class I	67,866	348,193
	<u>10,604,097</u>	<u>8,464,071</u>
Redemption of redeemable units		
Class A	(2,380,068)	(19,903)
Class I	(20,601)	-
	<u>(2,400,669)</u>	<u>(19,903)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	107,480	43,251
Class I	8,055	2,429
	<u>115,535</u>	<u>45,680</u>
Net increase from redeemable unit transactions	<u>8,318,963</u>	<u>8,489,848</u>
Net increase in net assets attributable to holders of redeemable units		
Class A	9,913,313	8,134,184
Class I	102,261	349,263
	<u>10,015,574</u>	<u>8,483,447</u>
Net assets attributable to holders of redeemable units, end of period		
Class A	28,228,996	8,134,184
Class I	708,304	349,263
	<u>28,937,300</u>	<u>8,483,447</u>

See accompanying notes to the financial statements

Educators Monitored Balanced Portfolio**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units** (continued)*For the period ended June 30, 2019 and for the period from January 2, 2018 (date of inception) to June 30, 2018 (unaudited)*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the period ended June 30, 2019 and year ended December 31, 2018.

Class A	2019	2018
Number of units, beginning of period	1,971,446	-
Units issued	1,086,542	1,992,161
Units issued from reinvested distributions	10,762	40,941
Units redeemed	(243,003)	(61,656)
Number of units, end of period	<u>2,825,747</u>	<u>1,971,446</u>
Class I	2019	2018
Number of units, beginning of period	64,321	-
Units issued	6,861	62,575
Units issued from reinvested distributions	794	1,812
Units redeemed	(2,157)	(66)
Number of units, end of period	<u>69,819</u>	<u>64,321</u>

Educators Monitored Balanced Portfolio**Statements of Cash Flows***For the period ended June 30, 2019 and for the period from January 2, 2018 (date of inception) to June 30, 2018 (unaudited)*

	2019	2018
Cash Flow from Operating Activities		
Decrease in net assets attributable to holders of redeemable units	\$ 1,812,029	\$ 39,260
Adjustments for:		
Net realized (gain) on sale of investments	(20,577)	(19)
Net change in unrealized (appreciation) in value of investments	(1,687,591)	(4,129)
Purchase of investments	(9,852,975)	(8,335,892)
Proceeds from disposal of investments	1,729,446	22,758
(Increase) in distributions receivable from underlying funds	(202,567)	(50,245)
Increase in amounts due to Manager-Trustee	11,558	10,551
Cash used by operating activities	<u>(8,210,677)</u>	<u>(8,317,716)</u>
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	10,561,475	8,347,855
Redemption of redeemable units	(2,328,460)	(19,903)
Distributions paid to holders of redeemable units, net of reinvested distributions	-	19
Cash provided by financing activities	<u>8,233,015</u>	<u>8,327,971</u>
Increase in cash	\$ <u>22,338</u>	\$ <u>10,255</u>
Cash, beginning of period	\$ <u>28,240</u>	\$ <u>-</u>
Cash, end of period	\$ <u>50,578</u>	\$ <u>10,255</u>

See accompanying notes to the financial statements

Educators Monitored Balanced Portfolio Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Units	Description	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Canadian Mutual Funds				
600,820	Educators Bond Fund, Class I	\$ 6,009,594	\$ 6,292,931	
125,753	Educators Dividend Fund, Class I	1,262,760	1,354,815	
537,019	Educators Growth Fund, Class I	5,144,111	5,234,861	
143,021	Educators Money Market Fund, Class I	1,431,749	1,430,207	
418,883	Educators U.S. Equity Fund, Class I	4,149,532	4,338,706	
150,789	HSBC Emerging Markets Debt Fund, Institutional Series	1,485,042	1,515,521	
89,621	HSBC Emerging Markets Pooled Fund	997,868	1,000,539	
161,211	HSBC Global High Yield Bond Pooled Fund	1,282,629	1,287,637	
44,120	HSBC Global Inflation Linked Bond Pooled Fund	503,728	523,099	
169,702	HSBC International Equity Pooled Fund	2,735,911	2,690,513	
215,496	HSBC Mortgage Fund, Institutional Series	2,269,001	2,289,714	
22,285	HSBC Small Cap Growth Fund, Institutional Series	648,506	663,791	
		<u>27,920,431</u>	<u>28,622,334</u>	<u>98.91</u>
	Total Investments	<u>\$ 27,920,431</u>	<u>\$ 28,622,334</u>	<u>98.91</u>
	Net Investments	<u>27,920,431</u>	<u>28,622,334</u>	<u>98.91</u>
	Other Assets Less Liabilities		<u>314,966</u>	<u>1.09</u>
	Net Assets Attributable to Holders of Redeemable Units		<u>\$ 28,937,300</u>	<u>100.00</u>

Educators Monitored Growth Portfolio

Statements of Financial Position

As at June 30, 2019 (unaudited) and December 31, 2018 (audited)

	2019	2018
Assets		
Current assets		
Cash	\$ 16,177	\$ 8,162
Distributions receivable from underlying funds	68,084	-
Subscriptions receivable	146,145	77,659
Investments	<u>8,536,204</u>	<u>4,838,036</u>
Total assets	\$ <u>8,766,610</u>	\$ <u>4,923,857</u>
Liabilities		
Current liabilities		
Due to brokers	65,000	59,500
Redemptions payable	51,985	4,928
Amounts due to Manager-Trustee (Note 6)	<u>11,771</u>	<u>6,357</u>
Total liabilities	<u>128,756</u>	<u>70,785</u>
Net assets attributable to holders of redeemable units	\$ <u>8,637,854</u>	\$ <u>4,853,072</u>
Net Assets attributable to holders of redeemable units per class		
Class A	7,939,958	4,259,817
Class I	<u>697,896</u>	<u>593,255</u>
Number of redeemable units outstanding (Note 3)		
Class A	801,671	468,052
Class I	<u>69,570</u>	<u>64,535</u>
Net Assets attributable to holders of redeemable units per class per unit		
Class A	9.90	9.10
Class I	<u>10.03</u>	<u>9.19</u>

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", President and CEO

Signed: "Stuart Mulcahy", Chief Financial Officer

Educators Monitored Growth Portfolio

Statements of Comprehensive Income

For the period ended June 30, 2019 and for the period from January 2, 2018 (date of inception) to June 30, 2018 (unaudited)

	2019	2018
Income		
Distributions from underlying funds	\$ 89,624	\$ 18,896
Other changes in fair value of investments:		
Net realized gain (loss)	2,868	(315)
Net change in unrealized appreciation (depreciation)	515,996	(4,764)
Total income	608,488	13,817
Expenses		
Management fees (Note 6)	53,251	7,997
Independent review committee fees	323	72
Harmonised sales tax	6,923	1,039
Total expenses	60,497	9,108
Increase in net assets attributable to holders of redeemable units	\$ 547,991	\$ 4,709
Increase in net assets attributable to holders of redeemable units per class		
Class A	\$ 483,918	\$ 4,256
Class I	\$ 64,073	\$ 453
Weighted average redeemable units outstanding during the period		
Class A	639,286	99,839
Class I	67,730	43,108
Increase in net assets attributable to holders of redeemable units per class per unit		
Class A	\$ 0.76	\$ 0.04
Class I	\$ 0.95	\$ 0.01

Educators Monitored Growth Portfolio
Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the period ended June 30, 2019 and for the period from January 2, 2018 (date of inception) to June 30, 2018 (unaudited)

	2019	2018
Net assets attributable to holders of redeemable units, beginning of period		
Class A	\$ 4,259,817	\$ -
Class I	593,255	-
	<u>4,853,072</u>	<u>-</u>
Increase in net assets attributable to holders of redeemable units		
Class A	483,918	4,256
Class I	64,073	453
	<u>547,991</u>	<u>4,709</u>
Distributions to holders of redeemable units		
From net investment income		
Class A	(27,322)	(9,579)
Class I	(7,217)	(3,424)
	<u>(34,539)</u>	<u>(13,003)</u>
Total distributions to holders of redeemable units	<u>(34,539)</u>	<u>(13,003)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	3,530,464	2,365,930
Class I	64,086	476,332
	<u>3,594,550</u>	<u>2,842,262</u>
Redemption of redeemable units		
Class A	(334,325)	(225,817)
Class I	(23,434)	-
	<u>(357,759)</u>	<u>(225,817)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	27,406	9,585
Class I	7,133	3,424
	<u>34,539</u>	<u>13,009</u>
Net increase from redeemable unit transactions	<u>3,271,330</u>	<u>2,629,454</u>
Net increase in net assets attributable to holders of redeemable units		
Class A	3,680,141	2,144,375
Class I	104,641	476,785
	<u>3,784,782</u>	<u>2,621,160</u>
Net assets attributable to holders of redeemable units, end of period		
Class A	7,939,958	2,144,375
Class I	697,896	476,785
	<u>8,637,854</u>	<u>2,621,160</u>

See accompanying notes to the financial statements

Educators Monitored Growth Portfolio**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units** (continued)*For the period ended June 30, 2019 and for the period from January 2, 2018 (date of inception) to June 30, 2018 (unaudited)*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the period ended June 30, 2019 and year ended December 31, 2018.

