

NEI

NEI Funds

Semi-annual financial statements

March 31, 2024



NEI Global High Yield Bond Fund

STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

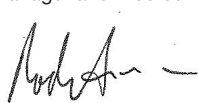
As at

	March 31 2024 \$	September 30 2023 \$
ASSETS		
Current Assets		
Cash	14,865,028	5,043,845
Investments at fair value through profit or loss (FVTPL)	328,964,681	250,989,383
Unrealized appreciation on derivatives	50,508	26,980
Subscriptions receivable	1,017,577	222
Receivable for investments sold	217,087	335,541
Interest, dividends and other receivables	5,472,646	4,002,320
	<u>350,587,527</u>	<u>260,398,291</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	27,842	19,958
Unrealized depreciation on derivatives	-	126,224
Redemptions payable	183,361	76,506
Payable for investments purchased	2,236,715	2,428,114
	<u>2,447,918</u>	<u>2,650,802</u>
Net Assets Attributable to Holders of Redeemable Units	<u>348,139,609</u>	<u>257,747,489</u>
Data per Series (Note b)		
Series A		
Net assets attributable to holders of redeemable units	<u>19,915,216</u>	20,567,464
- per unit	<u>5.61</u>	5.37
Series F		
Net assets attributable to holders of redeemable units	<u>10,064,802</u>	9,666,886
- per unit	<u>5.54</u>	5.27
Series I		
Net assets attributable to holders of redeemable units	<u>299,630,946</u>	209,668,375
- per unit	<u>7.35</u>	6.95
Series O		
Net assets attributable to holders of redeemable units	<u>1,274</u>	1,171
- per unit	<u>9.07</u>	8.59
Series P		
Net assets attributable to holders of redeemable units	<u>6,933,949</u>	6,898,159
- per unit	<u>8.50</u>	8.11
Series PF		
Net assets attributable to holders of redeemable units	<u>11,593,422</u>	10,945,434
- per unit	<u>8.94</u>	8.49

Approved on behalf of the Board of Directors of
Northwest & Ethical Investments Inc.,
 acting as general partner of
Northwest & Ethical Investments L.P. as Manager and Trustee



William Packham,
 President and Chief Executive Officer



Rodney Ancrum,
 SVP, Chief Financial Officer and Chief Administrative Officer

The accompanying Notes are an integral part of these financial statements.

NEI Global High Yield Bond Fund

STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

Six-month Periods Ended March 31

	2024	2023
	\$	\$
Income		
Interest for distribution purposes	8,841,052	7,742,861
Dividends	-	21,768
Foreign exchange gain (loss) on cash	89,426	132,120
Net realized gain (loss) on investments	(1,309,319)	(2,746,165)
Net realized gain (loss) on derivatives	(1,227,729)	(9,733,270)
Changes in fair value:		
Net unrealized gain (loss) on investments	16,649,660	12,815,539
Net unrealized gain (loss) on derivatives	149,751	15,182,782
	<u>23,192,841</u>	<u>23,415,635</u>
Expenses (Note 5)		
Management fees	245,395	285,331
Independent review committee's fees	3,878	2,593
Administration fees	59,917	68,682
Sales taxes	33,820	39,775
	<u>343,010</u>	<u>396,381</u>
Withholding taxes	-	19,560
	<u>343,010</u>	<u>415,941</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>22,849,831</u>	<u>22,999,694</u>
Data per Series		
Series A		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>1,500,176</u>	<u>1,968,734</u>
- per unit	<u>0.41</u>	<u>0.43</u>
Weighted average units	<u>3,664,331</u>	<u>4,574,184</u>
Series F		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>795,468</u>	<u>887,249</u>
- per unit	<u>0.43</u>	<u>0.44</u>
Weighted average units	<u>1,832,739</u>	<u>2,013,626</u>
Series I		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>19,106,753</u>	<u>18,663,661</u>
- per unit	<u>0.57</u>	<u>0.62</u>
Weighted average units	<u>33,335,692</u>	<u>29,895,262</u>
Series O		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>103</u>	<u>97</u>
- per unit	<u>0.75</u>	<u>0.75</u>
Weighted average units	<u>137</u>	<u>130</u>
Series P		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>529,385</u>	<u>513,190</u>
- per unit	<u>0.64</u>	<u>0.65</u>
Weighted average units	<u>826,249</u>	<u>784,842</u>
Series PF		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>917,946</u>	<u>966,763</u>
- per unit	<u>0.71</u>	<u>0.73</u>
Weighted average units	<u>1,288,685</u>	<u>1,326,059</u>

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NEI Global High Yield Bond Fund

STATEMENTS OF CHANGES IN FINANCIAL POSITION (UNAUDITED)

Six-month Periods Ended March 31

	Series A		Series F		Series I	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Net Assets Attributable to Holders of Redeemable Units, Beginning of Period	<u>20,567,464</u>	<u>24,998,691</u>	<u>9,666,886</u>	<u>10,558,740</u>	<u>209,668,375</u>	<u>224,783,472</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>1,500,176</u>	<u>1,968,734</u>	<u>795,468</u>	<u>887,249</u>	<u>19,106,753</u>	<u>18,663,661</u>
Redeemable Unit Transactions						
Proceeds from sale of redeemable units	923,908	602,310	1,293,282	1,148,624	79,040,000	10,095,001
Reinvested distributions	494,906	670,428	149,679	184,408	7,361,677	6,526,316
Amounts paid for redeemable units redeemed	(2,971,947)	(3,178,924)	(1,543,358)	(1,635,987)	(8,151,080)	(41,090,227)
	<u>(1,553,133)</u>	<u>(1,906,186)</u>	<u>(100,397)</u>	<u>(302,955)</u>	<u>78,250,597</u>	<u>(24,468,910)</u>
Distributions to Holders of Redeemable Units						
Net investment income	(444,607)	(519,845)	(266,942)	(276,536)	(7,394,779)	(6,561,884)
Return of capital	(154,684)	(300,329)	(30,213)	(66,574)	-	-
	<u>(599,291)</u>	<u>(820,174)</u>	<u>(297,155)</u>	<u>(343,110)</u>	<u>(7,394,779)</u>	<u>(6,561,884)</u>
Net Assets Attributable to Holders of Redeemable Units, End of Period	<u>19,915,216</u>	<u>24,241,065</u>	<u>10,064,802</u>	<u>10,799,924</u>	<u>299,630,946</u>	<u>212,416,339</u>

Six-month Periods Ended March 31

	Series O		Series P		Series PF	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Net Assets Attributable to Holders of Redeemable Units, Beginning of Period	<u>1,171</u>	<u>1,061</u>	<u>6,898,159</u>	<u>6,121,301</u>	<u>10,945,434</u>	<u>11,212,012</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>103</u>	<u>97</u>	<u>529,385</u>	<u>513,190</u>	<u>917,946</u>	<u>966,763</u>
Redeemable Unit Transactions						
Proceeds from sale of redeemable units	-	-	606,154	603,144	1,387,446	579,141
Reinvested distributions	37	35	178,833	180,875	150,134	167,179
Amounts paid for redeemable units redeemed	-	-	(1,070,788)	(466,277)	(1,470,959)	(1,434,257)
	<u>37</u>	<u>35</u>	<u>(285,801)</u>	<u>317,742</u>	<u>66,621</u>	<u>(687,937)</u>
Distributions to Holders of Redeemable Units						
Net investment income	(37)	(35)	(156,852)	(140,190)	(306,967)	(298,050)
Return of capital	-	-	(50,942)	(70,910)	(29,612)	(71,633)
	<u>(37)</u>	<u>(35)</u>	<u>(207,794)</u>	<u>(211,100)</u>	<u>(336,579)</u>	<u>(369,683)</u>
Net Assets Attributable to Holders of Redeemable Units, End of Period	<u>1,274</u>	<u>1,158</u>	<u>6,933,949</u>	<u>6,741,133</u>	<u>11,593,422</u>	<u>11,121,155</u>

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NEI Global High Yield Bond Fund

STATEMENTS OF CASH FLOWS (UNAUDITED)

Six-month Periods Ended March 31

	2024	2023
	\$	\$
Cash Flows from (used in) Operating Activities		
Increase (decrease) in Net Assets Attributable to Holders of Redeemable Units	22,849,831	22,999,694
Adjustments for:		
Foreign exchange (gain) loss on cash	(89,426)	(132,120)
Net realized (gain) loss on investments and derivatives	2,537,048	12,479,435
Net unrealized (gain) loss on investments and derivatives	(16,799,411)	(27,998,321)
Proceeds from sale/maturity of investments	42,183,872	41,940,686
Investments purchased	(106,041,317)	(15,262,223)
Receivable for investments sold	118,454	(692,048)
Interest, dividends and other receivables	(1,470,326)	551,541
Accrued expenses	7,884	(668)
Payable for investments purchased	(191,399)	185,656
Net Cash Flows from (used in) Operating Activities	(56,894,790)	34,071,632
Cash Flows from (used in) Financing Activities		
Proceeds from sale of redeemable units	82,233,435	13,028,033
Amounts paid for redeemable units redeemed	(15,101,277)	(47,748,329)
Distributions paid to holders of redeemable units, net of reinvested distributions	(500,369)	(576,745)
Net Cash Flows from (used in) Financing Activities	66,631,789	(35,297,041)
Effect of exchange rate changes on foreign cash	84,184	41,242
Increase (decrease) in cash/bank overdraft	9,821,183	(1,184,167)
Cash (bank overdraft), beginning of period	5,043,845	8,059,370
Cash (Bank Overdraft), End of Period	14,865,028	6,875,203
Supplemental Information on Cash Flows from (used in) Operating Activities		
Interest received	7,368,564	8,255,793
Dividends received, net of withholding taxes	-	2,208
Interest paid	1,754	1,052

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NEI Global High Yield Bond Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2024 (UNAUDITED)

