

2023

**ANNUAL MANAGEMENT REPORT
OF FUND PERFORMANCE**

December 31, 2023

Offered by Educators Financial Group
Portfolio Adviser: Fiera Capital Inc., Toronto, Ontario

Educators Growth Fund





This annual management report of fund performance contains financial highlights but does not contain the annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1.800.263.9541, by writing to us at Educators Financial Group, 2225 Sheppard Ave. East, Suite 1105, Toronto, Ontario, M2J 5C2, or by visiting our website at www.educatorsfinancialgroup.ca or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Caution Regarding Forward-looking Statements

This report may contain forward-looking statements about the Fund, including its strategy, risks, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or negative versions thereof and similar forward-looking expressions.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, and the general business environment, in each case assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks, and uncertainties, some of which may be unforeseeable. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, including international conflicts, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events, including any potential lingering impact of the COVID-19 pandemic on the Fund and/or its operations.

It should be stressed that the above-mentioned list of factors is not exhaustive. You are encouraged to consider these and other factors carefully before making any investment decisions and you are urged to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements, whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance unless required by applicable law.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objectives and Strategies

The investment objective of the Educators Growth Fund (*the "Fund"*) is to provide above-average capital growth over the long-term by investing in growth-oriented Canadian companies. The Fund invests primarily in common shares of established Canadian corporations and other equity securities. Non-Canadian securities are generally limited to no more than 15% of the Fund's net assets. Foreign currency exposure may or may not be hedged. The fundamental investment objective of the Fund may not be changed without the prior approval of the unitholders.

Risk

The risks of investing in the Fund remain as discussed in the Simplified Prospectus. No changes affecting the overall level of risk of investing in the Fund were made to the Fund in the one-year period ending December 31, 2023.

Results of Operations

The Fund's net assets increased by 9.7% to \$119.0 million at the end of December 2023, up from \$108.5 million at the end of December 2022.

Investment Performance

For the year/period ending December 31, 2023 (*the period*), the Educators Growth Fund – Class A Series provided a return of 13.36% versus the S&P/TSX Composite Total Return Index (*the Benchmark*) return of 11.75%.

The Fund outperformed its Benchmark over the period. Unlike the Benchmark, the Fund's return is net of fees and expenses paid by the Fund. Detailed performance is provided under the heading "Past Performance" in this report. Investors cannot invest in the Benchmark without incurring fees, expenses and commissions which are not reflected in Benchmark returns.

Markets rallied in 2023 despite continued recessionary fears, hawkish monetary policy, and the first quarter's banking crisis. While several vulnerable U.S. regional banks and Swiss banking giant Credit Suisse were caught up in the early year turmoil, well-capitalized developed market banking systems and policymakers' timely interventions prevented issues from spreading. Following these events, Canadian and International markets generally traded sideways in a wide range with mixed sentiment until expectations of central bank rate cuts powered an impressive rally during the final two months of 2023. In comparison, U.S. equities roared past peers amidst resilient earnings and speculative interest in a narrow group of large cap stocks linked to Artificial Intelligence.

Domestically, the Bank of Canada ("BoC") increased its Benchmark overnight interest rate by 0.75%, leaving the overnight rate at 5.00% at year-end, adding to tight financial conditions that muted Canadian economic growth and equity returns. This shifted in late-2023 when equity markets experienced a sustained and rapid rise across almost

all sectors as the prospect of a soft-landing and an end to rising rates ignited optimism. All told, the strongest performing domestic equity sectors in 2023 were Information Technology, Health Care, and Financials. Materials, Utilities and Communication Services were the biggest laggards.

The Fund outperformed its Benchmark during the year, benefitting from positive relative contribution in the Industrials, Materials, Energy, and Consumer Discretionary sectors. The Fund particularly benefitted from its exposure in the Industrials sector, where both its overweight position relative to the benchmark, as well as strong contributions from holdings in Stantec Inc., Thomson Reuters, Toromont, and Richelieu Hardware, enhanced performance. Within the Materials sector, the Fund benefitted from not holding Nutrien, First Quantum Minerals, and Franco Nevada Corp., which are all part of the Fund's benchmark and had negative performance over the year. Similarly, to the first half of the year, the Fund's lack of exposure in the Energy sector over the year contributed to performance, as oil prices decreased in the fourth quarter. The Fund holds two securities within the Consumer Discretionary sector, Dollarama, and Restaurant Brands, which both performed strongly during the year as price-conscious consumers drove earnings.

