

NEI

NEI Funds

Semi-annual financial statements

March 31, 2024



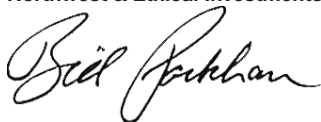
NEI Global Total Return Bond Fund

STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

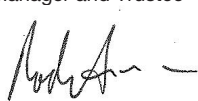
As at

	March 31 2024 \$	September 30 2023 \$
ASSETS		
Current Assets		
Cash	69,572,336	48,565,015
Margin deposited on derivatives	6,503,991	6,483,566
Investments at fair value through profit or loss (FVTPL)	965,209,881	854,887,453
Options at fair value—long positions	177,219	664,800
Unrealized appreciation on derivatives	8,456,444	11,293,302
Receivable on futures contracts	1,369,819	6,942,803
Subscriptions receivable	4,094,762	315,254
Receivable for investments sold	6,059,070	325,921
Interest, dividends and other receivables	24,416,181	22,347,606
	<u>1,085,859,703</u>	<u>951,825,720</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	88,711	56,169
Options at fair value—short positions	259,894	362,069
Unrealized depreciation on derivatives	7,107,129	15,592,220
Payable on futures contracts	2,239,073	3,470,525
Redemptions payable	466,553	4,511,481
Payable for investments purchased	14,881,148	14,881,148
	<u>25,042,508</u>	<u>38,873,612</u>
Net Assets Attributable to Holders of Redeemable Units	<u>1,060,817,195</u>	<u>912,952,108</u>
Data per Series (Note b)		
Series A		
Net assets attributable to holders of redeemable units	<u>32,498,387</u>	30,144,692
- per unit	<u>8.45</u>	8.16
Series C		
Net assets attributable to holders of redeemable units	<u>5,846,395</u>	993
- per unit	<u>10.56</u>	9.93
Series F		
Net assets attributable to holders of redeemable units	<u>49,036,860</u>	39,237,237
- per unit	<u>8.93</u>	8.59
Series I		
Net assets attributable to holders of redeemable units	<u>864,218,122</u>	761,225,309
- per unit	<u>9.80</u>	9.67
Series O		
Net assets attributable to holders of redeemable units	<u>3,022,808</u>	2,007,658
- per unit	<u>9.35</u>	9.08
Series P		
Net assets attributable to holders of redeemable units	<u>20,332,224</u>	15,543,038
- per unit	<u>8.23</u>	7.94
Series PF		
Net assets attributable to holders of redeemable units	<u>85,862,399</u>	64,793,181
- per unit	<u>8.51</u>	8.18

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 Total Return Bond Fund

STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

Six-month Periods Ended March 31

	2024	2023
	\$	\$
Income		
Interest for distribution purposes	19,130,244	15,792,703
Net income (loss) from derivatives	(19,794,812)	(72,284,971)
Foreign exchange gain (loss) on cash	932,517	19,718,455
Net realized gain (loss) on investments	(6,347,842)	(28,140,112)
Changes in fair value:		
Net unrealized gain (loss) on investments	61,944,796	74,080,050
Net unrealized gain (loss) on derivatives	5,262,825	20,856,101
	<u>61,127,728</u>	<u>30,022,226</u>
Expenses (Note 5)		
Management fees	629,016	664,439
Independent review committee's fees	13,000	10,125
Administration fees	183,415	196,960
Sales taxes	93,003	99,532
	<u>918,434</u>	<u>971,056</u>
Commissions and other portfolio transaction costs	75,110	92,063
	<u>993,544</u>	<u>1,063,119</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>60,134,184</u>	<u>28,959,107</u>
Data per Series		
Series A		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>1,688,858</u>	<u>694,758</u>
- per unit	<u>0.46</u>	<u>0.18</u>
Weighted average units	<u>3,688,374</u>	<u>3,799,628</u>
Series C*		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>113,427</u>	
- per unit	<u>0.56</u>	
Weighted average units	<u>201,178</u>	
Series F		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>2,496,195</u>	<u>993,017</u>
- per unit	<u>0.51</u>	<u>0.23</u>
Weighted average units	<u>4,890,250</u>	<u>4,262,800</u>
Series I		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>50,519,290</u>	<u>24,064,794</u>
- per unit	<u>0.62</u>	<u>0.27</u>
Weighted average units	<u>82,056,917</u>	<u>89,267,980</u>
Series O		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>143,853</u>	<u>100,091</u>
- per unit	<u>0.59</u>	<u>0.39</u>
Weighted average units	<u>242,988</u>	<u>259,339</u>
Series P		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>915,731</u>	<u>288,041</u>
- per unit	<u>0.44</u>	<u>0.17</u>
Weighted average units	<u>2,101,053</u>	<u>1,694,764</u>
Series PF		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>4,256,830</u>	<u>2,818,406</u>
- per unit	<u>0.50</u>	<u>0.27</u>
Weighted average units	<u>8,526,177</u>	<u>10,405,425</u>