		PAR VALUE	COST \$	FAIR VALUE \$		PAR VALUE	COST \$	FAIR VALUE \$
Bonds (94.5%)								
Canadian Bonds (6.7%)								
Corporations								
Bombardier, Private Placement Series 144A, 7.125%, 2026-06-15	USD	1,772,000	2,281,635	2,437,395	Acrisure, Private Placement Series 144A, 4.250%, 2029-02-15	USD	1,680,000	2,108,881
Series 144A, 7.250%, 2031-07-01	USD	380,000	515,944	516,628	Adams Homes, Private Placement Series 144A, 9.250%, 2028-10-15	USD	815,000	1,104,209
CanWel Building Materials Group 5.250%, 2026-05-15	CAD	795,000	795,000	762,548	AdaptHealth, Private Placement Series 144A, 5.125%, 2030-03-01	USD	1,590,000	1,747,548
Cascades, Private Placement Series 144A, 5.375%, 2028-01-15	USD	1,170,000	1,568,100	1,527,374	ADT, Private Placement Series 144A, 4.125%, 2029-08-01	USD	710,000	870,421
Enerflex, Private Placement Series 144A, 9.000%, 2027-10-15	USD	1,250,000	1,640,522	1,742,154	Aethon United Finance, Private Placement Series 144A, 8.250%, 2026-02-15	USD	1,965,000	2,584,113
First Quantum Minerals, Private Placement Series 144A, 6.875%, 2027-10-15	USD	675,000	904,127	877,383	Albertsons, Private Placement Series 144A, 4.625%, 2027-01-15	USD	1,125,000	1,500,273
Series 144A, 9.375%, 2029-03-01	USD	300,000	404,520	422,156	Series 144A, 3.500%, 2029-03-15	USD	680,000	804,365
Garda World Security, Private Placement Series 144A, 9.500%, 2027-11-01	USD	1,253,000	1,673,579	1,708,597	AMC Networks 4.750%, 2025-08-01	USD	1,315,000	1,721,828
Series 144A, 6.000%, 2029-06-01	USD	420,000	486,428	510,495	Private Placement, Series 144A, 10.250%, 2029-01-15	USD	1,000,000	1,365,010
Hudbay Minerals, Private Placement Series 144A, 4.500%, 2026-04-01	USD	265,000	334,404	347,868	American Airlines Pass Through Trust Series 2021-1, Class B, 3.950%, 2030-07-11	USD	462,775	506,911
Series 144A, 6.125%, 2029-04-01	USD	1,420,000	1,878,467	1,903,457	American Airlines, Private Placement Series 144A, 8.500%, 2029-05-15	USD	255,000	360,301
IAMGOLD, Private Placement Series 144A, 5.750%, 2028-10-15	USD	845,000	1,058,215	1,056,015	American Axle & Manufacturing Holdings 6.875%, 2028-07-01	USD	1,320,000	1,740,822
MEG Energy, Private Placement Series 144A, 7.125%, 2027-02-01	USD	826,000	1,092,684	1,139,233	AmeriTex HoldCo Intermediate, Private Placement Series 144A, 10.250%, 2028-10-15	USD	1,160,000	1,562,764
New Gold, Private Placement Series 144A, 7.500%, 2027-07-15	USD	1,435,000	1,920,584	1,951,049	Antero Midstream Partners, Private Placement Series 144A, 5.750%, 2027-03-01	USD	640,000	828,274
NOVA Chemicals, Private Placement Series 144A, 9.000%, 2030-02-15	USD	560,000	758,324	783,535	Antero Resources, Private Placement Series 144A, 8.375%, 2026-07-15	USD	169,000	215,154
Open Text, Private Placement Series 144A, 3.875%, 2029-12-01	USD	2,160,000	2,567,579	2,614,842	Series 144A, 5.375%, 2029-06-15	USD	1,110,000	1,345,805
Taseko Mines, Private Placement Series 144A, 7.000%, 2026-02-15	USD	2,250,000	2,909,092	3,064,348	Apache 5.100%, 2040-09-01	USD	230,000	253,898
					5.250%, 2042-02-01	USD	755,000	862,887
					Archrock Partners, Private Placement Series 144A, 6.250%, 2028-04-01	USD	1,900,000	2,471,628
Total Canadian Bonds			22,789,204	23,365,077	Ascent Resources Utica Holdings, Private Placement Series 144A, 7.000%, 2026-11-01	USD	2,025,000	2,574,816
					Austin BidCo, Private Placement Series 144A, 7.125%, 2028-12-15	USD	1,680,000	2,127,133
U.S. Bonds (75.6%)								
Corporations								
180 Medical, Private Placement Series 144A, 3.875%, 2029-10-15	USD	1,415,000	1,730,084	1,733,970	B&G Foods 5.250%, 2027-09-15	USD	230,000	290,672
Acadia Healthcare, Private Placement Series 144A, 5.000%, 2029-04-15	USD	1,980,000	2,554,207	2,557,510	Private Placement, Series 144A, 8.000%, 2028-09-15	USD	990,000	1,359,317
ACCO Brands, Private Placement Series 144A, 4.250%, 2029-03-15	USD	895,000	1,104,257	1,094,691	Bausch Health Private Placement, Series 144A, 5.500%, 2025-11-01	USD	1,035,000	1,281,288
					Private Placement, Series 144A, 6.125%, 2027-02-01	USD	1,485,000	1,728,911

The accompanying Notes are an integral part of these financial statements.

NEI Global High Yield Bond Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2024 (UNAUDITED) (continued)

		PAR VALUE	COST \$	FAIR VALUE \$		PAR VALUE	COST \$	FAIR VALUE \$	
U.S. Bonds (continued)									
Bellring Brands, Private Placement Series 144A, 7.000%, 2030-03-15	USD	1,435,000	1,859,379	2,009,440	Comstock Resources, Private Placement Series 144A, 5.875%, 2030-01-15	USD	1,170,000	1,413,626	1,440,161
Boyne USA, Private Placement Series 144A, 4.750%, 2029-05-15	USD	1,685,000	2,129,465	2,120,388	Condor Merger Sub, Private Placement Series 144A, 7.375%, 2030-02-15	USD	1,325,000	1,619,751	1,650,317
Buckeye Partners 3.950%, 2026-12-01	USD	1,205,000	1,444,940	1,564,218	Credit Acceptance 6.625%, 2026-03-15	USD	1,530,000	2,051,811	2,071,011
Builders FirstSource, Private Placement Series 144A, 4.250%, 2032-02-01	USD	205,000	229,982	249,437	9.250%, 2028-12-15	USD	345,000	478,838	505,266
CCO Holdings, Private Placement Series 144A, 4.750%, 2030-03-01	USD	1,860,000	2,438,051	2,172,054	Crescent Energy Finance, Private Placement Series 144A, 7.625%, 2032-04-01	USD	765,000	1,037,914	1,047,370
Series 144A, 4.500%, 2030-08-15	USD	865,000	1,052,532	987,368	Crown Cork & Seal Company 7.375%, 2026-12-15	USD	1,550,000	2,312,094	2,200,604
Series 144A, 4.250%, 2031-02-01	USD	220,000	283,891	243,291	CrownRock, Private Placement Series 144A, 5.000%, 2029-05-01	USD	660,000	857,692	885,859
Centene 2.500%, 2031-03-01	USD	1,790,000	2,027,971	2,001,253	CSC Holdings, Private Placement Series 144A, 6.500%, 2029-02-01	USD	1,239,000	1,667,187	1,429,347
Century Communities, Private Placement Series 144A, 3.875%, 2029-08-15	USD	1,140,000	1,413,682	1,388,209	Series 144A, 4.500%, 2031-11-15	USD	1,634,000	1,590,393	1,571,446
Chobani / Chobani Finance, Private Placement Series 144A, 4.625%, 2028-11-15	USD	805,000	1,052,337	1,020,605	Dana 5.375%, 2027-11-15	USD	465,000	607,706	617,325
Series 144A, 7.625%, 2029-07-01	USD	495,000	675,105	682,846	5.625%, 2028-06-15	USD	185,000	256,696	245,209
Cinemark USA, Private Placement Series 144A, 8.750%, 2025-05-01	USD	9,000	12,055	12,428	4.250%, 2030-09-01	USD	1,295,000	1,534,619	1,549,486
Series 144A, 5.250%, 2028-07-15	USD	1,805,000	2,168,978	2,319,536	4.500%, 2032-02-15	USD	245,000	292,969	287,723
Civitas Resources, Private Placement Series 144A, 8.625%, 2030-11-01	USD	555,000	765,568	809,459	DIRECTV Financing, Private Placement Series 144A, 8.875%, 2030-02-01	USD	750,000	1,027,169	1,018,300
Clearway Energy Operating, Private Placement Series 144A, 3.750%, 2031-02-15	USD	1,505,000	1,691,041	1,756,639	DIRECTV Holdings, Private Placement Series 144A, 5.875%, 2027-08-15	USD	1,995,000	2,544,879	2,557,753
Series 144A, 3.750%, 2032-01-15	USD	700,000	769,619	799,472	DISH DBS Private Placement, Series 144A, 5.250%, 2026-12-01	USD	595,000	743,452	636,859
Cleveland-Cliffs, Private Placement Series 144A, 4.625%, 2029-03-01	USD	1,270,000	1,585,427	1,608,168	7.375%, 2028-07-01	USD	415,000	533,621	276,016
Series 144A, 7.000%, 2032-03-15	USD	205,000	278,318	282,084	DISH Network, Private Placement Series 144A, 11.750%, 2027-11-15	USD	2,020,000	2,744,963	2,816,361
Cloud Software Group, Private Placement Series 144A, 6.500%, 2029-03-31	USD	865,000	1,055,030	1,110,301	Dream Finders Homes, Private Placement Series 144A, 8.250%, 2028-08-15	USD	895,000	1,230,672	1,269,944
Clydesdale Acquisition Holdings, Private Placement Series 144A, 6.625%, 2029-04-15	USD	610,000	779,851	829,077	DT Midstream, Private Placement Series 144A, 4.125%, 2029-06-15	USD	1,664,000	1,980,387	2,072,910
Series 144A, 8.750%, 2030-04-15	USD	1,390,000	1,679,610	1,858,517	Element Solutions, Private Placement Series 144A, 3.875%, 2028-09-01	USD	1,580,000	1,989,282	1,965,999
Community Health Systems, Private Placement Series 144A, 6.000%, 2029-01-15	USD	1,480,000	1,892,177	1,754,884	Eletson Holdings, Private Placement Series 144A, 0.000%, 2099-12-31	USD	822,230	489,797	5,569
Compass Group Diversified Holdings Private Placement, Series 144A, 5.250%, 2029-04-15	USD	1,445,000	1,879,011	1,861,944	EQM Midstream Partners, Private Placement Series 144A, 6.375%, 2029-04-01	USD	585,000	790,713	799,837
					Series 144A, 4.750%, 2031-01-15	USD	575,000	720,319	726,822
					Fiesta Purchaser, Private Placement Series 144A, 7.875%, 2031-03-01	USD	330,000	445,080	461,672
					Ford Motor Company 9.625%, 2030-04-22	USD	100,000	140,310	159,076

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NEI Global High Yield Bond Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2024 (UNAUDITED) (continued)

		PAR VALUE	COST \$	FAIR VALUE \$		PAR VALUE	COST \$	FAIR VALUE \$	
U.S. Bonds (continued)									
Forestar Group, Private Placement Series 144A, 3.850%, 2026-05-15	USD	825,000	1,034,754	1,071,898	Kobe US Midco 2, Private Placement Series 144A, 9.250%, 2026-11-01	USD	2,044,750	2,517,926	2,387,717
Series 144A, 5.000%, 2028-03-01	USD	1,005,000	1,301,623	1,308,463	Kodiak Gas Services, Private Placement Series 144A, 7.250%, 2029-02-15	USD	325,000	435,484	449,799
Forward Air Private Placement, Series 144A, 9.500%, 2031-10-15	USD	45,000	59,462	60,830	Kronos Acquisition Holdings, Private Placement Series 144A, 5.000%, 2026-12-31	USD	995,000	1,274,861	1,327,116
Frontier Communications Holdings Private Placement, Series 144A, 8.625%, 2031-03-15	USD	680,000	937,482	941,284	Series 144A, 7.000%, 2027-12-31	USD	920,000	1,194,258	1,241,438
Gap, Private Placement Series 144A, 3.625%, 2029-10-01	USD	2,060,000	2,526,025	2,447,235	L Brands Private Placement, Series 144A, 9.375%, 2025-07-01	USD	28,033	38,019	39,642
Genesis Energy 8.250%, 2029-01-15	USD	1,550,000	2,140,346	2,165,394	5.250%, 2028-02-01	USD	1,340,000	1,831,846	1,779,630
Global Infrastructure Solutions, Private Placement Series 144A, 5.625%, 2029-06-01	USD	1,850,000	2,290,619	2,306,296	Private Placement, Series 144A, 6.625%, 2030-10-01	USD	830,000	1,134,746	1,148,808
Gray Escrow, Private Placement Series 144A, 5.375%, 2031-11-15	USD	1,350,000	1,581,017	1,207,434	LABL, Private Placement Series 144A, 5.875%, 2028-11-01	USD	1,390,000	1,670,451	1,738,186
H&E Equipment Services, Private Placement Series 144A, 3.875%, 2028-12-15	USD	840,000	1,061,912	1,041,312	Series 144A, 8.250%, 2029-11-01	USD	795,000	938,222	926,149
Hannon Armstrong Sustainable Infrastructure Capital Private Placement, Series 144A, 3.750%, 2030-09-15	USD	475,000	519,426	542,241	Ladder Capital Finance Holdings, Private Placement Series 144A, 4.750%, 2029-06-15	USD	2,850,000	3,397,801	3,513,180
Harvest Midstream I, Private Placement Series 144A, 7.500%, 2028-09-01	USD	1,270,000	1,692,213	1,749,093	Life Time, Private Placement Series 144A, 5.750%, 2026-01-15	USD	1,515,000	1,966,864	2,043,298
Hat Holdings, Private Placement Series 144A, 3.375%, 2026-06-15	USD	1,315,000	1,588,000	1,672,863	Lions Gate Capital Holdings, Private Placement Series 144A, 5.500%, 2029-04-15	USD	1,645,000	1,978,027	1,705,736
Hawaiian Brand Intellectual Property Private Placement, Series 144A, 5.750%, 2026-01-20	USD	545,000	705,593	694,940	LSF9 Atlantis Holding / Victra Finance Private Placement, Series 144A, 7.750%, 2026-02-15	USD	1,695,000	2,188,228	2,282,416
HCA Healthcare 3.500%, 2030-09-01	USD	1,055,000	1,322,325	1,294,362	M/I Homes 3.950%, 2030-02-15	USD	741,000	919,585	901,824
Hess Midstream Operations, Private Placement Series 144A, 5.625%, 2026-02-15	USD	90,000	116,330	121,107	Madison Indoor Air Quality, Private Placement Series 144A, 4.125%, 2028-06-30	USD	1,595,000	1,944,093	2,000,932
Series 144A, 4.250%, 2030-02-15	USD	2,075,000	2,556,119	2,587,298	Mauser Packaging Solutions, Private Placement Series 144A, 7.875%, 2026-08-15	USD	820,000	1,103,036	1,132,235
Hilcorp Energy, Private Placement Series 144A, 5.750%, 2029-02-01	USD	1,290,000	1,662,866	1,708,054	Series 144A, 9.250%, 2027-04-15	USD	700,000	914,467	940,856
Hilton Domestic Operating Company Private Placement, Series 144A, 6.625%, 2032-01-15	USD	1,690,000	2,275,091	2,306,564	Maxim Crane Works, Private Placement Series 144A, 11.500%, 2028-09-01	USD	1,725,000	2,321,642	2,520,209
Icahn Enterprises 4.375%, 2029-02-01	USD	1,500,000	1,649,114	1,733,370	Mercer International Private Placement, Series 144A, 12.875%, 2028-10-01	USD	95,000	127,713	141,076
Imola Merger, Private Placement Series 144A, 4.750%, 2029-05-15	USD	1,740,000	2,204,466	2,223,115	5.125%, 2029-02-01	USD	1,045,000	1,281,034	1,241,752
IRB Holding, Private Placement Series 144A, 7.000%, 2025-06-15	USD	710,000	991,545	967,482	Mileage Plus Holdings, Private Placement Series 144A, 6.500%, 2027-06-20	USD	880,750	1,197,246	1,200,798
Iron Mountain, Private Placement Series 144A, 4.500%, 2031-02-15	USD	1,850,000	2,085,195	2,266,627	Miter Brands, Private Placement Series 144A, 6.750%, 2032-04-01	USD	390,000	525,934	532,543
JPMorgan Chase & Co. Series HH, 4.600%, floating rate from 2025-02-01, Perpetual	USD	1,850,000	2,326,057	2,466,299	MIWD Holdco II, Private Placement Series 144A, 5.500%, 2030-02-01	USD	705,000	854,099	880,882