Class A	2019	2018
Number of units, beginning of period	468,052	-
Units issued	365,307	490,160
Units issued from reinvested distributions	2,815	12,630
Units redeemed	(34,503)	(34,738)
Number of units, end of period	801,671	468,052
Class I	2019	2018
Number of units, beginning of period	64,535	-
Units issued	6,644	62,148
Units issued from reinvested distributions	711	2,387
Units redeemed	(2,320)	-
Number of units, end of period	69,570	64,535

Educators Monitored Growth Portfolio**Statements of Cash Flows***For the period ended June 30, 2019 and for the period from January 2, 2018 (date of inception) to June 30, 2018 (unaudited)*

	2019	2018
Cash Flow from Operating Activities		
Increase in net assets attributable to holders of redeemable units	\$ 547,991	\$ 4,709
Adjustments for:		
Net realized (gain) loss on sale of investments	(2,868)	315
Net change in unrealized (appreciation) depreciation in value of investments	(515,996)	4,764
Purchase of investments	(3,665,504)	(2,630,070)
Proceeds from disposal of investments	491,700	24,130
Increase in distributions receivable from underlying funds	(68,084)	(16,309)
Increase in amounts due to Manager-Trustee	5,414	3,217
Cash used by operating activities	(3,207,347)	(2,609,244)
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	3,526,064	2,841,427
Redemption of redeemable units	(310,702)	(225,817)
Cash provided by financing activities	3,215,362	2,615,610
Increase in cash	\$ 8,015	\$ 6,366
Cash, beginning of period	\$ 8,162	\$ -
Cash, end of period	\$ 16,177	\$ 6,366

See accompanying notes to the financial statements

Educators Monitored Growth Portfolio Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Units	Description	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Canadian Mutual Funds				
79,804	Educators Bond Fund, Class I	\$ 801,841	\$ 835,855	
249,693	Educators Growth Fund, Class I	2,391,774	2,434,011	
207,355	Educators U.S. Equity Fund, Class I	2,056,696	2,147,743	
45,132	HSBC Emerging Markets Debt Fund, Institutional Series	447,200	453,601	
41,775	HSBC Emerging Markets Pooled Fund	465,277	466,376	
48,517	HSBC Global High Yield Bond Pooled Fund	386,257	387,519	
4,741	HSBC Global Inflation Linked Bond Pooled Fund	54,311	56,213	
80,710	HSBC International Equity Pooled Fund	1,299,456	1,279,602	
25,888	HSBC Mortgage Fund, Institutional Series	272,979	275,063	
6,722	HSBC Small Cap Growth Fund, Institutional Series	194,218	200,221	
		<u>8,370,009</u>	<u>8,536,204</u>	<u>98.82</u>
	Total Investments	<u>\$ 8,370,009</u>	<u>\$ 8,536,204</u>	<u>98.82</u>
	Net Investments	<u>8,370,009</u>	<u>8,536,204</u>	<u>98.82</u>
	Other Assets Less Liabilities		<u>101,650</u>	<u>1.18</u>
	Net Assets Attributable to Holders of Redeemable Units		<u>\$ 8,637,854</u>	<u>100.00</u>

Educators Monitored Aggressive Portfolio

Statements of Financial Position

As at June 30, 2019 (unaudited) and December 31, 2018 (audited)

	2019	2018
Assets		
Current assets		
Cash	\$ 9,309	\$ 13,173
Distributions receivable from underlying funds	10,699	-
Subscriptions receivable	30,241	1,251
Investments	<u>1,360,118</u>	<u>1,125,171</u>
Total assets	\$ <u>1,410,367</u>	\$ <u>1,139,595</u>
Liabilities		
Current liabilities		
Due to brokers	26,700	-
Distributions payable	63	7
Amounts due to Manager-Trustee (Note 6)	<u>1,701</u>	<u>1,468</u>
Total liabilities	<u>28,464</u>	<u>1,475</u>
Net assets attributable to holders of redeemable units	\$ <u>1,381,903</u>	\$ <u>1,138,120</u>
Net Assets attributable to holders of redeemable units per class		
Class A	1,166,237	875,568
Class I	<u>215,666</u>	<u>262,552</u>
Number of redeemable units outstanding (Note 3)		
Class A	117,799	96,718
Class I	<u>21,656</u>	<u>28,861</u>
Net Assets attributable to holders of redeemable units per class per unit		
Class A	9.90	9.05
Class I	<u>9.96</u>	<u>9.10</u>

On behalf of the Manager-Trustee: Educators Financial Group Inc.

Signed: "Chuck Hamilton", President and CEO

Signed: "Stuart Mulcahy", Chief Financial Officer

Educators Monitored Aggressive Portfolio

Statements of Comprehensive Income

For the period ended June 30, 2019 and for the period from January 2, 2018 (date of inception) to June 30, 2018 (unaudited)

	2019	2018
Income		
Distributions from underlying funds	\$ 13,066	\$ 4,256
Other changes in fair value of investments:		
Net realized (loss)	(4,772)	(238)
Net change in unrealized appreciation (depreciation)	116,612	(6,919)
Total income	<u>124,906</u>	<u>(2,901)</u>
Expenses		
Management fees (Note 6)	9,144	2,645
Independent review committee fees	53	20
Harmonised sales tax	1,189	344
Total expenses	<u>10,386</u>	<u>3,009</u>
Increase (decrease) in net assets attributable to holders of redeemable units	\$ <u>114,520</u>	\$ <u>(5,910)</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class A	\$ 91,754	\$ (5,485)
Class I	\$ <u>22,766</u>	\$ <u>(425)</u>
Weighted average redeemable units outstanding during the period		
Class A	110,023	32,861
Class I	<u>21,510</u>	<u>15,680</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class per unit		
Class A	\$ 0.83	\$ (0.17)
Class I	\$ <u>1.06</u>	\$ <u>(0.03)</u>

Educators Monitored Aggressive Portfolio
Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the period ended June 30, 2019 and for the period from January 2, 2018 (date of inception) to June 30, 2018 (unaudited)

	2019	2018
Net assets attributable to holders of redeemable units, beginning of period		
Class A	\$ 875,568	\$ -
Class I	262,552	-
	<u>1,138,120</u>	<u>-</u>
Increase (decrease) in net assets attributable to holders of redeemable units		
Class A	91,754	(5,485)
Class I	22,766	(425)
	<u>114,520</u>	<u>(5,910)</u>
Distributions to holders of redeemable units		
From net investment income		
Class A	(880)	(911)
Class I	(2,032)	(1,048)
	<u>(2,912)</u>	<u>(1,959)</u>
Total distributions to holders of redeemable units	<u>(2,912)</u>	<u>(1,959)</u>
Redeemable unit transactions		
Proceeds from redeemable units issued		
Class A	471,899	593,597
Class I	39,882	186,529
	<u>511,781</u>	<u>780,126</u>
Redemption of redeemable units		
Class A	(272,976)	(21,490)
Class I	(109,468)	-
	<u>(382,444)</u>	<u>(21,490)</u>
Reinvestments of distributions to holders of redeemable units		
Class A	872	909
Class I	1,966	1,047
	<u>2,838</u>	<u>1,956</u>
Net increase from redeemable unit transactions	<u>132,175</u>	<u>760,592</u>
Net increase (decrease) in net assets attributable to holders of redeemable units		
Class A	290,669	566,620
Class I	(46,886)	186,103
	<u>243,783</u>	<u>752,723</u>
Net assets attributable to holders of redeemable units, end of period		
Class A	1,166,237	566,620
Class I	215,666	186,103
	<u>1,381,903</u>	<u>752,723</u>

Educators Monitored Aggressive Portfolio**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units** (continued)*For the period ended June 30, 2019 and for the period from January 2, 2018 (date of inception) to June 30, 2018 (unaudited)*

Redeemable unit continuity (Note 3)

The following redeemable units were issued for cash, issued on reinvestment of distributions and redeemed during the period ended June 30, 2019 and year ended December 31, 2018.