*Beginning of operations in August 2023

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

NEI Global Total Return Bond Fund

STATEMENTS OF CHANGES IN FINANCIAL POSITION (UNAUDITED)

Six-month Periods Ended March 31

	Series A		Series C	Series F	
	2024 \$	2023 \$		2024* \$	2024 \$
Net Assets Attributable to Holders of Redeemable Units, Beginning of Period	30,144,692	32,921,013	993	39,237,237	39,904,700
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	1,688,858	694,758	113,427	2,496,195	993,017
Redeemable Unit Transactions					
Proceeds from sale of redeemable units	7,597,265	3,305,887	5,831,140	24,520,274	7,921,989
Reinvested distributions	562,639	2,279,034	3,716	535,094	2,194,346
Amounts paid for redeemable units redeemed	(6,873,383)	(4,926,939)	(99,165)	(16,877,697)	(9,973,571)
	1,286,521	657,982	5,735,691	8,177,671	142,764
Distributions to Holders of Redeemable Units					
Net investment income	(231,353)	(2,221,283)	(3,716)	(496,949)	(3,048,989)
Return of capital	(390,331)	(322,800)	-	(377,294)	(374,796)
	(621,684)	(2,544,083)	(3,716)	(874,243)	(3,423,785)
Net Assets Attributable to Holders of Redeemable Units, End of Period	32,498,387	31,729,670	5,846,395	49,036,860	37,616,696

Six-month Periods Ended March 31

	Series I		Series O		Series P	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Net Assets Attributable to Holders of Redeemable Units, Beginning of Period	761,225,309	1,008,550,696	2,007,658	4,285,385	15,543,038	13,563,492
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	50,519,290	24,064,794	143,853	100,091	915,731	288,041
Redeemable Unit Transactions						
Proceeds from sale of redeemable units	99,725,736	72,990,363	1,000,000	400,461	6,566,012	3,732,769
Reinvested distributions	38,870,168	13,442,056	71,370	288,546	341,813	1,064,824
Amounts paid for redeemable units redeemed	(47,228,091)	(270,647,755)	(128,703)	(3,445,543)	(2,684,659)	(2,406,460)
	91,367,813	(184,215,336)	942,667	(2,756,536)	4,223,166	2,391,133
Distributions to Holders of Redeemable Units						
Net investment income	(38,894,290)	(13,449,719)	(71,370)	(288,546)	(143,752)	(955,372)
Return of capital	-	-	-	-	(205,959)	(147,440)
	(38,894,290)	(13,449,719)	(71,370)	(288,546)	(349,711)	(1,102,812)
Net Assets Attributable to Holders of Redeemable Units, End of Period	864,218,122	834,950,435	3,022,808	1,340,394	20,332,224	15,139,854

* Beginning of operations in August 2023

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

NEI Global Total Return Bond Fund

STATEMENTS OF CHANGES IN FINANCIAL POSITION (UNAUDITED) (Continued)

Six-month Periods Ended March 31

	Series PF	
	2024 \$	2023 \$
Net Assets Attributable to Holders of Redeemable Units, Beginning of Period	<u>64,793,181</u>	<u>131,219,574</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>4,256,830</u>	<u>2,818,406</u>
Redeemable Unit Transactions		
Proceeds from sale of redeemable units	29,092,770	20,151,846
Reinvested distributions	1,222,637	5,208,873
Amounts paid for redeemable units redeemed	<u>(11,929,071)</u>	<u>(85,925,325)</u>
	<u>18,386,336</u>	<u>(60,564,606)</u>
Distributions to Holders of Redeemable Units		
Net investment income	(883,788)	(6,124,802)
Return of capital	<u>(690,160)</u>	<u>(680,264)</u>
	<u>(1,573,948)</u>	<u>(6,805,066)</u>
Net Assets Attributable to Holders of Redeemable Units, End of Period	<u>85,862,399</u>	<u>66,668,308</u>