The accompanying Notes are an integral part of these financial statements.

NEI Global High Yield Bond Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2024 (UNAUDITED) (continued)

		PAR VALUE	COST \$	FAIR VALUE \$		PAR VALUE	COST \$	FAIR VALUE \$
U.S. Bonds (continued)								
Molina Healthcare, Private Placement					PetSmart, Private Placement			
Series 144A, 4.375%, 2028-06-15	USD	1,215,000	1,542,513	1,552,545	Series 144A, 4.750%, 2028-02-15	USD	1,085,000	1,352,937
Series 144A, 3.875%, 2032-05-15	USD	265,000	294,955	313,813	Phinia, Private Placement			
Mozart Debt Merger, Private Placement					Series 144A, 6.750%, 2029-04-15	USD	95,000	129,081
Series 144A, 3.875%, 2029-04-01	USD	2,800,000	3,346,772	3,460,610	Picasso Finance Sub, Private Placement			
MPT Operating Partnership					Series 144A, 6.125%, 2025-06-15	USD	722,000	967,082
3.500%, 2031-03-15	USD	1,090,000	901,677	1,017,044	Pilgrim's Pride			
NCL Finance, Private Placement					4.250%, 2031-04-15	USD	1,285,000	1,648,281
Series 144A, 6.125%, 2028-03-15	USD	1,095,000	1,292,255	1,466,323	3.500%, 2032-03-01	USD	930,000	1,117,059
NCR, Private Placement					PMHC II, Private Placement			
Series 144A, 5.125%, 2029-04-15	USD	2,130,000	2,722,710	2,705,877	Series 144A, 9.000%, 2030-02-15	USD	885,000	1,073,823
NCR Atleos Escrow					Post Holdings, Private Placement			
Private Placement, Series 144A, 9.500%, 2029-10-01	USD	795,000	1,078,656	1,153,325	Series 144A, 4.625%, 2030-04-15	USD	260,000	343,676
NextEra Energy Operating, Private Placement					Series 144A, 4.500%, 2031-09-15	USD	1,970,000	2,423,704
Series 144A, 7.250%, 2029-01-15	USD	690,000	939,696	961,389	Prime Security Services Borrower			
NGL Energy Partners, Private Placement					Private Placement, Series 144A, 6.250%, 2028-01-15	USD	1,715,000	2,209,613
Series 144A, 8.125%, 2029-02-15	USD	280,000	377,258	389,549	Royal Caribbean Cruises, Private Placement			
Series 144A, 8.375%, 2032-02-15	USD	730,000	983,566	1,017,893	Series 144A, 5.375%, 2027-07-15	USD	1,250,000	1,562,504
NRG Energy, Private Placement					Series 144A, 8.250%, 2029-01-15	USD	1,060,000	1,479,446
Series 144A, 3.625%, 2031-02-15	USD	1,250,000	1,426,640	1,466,114	Series 144A, 7.250%, 2030-01-15	USD	105,000	141,199
Series 144A, 3.875%, 2032-02-15	USD	230,000	246,363	267,830	Scripps Escrow II, Private Placement			
Olympus Water, Private Placement					Series 144A, 5.375%, 2031-01-15	USD	1,605,000	1,881,251
Series 144A, 9.750%, 2028-11-15	USD	750,000	1,019,887	1,084,060	Sensata Technologies, Private Placement			
Series 144A, 6.250%, 2029-10-01	USD	2,605,000	3,173,874	3,233,259	Series 144A, 3.750%, 2031-02-15	USD	665,000	821,934
OneMain Finance					Sirius XM Radio, Private Placement			
3.500%, 2027-01-15	USD	710,000	823,476	893,813	Series 144A, 4.000%, 2028-07-15	USD	375,000	460,664
4.000%, 2030-09-15	USD	1,495,000	1,798,154	1,734,174	Series 144A, 4.125%, 2030-07-01	USD	585,000	722,062
Owens & Minor, Private Placement					SMR Escrow Issuer, Private Placement			
Series 144A, 4.500%, 2029-03-31	USD	732,000	907,040	909,501	Series 144A, 6.000%, 2028-11-01	USD	2,410,000	3,165,116
Park Intermediate Holdings, Private Placement					Southwestern Energy Company			
Series 144A, 7.500%, 2025-06-01	USD	725,000	1,000,091	986,075	5.375%, 2030-03-15	USD	300,000	392,880
Series 144A, 5.875%, 2028-10-01	USD	300,000	397,970	398,920	4.750%, 2032-02-01	USD	630,000	740,237
Series 144A, 4.875%, 2029-05-15	USD	270,000	321,203	342,256	Springleaf Finance			
Park River Holdings, Private Placement					6.875%, 2025-03-15	USD	345,000	456,031
Series 144A, 5.625%, 2029-02-01	USD	1,635,000	1,944,646	1,881,733	6.625%, 2028-01-15	USD	250,000	346,969
Patrick Industries, Private Placement					Star Parent, Private Placement			
Series 144A, 7.500%, 2027-10-15	USD	405,000	545,095	560,711	Series 144A, 9.000%, 2030-10-01	USD	1,195,000	1,646,640
Series 144A, 4.750%, 2029-05-01	USD	905,000	1,125,161	1,149,288	Talos Production, Private Placement			
Pattern Energy Operations, Private Placement					Series 144A, 9.000%, 2029-02-01	USD	180,000	242,523
Series 144A, 4.500%, 2028-08-15	USD	1,339,000	1,750,023	1,691,043	Series 144A, 9.375%, 2031-02-01	USD	280,000	377,258
Permian Resources Operating, Private Placement					Tenet Healthcare			
Series 144A, 7.000%, 2032-01-15	USD	1,225,000	1,673,990	1,728,634	5.125%, 2027-11-01	USD	480,000	668,306
					4.625%, 2028-06-15	USD	205,000	277,242
					6.125%, 2030-06-15	USD	2,745,000	3,649,959
					TMS International, Private Placement			
					Series 144A, 6.250%, 2029-04-15	USD	1,935,000	2,422,696

The accompanying Notes are an integral part of these financial statements.

NEI Global High Yield Bond Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2024 (UNAUDITED) (continued)

		PAR VALUE	COST \$	FAIR VALUE \$		PAR VALUE	COST \$	FAIR VALUE \$	
U.S. Bonds (continued)					Foreign Bonds (12.2%)				
Tronox, Private Placement Series 144A, 4.625%, 2029-03-15	USD	1,410,000	1,755,527	1,723,527	Austria (0.3%)				
United Airlines Pass Through Trust Series 2016-1, Class B, 3.650%, 2026-01-07	USD	226,042	221,613	292,902	Corporations				
United Airlines, Private Placement Series 144A, 4.625%, 2029-04-15	USD	1,480,000	1,867,161	1,870,537	ams OSRAM, Private Placement Series 144A, 12.250%, 2029-03-30	USD	830,000	1,149,981	1,133,068
United Rentals 4.875%, 2028-01-15	USD	380,000	523,480	501,701	Bermuda (0.3%)				
United Rentals 3.875%, 2031-02-15	USD	535,000	706,484	650,419	Corporations				
Venture Global LNG, Private Placement Series 144A, 9.500%, 2029-02-01	USD	1,375,000	1,886,430	2,018,752	NCL, Private Placement Series 144A, 5.875%, 2027-02-15	USD	760,000	938,986	1,017,866
Venture Global LNG, Private Placement Series 144A, 8.375%, 2031-06-01	USD	1,055,000	1,429,526	1,475,437	Cayman Islands (1.4%)				
Venture Global LNG, Private Placement Series 144A, 3.875%, 2033-11-01	USD	1,545,000	1,696,224	1,779,805	Corporations				
Verde Purchaser 10.500%, 2030-11-30	USD	1,420,000	1,981,838	2,056,968	Global Aircraft Leasing, Private Placement Series 144A, 6.500%, 2024-09-15	USD	2,032,713	2,587,466	2,610,730
Viavi Solutions, Private Placement Series 144A, 3.750%, 2029-10-01	USD	2,150,000	2,580,932	2,500,282	Seagate HDD Cayman Private Placement, Series 144A, 8.500%, 2031-07-15	USD	490,000	687,676	720,492
Vistra Private Placement, Series 144A, 7.000%, floating rate from 2026-12-15, Perpetual	USD	2,005,000	2,525,435	2,685,455	Seagate HDD Cayman Private Placement, Series 144A, 9.625%, 2032-12-01	USD	885,125	1,312,925	1,374,388
Vital Energy 9.750%, 2030-10-15	USD	1,185,000	1,666,560	1,774,388	Total Cayman Islands				
Vital Energy Private Placement, Series 144A, 7.875%, 2032-04-15	USD	330,000	446,540	456,527			4,588,067	4,705,610	
WASH Multifamily Acquisition, Private Placement Series 144A, 5.750%, 2026-04-15	USD	1,470,000	1,892,513	1,956,602	China (0.1%)				
Watco Companies, Private Placement Series 144A, 6.500%, 2027-06-15	USD	2,020,000	2,683,562	2,717,448	Corporations				
WESCO Distribution, Private Placement Series 144A, 7.125%, 2025-06-15	USD	75,000	103,264	102,096	Eagle Intermediate Global Holding Private Placement, Series 144A, 7.500%, 2025-05-01	USD	585,000	713,984	525,440
WESCO Distribution, Private Placement Series 144A, 7.250%, 2028-06-15	USD	1,065,000	1,442,597	1,478,689	France (0.5%)				
XHR, Private Placement Series 144A, 4.875%, 2029-06-01	USD	1,665,000	2,083,663	2,093,506	Corporations				
XPO, Private Placement Series 144A, 7.500%, 2027-11-15	USD	490,000	669,157	685,672	Altice France, Private Placement Series 144A, 8.125%, 2027-02-01	USD	555,000	731,990	590,414
Yum! Brands 3.625%, 2031-03-15	USD	1,635,000	1,846,042	1,964,429	Series 144A, 5.500%, 2029-10-15	USD	745,000	799,330	692,805
ZF North America Capital, Private Placement Series 144A, 6.875%, 2028-04-14	USD	300,000	402,211	421,726	Iliad Holding, Private Placement Series 144A, 6.500%, 2026-10-15	USD	315,000	391,907	425,049
ZipRecruiter, Private Placement Series 144A, 5.000%, 2030-01-15	USD	1,110,000	1,360,024	1,329,890	Total France				
			261,479,526	263,306,469			1,923,227	1,708,268	
Total U.S. Bonds					Ireland (1.9%)				
					Corporations				
					Jazz Securities, Private Placement Series 144A, 4.375%, 2029-01-15	USD	2,820,000	3,610,649	3,567,226
					LCPR Senior Secured Financing, Private Placement Series 144A, 6.750%, 2027-10-15	USD	472,000	626,749	604,529
					Series 144A, 5.125%, 2029-07-15	USD	1,875,000	2,312,585	2,134,966

The accompanying Notes are an integral part of these financial statements.