Several securities within the Information Technology sector were also among the top security-level contributors for the year, including Constellation Software and CGI Inc. This positive contribution was offset by Shopify, however, which is not held in the Fund, but has significant weight in the Benchmark and performed strongly over the year. Additionally, securities within the Financials sector detracted from performance, including Brookfield Corp., which the portfolio adviser exited during the fourth quarter, along with Intact Financial.

The portfolio adviser purchased Industrial Alliance during the third quarter, funding the purchase by trimming existing holdings within the Fund. Industrial Alliance is a leading Canadian life insurance company with primary operations in life and health insurance, as well as savings and retirement plans. The portfolio adviser exited the Fund's position in Brookfield Asset Management during the second quarter and Brookfield Corporation during the fourth quarter, reallocating to other portfolio securities in which the portfolio adviser has higher conviction.

Recent Developments

The initiatives put forth by the central banks to curb inflation, combined with recent signaling that rate cuts would be included in their outlook for 2024, were well received by the market. This shift in policy led bond yields sharply lower and supported risk-taking, including equities. However, with inflation still ahead of target, coupled with resilient consumer spending, there remains a risk that the market is being overly optimistic and that rates may stay higher for longer, which has investors resetting their expectations. Additionally, growing global geo-political instability, along with tensions escalating in other areas, and elections taking place in



seven of the world's most populous countries this year, all provides further grounds for caution.

Based on the economic and earnings data released thus far, the portfolio adviser has maintained the Fund's equity positioning and will continue to focus on the types of companies that can withstand tough times and are currently trading at attractive discounts to their intrinsic values. These characteristics are expected to position the portfolio well for long-term compounding of returns.

Related Party Transactions

In 2023 Educators Financial Group did not refer any conflict of interest matters to the Fund's Independent Review Committee (*the IRC*) and accordingly did not rely upon any recommendation of the IRC in respect of any related party transactions.

Educators Financial Group is the Manager and Trustee of the Fund. Educators Financial Group is a wholly owned subsidiary of the Ontario Secondary School Teachers' Federation (*OSSTF*). OSSTF may from time to time invest in units of the Fund.



EDUCATORS GROWTH FUND

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years. Currently Class I units of the Fund are not being offered to purchase by retail investors.

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

	Year ended December 31				
	2023	2022	2021	2020	2019
Net Assets, beginning of year/period	\$25.43	\$25.89	\$24.04	\$24.11	\$20.22
Increase (decrease) from operations:					
Total revenue	\$0.58	\$0.48	\$0.55	\$0.66	\$0.59
Total expenses, including transaction costs [excluding distributions]	(\$0.54)	(\$0.50)	(\$0.51)	(\$0.45)	(\$0.46)
Realized gains (losses) for the period	\$0.42	(\$0.25)	\$3.90	\$0.33	\$0.63
Unrealized gains (losses) for the period	\$2.93	(\$0.17)	\$1.20	(\$0.68)	\$3.37
Total increase (decrease) from operations ⁽²⁾	\$3.39	(\$0.44)	\$5.14	(\$0.14)	\$4.13
Distributions:					
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$--
From dividends	\$--	\$--	\$0.06	\$0.11	\$0.05
From capital gains	\$--	\$--	\$3.34	\$--	\$0.09
Return of capital	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$--	\$--	\$3.40	\$0.11	\$0.14
Net Assets, end of year/period	\$28.83	\$25.43	\$25.89	\$24.04	\$24.11

Ratios and Supplemental Data (based on Net Asset Value)