Class A	2019	2018
Number of units, beginning of period	96,718	-
Units issued	49,276	104,088
Units issued from reinvested distributions	88	2,808
Units redeemed	(28,283)	(10,178)
Number of units, end of period	<u>117,799</u>	<u>96,718</u>
Class I	2019	2018
Number of units, beginning of period	28,861	-
Units issued	4,061	29,155
Units issued from reinvested distributions	197	1,145
Units redeemed	(11,463)	(1,439)
Number of units, end of period	<u>21,656</u>	<u>28,861</u>

Educators Monitored Aggressive Portfolio**Statements of Cash Flows***For the period ended June 30, 2019 and for the period from January 2, 2018 (date of inception) to June 30, 2018 (unaudited)*

	2019	2018
Cash Flow from Operating Activities		
Decrease in net assets attributable to holders of redeemable units	\$ 114,520	\$ (5,910)
Adjustments for:		
Net realized loss on sale of investments	4,772	238
Net change in unrealized (appreciation) depreciation in value of investments	(116,612)	6,919
Purchase of investments	(419,207)	(655,967)
Proceeds from disposal of investments	322,800	24,864
(Increase) in distributions receivable from underlying funds	(10,699)	(3,701)
Increase in amounts due to Manager-Trustee	233	712
Cash used by operating activities	<u>(104,193)</u>	<u>(632,845)</u>
Cash Flow from Financing Activities		
Proceeds from redeemable units issued	482,791	660,130
Redemption of redeemable units	(382,444)	(21,490)
Distributions paid to holders of redeemable units, net of reinvested distributions	(18)	-
Cash provided by financing activities	<u>100,329</u>	<u>638,640</u>
Decrease (increase) in cash	\$ <u>(3,864)</u>	\$ <u>5,795</u>
Cash, beginning of period	\$ <u>13,173</u>	\$ <u>-</u>
Cash, end of period	\$ <u>9,309</u>	\$ <u>5,795</u>

Educators Monitored Aggressive Portfolio Schedule of Investments

As at June 30, 2019 (unaudited)

No. of Units	Description	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Redeemable Units
Canadian Mutual Funds				
34,937	Educators Growth Fund, Class I	\$ 340,076	\$ 340,569	
44,870	Educators U.S. Equity Fund, Class I	445,778	464,753	
6,931	HSBC Emerging Markets Debt Fund, Institutional Series	68,903	69,658	
8,135	HSBC Emerging Markets Pooled Fund	91,562	90,822	
6,818	HSBC Global High Yield Bond Pooled Fund	54,739	54,461	
18,801	HSBC International Equity Pooled Fund	307,571	298,075	
1,403	HSBC Small Cap Growth Fund, Institutional Series	41,387	41,780	
		<u>1,350,016</u>	<u>1,360,118</u>	<u>98.42</u>
	Total Investments	<u>\$ 1,350,016</u>	<u>\$ 1,360,118</u>	<u>98.42</u>
	Net Investments	<u>1,350,016</u>	<u>1,360,118</u>	<u>98.42</u>
	Other Assets Less Liabilities		<u>21,785</u>	<u>1.58</u>
	Net Assets Attributable to Holders of Redeemable Units		<u>\$ 1,381,903</u>	<u>100.00</u>

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

1. Educators Financial Group Inc. Funds

The Educators Financial Group Inc. Funds (individually “Fund” and collectively “Funds”) consist of twelve mutual fund trusts. The Funds are open-end trustee investment funds established under the laws of Ontario issuing units of the Funds to eligible purchasers on a continuous basis, with the objective of providing a means to invest through professionally managed pools of money.

Educators Financial Group Inc. is the manager and trustee (“Manager-Trustee”) of the Funds.

Each Fund has authorized an unlimited number of Class A and Class I non-transferable, redeemable trust units (“units”) which may only be issued as fully paid (Note 6). The unit continuity of Class A units and Class I is shown in Note 3.

<u>Fund</u>	<u>Date of Inception</u>
Money Market Fund	June 24, 1984
Mortgage & Income Fund	June 24, 1984
Bond Fund	March 14, 2011
Balanced Fund	June 24, 1984
Monthly Income Fund	March 14, 2011
Dividend Fund	February 7, 2000
Growth Fund	June 24, 1984
U.S. Equity Fund	June 24, 1984
Monitored Conservative Portfolio	January 2, 2018 ⁽¹⁾
Monitored Balanced Portfolio	January 2, 2018 ⁽¹⁾
Monitored Growth Portfolio	January 2, 2018 ⁽¹⁾
Monitored Aggressive Portfolio	January 2, 2018 ⁽¹⁾

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

The address of the Funds’ registered office is 2225 Sheppard Avenue East, Suite 1105, Toronto, Ontario M2J 5C2.

These financial statements were authorized for issue by the Board of Directors on August 14, 2019.

2. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) including International Accounting Standards (“IAS”) 34: Interim Financial Reporting, as published by the International Accounting Standards Board (“IASB”).

The financial statements are presented in Canadian dollars, the functional currency of the Funds, and are rounded to the nearest dollar unless otherwise noted.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

2. Summary of significant accounting policies (continued)

The following summarizes the accounting policies of the Funds for the period ended June 30, 2019 and year ended December 31, 2018:

New accounting standards and interpretations

Financial instruments

The Funds applied IFRS 9, Financial Instruments - Classification and Measurement ("IFRS 9"). The standard requires financial assets to be classified as amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVOCI") based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of these assets. Assessment and decision on the business model approach used is an accounting judgement. The classification and measurement of financial liabilities remain generally unchanged with the exception of liabilities recorded at FVTPL. For these liabilities, fair value changes attributable to changes in the entity's own credit risk are to be presented in other comprehensive income unless they affect amounts recorded in income. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amounts required to be received or paid, discounted when appropriate, at the financial instrument's effective interest rate. The fair values of the Funds financial assets and liabilities that are not carried at FVTPL approximate their carrying amounts due to their short-term nature.

The Funds financial assets and financial liabilities previously classified as FVTPL under IAS 39, Financial Instruments – Recognition and Measurement ("IAS 39") continue to be classified in the same category and there were no changes in the measurement attributes. The Funds' investments and derivative assets and liabilities are measured at FVTPL.

Financial instruments (continued)

The Funds' financial instruments consist of cash, interest and dividends receivable, subscriptions receivable, amounts due from brokers, investments, bank overdraft, redemptions payable, distributions payable, amounts due to brokers, foreign currency forward contracts, amounts due to Manager-Trustee and net assets attributable to holders of redeemable units. Investments are subsequently measured at fair value based on the policies described below. Other financial assets are categorized as loans and receivables and financial liabilities are categorized as other financial liabilities. The Funds' obligations for net assets attributable to holders of redeemable units are presented at the redemption amount. Financial instruments other than investments and foreign currency forward contracts are subsequently measured at amortized cost using the effective interest method and their carrying values approximate their fair values given their short-term nature.

Valuation of investments

Under IFRS, the Funds measure the fair values of their investments using the guidance in IFRS 13 *Fair Value Measurement* ("IFRS 13"). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All investments and derivative assets and liabilities are measured at fair value through profit or loss ("FVTPL"). The Funds' accounting policies for measuring the fair value of their investments and derivatives are consistent with those used in measuring its Net Asset Value ("NAV") for transactions with unitholders.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

2. Summary of significant accounting policies (continued)

Investments held include common stocks, short-term investments, bonds, debentures, mutual funds and asset-backed securities.

The fair value of investments is determined as follows:

- (a) Investments that are publicly traded are valued at last traded market price where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager-Trustee determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.
- (b) Investments held that are not traded in an active market are valued based on the results of using valuation techniques, using observable market inputs, to the extent available, on such basis and in such manner established by the Manager-Trustee.
- (c) Investments in underlying funds are valued at the NAV per unit as at the valuation date, as this value is the most readily and regularly available.

Impairments

IFRS 9 requires that an entity recognize a loss allowance for expected credit losses on financial assets which are measured at amortized costs or FVOCI. Financial assets held by the Fund which are measured at FVTPL will not be subject to the new impairment requirements.

Impairments (continued)

With respect to financial assets at amortized cost, the Funds consider both historical analysis and forward looking information in determining any expected credit loss. As at the financial statement date, all loans and receivables are due to be settled within the short term. The Funds consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligation in the near term. Given the limited exposure of the Funds to credit risk, no loss allowance has been recognized as any such impairment will not have a significant impact on the financial statements.

Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis, excluding transaction costs.

Transaction costs

Transaction costs are expensed as incurred in the Statements of Comprehensive Income. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commission paid to agents, advisors and brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

Forward currency contracts

Forward currency contracts are recognized in the Statements of Financial Position when the Funds become

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

2. Summary of significant accounting policies (continued)

a party to the contractual provisions of the instrument. The instrument is derecognized from the Statements of Financial Position when the contractual rights or obligations arising from that instrument expire or are extinguished. Forward currency contracts are recognized at fair value, which is the gain or loss, if any, that would be realized if the position in the contracts were to be settled on the valuation date. The resulting unrealized gain or loss is presented as a Forward contract asset or liability in the Statements of Financial Position and is included in Change in unrealized appreciation (depreciation) on forward currency contracts in the Statements of Comprehensive Income. Any gain or loss arising from forward currency contracts at close or delivery will be recorded as Realized gain (loss) on forward currency contracts in the Statements of Comprehensive Income. As described in Note 10, the Mortgage & Income Fund, Dividend Fund, and Monthly Income Fund use forward currency contracts to deliver currencies at specified future dates.