NEI Global High Yield Bond Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2024 (UNAUDITED) (continued)

		PAR VALUE	COST \$	FAIR VALUE \$		PAR VALUE	COST \$	FAIR VALUE \$	
Ireland (continued)					Ziggo, Private Placement Series 144A, 4.875%, 2030-01-15				
Virgin Media Vendor Financing, Private Placement Series 144A, 5.000%, 2028-07-15	USD	215,000	250,197	267,685	USD	580,000	676,590	706,502	
Total Ireland				6,800,180	6,574,406	Total Netherlands			
Italy (0.4%)					Norway (0.3%)				
Corporations					Corporations				
Telecom Italia, Private Placement Series 144A, 5.303%, 2024-05-30	USD	1,100,000	1,513,718	1,493,194	SFL 8.875%, 2027-02-01	USD	700,000	933,411	
Luxembourg (1.2%)					Poland (0.4%)				
Corporations					Corporations				
Albion Financing, Private Placement Series 144A, 8.750%, 2027-04-15	USD	1,030,000	1,302,281	1,401,297	CANPACK / Eastern Land Investment Holding Private Placement, Series 144A, 3.125%, 2025-11-01	USD	1,150,000	1,452,190	
Altice Financing, Private Placement Series 144A, 5.000%, 2028-01-15	USD	430,000	487,794	481,697	Switzerland (0.4%)				
Consolidated Energy, Private Placement Series 144A, 5.625%, 2028-10-15	USD	2,110,000	2,598,448	2,408,921	Corporations				
Telecom Italia 6.375%, 2033-11-15	USD	40,000	60,077	51,283	Consolidated Energy Finance, Private Placement Series 144A, 12.000%, 2031-02-15	USD	335,000	450,876	
Total Luxembourg				4,448,600	4,343,198	Transocean Aquila, Private Placement Series 144A, 8.000%, 2028-09-30	USD	615,000	842,660
Marshall Islands (0.4%)					Total Switzerland				
Corporations					1,293,536				
Navios South American Logistics, Private Placement Series 144A, 10.750%, 2025-07-01	USD	1,005,000	1,346,140	1,374,990	1,327,000				
Mexico (0.2%)					United Kingdom (1.9%)				
Corporations					Corporations				
Borr Finance, Private Placement Series 144A, 10.000%, 2028-11-15	USD	395,000	556,957	564,705	Barclays 8.000%, floating rate from 2029-09-15, Perpetual	USD	2,615,000	3,418,156	
Netherlands (2.5%)					Jaguar Land Rover Automotive, Private Placement Series 144A, 7.750%, 2025-10-15				
Corporations					USD				
AerCap Holdings 5.875%, floating rate from 2024-10-10, 2079-10-10	USD	1,265,000	1,675,266	1,705,230	250,000	328,480	343,998		
Sensata Technologies, Private Placement Series 144A, 4.000%, 2029-04-15	USD	695,000	857,136	862,070	Macquarie Airfinance Holdings, Private Placement Series 144A, 8.375%, 2028-05-01	USD	1,040,000	1,421,995	
Series 144A, 4.375%, 2030-02-15	USD	315,000	425,458	388,538	Series 144A, 8.125%, 2029-03-30	USD	760,000	1,041,717	
UPC Holding, Private Placement Series 144A, 5.500%, 2028-01-15	USD	2,615,000	3,498,642	3,404,536	Total United Kingdom				
Ziggo Bond Finance, Private Placement Series 144A, 6.000%, 2027-01-15	USD	1,115,000	1,499,549	1,493,241	6,210,348				
Total Netherlands					6,488,149				
Total Foreign Bonds					42,501,966				
Total Investments (94.5%)					326,770,696				
Unrealized Appreciation on Derivatives (TABLE 1) (0.0%)					328,964,681				
Other Net Assets (5.5%)					19,124,420				
Net Assets (100.0%)					348,139,609				

The accompanying Notes are an integral part of these financial statements.

NEI Global High Yield Bond Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2024 (UNAUDITED) (continued)

TABLE 1

Foreign Currency Forward Contracts	NUMBER OF CONTRACTS	MATURITY	AVERAGE EXCHANGE RATE OF CONTRACTS (CURRENCY/CAD)	CURRENCY AMOUNT	CONTRACTED VALUE \$	UNREALIZED APPRECIATION \$
Unrealized Appreciation on Sale of Foreign Currencies for Canadian Dollars						
U.S. Dollar	2	April 2024	1.3546	249,894,684	338,514,086	50,508
Unrealized Appreciation on Derivatives						50,508

The accompanying Notes are an integral part of these financial statements.

NEI Global High Yield Bond Fund

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION (UNAUDITED)

a) Establishment of the Fund (Note 1)

The NEI Global High Yield Bond Fund (the "Fund") is an unincorporated mutual fund trust. The establishment date for each series of the Fund is the date set out in the simplified prospectus as the start date for that series, as listed below:

Series A	Series F	Series I
June 21, 2005	June 29, 2005	August 1, 2006
Series O	Series P	Series PF
June 29, 2018	December 3, 2018	December 3, 2018

b) Units (Note 4)

Issued and Outstanding Units

	Number of Units, Beginning of Period	Units Issued	Reinvested Units	Units Redeemed	Number of Units, End of Period
Series A					
March 31, 2024	3,833,443	166,281	89,757	541,180	3,548,301
March 31, 2023	4,740,612	109,942	122,401	579,819	4,393,136
Series F					
March 31, 2024	1,835,171	238,341	27,542	283,591	1,817,463
March 31, 2023	2,062,413	214,294	34,569	306,808	2,004,468
Series I					
March 31, 2024	30,165,722	10,741,061	1,005,524	1,141,637	40,770,670
March 31, 2023	33,602,286	1,441,970	934,849	5,959,322	30,019,783
Series O					
March 31, 2024	136	-	4	-	140
March 31, 2023	128	-	4	-	132
Series P					
March 31, 2024	850,463	72,720	21,438	128,823	815,798
March 31, 2023	770,956	73,191	21,905	56,431	809,621
Series PF					
March 31, 2024	1,289,283	157,376	17,145	166,999	1,296,805
March 31, 2023	1,362,606	67,571	19,489	166,932	1,282,734

c) Distributions

All distributions made by the Fund are automatically reinvested in additional units of the same series that paid the distribution unless notification to the contrary is received in writing at least 5 days in advance to receive a cash payment. All distributions reinvested are made without an acquisition charge.

The schedule of distributions, which may consist of net investment income, net realized capital gains and/or return of capital, is as follows:

Series A	Series F	Series I
Monthly	Monthly	Quarterly
Series O	Series P	Series PF
Quarterly	Monthly	Monthly

In addition, the Fund will, prior to the end of each year, distribute any excess net income and net realized capital gains to its unitholders.

d) Management Fees and Other Expenses (Note 5)

The annual management fee rates, for 2024 and 2023, are as follows:

	Series A %	Series F %	Series P %
March 31, 2024	1.50	0.65	1.25
March 31, 2023	1.50	0.65	1.25
	Series PF %		
March 31, 2024	0.40		
March 31, 2023	0.40		

The annual administration fee rates, for 2024 and 2023, are as follows:

	Series A %	Series F %	Series O %
March 31, 2024	0.30	0.25	0.05
March 31, 2023	0.30	0.25	0.05
	Series P %	Series PF %	
March 31, 2024	0.20	0.20	
March 31, 2023	0.20	0.20	

Series I unitholders negotiate and pay management and administration fees directly to the Manager.

Series O unitholders negotiate and pay management fees directly to the Manager.

e) Related Party Transactions (Note 6)

Accrued expenses payable to related parties presented in the Statement of Financial Position, are as follows:

	March 31, 2024	September 30, 2023
	\$	\$
	27,842	19,958

f) Financial Instruments Disclosures (Note 7)

Strategy in Using Financial Instruments

Investment Objective

The investment objective of this Fund is to provide a high level of current income while maintaining security of capital. The Fund invests primarily in a diversified portfolio of high-yield, higher risk, global corporate bonds and notes and may also invest in other fixed income investments with similar characteristics. Most of the investments will be rated "BBB-" and below by Standard and Poor's or Fitch, and "Baa3" or below by Moody's or an equivalent rating by another recognized bond rating service. The Fund may also invest in investments that are not rated, investments that are in default at the time of purchase, and may invest in investments denominated in emerging market countries' currencies.

It is expected that, except for temporary defensive purposes, the Fund will invest at least 80% of its net assets in high-yielding, income-producing corporate bonds.

The Fund follows a responsible approach to investing, as described in the simplified prospectus of the Fund.

NEI Global High Yield Bond Fund

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION (UNAUDITED) (continued)

Financial Instruments Fair Value Measurement

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Material Accounting Policy Information" section of Note 2.

Fair Value Hierarchy (in \$'000)

March 31, 2024	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at FVTPL				
Bonds	-	328,959	6	328,965
Derivative Financial Instruments	-	51	-	51
Total	-	329,010	6	329,016

September 30, 2023	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at FVTPL				
Bonds	-	250,983	6	250,989
Derivative Financial Instruments	-	27	-	27
Total	-	251,010	6	251,016

September 30, 2023	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial liabilities at FVTPL				
Derivative Financial Instruments	-	126	-	126
Total	-	126	-	126

Transfers between Levels 1 and 2

During the periods ended March 31, 2024 and September 30, 2023, there were no transfers of securities between Levels 1 and 2.

Classification of Level 3 (in \$'000)

As at March 31, 2024 and September 30, 2023, the Fund has financial instruments requiring Level 3 valuation. Fair value measurements are derived from valuation techniques. The substitution of one or more data from these techniques by one or several reasonably possible assumptions should not result in significant changes in the fair value of these investments. The following table explains the classification of fair value within Level 3:

	Financial instruments	Fair value \$	Valuation techniques	Unobservable inputs	Range
March 31, 2024	Eletson Holdings, Private Placement, Series 144A, 0.000%, 2099-12-31	6	Default Recovery Analysis	N/A	-
September 30, 2023	Eletson Holdings, Private Placement, Series 144A, 0.000%, 2022-01-15	6	Default Recovery Analysis	N/A	-

Reconciliation of Level 3 Measured at Fair Value (in \$'000)

The following tables summarize a reconciliation of movements on Level 3 financial instruments between the beginning and end of the period:

March 31, 2024	Total \$
Balance, Beginning of Period	6
Proceeds from sale of investments	-
Investments purchased	-
Net realized gain (loss)	-
Net unrealized gain (loss)	-
Transfers to (from) level 3	-
Balance, End of Period	6
Change in Net Unrealized Gain (Loss) of the Period for Securities Held as at March 31, 2024	-

September 30, 2023	Total \$
Balance, Beginning of Year	159
Proceeds from sale of investments	(248)
Investments purchased	-
Net realized gain (loss)	(160)
Net unrealized gain (loss)	255
Transfers to (from) level 3	-
Balance, End of Year	6
Change in Net Unrealized Gain (Loss) of the Year for Securities Held as at September 30, 2023	119

Financial Instruments Risks

Currency Risk (in \$'000)

The Fund's exposure to currency risk is presented in the tables below. Amounts shown represent monetary and non-monetary items (including the notional amount of foreign currency forward contracts). The tables also illustrate the potential impact on the Net Assets Attributable to Holders of Redeemable Units if the Canadian dollar had strengthened or weakened by 3% in relation to each of the other currencies, with all other variables held constant.