	Year ended December 31				
	2023	2022	2021	2020	2019
Total Net Asset Value (000's) ⁽⁴⁾	\$90,469	\$81,597	\$85,542	\$76,661	\$83,979
Number of units outstanding ⁽⁴⁾	3,137,995	3,208,105	3,304,674	3,188,777	3,482,624
Management expense ratio ⁽⁵⁾	1.98%	1.98%	1.98%	1.98%	1.97%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.98%	1.98%	1.98%	1.98%	1.98%
Trading expense ratio ⁽⁷⁾	--	0.01%	0.04%	0.03%	0.03%
Portfolio turnover rate ⁽⁸⁾	5.08%	9.24%	84.40%	44.47%	53.47%
Net Asset Value per unit	\$28.83	\$25.43	\$25.89	\$24.04	\$24.11



EDUCATORS GROWTH FUND

Educators Growth Fund – Class I Series – Net Assets per Unit ⁽¹⁾

	Year ended December 31				
	2023	2022	2021	2020	2019
Net Assets, beginning of year/period	\$11.15	\$11.13	\$10.18	\$10.21	\$8.50
Increase (decrease) from operations:					
Total revenue	\$0.25	\$0.21	\$0.24	\$0.29	\$0.25
Total expenses, including transaction costs [excluding distributions]	\$--	\$--	(\$0.01)	\$--	\$--
Realized gains (losses) for the period	\$0.18	(\$0.11)	\$1.64	\$0.16	\$0.29
Unrealized gains (losses) for the period	\$1.30	(\$0.08)	\$0.51	\$0.09	\$1.14
Total increase (decrease) from operations ⁽²⁾	\$1.73	\$0.02	\$2.38	\$0.54	\$1.68
Distributions:					
From net investment income (excluding dividends)	\$--	\$--	\$--	\$--	\$--
From dividends	\$0.12	\$--	\$0.06	\$0.24	\$0.14
From capital gains	\$--	\$--	\$1.43	\$--	\$0.04
Return of capital	\$--	\$0.01	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.12	\$0.01	\$1.49	\$0.24	\$0.18
Net Assets, end of year/period	\$12.77	\$11.15	\$11.13	\$10.18	\$10.21

Ratios and Supplemental Data (based on Net Asset Value)

	Year ended December 31				
	2023	2022	2021	2020	2019
Total Net Asset Value (000's) ⁽⁴⁾	\$22,927	\$22,911	\$24,384	\$18,110	\$13,466
Number of units outstanding ⁽⁴⁾	1,796,027	2,055,050	2,190,643	1,778,907	1,318,514
Management expense ratio ⁽⁵⁾	0.01%	0.01%	0.01%	0.01%	0.01%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.01%	0.01%	0.01%	0.01%	0.01%
Trading expense ratio ⁽⁷⁾	--	0.01%	0.04%	0.03%	0.03%
Portfolio turnover rate ⁽⁸⁾	5.08%	9.24%	84.40%	44.47%	53.47%
Net Asset Value per unit	\$12.77	\$11.15	\$11.13	\$10.18	\$10.21



EDUCATORS GROWTH FUND

Educators Growth Fund – Class F Series – Net Assets per Unit ⁽¹⁾

	Year ended December 31		
	2023	2022	2021
Net Assets, beginning of year/period	\$10.52	\$10.60	\$10.00
Increase (decrease) from operations:			
Total revenue	\$0.24	\$0.20	\$0.09
Total expenses, including transaction costs [excluding distributions]	(\$0.10)	(\$0.09)	(\$0.04)
Realized gains (losses) for the period	\$0.18	(\$0.11)	\$0.13
Unrealized gains (losses) for the period	\$1.21	(\$0.05)	\$0.24
Total increase (decrease) from operations ⁽²⁾	\$1.53	(\$0.05)	\$0.42
Distributions:			
From net investment income (excluding dividends)	\$--	\$--	\$--
From dividends	\$0.07	\$--	\$--
From capital gains	\$--	\$--	\$0.20
Return of capital	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.07	\$--	\$0.20
Net Assets, end of year/period	\$11.99	\$10.52	\$10.60

Ratios and Supplemental Data (based on Net Asset Value)

	Year ended December 31		
	2023	2022	2021
Total Net Asset Value (000's) ⁽⁴⁾	\$5,604	\$3,976	\$3,332
Number of units outstanding ⁽⁴⁾	467,349	377,864	314,416
Management expense ratio ⁽⁵⁾	0.85%	0.85%	0.84%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.85%	0.85%	0.84%
Trading expense ratio ⁽⁷⁾	--	0.01%	0.04%
Portfolio turnover rate ⁽⁸⁾	5.08%	9.24%	84.40%
Net Asset Value per unit	\$11.99	\$10.52	\$10.60