Investment transactions and investment income

Investment transactions are accounted for on the trade date. The dividend income is recognized on the ex-dividend date. The interest for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the Fund accounted for on an accrual basis. The Funds do not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis. Realized gain (loss) on sale of investments and change in unrealized appreciation (depreciation) of investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds.

Unit valuation

The Funds' units are issued and redeemed at the NAV per unit. For the Mortgage & Income Fund, Bond Fund, Balanced Fund, Monthly Income Fund, Dividend Fund, Growth Fund, U.S. Equity Fund (formerly North American Diversified Fund), Monitored Conservative Portfolio, Monitored Balanced Portfolio, Monitored Growth Portfolio and Monitored Aggressive Portfolio, the NAV per unit is determined by dividing the NAV at the close of business of each day by the total number of units outstanding at such time. For the Money Market Fund, the month end NAV per unit is fixed at \$10 per unit by distributing net investment income monthly.

Foreign currency translation

The Funds' subscriptions and redemptions are denominated in Canadian dollars, which is also the Funds' functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates that the transactions occur. Foreign currency assets and liabilities denominated in a foreign currency are translated into the functional currency using the exchange rate prevailing at the measurement date. Foreign exchange gains and losses relating to investments are presented within Realized gain (loss) on sale of investments and Change in unrealized appreciation (depreciation) in value of investments in the Statements of Comprehensive Income.

Per unit from operations

Increase (decrease) in net assets attributable to holders of redeemable units per unit on the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable units, divided by the daily weighted average number of units outstanding during the year.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

2. Summary of significant accounting policies (continued)

Use of estimates and judgments

These financial statements, prepared in accordance with IFRS, include estimates and assumptions by management that affect the reported amounts of certain assets and liabilities at the date of the financial statements and income and expenses during the period. Actual results could differ from these estimates.

Use of estimates and judgments (continued)

In classifying and measuring financial instruments held by the Funds, the Manager is required to make significant judgments in determining the most appropriate classification in accordance with IFRS 9. The Manager has assessed the Funds' business models, the manner in which all financial assets and financial liabilities are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate classification of the Funds' financial instruments.

Management uses valuation techniques in measuring the fair value of investments where active market quotes are not available. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Distribution to unitholders

The net investment income and net realized capital gains of each of the Funds are distributed in cash or reinvested in additional units, as follows:

<u>Fund</u>	<u>Distribution of Net Investment Income</u>	<u>Distribution of Net Realized Capital Gain</u>
Money Market Fund	Monthly	N/A
Mortgage & Income Fund	Monthly	Annually
Bond Fund	Quarterly	Annually
Balanced Fund	Semi-annually	Annually
Monthly Income Fund	Monthly	Annually
Dividend Fund	Semi-annually	Annually
Growth Fund	Semi-annually	Annually
U.S. Equity Fund	Semi-annually	Annually
Monitored Conservative Portfolio	Quarterly	Annually
Monitored Balanced Portfolio	Semi-annually	Annually
Monitored Growth Portfolio	Semi-annually	Annually
Monitored Aggressive Portfolio	Semi-annually	Annually

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

3. Redeemable unit continuity

Each redeemable unit represents a beneficial interest ranking equally in all distributions when and as declared payable, including the proceeds of liquidation of Fund property.

An unlimited number of the Funds' redeemable units may be issued, which are redeemable at the Unitholder's option in accordance with the terms of the Declaration of Trust of the Funds. The capital of the Funds is represented by its redeemable units. The Funds' units are managed by the Manager-Trustee in accordance with the Funds' investment objectives, strategies and restrictions as outlined in the Simplified Prospectus, while maintaining sufficient liquidity to meet redemptions.

Classification of redeemable units issued by the Fund

Under IFRS, IAS 32 *Financial Instruments – Presentation* ("IAS 32") requires that issued capital of an entity which includes a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as financial liabilities. The Funds' units do not meet the criteria in IAS 32 for classification as equity and therefore, have been classified as financial liabilities.

4. Income taxes

The Money Market Fund, Mortgage & Income Fund, Bond Fund, Balanced Fund, Monthly Income Fund, Dividend Fund, Growth Fund, U.S. Equity Fund, Monitored Conservative Portfolio and Monitored Balanced Portfolio each qualify as Mutual Fund Trust under the Income Tax Act (the "Act"). The Funds are subject to tax under the Act on all of their taxable income for the year (including net taxable capital gains) and are permitted a deduction in computing taxable income for all amounts which are paid or payable in the year to the Unitholders. It is the policy of the Funds to allocate to the Unitholders all income of the Funds for the year, which then becomes taxable for the Unitholders. Accordingly, no provision for income taxes has been made in these financial statements. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses have not been reflected in the Statements of Financial Position as deferred tax assets.

Monitored Growth Portfolio and Monitored Aggressive Portfolio qualify as unit trusts under the provisions of the Act, and therefore are not subject to tax on net income, including net realized taxable capital gains for the taxation year, which are paid or payable to unitholders at the end of the taxation year. However, such part of the Fund's taxable income and net realized capital gains that is not paid or payable to unitholders will be taxable to the Funds.

As at the Funds most recent taxation year end of December 31, 2018, the Funds had capital losses carried forward as follows:

	2018	2017
Mortgage & Income Fund	\$ 4,053,013	\$ 2,166,184
Bond Fund	630,965	539,696
Dividend Fund	6,963,017	6,963,017

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

4. Income taxes policies (continued)

The Funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income.

5. Securities lending

The Funds lend portfolio securities to earn additional income. Income from securities lending is included in the Statements of Comprehensive Income of the Funds.

The Funds have entered into a securities lending program with RBC Investor Services Trust (the "Custodian" and "Securities Lending Agent"). The aggregate market value of all securities loaned by a Fund cannot exceed 50% of the assets of the Fund. The Funds receive collateral of at least 102% of the value of securities on loan. Collateral consists primarily of fixed income securities.

The aggregate dollar value of the securities that were on loan and the collateral received by the Funds that remains outstanding as at June 30, 2019 and December 31, 2018 are as follows:

	Market Value of Securities On Loan \$ <u>2019</u>	Market Value of Collateral Received \$ <u>2019</u>	Market Value of Securities On Loan \$ <u>2018</u>	Market Value of Collateral Received \$ <u>2018</u>
Money Market Fund	2,282,899	2,328,558	6,225,240	6,286,089
Mortgage & Income Fund	12,101,810	12,343,852	13,949,019	14,192,601
Bond Fund	4,775,721	4,879,190	4,984,227	5,051,926
Balanced Fund	25,156,387	25,690,209	33,647,764	34,271,609
Monthly Income Fund	10,397,267	10,610,306	10,344,416	10,536,650
Dividend Fund	19,436,587	19,825,323	16,785,402	17,118,207
Growth Fund	14,629,390	14,921,984	15,223,913	15,523,568
U.S. Equity Fund	30,108,707	30,710,887	27,693,152	28,171,291

Securities lending income reported in the Statements of Comprehensive Income is net of a securities lending charge which the Funds' Securities Lending Agent is entitled to receive. The Securities Lending Agent manages the Funds' securities lending program in accordance with NI 81-102 Investment Funds and charges a fee for the service.