March 31, 2024	Financial Assets \$	Financial Liabilities \$	Net Exposure \$	Impact on Net Assets Attributable to Holders of Redeemable Units \$
USD	347,304	338,464	8,840	265

September 30, 2023	Financial Assets \$	Financial Liabilities \$	Net Exposure \$	Impact on Net Assets Attributable to Holders of Redeemable Units \$
USD	261,441	259,565	1,876	56

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

NEI Global High Yield Bond Fund

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION (UNAUDITED) (continued)

Interest Rate Risk (in \$'000)

The following table summarizes the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at fair value, categorized by the earlier of contractual re-pricing or maturity dates. The table also illustrates the impact on the Net Assets Attributable to Holders of Redeemable Units, had prevailing interest rates changed by 1.00%, assuming a parallel shift in the yield curve, with all other variables held constant.

	Less than 1 Year \$	1 to 5 Years \$	5 to 10 Years \$	Greater than 10 Years \$	Total \$	Impact on Net Assets Attributable to Holders of Redeemable Units \$
March 31, 2024	23,614	174,320	144,749	1,147	343,830	10,363
September 30, 2023	7,720	115,955	128,890	3,468	256,033	9,590

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Concentration Risk

The following table summarizes the concentration risk, as a percentage of the Fund's Net Assets Attributable to Holders of Redeemable Units:

March 31, 2024 Market Segment	%	September 30, 2023 Market Segment	%
U.S. Bonds		U.S. Bonds	
Corporations	75.6	Corporations	77.3
Foreign Bonds	12.2	Foreign Bonds	12.5
Canadian Bonds	6.7	Canadian Bonds	7.6
Other Net Assets	5.5	Derivative Financial Instruments	(0.1)
		Other Net Assets	2.7
Total	100.0		100.0

Price Risk (in \$'000)

The Manager's estimate of the impact on Net Assets Attributable to Holders of Redeemable Units as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

Benchmarks	Change in Price %	Impact on Net Assets Attributable to Holders of Redeemable Units	
		March 31, 2024 \$	September 30, 2023 \$
Bloomberg US High Yield 2% Issuer Cap Index (C\$ Hedged)	1.00	3,432	2,473

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

The Fund's credit risk concentration is separated between fixed-income securities and derivative financial instruments. Their fair values include consideration of the issuers' creditworthiness and accordingly, represent the Fund's maximum exposure to credit risk.

Fund's Fixed-Income Securities by Credit Rating Category

Credit Rating	Percentage of Fixed-Income Securities	
	March 31, 2024 %	September 30, 2023 %
A	-	1
BBB	3	4
BB	32	37
B	51	49
CCC	14	9
Total	100	100

As at March 31, 2024, the counterparties to derivative financial instruments have a credit rating of at least "A-1" from *Standard & Poor's* ("A-1" as at September 30, 2023).

Liquidity Risk

For further information on the maturity of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

g) Seed Capital

The Manager had the following seed capital investments:

	Seed Capital \$	Percentage Ownership %
March 31, 2024	1,274	-
September 30, 2023	1,171	-

NEI Global High Yield Bond Fund

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION (UNAUDITED) (continued)

h) Income Taxes – Loss Carry Forward (Note 2)

Capital and non-capital losses determined for tax purposes as at December 15, 2023, which is the taxation year-end, are as follows:

Capital Losses	Non-Capital Losses	
Amount	Amount	Year of Expiry
\$	\$	
60,263,830	-	

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024, and 2023

Throughout the Notes to the Financial Statements, “we”, “NEI LP”, “NEI” or “Manager” refers to Northwest & Ethical Investments L.P., the Manager of the Funds.

Throughout the Notes to the Financial Statements, “Unitholders” refers to Holders of redeemable units.

1. ESTABLISHMENT OF THE FUNDS

NEI LP acts as the Manager of the NEI Funds, collectively called “the Funds”. Its head office is located at 151 Yonge Street, Suite 1200, Toronto, ON, M5C 2W7.

The Funds are all mutual fund trusts or unit trusts subject to the laws of Ontario.

The information provided in these financial statements and notes thereto is as at March 31, 2024 and September 30, 2023, and for the 6-month periods ended March 31, 2024 and 2023, except for the Funds established during either period, in which case the information provided relates to the period from inception to March 31, 2024 and 2023, as applicable.

Funds	Inception date
NEI Canadian Impact Bond Fund	June 29, 2023
NEI Impact Conservative Portfolio	June 29, 2023
NEI Impact Balanced Portfolio	June 29, 2023
NEI Impact Growth Portfolio	June 29, 2023
NEI Long Short Equity Fund	January 11, 2024

For the Funds established in either year, the “period” represents the period from the beginning of operations to March 31 of that financial year. The establishment date is described in Note a) of the Notes to the Financial Statements – Specific Information of the applicable Funds.

The main activities of the Funds are disclosed in the section “Notes to the Financial Statements – Specific Information” pertaining to each Fund.

2. BASIS OF PRESENTATION AND MATERIAL ACCOUNTING POLICY INFORMATION

BASIS OF PRESENTATION

Statement of Compliance

The policies applied in the preparation of these financial statements are in accordance with International Financial Reporting Standards (“IFRS”). These financial statements have been authorized for issue by the NEI LP Board of Directors on May 14, 2024.

MATERIAL ACCOUNTING POLICY INFORMATION

The significant measurement and presentation policies applied to prepare these financial statements are described below.

Financial Instruments

The Funds’ financial instruments include, where applicable, cash and equivalents, investments, derivatives, interest, dividends and other receivables, receivable for investments sold, subscriptions receivable, cash guarantee received for repurchase transactions, payable for investments purchased, distributions payable to unitholders, accrued expenses, liabilities, redemptions payable and commitments related to repurchase transactions. Financial instruments are recognized on the date that the Funds become a party to the contractual provisions of the instrument, namely the trade date of the financial instrument.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all the risks and rewards of ownership.

Classification and Measurement

The Funds classify and measure financial instruments in accordance with IFRS 9, *Financial Instruments*. Under IFRS 9, financial assets are measured at amortized cost or at Fair value through profit or loss (“FVTPL”) depending on the contractual cash flow characteristics and the business model for managing the financial assets.

The portfolios of financial assets are managed, and performance is evaluated on a fair value basis. The Funds are primarily focused on fair value information and use that information to assess the assets’ performance and to make decisions. The contractual cash flows of the Funds’ debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds’ business model’s objective. Consequently, all investments are measured at FVTPL.

The Funds’ obligation concerning net assets attributable to holders of redeemable units is recorded at the redemption amount which approximates fair value. The accounting policies used to measure the fair value of investments and derivative financial instruments are identical to those used in measuring the net asset value (“NAV”) for transactions with holders of redeemable units, except when the closing price for financial assets and liabilities is not within the bid-ask spread.

NEI Long Short Equity Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at FVTPL.

As at March 31, 2024 and September 30, 2023 there are no differences between the Funds’ NAV per unit for transactions and their net assets per unit attributable to holders of redeemable units in accordance with IFRS.

Classification of Units Issued by the Funds

The Funds’ outstanding units qualify as “puttable instruments” as required by IAS 32: *Financial Instruments: Presentation* (“IAS 32”). The Funds’ outstanding units are classified as financial liabilities in these financial statements as they do not meet the definition of puttable instruments to be classified as equity.

Impairment of Financial Assets

The impairment model is applicable to financial assets except for financial instruments at FVTPL or designated at fair value through other comprehensive income.

With respect to other financial assets measured at amortized cost, the Funds consider both historical analysis and forward-looking information in determining any expected credit loss. As at the financial statements date, all financial assets measured at amortized cost are due to be settled within the short term. The Funds consider that the risk of default on these financial assets is low, and that 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 from financial assets recorded at amortized cost, no loss allowance has been recognized as no such impairment will have a significant impact on the financial statements.

Determination of the Fair Value of Financial Instruments

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the valuation date. The Funds use the closing price for both financial assets and financial liabilities when this price falls within the bid-ask spread. In circumstances when the closing price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of financial assets and liabilities that are not traded in an active market, including over-the-counter derivative financial instruments, is determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each valuation date.

Valuation techniques include the use of comparable recent arm’s length transactions, the fair value of other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other techniques commonly used by market participants and which use observable inputs. Refer to Note 7 “Financial Instruments Disclosures” for further information about the Funds’ fair value measurements.

Cash

Cash (bank overdraft) is measured at cost, which closely approximates fair value.

Money Market Securities

Money market securities are recorded at cost including accrued interest, which closely approximates fair value.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024, and 2023 (continued)

Equities, Index-Based Investments and Exchange Traded Funds

Equities, index-based investments and exchange traded funds (“ETFs”) are recorded at the closing price of the stock exchange on which the corresponding security is principally traded. ETFs that are thinly traded are valued at the average of the closing bid and ask prices. Unlisted warrants are valued with a recognized valuation model such as Black-Scholes.

Bonds, Mortgage-Backed Securities and Asset-Backed Securities

Bonds, mortgage-backed securities and asset-backed securities are valued based on closing prices obtained from recognized securities dealers.

Investment Funds

The underlying funds’ units are generally valued based on the NAV per unit provided by the underlying fund’s manager at each valuation day, except for private equity funds which are discussed under section “Valuation of Unlisted Securities and Other Investments”.

Derivative Financial Instruments

Certain Funds may use an array of derivative financial instruments such as foreign currency forward contracts, forward contracts, interest rate swaps, credit default swaps, to-be-announced (“TBA”), futures contracts and options for hedging purposes or purposes other than hedging, or both.

Foreign Currency Forward Contracts, Forward Contracts, Interest Rate Swaps, Credit Default Swaps and TBA

The fair value of these instruments corresponds to the gains or losses that would result upon contract settlement on the valuation date; this value is recorded in “Unrealized appreciation (depreciation) on derivatives” in the Statements of Financial Position.

Futures Contracts

Futures contracts are valued at fair value and are settled daily through brokers. Any amounts receivable (payable) from the settlement of futures contracts are recorded in “Receivable (Payable) on futures contracts” in the Statements of Financial Position.

Options

Options listed on a stock exchange are valued according to fair value based on the closing price of the principal stock exchange on which the option is being traded for long positions and the ask price for short positions. Unlisted options are valued with a recognized valuation model such as Black-Scholes.

Valuation of Unlisted Securities and Other Investments

When the above-mentioned valuation principles of the investments are not applicable, fair value is determined according to the Manager’s best estimates, based on established valuation procedures and on prevailing market conditions on each valuation date. These procedures cover, among others, securities no longer traded, securities issued by private corporations and illiquid securities. For further information, refer to Note 3 “Critical Accounting Judgments, Estimates and Assumptions”.

Investment Transactions

Investment transactions are accounted for on the trade date. Cost is determined on an average cost basis except for money market securities, for which the cost is determined using the First-In, First-Out method. The average cost does not include amortization of premiums or discounts on fixed-income securities except for stripped bonds. Portfolio transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Funds are recognized in the Statements of Comprehensive Income. The difference between the unrealized appreciation (depreciation) of investments at the beginning and at the end of the period is included in “Net unrealized gain (loss) on investments” in the Statements of Comprehensive Income. On disposal of an investment, the difference between the fair value and the cost of the investment is included in “Net realized gain (loss) on investments” in the Statements of Comprehensive Income.

Securities Lending Activities and Repurchase Agreements

Effective June 1, 2020, certain Funds may enter into securities lending and repurchase transactions through the securities lending program of the Funds’ custodian, Desjardins Trust Inc. (“Desjardins Trust”).