⁽¹⁾ This information is derived from the Fund's audited annual financial statements. For financial years beginning after January 1, 2014, the financial highlights were derived from the Fund's financial statements prepared in accordance with International Financial Reporting Standards (IFRS). All references to "Net Assets" or "Net Assets per Unit" in these financial highlights are references to net assets attributable to holders of redeemable units determined in accordance with IFRS as presented in the financial statements of the Fund.

⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

⁽³⁾ Distributions were either paid in cash or reinvested in additional units of the Fund.

⁽⁴⁾ This information is provided as at December 31 of the year shown.

⁽⁵⁾ Management expense ratio is based on total expenses (excluding [distributions], commissions, and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

⁽⁶⁾ The management expense ratio before waivers or absorptions shows what the management expense ratio of the Fund would have been if Educators Financial Group had not charged a lesser amount for its management fee.

⁽⁷⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

⁽⁸⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.



Management Fees

Educators Financial Group is the Manager-Trustee, promoter, and principal distributor of the Fund, and is responsible for the day-to-day management and administration of the Fund.

The Manager-Trustee monitors and evaluates the performance of the Fund and pays for the investment management services of the portfolio adviser, as well as all administrative services required by the Fund. As compensation for these services, Educators Financial Group is entitled to receive a fee, payable monthly and calculated daily, based on the Net Asset Value of the Fund, at the annual rate of 1.75% for the Class A Series and 0.75% for the Class F Series. The Class I Series is identical in all aspects to the Class A Series, except that there is no management fee payable by the Fund in respect of the Class I units.

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

Approximately 19.6% of the total management fees collected from all Series (excluding Class I Series approximately 15.8% of the total management fees collected), were used to pay for portfolio management services, with the remainder of the fees being allocated to custodial services, marketing, technology, and Manager-Trustee operating expenses.

PAST PERFORMANCE

General

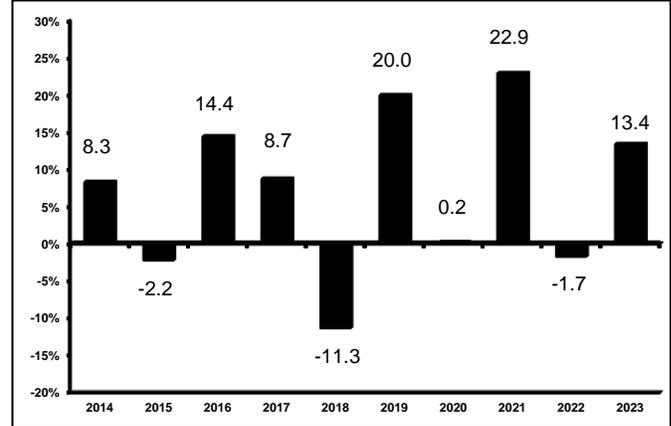
The Fund's performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund.

The performance information does not take into account sales, redemption, distribution, or other optional charges that would have reduced returns or performance. The performance of different fund series may vary for a number of reasons, including differences in management fees and expenses. Please remember that how the Fund has performed in the past does not necessarily indicate how it will perform in the future.