The securities lending charges represent 40% of the gross securities lending income.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

5. Securities lending (continued)

For the period ended June 30, 2019, the securities lending income were as follows:

	Gross securities lending income	Securities lending charges	Net securities lending income	Withholding taxes on securities lending income	Net securities lending income received by the Fund
	\$	\$	\$	\$	\$
Money Market Fund	3,850	(1,573)	2,277	-	2,277
Mortgage & Income Fund	5,865	(2,346)	3,519	-	3,519
Bond Fund	1,886	(754)	1,132	-	1,132
Balanced Fund	14,172	(5,669)	8,503	(291)	8,212
Monthly Income Fund	7,838	(3,135)	4,703	(51)	4,652
Dividend Fund	12,199	(4,880)	7,319	(176)	7,143
Growth Fund	12,425	(4,970)	7,455	(745)	6,710
U.S. Equity Fund	22,057	(8,823)	13,234	(1,803)	11,431

For the period ended June 30, 2018, the securities lending income were as follows:

	Gross securities lending income	Securities lending charges	Net securities lending income	Withholding taxes on securities lending income	Net securities lending income received by the Fund
	\$	\$	\$	\$	\$
Money Market Fund	3,296	(1,318)	1,978	-	1,978
Mortgage & Income Fund	29,161	(11,665)	17,496	(7,406)	10,090
Bond Fund	785	(314)	471	-	471
Balanced Fund	17,324	(6,930)	10,394	(1,624)	8,770
Monthly Income Fund	9,051	(3,621)	5,430	(561)	4,869
Dividend Fund	10,889	(4,356)	6,533	(327)	6,206
Growth Fund	25,610	(10,244)	15,366	(453)	14,913
U.S. Equity Fund	17,250	(6,900)	10,350	(1,299)	9,051

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

6. Management fees

The Manager-Trustee is responsible for the management of the overall business and operations of the Funds. The annual management fee rate applicable to each Fund is as follows:

<u>Fund</u>	<u>Class A</u>	
	<u>2019</u>	<u>2018</u>
Money Market Fund	0.55%	0.55%
Mortgage & Income Fund	1.10%	1.10%
Bond Fund	1.10%	1.10%
Balanced Fund	1.65%	1.65%
Monthly Income Fund	1.15%	1.15%
Dividend Fund	1.60%	1.60%
Growth Fund	1.75%	1.75%
U.S. Equity Fund	1.75%	1.75%
Monitored Conservative Portfolio	1.45%	1.45%
Monitored Balanced Portfolio	1.65%	1.65%
Monitored Growth Portfolio	1.75%	1.75%
Monitored Aggressive Portfolio	1.75%	1.75%

The Manager-Trustee has elected to reduce the management fees for certain of the Funds. The management fee rates presented above relate to the contractual rates prior to any reduction. Management fees and related reductions are presented on a gross basis on the Statements of Comprehensive Income.

Expenses related to the Funds, including bookkeeping, accounting, registry and transfer agency services, services required in connection with the provision of information to investors, interest expenses, audit and legal fees, RSP fees and custodial charges are paid by the Manager-Trustee from management fees received. The Funds are responsible for paying any applicable harmonized sales taxes owing on management fees or expenses of the Funds.

The 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. The Manager pays all the costs of the Portfolio Adviser and all custody fees and expenses. All of the other expenses are borne by the Class I units unless the Manager agrees to absorb or pay these expenses on behalf of the Class I units. Class I units may be purchased by any other Fund managed by the Manager which is investing in the Fund and other investors that the Manager may determine from time to time in its discretion. 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 Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

7. Related party transactions

At June 30, 2019 and December 31, 2018, the parent company of the Manager-Trustee hold units of the Funds with an aggregate fair market value of the following:

Funds	Parent company of Manager Trustee	
	2019	2018
	\$	\$
Money Market Fund	3,445,984	3,404,080
Mortgage & Income Fund	1,067,479	1,049,494
Balanced Fund	14,167,768	13,061,973
Monthly Income Fund	78,352	70,912
Dividend Fund	96,988	82,466
U.S. Equity Fund	253,360	224,730
Monitored Conservative Portfolio	156,444	146,581
Monitored Balanced Portfolio	154,089	142,754
Monitored Growth Portfolio	153,582	140,643
Monitored Aggressive Portfolio	153,159	139,944
Total	\$ 19,727,204	\$ 18,463,577

8. Financial risk management

The Funds are exposed to various types of risks that are associated with their investment strategies, financial instruments and markets in which they invest. The most important risks include market risk (which includes other price risk, interest rate risk and currency risk), liquidity risk and credit risk. These risks and related risk management practices employed by the Funds are discussed below:

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: other price risk, interest rate risk and currency risk. The investments of the Funds are subject to normal market fluctuations and the risks inherent of investment in financial markets. The Manager-Trustee moderates this risk through a careful selection of securities within specified limits and the Funds' market risk is managed through diversification of the investment portfolio. The Manager-Trustee also manages this risk by using four external investment managers to manage the investment portfolios. These investment managers monitor the Funds' overall market positions on a daily basis and positions are maintained within established ranges. Financial instruments held by each Fund are susceptible to market risk arising from uncertainties about future prices of the instruments.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

8. Financial risk management (continued)

Market risk (continued)

At June 30, 2019 and December 31, 2018, the overall market exposures were as follows:

	% of Net Assets attributable to holders of redeemable units			
	Fair value \$		%	
	2019	2018	2019	2018
Money Market Fund	19,482,148	17,498,297	96.88	99.64
Mortgage & Income Fund	132,171,751	140,203,593	99.68	99.80
Bond Fund	22,045,071	15,620,225	99.93	99.32
Balanced Fund	253,048,131	238,161,868	99.99	99.91
Monthly Income Fund	63,681,261	59,542,481	99.77	99.51
Dividend Fund	147,326,832	128,216,950	99.37	100.30
Growth Fund	95,068,655	84,477,271	99.74	99.97
U.S. Equity Fund	105,926,036	97,445,411	99.93	99.85
Monitored Conservative Portfolio	18,910,246	11,023,512	99.16	99.49
Monitored Balanced Portfolio	28,622,334	18,814,137	98.91	99.43
Monitored Growth Portfolio	8,536,204	4,838,036	98.82	99.69
Monitored Aggressive Portfolio	1,360,118	1,125,171	98.42	98.86

(i) Other price risk and interest rate risk

At June 30, 2019 and December 31, 2018, the Funds' market risk is affected by two main components: changes in actual equity prices for equity securities and changes in interest rates for debt securities. As at June 30, 2019 and December 31, 2018, if the following indexes had increased (decreased) by 1%, using historical correlation between the return of the Funds' investments as compared to the return of the Funds' benchmark index, with all other variables held constant, this would have approximately increased (decreased) the net assets as follows:

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

8. Financial risk management (continued)

(i) Other price risk and interest rate risk (continued)

June 30, 2019	Index	Increase in Net Assets attributable to holders of redeemable units \$	Decrease in Net Assets attributable to holders of redeemable units \$
Money Market Fund	FTSE TMX Canada 91 Day T-Bill	189,000	(189,000)
Mortgage & Income Fund	FTSE TMX Short Term Bond	1,128,000	(1,128,000)
Bond Fund	FTSE TMX Canada Universe Bond	219,000	(219,000)
Balanced Fund	S&P\TSX composite TR (35%), S&P 500 (12%), FTSE TMX Canada Universe Bond (40%) and MSCI EAFE TR (13%)	2,412,000	(2,412,000)
Monthly Income Fund	FTSE TMX (3%), FTSE TMX Canada Universe Bond (27%) and S&P\TSX Composite (70%)	613,000	(613,000)
Dividend Fund	S&P\TSX 60	1,259,000	(1,259,000)
Growth Fund	S&P\TSX composite	926,000	(926,000)
U.S. Equity Fund	S&P 500 TR	1,124,000	(1,124,000)
Monitored Conservative Portfolio	FTSE TMX 91-day T-bill (5.0%), FTSE TMX Canada Short Term Bond (15.5%), FTSE TMX Canada Universe Bond (51.5%), S&P/TSX Composite TR (16.0%), S&P 500 TR – C\$ (6.5%) and MSCI EAFE TR – C\$ (5.5%)	180,000	(180,000)
Monitored Balanced Portfolio	FTSE TMX 91-day T-bill (5.0%), FTSE TMX Canada Short Term Bond (6.0%), FTSE TMX Canada Universe Bond (37.0%), S&P/TSX Composite TR (24.5%), S&P 500 TR – C\$ (15.0%) and MSCI EAFE TR – C\$ (12.5%)	277,000	(277,000)
Monitored Growth Portfolio	FTSE TMX Canada Short Term Bond (2.5%), FTSE TMX Canada Universe Bond (22.5%), S&P/TSX Composite TR (30.0%), S&P 500 TR – C\$ (25.0%) and MSCI EAFE TR – C\$ (20.0%)	84,000	(84,000)
Monitored Aggressive Portfolio	FTSE TMX Canada Universe Bond (10.0%) S&P/TSX Composite TR (27.5%), S&P 500 TR – C\$ (34.0%) and MSCI EAFE TR \$ (28.5%)	13,000	(13,000)

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

8. Financial risk management (continued)

(i) Other price risk and interest rate risk (continued)