Securities Lending

The securities on loan are included in the Schedule of Investment Portfolio and are included in the total value in the Statements of Financial Position, as substantially all the risks and rewards of ownership of these securities are retained by the Funds.

To limit the risk that the counterparty fails to fulfill its obligations, the Funds obtain collateral, representing at least 102% of the contract amount, determined daily based on the fair value of the previous business day’s securities loaned. Securities received as collateral in securities lending are not included in the Statements of Financial Position, as substantially all the risks and rewards of ownership of these securities have not been transferred to the Funds. Any cash collateral received is included in the Statements of Financial Position in “cash collateral received for securities on loan”, as applicable.

For those Funds engaged in securities lending, the amount of securities loaned and the value of collateral received is disclosed in the “Schedule of Investment Portfolio”, where applicable.

Revenue generated through Desjardins Trust’s securities lending is shared by the Fund and Desjardins Trust at the rate presented in the section “Notes to the Financial Statements – Specific Information” pertaining to each Fund. This revenue is included in “Revenue from securities lending activities” in the Statements of Comprehensive Income.

Repurchase Agreements

In a repurchase agreement, a Fund sells a security to a third party and agrees to buy the same, or substantially the same, security back from the third party at a predetermined price and date.

To limit the risk that the counterparty fails to fulfill its obligations, the Funds obtain collateral, combination of cash and securities, representing at least 102% of the contract amount, determined daily based on the fair value of the previous business day’s repurchase transactions. Securities received as collateral in repurchase transactions are not included in the Statements of Financial Position, as substantially all the risks and rewards of ownership of these securities have not been transferred to the Funds.

Cash guarantees received for repurchase transactions are recognized as financial assets in the Statements of Financial Position, in “Cash guarantee received for repurchase transactions”. A liability representing the obligation to repurchase the securities is recognized in “Commitments related to repurchase transactions”. Desjardins Trust, as the Funds’ custodian, may use the cash guarantees to buy investments to generate revenue, which is shared by the Fund and Desjardins Trust at the rate presented in the section “Notes to the Financial Statements – Specific Information” pertaining to each Fund. This revenue is included in “Revenue from securities lending activities” in the Statements of Comprehensive Income.

Offsetting Financial Assets and Financial Liabilities

A financial asset and a financial liability offset in the Fund’s Statement of financial position when, and only when, the Fund has a legally enforceable and unconditional right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The Fund has a legally enforceable and unconditional right to set off a financial asset and a financial liability when such right is enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

Over-the-counter derivative financial instruments, securities lending and repurchase agreements, receivable for investments sold and payable for investments purchased are subject to master netting or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position, as they give a right to an offset that is enforceable only in the event of default, insolvency or bankruptcy.

The table presenting financial assets and liabilities that are subject to a master netting agreement or similar agreement is presented in the section “Notes to the Financial Statements – Specific Information” pertaining to each Fund, if applicable.

Other Assets and Liabilities

Margin deposits, margin deposited on derivatives, receivable on futures contracts, subscriptions receivable, receivable for investments sold, cash guarantee received for repurchase transactions as well as interest, dividends and other receivables are measured at amortized cost.

Similarly, accrued expenses, performance fees payable, payable on futures contracts, redemptions payable, payable for investments purchased, commitments related to repurchase transactions, interest, dividends and other payables, as well as distributions payable, are measured at amortized cost.

Given the short-term nature of other assets and liabilities, their carrying amount closely approximates their fair value.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024, and 2023 (continued)

Income

Interest for distribution purposes from investments in debt securities presented in the Statements of Comprehensive Income is recognized as it is earned. The Funds do not amortize premiums paid or discounts received on the purchase of debt securities except for stripped bonds. Dividends are recognized as income on the ex-dividend date. Income received from ETFs and income trusts are included in "Dividends" in the Statements of Comprehensive Income. Notional distributions received from ETFs are considered non-cash transactions and increase the average costs for those ETFs. Amounts from investments that are treated as a return of capital for income tax purposes reduce the average cost of those investments. Foreign interest and dividend income are accounted for on a gross basis and are included in the "Income" section of the Statements of Comprehensive Income.

The net income from the Limited Partnership includes income attributed for tax purposes and are presented in "Distributions from underlying funds". Distributions received from underlying funds are recorded at the date of distribution. They are included in "Distributions from underlying funds" in the Statements of Comprehensive Income.

Distributions received in the form of units from underlying funds are presented as "Non-cash distribution from investments" in the Statements of Cash Flows.

Upon settlement of derivative financial instruments contracts, the gains and losses from derivative financial instruments held for hedging purposes are included in "Net realized gain (loss) on derivatives" in the Statements of Comprehensive Income. Gains and losses from derivative financial instruments held for purposes other than hedging are included in "Net income (loss) from derivatives" in the Statements of Comprehensive Income.

Foreign Currency Translation

The Funds' financial statements, subscriptions and redemptions are denominated in Canadian dollars, which is the Funds' functional and presentation currency. Foreign currency assets and liabilities denominated in a foreign currency are translated into the functional currency at the exchange rate on each valuation date. Purchases and sales of securities, as well as income and expenses denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing on the transaction dates.

Foreign exchange gains and losses relating to cash are presented as "Foreign exchange gain (loss) on cash" in the Statements of Comprehensive Income and those relating to other financial assets and liabilities are presented within "Net realized gain (loss) on investments" and "Net unrealized gain (loss) on investments" in the Statements of Comprehensive Income.

Amount in currencies are presented using the following abbreviations:

Abbreviation	Currency
AUD	Australian Dollar
BRL	Brazilian Real
CAD	Canadian Dollar
CHF	Swiss Franc
CLP	Chilean Peso
CNY	Chinese Yuan Renminbi
CZK	Czech Republic Koruna
DKK	Danish Krone
EUR	Euro
GBP	Pound Sterling
HKD	Hong Kong Dollar
HUF	Hungarian Forint
IDR	Indonesian Rupiah
ILS	Israeli Shekel
INR	Indian Rupee
JPY	Japanese Yen

Abbreviation	Currency
KRW	South Korean Won
MXN	Mexican Peso
NOK	Norwegian Krone
NZD	New Zealand Dollar
PHP	Philippine Peso
PLN	Polish Zloty
RUB	Russian Ruble
SAR	Saudi Riyal
SEK	Swedish Krona
SGD	Singapore Dollar
THB	Thai Baht
TRY	Turkish Lira
TWD	Taiwan Dollar
USD	United States Dollar
ZAR	South African Rand

Short Selling

The unrealized gains or losses arising from short positions are reflected in the Statement of Comprehensive Income as part of "Net unrealized gain (loss) on Investments" and the fair value of short positions is reflected in the Statement of Financial Position as "Investments at fair value through profit or loss—short positions". When the short position is closed out, gains or losses are realized and included in "Net realized gain (loss) on Investments" in the Statement of Comprehensive Income.

There can be no assurance that a fund will be able to close out a short position at an acceptable time or price. Until the Fund replaces a borrowed security, it will maintain adequate margin with the broker consisting of cash and liquid securities. As at March 31, 2024, the margin maintained with the broker is noted in the Statements of Financial Position in "Margin deposits", if applicable.

Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit

The increase (decrease) in net assets attributable to holders of redeemable units per unit, presented in the Statements of Comprehensive Income, is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units by the average number of units outstanding during the period.

Income Taxes

Under the *Income Tax Act* (Canada) (the "Tax Act"), each Fund, except the Funds below, qualifies, or intends to qualify, as a mutual fund trust.

The following Funds are considered unincorporated unit trusts:

- NEI Fixed Income Pool
- NEI Canadian Equity Pool
- NEI Global Equity Pool
- NEI Managed Asset Allocation Pool

Each Fund's taxation year-end is December 15 except for NEI Money Market Fund and the unincorporated unit trusts, which have a taxation year-end of December 31.

The Funds are taxable on net income and net capital gains not distributed to unitholders. All the Funds' investment income and sufficient net capital gains realized in any year are required to be distributed to unitholders to ensure that the Funds will not be subject to income taxes. As a result, the Funds do not record income taxes. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset. In some special cases the Pools, which are unincorporated unit trusts, may become liable for alternative minimum tax, and may be subject to a special tax under Part XII.2 of the Tax Act. The Manager expects that the Pools will not be subject to tax under Part XII.2, although no assurance can be given that this will not occur.

Capital losses can be carried forward indefinitely to reduce future capital gains. Non-capital losses incurred in a financial year may be carried forward 20 years to reduce future investment income and capital gains.

Distributions are classified as a return of capital, net investment income or capital gain. The Manager reserves the right to make additional distributions in any year, if determined to be appropriate.

The Funds currently incur withholding taxes imposed by certain countries on foreign 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.

Each Fund will elect under section 39(4) of the Tax Act so that all gains or losses realized on the disposition of securities that are "Canadian securities" (as defined in the Tax Act), including Canadian securities acquired in connection with short sales, will be deemed to be capital gains or losses to the Fund.

Refer to the section "Notes to the Financial Statements – Specific Information" pertaining to each Fund for more information on income taxes.

Investments in Other Investment Entities

The Funds meet the definition in IFRS 10, *Consolidated Financial Statements*, of investment entities and account for their investments in underlying funds at FVTPL.

In accordance with IFRS 12, *Disclosure of Interests in Other Entities*, specific information on the Funds' investments in other entities, such as subsidiaries, associates and structured entities has been disclosed, as applicable, in "Notes to the Financial Statements – Specific Information" pertaining to each Fund.

Subsidiaries

An entity is considered as a subsidiary when it is controlled by another entity. The Fund controls an entity when it has the right to variable returns from its involvement with the entity and through its power over the entity.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024, and 2023 (continued)

Leverage

Leverage occurs when the Fund borrows money or securities, or uses derivatives, to generate investment exposure that would otherwise not be possible.

The aggregate gross exposure of an “alternative mutual fund” under National Instrument 81-102 – Investment Funds (“NI 81-102”) calculated as the sum of the following, must not exceed three times an alternative mutual fund’s NAV: (i) the aggregate value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; and (iii) the aggregate notional value of the alternative mutual fund’s specified derivatives positions, excluding any specified derivatives used for hedging purposes. If an alternative mutual fund’s aggregate gross exposure exceeds three times that fund’s NAV, the alternative mutual fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to three times the alternative mutual fund’s NAV or less.

As an “alternative mutual fund”, NEI Long Short Equity Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of conventional mutual funds (other than alternative mutual funds) to leverage their assets through borrowing, short sales and/or derivatives. Investment decisions may be made for the assets of NEI Long Short Equity Fund that exceed the NAV of the Fund. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase a fund’s turnover, transaction and market impact costs, interest and other costs and expenses.

The Manager, on behalf of NEI Long Short Equity Fund, has received exemptive relief from Canadian securities regulatory authorities permitting NEI Long Short Equity Fund to engage in short selling transactions and cash borrowing up to a combined maximum of 100% of its NAV, which is in excess of the short sale and cash borrowing limits of 50% of a fund’s NAV provided for both conventional mutual funds and alternative mutual funds in NI 81-102.

Associates

Associates are investments in entities over which the Fund exercises significant influence without, however, exercising control.

Structured Entities

Structured entities are conceived in a way that the right to vote and other similar rights are not determining factors in exercising control. The Manager has determined that its investments in underlying funds (including limited partnerships), index-based investments and exchange traded funds, income trusts, mortgage-backed securities and asset-backed securities are structured entities, unless the specified relationship is different. Total values of those investments in the table “Fair Value Hierarchy” also represent the fair value of investments in structured entities.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the Manager to use judgment in applying its accounting policies and to make estimates and assumptions about the future. Actual results may differ from these estimates. The following paragraphs discuss the most significant accounting judgments and estimates that the Funds have made when preparing the financial statements.

Fair Value Measurement of Derivative Financial Instruments and Securities not Quoted in an Active Market

The Funds may hold financial instruments that are not quoted in active markets, including derivative financial instruments. Fair value is determined based on models that make maximum use of observable inputs and rely as little as possible on unobservable inputs. The Funds consider the data observable if the market data is readily available, distributed or updated on a regular basis, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager.