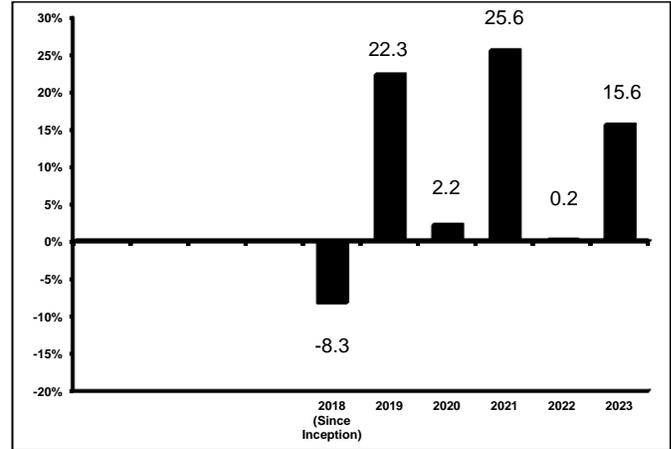
Year-by-Year Returns

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

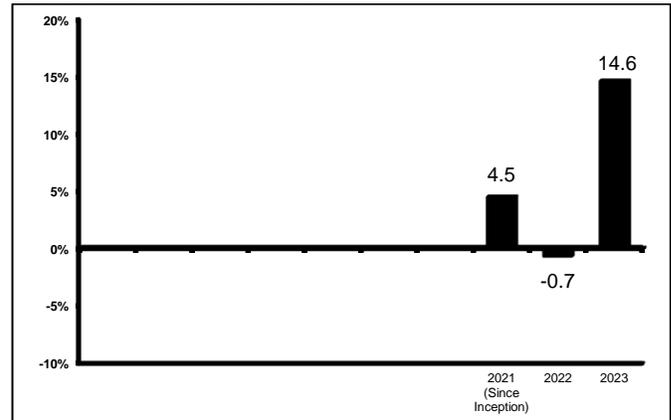
Annual Returns – Class A Series



Annual Returns – Class I Series ⁽¹⁾



Annual Returns – Class F Series ⁽²⁾



⁽¹⁾ The Class I Series commenced operations January 4, 2018

⁽²⁾ The Class F Series commenced operation May 14, 2021

Annual Compound Returns

The following table compares the historical annual compound returns of the Fund with the performance of the Benchmark index, S&P/TSX Composite Total Return Index (S&P/TSX Index), a capitalization-weighted index designed to measure the market activity of some of the largest float adjusted stocks listed on the Toronto Stock Exchange.

Educators Growth Fund	1 Year	3 Year	5 Year	10 Year
Class A Series	13.36	11.04	10.47	6.74
Class F Series ¹	14.64	NA	NA	NA
Class I Series ²	15.61	13.31	12.71	NA
S&P/TSX Index	11.75	9.59	11.30	7.62

¹ Since Inception (May 14, 2021)

² Since Inception (January 4, 2018)

The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

SUMMARY OF INVESTMENT PORTFOLIO

(Based on Net Asset Value)

As at December 31, 2023

Sector Mix	Percentage of Net Asset Value
Industrials	28.93 %
Financials	24.86 %
Information Technology	14.66 %
Consumer Staples	14.37 %
Consumer Discretionary	7.92 %
Communication Services	5.33 %
Materials	3.55 %
Short-term investments	0.33 %
Net Other Assets (Liabilities)	0.04 %
Cash and Cash Equivalents	0.01 %

Top 25 Holdings

Security Name	Percentage of Net Asset Value
Constellation Software Inc.	5.83 %
CGI Inc.	5.34 %
Thomson Reuters Corp.	5.04 %
Dollarama Inc.	5.04 %
Canadian Pacific Kansas City Ltd.	4.96 %
Royal Bank of Canada	4.80 %
Intact Financial Corp.	4.65 %
Canadian National Railway Co.	4.52 %
Toromont Industries Ltd.	4.40 %
TMX Group Ltd.	4.37 %
Alimentation Couche-Tard Inc.	4.31 %
Waste Connections Inc.	4.17 %
Metro Inc.	4.15 %
Bank of Montreal	3.52 %
National Bank of Canada	3.38 %
Loblaw Cos Ltd.	3.35 %
Toronto-Dominion Bank	3.24 %
TELUS Corp.	3.12 %
Restaurant Brands International Inc.	2.88 %
Stantec Inc.	2.73 %
CCL Industries Inc.	2.60 %
Empire Co., Ltd.	2.57 %
Descartes Systems Group Inc.	2.49 %
Quebecor Inc.	2.00 %
RB Global Inc.	1.93 %
Total Net Assets (000's)	\$119,000

The top 25 holdings represent approximately 95.39% of the total net assets of the Fund.

The summary of investment portfolio of the Fund is as at December 31, 2023 and may change due to the Fund's ongoing portfolio transactions. Updates are available quarterly.

EDUCATORS FINANCIAL GROUP

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