December 31, 2018	Index	Increase in Net Assets attributable to holders of redeemable units \$	Decrease in Net Assets attributable to holders of redeemable units \$
Money Market Fund	FTSE TMX Canada 91 Day T-Bill	172,000	(172,000)
Mortgage & Income Fund	FTSE TMX Short Term Bond	1,125,000	(1,880,000)
Bond Fund	FTSE TMX Canada Universe Bond	157,000	(80,000)
Balanced Fund	S&P\TSX composite TR (35%), S&P 500 (12%), FTSE TMX Canada Universe Bond (40%) and MSCI EAFE TR (13%)	2,253,000	(2,245,000)
Monthly Income Fund	FTSE TMX (3%), FTSE TMX Canada Universe Bond (27%) and S&P\TSX Composite (70%)	577,000	(577,000)
Dividend Fund	S&P\TSX 60	1,084,000	(1,084,000)
Growth Fund	S&P\TSX composite	791,000	(791,000)
U.S. Equity Fund	S&P 500 TR	981,000	(981,000)
Monitored Conservative Portfolio	FTSE TMX 91-day T-bill (5.0%), FTSE TMX Canada Short Term Bond (15.5%), FTSE TMX Canada Universe Bond (51.5%), S&P/TSX Composite TR (16.0%), S&P 500 TR – C\$ (6.5%) and MSCI EAFE TR – C\$ (5.5%)	93,000	(93,000)
Monitored Balanced Portfolio	FTSE TMX 91-day T-bill (5.0%), FTSE TMX Canada Short Term Bond (6.0%), FTSE TMX Canada Universe Bond (37.0%), S&P/TSX Composite TR (24.5%), S&P 500 TR – C\$ (15.0%) and MSCI EAFE TR – C\$ (12.5%)	170,000	(170,000)
Monitored Growth Portfolio	FTSE TMX Canada Short Term Bond (2.5%), FTSE TMX Canada Universe Bond (22.5%), S&P/TSX Composite TR (30.0%), S&P 500 TR – C\$ (25.0%) and MSCI EAFE TR – C\$ (20.0%)	44,000	(44,000)
Monitored Aggressive Portfolio	FTSE TMX Canada Universe Bond (10.0%), S&P/TSX Composite TR (27.5%), S&P 500 TR – C\$ (34.0%) and MSCI EAFE TR \$ (28.5%)	11,000	(11,000)

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

8. Financial risk management (continued)

(i) Other price risk and interest rate risk (continued)

The historical correlation may not be representative of the future correlation, and accordingly the impact on Net assets attributable to holders of redeemable units could be materially different.

At June 30, 2019 and December 31, 2018, should interest rates have decreased (increased) by 100 basis points, with all other variables held constant, this would have approximately increased (decreased) the Net assets attributable to holders of redeemable units as follows:

	Increase in Net Assets attributable to holders of redeemable units	Decrease in Net Assets attributable to holders of redeemable units
June 30, 2019	\$	\$
Money Market Fund	47,000	(47,000)
Mortgage & Income Fund	2,948,000	(2,948,000)
Bond Fund	1,750,000	(1,750,000)
Balanced Fund	6,022,000	(6,022,000)
Monthly Income Fund	1,206,000	(1,206,000)
Dividend Fund	52,000	(52,000)
Growth Fund	25,000	(25,000)
U.S. Equity Fund	2,500	(2,500)
	Increase in Net Assets attributable to holders of redeemable units	Decrease in Net Assets attributable to holders of redeemable units
December 31, 2018	\$	\$
Money Market Fund	43,000	(43,000)
Mortgage & Income Fund	3,263,000	(3,263,000)
Bond Fund	1,176,000	(1,176,000)
Balanced Fund	5,440,000	(5,440,000)
Monthly Income Fund	1,032,000	(1,032,000)
Dividend Fund	4,000	(4,000)
Growth Fund	2,000	(2,000)
U.S. Equity Fund	2,000	(2,000)

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

8. Financial risk management (continued)

As at June 30, 2019 and December 31, 2018, Monitored Conservative Portfolio, Monitored Balanced Portfolio, Monitored Growth Portfolio and Monitored Aggressive Portfolio's direct exposure to interest risk was negligible as the Portfolios had no significant exposure to interest-bearing investments and the underlying funds are non-interest bearing. The Portfolios were exposed to indirect interest rate risk to the extent the underlying funds invest in debt-based securities.

At June 30, 2019 and December 31, 2018, the exposure to debt instruments by the Funds by maturity is as follows:

	Less than 1 month \$	1 - 3 months \$	3 months - 1 year \$	1 - 5 years \$	More than 5 years \$
June 30, 2019					
Mortgage & Income Fund	-	468,373	949,839	44,647,551	18,566,394
Bond Fund	-	174,289	249,154	6,859,973	14,761,655
Balanced Fund	59,751	2,564,155	1,339,385	23,235,505	51,896,647
Monthly Income Fund	-	2,070,325	198,772	4,333,304	9,498,008
December 31, 2018					
Mortgage & Income Fund	449,290	-	976,641	38,960,132	26,895,425
Bond Fund	22,021	418,853	143,168	5,923,467	9,112,717
Balanced Fund	167,159	3,575,955	552,647	28,156,386	42,436,513
Monthly Income Fund	399,576	1,547,693	839,515	5,205,220	7,640,240

For the remaining Funds, debt instruments have contractual maturities of less than one year and the balance of investments in these Funds are represented by equity instruments.

(ii) Currency risk

The Mortgage & Income Fund, Balanced Fund, Monthly Income Fund, Dividend Fund, Growth Fund and U.S. Equity Fund hold assets and liabilities that are denominated in currencies other than the Canadian Dollar - the functional currency of the Funds. They are therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. The Mortgage & Income Fund, Monthly Income Fund and Dividend Fund use forward current contracts to mitigate exposure to currency risk. The tables below summarize the Funds' exposure to currency risks as at June 30, 2019 and December 31, 2018:

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

8. Financial risk management (continued)

(ii) Currency risk (continued)

	Investments at fair value (\$)	Cash (\$)	Other assets (\$)	Forward currency contracts (\$)	Total assets (\$)	Impact on Net Assets attributable to holders of redeemable units ⁽¹⁾ (\$)
	\$	\$	\$	\$	\$	\$
Mortgage & Income Fund						
2019	1,116,222	-	-	(1,130,334)	(14,112)	-
2018	1,090,102	-	13,510	(1,113,127)	(9,515)	-
Balanced Fund						
2019	-	13,404	32,657	-	46,061	-
2018	-	14,066	38,566	-	52,632	1,000
Monthly Income Fund						
2019	8,985,879	9,661	15,655	(1,872,573)	7,138,622	71,000
2018	9,576,374	16,958	19,354	(3,769,608)	5,843,078	58,000
Dividend Fund						
2019	27,166,048	106,694	29,130	(26,918,955)	382,917	4,000
2018	25,228,746	95,863	41,965	(24,720,980)	645,594	6,000
Growth Fund						
2019	-	8,799	34,197	-	42,996	-
2018	-	35,281	16,076	-	51,357	1,000
U.S. Equity Fund						
2019	104,058,981	9,080	109,590	-	104,177,651	1,042,000
2018	95,160,011	17,857	173,541	-	95,351,409	954,000

⁽¹⁾ Impact of a 1% change in the Canadian dollar against the US dollar. The impact on the net assets may be an increase or decrease.

All exposure to currency risk relates to the United States Dollar, the currency in which all foreign assets are held.

As at June 30, 2019 and December 31, 2018, the Monitored Conservative Portfolio, Monitored Balanced Portfolio, Monitored Growth Portfolio and Monitored Aggressive Portfolio did not have direct exposure to currency risk as they invested in Canadian-dollar-denominated underlying funds. The Portfolios may additionally be indirectly exposed to currency risk through its investments in underlying funds, to the extent that investments in underlying funds hold financial investments that are denominated in a currency other than Canadian dollars.

The remaining Funds did not have significant exposure to currency risk as they are mainly invested in securities denominated in Canadian dollars.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

8. Financial risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities. The Funds are exposed to daily cash redemptions of units on demand by the unitholders and other operating expenses. The ability to meet these needs is managed by retaining sufficient cash within the Funds, and by investing in securities which are highly liquid and readily convertible to cash. Therefore, the Funds' liquidity risk is considered to be minimal.

(c) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds. The Funds' main credit risk concentrations are investments in short-term debt securities, fixed income bonds and asset backed securities. The maximum exposure to credit risk is the fair value of the short-term investments, bonds, debentures, asset-backed securities and other debt instruments. The Funds' exposure to credit risk relating to forward currency contracts is limited to the fair value recorded at period end.

The Funds limit their exposure to credit loss by placing the cash and short-term investments with high credit quality issuers. To maximize the credit quality of the investments, the Funds' investment managers perform ongoing credit evaluations based upon factors surrounding the credit risk of the issuer, historical trends and other information.