When no quoted prices are available, the fair value is estimated using present value or other valuation methods, which are influenced by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates, which reflect varying degrees of risk, including liquidity risk, credit risk, risks related to interest rates, exchange rates, and price and rate volatility.

The calculation of the fair values may differ given the role that judgment plays in applying the valuation techniques and the acceptable estimation. Fair value reflects market conditions at a given date and, for this reason, it may not be representative of future fair values. Refer to Note 7 “Financial Instruments Disclosures” for further information on fair value measurement of financial instruments.

4. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

Structure of Redeemable Units

Each Fund is authorized to issue an unlimited number of series of units and an unlimited number of redeemable units (the units) of each series. Each series unit entitles the holder thereof to participate equally in the distributions of the Fund made to that series. Fractions of units may be issued.

The units of a Fund are of the same series and confer the same rights and privileges except that, in respect of a Fund with more than one series of units, each series of units may have different management fees, dealer compensation structure or distribution structure. As a result, each unit entitles its holder to one vote and to participate equally in distributions made in respect to the series of units by the subject Fund and, upon liquidation, in the net assets attributable of the series of units remaining after satisfaction of outstanding liabilities. A fraction of a unit will entitle the unitholder to proportionate participation but will not entitle them to vote.

The Funds only issue fully paid units and fractions of units. Unitholders may redeem their units in the manner described in the Declaration of Trust.

The Manager manages the capital of the Funds in accordance with their investment objectives (Refer to Note 7). Also, in accordance with securities regulations, the Funds seek to invest subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

Authorized Units

The authorized units of the Fund are comprised of the following series of units:

An unlimited number of Series A units, principally targeted at individual investors purchasing units on a front-end sales charge option basis.

An unlimited number of Series C units, intended for investors who have granted their dealer discretionary investment authority to invest through the use of proprietary model portfolios.

An unlimited number of Series F units, intended for investors participating in programs that do not require them to pay sales charges or service fees to investment professionals or dealers.

An unlimited number of Series I units, offered to institutional or other high net worth investors who negotiate and pay management fees directly to the Manager. The Series I management fee will in no circumstances be higher than the management fee payable on Series A units of the Fund.

An unlimited number of Series O units, intended for investors who make large investments in a Fund. Those investors must enter an agreement which identifies the management fee negotiated and pay management fees directly to the Manager. The Series O management fee will in no circumstances be higher than the management fee payable on Series A units of the Fund.

An unlimited number of Series P units, intended for investors who make large investments in a single Fund. Series P units may only be purchased on a front-end sales charge option basis.

An unlimited number of Series PF units, intended for investors who make large investments in a single Fund and investors participating in programs that do not require them to pay sales charges or service fees to investment professionals or dealers.

An unlimited number of Series W units, intended for investors who make an initial investment of at least \$100,000 in an NEI Private Portfolio. Series W units may only be purchased on a front-end sales charge option basis. The initial investment criteria may vary from time to time.

An unlimited number of Series WF units, intended for investors who make an initial investment of at least \$100,000 in an NEI Private Portfolio and investors participating in programs that do not require them to pay sales charges or service fees to investment professionals or dealers. The initial investment criteria may vary from time to time.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024, and 2023 (continued)

NEI LP has decided to discontinue its deferred sales charge (“DSC”), low load, low load 2 and low load 3 (together “LL”) sales charge purchase options for those NEI Funds that offered DSC or LL. On August 10, 2020, DSC and LL sales charge purchase options across the Funds’ lineup have been closed to new investors. For investors with existing DSC and/or LL units as of that date, subsequent investments subject to DSC and/or LL sales charges were available until October 2020. On October 5, 2020, DSC and LL sales charge purchase options were closed to new investments. Investors with existing DSC and/or LL units will remain invested based on the redemption fee schedule applicable to those units.

Valuation of Units

On each business day and for each series of units of each Fund, the Manager calculates the NAV per unit by dividing the net assets attributable to holders of redeemable units by the number of units outstanding.

The NAV of each series in a Fund corresponds to the proportion of the assets of the Fund attributable to the series, net of the proportion of the Fund’s total liabilities attributable to the series and the liabilities of the series. Expenses directly related to a series are applied against this series. Other income and expenses, as well as realized and unrealized capital gains and losses are applied against each series in proportion to their respective NAV.

Management of Risks Associated with Units

Units issued and outstanding are considered as the Funds’ capital. The Funds are not subject to specific capital requirements concerning subscription and redemption of units, other than certain minimum subscription requirements. Unitholders are entitled to require payment of the NAV per unit for all or any of the units they hold by giving written redemption request to the Manager within the prescribed time period. Units are redeemable for cash equal to a pro rata share of the Funds’ NAV.

Redemptions

Unitholders may at any time elect to redeem all or part of their units on the valuation date at the current closing NAV per unit. Payment for any unit redeemed will be made by the applicable Fund.

5. MANAGEMENT FEES AND OTHER EXPENSES

Management Fees

As the Manager, Trustee, Portfolio Manager and Registrar, NEI LP receives from each Fund, management fees, before taxes, calculated on the NAV of each unit series on each valuation date. Management fees are calculated daily with the NAV of the Funds according to the annual rates presented in “Notes to the Financial Statements – Specific Information” pertaining to each Fund. NEI LP is responsible for the payment of investment fees to Portfolio sub-advisors retained by the Funds.

The management fee varies between Funds and series. Series I and Series O units of the Funds are not subject to management fees, as the unitholders of these series negotiate and pay those fees directly to the Manager.

Certain Funds may invest in other mutual funds (“underlying funds”), including other NEI Funds in order to achieve their investment objectives. There are fees payable by the underlying funds in addition to the fees payable by the investing Fund. No management fees are payable by the Fund that, to a reasonable person, would duplicate a fee payable by the underlying fund for the same service.

Performance Fees

Subject to the attainment of the high-water mark (described below), the Manager charges a performance fee, payable to the Portfolio Sub-Advisor in respect of NEI Long Short Equity Fund. The performance fees for each series shall be calculated, earned and accrued daily and become a liability of NEI Long Short Equity Fund on each valuation day and shall be paid by the Fund at the end of each calendar quarter.

NEI Long Short Equity Fund pays the Manager a daily performance fee equal to 20% of, the positive difference between the unit price on each valuation day and high-water mark less the hurdle amount per unit on the valuation day, multiplied by the number of units outstanding on the applicable valuation day on which the performance fees is determined. The high-water mark is the greatest unit price on any previous valuation day since the units of the series were first issued. The hurdle amount per unit for each applicable series on a valuation day is the product of (a) 2% for each calendar year (pro-rated for the number of days in the calendar year); (b) the unit price of each applicable series on the valuation day; and (c) the number of days since the most recently determined high-water mark or the beginning of the current calendar year, whichever is most recent. Once a high-water mark is attained, a performance fee is earned by the sub-advisor and will not be reduced if there is subsequent negative performance by NEI Long Short Equity Fund.

The Manager reserves the right, in its discretion, to discontinue, decrease or waive the performance fees at any time. Performance fees are subject to applicable taxes, including GST/HST.

Other Expenses

The Manager pays all of the operating expenses of the Funds, except for:

- costs and expenses associated with taxes (including, but not limited to, GST/HST), borrowing, and the costs associated with the independent review committee (“IRC”). IRC expenses include annual dues, meeting fees and other related expenses such as travel relating to the operation of the IRC.
- costs associated with portfolio transactions, including brokerage commissions and research and execution costs.

The operating expenses include, but are not limited to, audit fees, fund accounting costs, transfer agency and recordkeeping costs, custodian costs, administration costs and trustee services relating to registered tax plans, costs of printing and disseminating prospectuses, fund facts and continuous disclosure materials, legal fees, bank charges, investor communication costs and regulatory filing fees.

In return for assuming the obligation to pay the Funds’ operating expenses, each Fund pays to the Manager a fixed annual administration fee (“administration fee”), which is subject to applicable taxes, including HST. The administration fee varies between Funds and series. Administration fees correspond to a specified percentage of the NAV of the series, calculated and accrued daily. No administration fee is charged to Series I units of the Funds because of the fee structures associated with this series.

The annual management fee rate and the annual administration fee rate shown in the “Notes to the Financial Statements – Specific Information” pertaining to each Fund may be lower than the rates presented in the prospectus, as the Manager can absorb a portion of those expenses.

For more information regarding the management fees and other expenses each Fund incurs, please refer to the “Notes to the Financial Statements – Specific Information” pertaining to each Fund.

6. RELATED PARTY TRANSACTIONS

NEI LP is the Manager, Trustee, Portfolio Manager and Registrar of the Funds. Northwest & Ethical Investments Inc., the general partner of NEI LP, is a wholly-owned subsidiary of Aviso Wealth Inc. (“Aviso”). Aviso is the sole limited partner of the Manager. Aviso is a wholly-owned subsidiary of Aviso Wealth LP, which in turn is owned 50% by Desjardins Financial Holding Inc. and 50% by a limited partnership owned by the five Provincial Credit Union Centrals and The CUMIS Group Limited. Desjardins Financial Holding Inc. is a wholly-owned subsidiary of the Fédération des caisses Desjardins du Québec (“Fédération”).

NEI LP is the Manager of the Funds pursuant to the Management Agreement and ensures the daily administration of the Funds. NEI LP provides or ensures the Funds are provided with all services (accounting, custody, portfolio management, record maintenance, transfer agent) required. The Funds pay management and administration fees to NEI LP. Trustee fees and portfolio management fees are entirely at NEI LP’s expense.

Desjardins Trust is the custodian of the Funds. Desjardins Trust is a wholly-owned subsidiary of the Fédération. The Funds may engage in securities lending, and Desjardins Trust may act as the Funds’ securities lending and repurchase transactions agent (“Agent”). Any revenue earned on such securities lending is split between the Funds and the Agent.

Underlying Funds

In accordance with their investment objectives, certain Funds invest in Series I units of other NEI Funds. All the underlying funds identified as “Related” in the table “Fair Value Hierarchy” are considered related parties. Refer to Note 7 “Financial Instruments Disclosures” for further information on fair value hierarchy and fair value measurement of financial instruments. All transactions in those investments are executed based on the fair value of those investments as described in the material accounting policy information. No commissions or other fees were paid by the Fund in relation to these transactions.

For more information regarding the related parties for each Fund, please refer to the “Notes to the Financial Statements – Specific Information” pertaining to each Fund.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024, and 2023 (continued)

7. FINANCIAL INSTRUMENTS DISCLOSURES

Hierarchy of Financial Instruments Measured at Fair Value

The fair value measurement of financial instruments is determined using the following three levels of the fair value hierarchy:

- Level 1—Measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2—Valuation techniques based primarily on observable market data.
- Level 3—Valuation techniques not based primarily on observable market data.

If inputs of different levels are used to measure the fair value of an asset or liability, the classification within the hierarchy is based on the lowest level input that is significant to the measurement of fair value.

Measurement Monitoring

The Manager is responsible for establishing the fair value measurements included in the Funds' financial statements, including Level 3 measurements. The Manager obtains prices from a pricing agency and monitors and analyzes these prices daily. A Measurement Monitoring Committee (the "Committee") ensures that appropriate operating procedures and a proper monitoring structure are in place and followed. This Committee meets on a quarterly basis to review fair value situations. Reports are produced monthly and given quarterly to the Committee members. It also examines specific processes carried out by the Investment Fund Portfolio Department. Moreover, the Measurement Monitoring Committee establishes Measurement Policy orientation. On a quarterly basis, this Committee examines and approves the Level 3 measurements after obtaining confirmation of the measurements from each portfolio manager, as needed. The Committee signs off on any adjustments made to prices or estimates provided by the pricing agency.

Establishment of Levels

A change in the fair value measurement method could result in a transfer between levels. The Funds' policy is to record the implications of the transfers between levels on the date of the event or change in circumstances behind the transfer.