The Funds invest in financial assets, which have an investment grade as rated primarily by *Dominion Bond Rating Service*. Ratings for securities that subject the Funds to credit risk at June 30, 2019 and December 31, 2018 are noted below:

	<u>Portfolio</u>						Total %
	AAA %	AA %	A %	BBB %	BB %	Not Rated %	
June 30, 2019							
Money Market Fund							
Short-term investments	100.00	-	-	-	-	-	100.00
Mortgage & Income Fund							
Bonds	10.99	11.66	34.90	30.25	-	-	87.80
Asset backed	10.10	0.46	0.46	0.46	-	-	11.48
Short-term investments	0.72	-	-	-	-	-	0.72
Bond Fund							
Bonds	17.46	20.79	42.10	13.44	-	2.56	96.35
Asset backed	2.41	-	-	-	-	-	2.41
Short-term investments	1.24	-	-	-	-	-	1.24
Balanced Fund							
Bonds	16.91	18.92	40.39	14.32	-	2.71	93.25
Asset backed	2.77	-	-	-	-	-	2.77
Short-term investments	3.98	-	-	-	-	-	3.98

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

8. Financial risk management (continued)

Credit risk (continued)

June 30, 2019	AAA %	AA %	A %	BBB %	BB %	Not Rated %	Total %
Monthly Income Fund							
Equities	-	-	-	4.47	-	1.79	6.26
Bonds	22.35	11.99	14.97	20.07	-	4.84	74.22
Asset backed	4.35	0.86	1.46	0.86	-	-	7.53
Short-term investments	11.99	-	-	-	-	-	11.99
Dividend Fund							
Short-term investments	100.00	-	-	-	-	-	100.00
Growth Fund							
Short-term investments	100.00	-	-	-	-	-	100.00
U.S. Equity Fund							
Short-term investments	100.00	-	-	-	-	-	100.00
December 31, 2018	AAA %	AA %	A %	BBB %	BB %	Not Rated %	Total %
Money Market Fund							
Short-term investments	100.00	-	-	-	-	-	100.00
Mortgage & Income Fund							
Bonds	10.39	12.96	32.17	30.48	-	-	86.00
Asset backed	12.01	0.44	0.44	0.44	-	-	13.33
Short-term investments	0.67	-	-	-	-	-	0.67
Bond Fund							
Bonds	19.81	28.97	33.45	11.42	-	1.62	95.27
Asset backed	3.14	-	-	-	-	-	3.14
Short-term investments	1.59	-	-	-	-	-	1.59
Balanced Fund							
Bonds	18.12	27.06	31.69	13.88	-	1.34	92.09
Asset backed	3.38	-	-	-	-	-	3.38
Short-term investments	4.53	-	-	-	-	-	4.53
Monthly Income Fund							
Bonds	24.84	9.01	15.81	24.01	-	2.05	75.72
Asset backed	4.93	0.92	1.56	0.93	-	-	8.34
Short-term investments	15.94	-	-	-	-	-	15.94
Dividend Fund							
Short-term investments	100.00	-	-	-	-	-	100.00
Growth Fund							
Short-term investments	100.00	-	-	-	-	-	100.00
U.S. Equity Fund							
Short-term investments	100.00	-	-	-	-	-	100.00

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

8. Financial risk management (continued)

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographic region, asset type or sector. Individual Fund's concentration risk is mitigated by the monitoring of the Fund's investment portfolio to ensure compliance with Fund's investment guidelines. The Manager regularly monitors the Funds' positions and market events, and diversifies investment portfolios within the constraints of the investment guidelines.

A summary of concentration of risks is disclosed in each Fund's Schedule of Investment Portfolio.

As at June 30, 2019 and December 31, 2018, the Monitored Conservative Portfolio, Monitored Balanced Portfolio, Monitored Growth Portfolio and Monitored Aggressive Portfolio had investments in underlying funds only. The Schedule of Investment Portfolio of the respective Portfolio provides information on investments in underlying funds.

9. Financial instruments – Disclosures

Fair value disclosure

IFRS 13 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows.

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Manager-Trustee has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgment or estimation.

Fair value disclosure (continued)

All fair value measurements are recurring. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

9. Financial instruments – Disclosures (continued)

(a) Equities

The Funds' common stocks positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain of the Funds' common stocks do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

(b) Warrants

Warrants that are not traded on an exchange have no market value readily available. When there are sufficient and reliable observable market inputs, a valuation technique is used. Warrants are classified as Level 2.

(c) Fixed income investments

Bonds are comprised primarily of government and corporate bonds, which are valued using models with inputs including interest rate curves, credit spreads and volatilities. The inputs that are significant to valuation are generally observable and therefore the Funds' bonds have been classified as Level 2. Asset backed securities are recorded in the financial statements at their estimated fair values determined by discounting the expected future cash flows at current market interest rates for loans with similar terms and credit risks.

(d) Short-term investments

Short-term investments are classified as Level 2.

(e) Forward contracts

Forward contracts are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Forward contracts are classified as Level 2.

(f) Mutual funds

Investments in mutual funds are classified as Level 2.

Financial instruments by category

The carrying values of cash, interest and dividends receivable, subscriptions receivable, amounts due from brokers, bank overdraft, redemptions payable, distributions payable, amounts due to brokers, amounts due to Manager-Trustee and net assets attributable to holders of redeemable units approximate their fair values due to their short-term nature.

The following fair value hierarchy tables present information about the Funds' investments measured at fair value as at June 30, 2019 and December 31, 2018.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

9. Financial instruments – Disclosures (continued)

	Financial Assets at fair value as at June 30, 2019			
	Level 1	Level 2	Level 3	Total
Money Market Fund				
Short Term Investments	-	19,482,148	-	19,482,148
Mortgage & Income Fund				
Asset Backed	-	7,422,138	-	7,422,138
Bonds	-	56,741,646	-	56,741,646
Mutual Funds	-	67,539,594	-	67,539,594
Short Term Investments	-	468,373	-	468,373
Total Investments	-	132,171,751	-	132,171,751
Derivative Assets - forward contracts	-	17,473	-	17,473
Bond Fund				
Asset Backed	-	530,756	-	530,756
Bonds	-	21,240,467	-	21,240,467
Short Term Investments	-	273,848	-	273,848
Total Investments	-	22,045,071	-	22,045,071
Balanced Fund				
Asset Backed	-	2,187,158	-	2,187,158
Bonds	-	73,761,684	-	73,761,684
Mutual Funds	-	93,696,096	-	93,696,096
Equities	80,256,591	-	-	80,256,591
Short Term Investments	-	3,146,602	-	3,146,602
Total Investments	80,256,591	172,791,540	-	253,048,131
Monthly Income Fund				
Asset Backed	-	1,294,139	-	1,294,139
Bonds	-	12,747,259	-	12,747,259
Mutual Funds	-	2,484,905	-	2,484,905
Equities	45,095,947	-	-	45,095,947
Short Term Investments	-	2,059,011	-	2,059,011
Total Investments	45,095,947	18,585,314	-	63,681,261
Derivative Assets - forward contracts	-	13,135	-	13,135
Dividend Fund				
Equities	144,490,374	-	-	144,490,374
Short Term Investments	-	2,836,458	-	2,836,458
Total Investments	144,490,374	2,836,458	-	147,326,832
Derivative Assets - forward contracts	-	850,367	-	850,367
Derivative Liabilities - forward contracts	-	(85,315)	-	(85,315)
Growth Fund				
Equities	93,724,610	-	-	93,724,610
Short Term Investments	-	1,344,045	-	1,344,045
Total Investments	93,724,610	1,344,045	-	95,068,655
U.S. Equity Fund				
Equities	104,058,980	-	-	104,058,980
Short Term Investments	-	1,867,056	-	1,867,056
Total Investments	104,058,980	1,867,056	-	105,926,036

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

9. Financial instruments – Disclosures (continued)

	Financial Assets at fair value as at June 30, 2019			
	Level 1	Level 2	Level 3	Total
Monitored Conservative Portfolio				
Mutual Funds	-	18,910,246	-	18,910,246
Monitored Balanced Portfolio				
Mutual Funds	-	28,622,334	-	28,622,334
Monitored Growth Portfolio				
Mutual Funds	-	8,536,204	-	8,536,204
Monitored Aggressive Portfolio				
Mutual Funds	-	1,360,118	-	1,360,118

	Financial Assets at fair value as at December 31, 2018			
	Level 1	Level 2	Level 3	Total
Money Market Fund				
Short Term Investments	-	17,498,297	-	17,498,297
Mortgage & Income Fund				
Asset Backed	-	8,974,276	-	8,974,276
Bonds	-	57,857,924	-	57,857,924
Mutual Funds	-	72,922,103	-	72,922,103
Short Term Investments	-	449,290	-	449,290
Total Investments	-	140,203,593	-	140,203,593
Derivative Liabilities – forward contracts	-	(21,470)	-	(21,470)
Bond Fund				
Asset Backed	-	490,923	-	490,923
Bonds	-	14,880,302	-	14,880,302
Short Term Investments	-	249,000	-	249,000
Total Investments	-	15,620,225	-	15,620,225
Balanced Fund				
Asset Backed	-	2,527,954	-	2,527,954
Bonds	-	68,964,595	-	68,964,595
Mutual Funds	-	93,132,700	-	93,132,700
Equities	70,140,508	-	-	70,140,508
Short Term Investments	-	3,396,111	-	3,396,111
Total Investments	70,140,508	168,021,360	-	238,161,868
Monthly Income Fund				
Asset Backed	-	1,304,180	-	1,304,180
Bonds	-	11,835,721	-	11,835,721
Mutual Funds	-	1,216,003	-	1,216,003
Equities	42,694,232	-	-	42,694,232
Short Term Investments	-	2,492,345	-	2,492,345
Total Investments	42,694,232	16,848,249	-	59,542,481
Derivative Liabilities – forward contracts	-	(84,027)	-	(84,027)

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

9. Financial instruments – Disclosures (continued)

	Financial Assets at fair value as at December 31, 2018			
	Level 1	Level 2	Level 3	Total
Dividend Fund				
Equities	125,787,103	-	-	125,787,103
Short Term Investments	-	2,429,847	-	2,429,847
Total Investments	125,787,103	2,429,847	-	128,216,950
Derivative Assets – forward contracts	-	241,157	-	241,157
Derivative Liabilities – forward contracts	-	(972,676)	-	(972,676)
Growth Fund				
Equities	83,093,342	-	-	83,093,342
Short Term Investments	-	1,383,929	-	1,383,929
Total Investments	83,093,342	1,383,929	-	84,477,271
U.S. Equity Fund				
Equities	95,160,009	-	-	95,160,009
Short Term Investments	-	2,285,402	-	2,285,402
Total Investments	95,160,009	2,285,402	-	97,445,411

	Financial Assets at fair value as at December 31, 2018			
	Level 1	Level 2	Level 3	Total
Monitored Conservative Portfolio				
Mutual Funds	-	11,023,512	-	11,023,512
Total Investments	-	11,023,512	-	11,023,512
Monitored Balanced Portfolio				
Mutual Funds	-	18,814,137	-	18,814,137
Total Investments	-	18,814,137	-	18,814,137
Monitored Growth Portfolio				
Mutual Funds	-	4,838,036	-	4,838,036
Total Investments	-	4,838,036	-	4,838,036
Monitored Aggressive Portfolio				
Mutual Funds	-	1,125,171	-	1,125,171
Total Investments	-	1,125,171	-	1,125,171

There were no significant transfers from Level 1 to Level 2 during the period ended June 30, 2019 and year ended December 31, 2018.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

10. Forward currency contracts

As at June 30, 2019 the Mortgage & Income Fund, Monthly Income Fund and Dividend Fund had the following forward currency contracts:

June 30, 2019

	Buy Currency	Sell Currency		Maturity Date	Forward Contract Asset (Liability)	
Mortgage & Income Fund						
	1,147,467	CAD	865,000	USD	15-Jul-19	17,473
Monthly Income Fund						
	1,882,790	CAD	1,433,000	USD	30-Sep-19	13,135
Dividend Fund						
	26,996,650	CAD	20,600,000	USD	02-Aug-19	97,221
	24,405,008	CAD	18,100,000	USD	03-Jul-19	753,146
	18,100,000	USD	23,736,974	CAD	03-Jul-19	(85,315)

As at December 31, 2018 the Mortgage & Income Fund and Dividend Fund had the following forward currency contracts:

December 31, 2018

	Buy Currency	Sell Currency		Maturity Date	Forward Contract Asset (Liability)	
Mortgage & Income Fund						
	1,091,265	CAD	815,000	USD	15-Jan-19	(21,470)
Monthly Income Fund						
	3,677,700	CAD	2,760,000	USD	29-Mar-19	(84,027)
Dividend Fund						
	26,019,000	CAD	19,600,000	USD	03-Jan-19	(749,769)
	24,477,445	CAD	18,100,000	USD	04-Feb-19	(222,907)
	19,600,000	USD	26,527,698	CAD	03-Jan-19	241,157

11. Investments with associates

The individual Funds have determined that all of the other mutual funds ('Investee Fund') in which they invest are unconsolidated associates. The table below describes the types of associates that the Fund does not consolidate but in which it can exercise significant influence.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

11. Investments with associates (continued)

The tables below set out interest held by the Balanced Fund in Beutel Goodman International Equity Fund (Class I). The maximum exposure to loss is the carrying amounts of the financial assets held.

These assets are financed through the issue of units to investors. The Beutel Goodman & Company Ltd. is the Portfolio Adviser of the Balanced Fund and the investee fund.

Underlying Fund	Relationship	Principal place of business	Total Net Assets of investee fund	Ownership interest	Carrying amount included in investments in Statement of Financial Position
June 30, 2019					
Beutel Goodman International Equity Fund, Class I	Investment	Canada	\$201,850,553	23.18%	\$46,779,391
December 31, 2018					
Beutel Goodman International Equity Fund, Class I	Investment	Canada	\$182,552,420	24.06%	\$43,923,002

During the current period and prior year, the Balanced Fund did not provide financial support to Beutel Goodman International Equity Fund (Class I) and has no intention of providing financial or other support. The Balanced Fund can redeem its units in the above Investee Fund at any time, subject to liquidity of the Investee Fund.

The table below sets out interest held by the Monthly Income Fund in IMAXX Short Term Bond Fund (Class O). The maximum exposure to loss is the carrying amounts of the financial assets held. These assets are financed through the issue of units to investors.

Underlying Fund	Relationship	Principal place of business	Total Net Assets of investee fund	Ownership interest	Carrying amount included in investments in Statement of Financial Position
June 30, 2019					
IMAXX Short Term Bond Fund, Class O	Investment	Canada	\$14,119,399	17.60%	\$2,484,905
December 31, 2018					
IMAXX Short Term Bond Fund, Class O	Investment	Canada	\$9,816,893	12.39%	\$1,216,003

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

11. Investments with associates (continued)

During the period, the Monthly Income Fund did not provide financial support to IMAXX Short Term Bond Fund (Class O) and has no intention of providing financial or other support. The Monthly Income Fund can redeem its units in the above Investee Fund at any time, subject to liquidity of the Investee Fund.

The table below sets out interest held by the Monitored Conservative Portfolio in Educators Bond Fund (Class I). The maximum exposure to loss is the carrying amounts of the financial assets held. These assets are financed through the issue of units to investors.

Underlying Fund	Relationship	Principal place of business	Total Net Assets of investee fund	Ownership interest	Carrying amount included in investments in Statement of Financial Position
June 30, 2019					
Educators Bond Fund, Class I	Investment	Canada	\$22,059,571	31.73%	\$6,999,060
December 31, 2018					
Educators Bond Fund, Class I	Investment	Canada	\$15,727,784	26.19%	\$4,119,555

During the period, the Monitored Conservative Portfolio did not provide financial support to in Educators Bond Fund (Class I) and has no intention of providing financial or other support. The Monitored Conservative Portfolio can redeem its units in the above Investee Fund at any time, subject to liquidity of the Investee Fund.

The table below sets out interest held by the Monitored Balanced Portfolio in Educators Bond Fund (Class I) and Educators Money Market Fund (Class I). The maximum exposure to loss is the carrying amounts of the financial assets held. These assets are financed through the issue of units to investors.

Educators Financial Group Inc. Funds

Notes to the Financial Statements

June 30, 2019 (Unaudited)

11. Investments with associates (continued)

Underlying Fund	Relationship	Principal place of business	Total Net Assets of investee fund	Ownership interest	Carrying amount included in investments in Statement of Financial Position
June 30, 2019					
Educators Bond Fund, Class I	Investment	Canada	\$22,059,571	28.53%	\$6,292,931
Educators Money Market Fund, Class I	Investment	Canada	\$20,109,860	7.11%	\$1,430,207
December 31, 2018					
Educators Bond Fund, Class I	Investment	Canada	\$15,727,784	26.77%	\$4,210,929
Educators Money Market Fund, Class I	Investment	Canada	\$17,560,965	5.75%	\$1,008,910

During the period, the Monitored Balanced Portfolio did not provide financial support to in Educators Bond Fund (Class I) and Educators Money Market Fund (Class I) and has no intention of providing financial or other support. The Monitored Balanced Portfolio can redeem its units in the above Investee Funds at any time, subject to liquidity of the Investee Funds.

12. Future accounting changes / Standards issued but not yet effective

The Funds have determined there are no material implications to the Funds' financial statements arising from IFRS standards issued but not yet effective.

EDUCATORS MONEY MARKET FUND
EDUCATORS MORTGAGE & INCOME FUND
EDUCATORS BOND FUND
EDUCATORS BALANCED FUND
EDUCATORS MONTHLY INCOME FUND
EDUCATORS DIVIDEND FUND
EDUCATORS GROWTH FUND
EDUCATORS U.S. EQUITY FUND
EDUCATORS MONITORED CONSERVATIVE PORTFOLIO
EDUCATORS MONITORED BALANCED PORTFOLIO
EDUCATORS MONITORED GROWTH PORTFOLIO
EDUCATORS MONITORED AGGRESSIVE PORTFOLIO

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