The following types of investments may be classified as Level 3 if their prices are no longer based on observable inputs.

a) Money Market Securities

Money market securities primarily include public sector and corporate securities. The inputs that are significant to valuation are generally observable. Public sector money market securities guaranteed by the federal or provincial government have been classified as Level 1. Other money market securities have been classified as Level 2.

b) Equities

Equities are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data and the fair value is classified as Level 2. If the determination of fair value uses significant unobservable data, then the fair value is classified as Level 3. Unlisted warrants are generally classified as Level 2.

c) Index-Based Investments and Exchange Traded Funds

Index-based investments and ETFs are classified as Level 1 when the security is actively traded and a reliable price is observable. ETFs are classified as Level 2 when the security is thinly traded and based primarily on observable market data.

d) Bonds

Public sector bonds guaranteed by the federal or provincial government are classified as Level 1. Corporate bonds, which are valued using models with inputs including interest rate curves, credit spreads and volatilities are usually classified as Level 2.

e) Mortgage-Backed Securities and Asset-Backed Securities

Mortgage-backed securities and asset-backed securities consist primarily of corporate securities, which are valued using models with inputs including interest rate curves, credit spreads and volatilities. Since the inputs that are significant to valuation are generally observable, mortgage-backed securities and asset-backed securities are usually classified as Level 2.

f) Investment Funds

Public investment funds are classified as Level 1 when their prospectus is unrestricted and their price is reliable and observable. Since some investment funds are not public, their price is determined using observable market data and their fair value is classified as Level 2. If the measurement of fair value requires the use of significant unobservable inputs, then it is classified as Level 3.

g) Derivative Financial Instruments

Derivative financial instruments, which consist of foreign currency forward contracts, forward contracts, interest rate swaps, and credit default swaps, for which counterparty credit spreads are observable and reliable or for which the credit-related inputs are determined to be significant to fair value, are classified as Level 2. Options are classified as Level 1 when the option is actively traded and a reliable price is observable. Unlisted options are generally classified as Level 2.

Detailed information concerning the fair value hierarchy of each Fund is available in their respective "Notes to the Financial Statements – Specific Information". For securities classified as Level 3, the valuation techniques and assumptions are also presented in their respective notes.

Management of Risks Arising from Financial Instruments

Throughout their activities, the Funds are exposed to a variety of risks associated with financial instruments such as market risk (including currency risk, interest rate risk and price risk), concentration risk, credit risk and liquidity risk. The overall risk management strategy of the Funds focuses on the unpredictability of financial markets and optimizes the Funds' financial performance. Most investments involve a risk of loss.

The Manager is responsible for the Funds' risk management and for selecting and monitoring portfolio sub-advisors.

The Manager compares the performance of the Funds with benchmark indexes on a monthly basis. This analysis is reviewed quarterly by the Investment Committee. The Manager also ensures that the Funds' investment policies are followed and writes a compliance report, which is also reviewed on a quarterly basis by the Investment Committee.

The Manager organizes annual meetings with the sub-advisors in order to keep abreast of any changes in their investment practices.

Market Risk

Market risk is the risk that the fair value or future cash flows associated with a financial instrument will fluctuate because of a change in the relevant risk variables, such as interest rates, exchange rates, equity prices, political changes, and catastrophic events, such as pandemics or disasters. The Funds' market risk is managed through diversification of the investment portfolios' exposure ratios.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk is composed of monetary items (usually including cash, receivable amounts in foreign currencies, investments in fixed-income and money market securities) and non-monetary items (usually including investments in equities and investment funds). The non-monetary assets are classified according to the currency in which the security was purchased.

The Funds are exposed to currency risk by holding assets and liabilities denominated in currencies other than the Canadian dollar, the Funds' functional currency, as the value of the securities denominated in other currencies will fluctuate according to the prevailing exchange rates.

The Funds' exposure to currency risk is shown based on the carrying value of financial assets and financial liabilities (including derivative financial instruments and the notional amount of foreign currency forward contracts and foreign currency futures, if any).

When the Canadian dollar decreases in relation to foreign currencies, the value of foreign investments increases. Conversely, when the value of the Canadian dollar increases, the value of foreign investments decreases.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024, and 2023 (continued)

Currency risk is disclosed when the Funds' foreign currencies exposure is above 5% of Net Assets.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk occurs when an investment fund invests in interest-bearing financial instruments. Generally, the value of these securities increases if interest rates decrease and decreases if interest rates increase. The interest rate risk is managed by calculating and monitoring the average portfolio duration on these securities. The Funds also hold a limited amount of cash subject to variable interest rates, which exposes them to cash flow interest rate price risk.

Changes in the market interest rate may affect the borrowing expenses of the short positions held by the Fund.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price, other than those arising from currency risk or interest rate risk.

The portfolio manager plans to manage this risk by carefully selecting securities and other financial instruments, in accordance with defined limits. The maximum risk resulting from financial instruments is determined by the fair value or contract value of the financial instruments. The Funds' financial instruments are exposed to price risk arising from uncertainties about the future prices of instruments.

Concentration Risk

Concentration risk arises because of the concentration of exposure within the same category, whether it is geographical location or industry sector. For Funds with an international investment strategy, the concentration by geographic location is presented according to, among other things, the country of incorporation or region. For Funds with a domestic investment strategy, the concentration by industry sector is presented according to their investments in the different sectors. The concentration risk is managed through portfolio diversification within the framework of the Funds' objective and strategy.

Credit Risk

Credit risk is the risk that the financial instrument counterparty will be unable to pay the full amount at maturity. The Funds' credit risk is managed through an independent credit analysis from the Manager/sub-advisor, in addition to credit rating agencies' analysis.

Financial Instrument Transactions

The Funds are exposed to credit risk. The Funds' and the counterparty's respective credit risk are considered when determining the fair value of financial assets and liabilities, including derivative financial instruments. Transactions are settled or paid on delivery using approved brokers. The risk of default is considered limited as delivery of the securities sold is made once the broker has received payment.

Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

However, there are risks involved in dealing with custodians or prime brokers who settle trades and, in rare circumstances, the securities and other assets deposited with the custodian or broker may be exposed to credit risk with regard to such parties. In addition, there may be practical problems or time delays associated with enforcing the Funds' rights to their assets in the case of an insolvency of any such party.

The credit rating for fixed-income securities and money market securities is rated by credit rating agencies, which generally includes the *Dominion Bond Rating Service* ("DBRS"), *Standard & Poor's* and *Moody's*. In cases where the credit rating agencies do not agree on a credit rating for fixed-income securities and money market securities, they will be classified following these rules:

- If two credit ratings are available, but the ratings are different, the lowest rating is used;
- If three credit ratings are available, the most common credit rating is used;
- If all three credit rating agencies have different ratings, the middle credit rating is used.

The credit rating is then converted to *DBRS* format. Generally, the greater the credit rating of a security, the lower the probability of it defaulting on its obligations.

Derivative financial instruments are financial contracts whose value depends on underlying assets and other external factors, such as interest rates and foreign exchange rates. The vast majority of derivative financial instruments are negotiated by mutual agreement between the Funds and their counterparties, and include, among others, foreign currency forward contracts. Other transactions are carried out as part of trades and mainly consist of futures contracts.

As NEI Long Short Equity Fund may borrow cash for investment purposes, sell securities short, and post margin as collateral for specified derivatives transactions, some of the Fund's assets may be held in margin accounts at a prime broker. The margin accounts may be less able to segregate customer assets than traditional custody accounts, which could potentially expose the Fund to unanticipated risk if the prime broker faces financial difficulties. In this case, assets of the Fund could potentially be inaccessible, and the fund may experience losses if the prime broker cannot satisfy claims of its creditors, or the Fund cannot trade the positions in adverse market conditions.

NEI Long Short Equity Fund transactions are made through an approved broker and are settled on delivery using the Fund's prime broker, RBC Dominion Securities Inc. The risk of default is considered minimal as delivery of investments sold is made only when the Fund has received payment. Payment is made on purchases once the investments have been received by the Fund. Should either party not meet its obligation, the trade will fail.

The credit rating of RBC Dominion Securities Inc. as at March 31, 2024 was AA-.

All transactions executed by NEI Long Short Equity Fund in listed securities are settled/paid for upon delivery using an approved broker. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Securities Lending and Repurchase Transactions

Securities lending and repurchase transactions expose the Funds to credit risk. These transactions are governed by the Canadian Investment Regulatory Organization and provincial securities regulators. The Funds also use netting agreements with counterparties to mitigate credit risk and require a percentage of collateralization (a pledge) on these transactions. The Funds only accept pledges from counterparties that comply with the eligibility criteria defined in their policies. These criteria promote quick realization, if necessary, of collateral in case of default. The collateral received and given by the Funds are mainly cash and government securities. Further information on assets pledged and received as collateral is presented in the "Notes to the Financial Statements – Specific Information" pertaining to each Fund.

Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities.

The Funds are exposed to daily cash redemptions of units. Most of their assets are therefore invested in liquid investments (i.e. investments that are traded in an active market and that can be readily disposed of).

Some Funds may invest in derivative financial instruments, debt securities and unlisted equity investments which are not traded in an active market. As a result, some Funds may not be able to quickly liquidate their investments at amounts approximating their fair values or be able to respond to specific effects such as deterioration in the creditworthiness of any particular issuer. In addition, the Funds can borrow up to 5% of their NAV for the purposes of funding redemptions.

Each Fund may be exposed to indirect liquidity risk in the event that the underlying fund(s) suspends redemptions resulting in the Funds being unable to redeem their investments.

The majority of the remaining liabilities are due within the next three months. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024, and 2023 (continued)

Short selling risk

Because a “short sale” involves a Fund borrowing securities from a lender and selling those securities in the open market, a Fund will generally see a profit if the securities decrease in value and will generally see a loss if the securities increase in value. The process of a “short sale” requires a Fund to provide collateral to the lender and pay a borrowing fee, which may fluctuate during the borrowing period. Unlike a purchase of securities, where the maximum amount of the loss is limited to the amount invested, there is no such limit to a Fund’s exposure on a short sale. The securities loaned for the short sale may be recalled by the lender, and limitations on availability of securities may limit a Fund’s freedom of action in connection with short sales. In addition, a Fund may have difficulties repurchasing and returning the borrowed securities if a liquid market does not exist. A Fund may also be indirectly exposed to short selling risk if it invests in an underlying fund that practices short selling.

An alternative mutual fund is subject to different short selling restrictions than those applicable to conventional mutual funds in securities legislation. As an alternative mutual fund, NEI Long Short Equity Fund has received exemptive relief. Subject to the terms and applicability of the exemptive relief, NEI Long Short Equity Fund is permitted to engage in short selling transactions up to a maximum of 100% of its NAV, including selling IPUs of one or more IPU issuers short in an aggregate amount of up to 100% of its NAV, which is in excess of the short sale limits provided for both conventional mutual funds and alternative mutual funds in NI 81-102.

Leverage risk

Alternative mutual funds are not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of conventional mutual funds (other than alternative mutual funds) to leverage their assets through borrowing, short sales and/or derivatives. Investment decisions may be made for the assets of an alternative mutual fund that exceed the NAV of the fund. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase an alternative mutual fund’s turnover, transaction and market impact costs, interest and other costs and expenses.

Under the investment restrictions applicable to alternative mutual funds in NI 81-102, an alternative mutual fund’s aggregate gross exposure, calculated as the sum of the following, must not exceed three times an alternative mutual fund’s NAV: (i) the aggregate value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; and (iii) the aggregate notional value of the alternative mutual fund’s specified derivatives positions excluding any specified derivatives used for hedging purposes. If an alternative mutual fund’s aggregate gross exposure exceeds three times that fund’s NAV, the alternative mutual fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to three times the alternative mutual fund’s NAV or less. As an “alternative mutual fund”, NEI Long Short Equity Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of conventional mutual funds (other than alternative mutual funds) to leverage their assets through borrowing, short sales and/or derivatives.

Additional Information

For further information on the risks associated with financial instruments to which each Fund is exposed, refer to the section “Notes to the Financial Statements – Specific Information” pertaining to each Fund.

8. OTHER INFORMATION

Unitholders of the Funds can obtain, without charge, the simplified prospectus, the fund facts sheets as well as the financial statements by contacting:

Northwest & Ethical Investments L.P.

151 Yonge Street

Suite 1200

Toronto, ON

M5C 2W7

www.NEInvestments.com

Tel.: 1-888-809-3333

These documents may also be obtained at the following Internet address: www.sedarplus.ca