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NEI Global Total Return 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	60,134,184	28,959,107
Adjustments for:		
Foreign exchange (gain) loss on cash	(932,517)	(19,718,455)
Net realized (gain) loss on investments and derivatives	6,347,842	28,140,112
Net unrealized (gain) loss on investments and derivatives	(67,207,621)	(94,936,151)
Change in margin deposited / overdraft on derivatives	(20,425)	2,276,597
Proceeds from sale/maturity of investments	170,720,619	478,693,116
Investments purchased	(225,025,249)	(260,538,611)
Receivable on futures contracts	5,572,984	15,351,086
Receivable for investments sold	(5,733,149)	(13,760,062)
Interest, dividends and other receivables	(2,068,575)	(1,746,514)
Accrued expenses	32,542	(17,178)
Payable on futures contracts	(1,231,452)	(3,841,559)
Payable for investments purchased	-	14,302,773
Net Cash Flows from (used in) Operating Activities	(59,410,817)	173,164,261
Cash Flows from (used in) Financing Activities		
Proceeds from sale of redeemable units	170,553,689	109,134,757
Amounts paid for redeemable units redeemed	(89,865,697)	(378,646,236)
Distributions paid to holders of redeemable units, net of reinvested distributions	(781,525)	(3,136,332)
Net Cash Flows from (used in) Financing Activities	79,906,467	(272,647,811)
Effect of exchange rate changes on foreign cash	511,671	16,063,190
Increase (decrease) in cash/bank overdraft	21,007,321	(83,420,360)
Cash (bank overdraft), beginning of period	48,565,015	169,375,798
Cash (Bank Overdraft), End of Period	69,572,336	85,955,438
Supplemental Information on Cash Flows from (used in) Operating Activities		
Interest received	15,754,879	13,083,739
Interest paid	39,828	40,506

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

NEI Global Total Return Bond Fund

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

		PAR VALUE	COST \$	FAIR VALUE \$		PAR VALUE	COST \$	FAIR VALUE \$	
Bonds (90.8%)				Foreign Bonds (71.0%)					
Canadian Bonds (5.2%)				Australia (0.4%)					
Government of Canada (2.2%)				State Governments and Crown Corporations					
Canada Housing Trust				New South Wales Treasury Bonds					
Series 90, 1.800%, 2024-12-15 CAD				10,000,000	9,721,800	9,793,583	1.500%, 2032-02-20 AUD		
Series 88, 2.100%, 2029-09-15 CAD				15,000,000	14,211,810	13,802,114	700,000 668,963 499,145		
					23,933,610	23,595,697	Western Australian Treasury Bonds		
							Series 27, 3.000%, 2027-10-21 AUD		
							4,000,000	3,862,765	3,428,016
							Total Australia		
							4,531,728	3,927,161	
							Bahrain (0.2%)		
							Government		
							Kingdom of Bahrain		
							6.750%, 2029-09-20 USD		
							1,600,000	2,206,512	2,185,940
							Belgium (0.2%)		
							Corporations		
							Belfius Bank		
							4.875%, floating rate from		
							2030-06-11, 2035-06-11 EUR		
							1,700,000	2,498,311	2,516,336
							Brazil (4.6%)		
							Government (4.4%)		
							Federative Republic of Brazil		
							10.000%, 2029-01-01 BRL		
							178,000,000	47,428,778	46,988,653
							Corporations (0.2%)		
							Itaú Unibanco Holding		
							4.625%, 2049-12-31 USD		
							1,600,000	2,116,480	2,032,388
							Total Brazil		
							49,545,258	49,021,041	
							Colombia (0.7%)		
							Government		
							Republic of Colombia		
							3.250%, 2032-04-22 USD		
							7,400,000	7,685,931	7,835,603
							Denmark (0.2%)		
							State Governments and Crown Corporations		
							Orsted		
							2.250%, 2028-06-14 EUR		
							1,800,000	2,404,418	2,517,577
							France (4.4%)		
							State Governments and Crown Corporations (0.4%)		
							La Poste		
							0.625%, 2036-01-18 EUR		
							4,400,000	6,824,426	4,718,582
Total U.S. Bonds				145,597,817	137,944,322				

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

NEI Global Total Return Bond Fund

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

	PAR VALUE	COST \$	FAIR VALUE \$		PAR VALUE	COST \$	FAIR VALUE \$		
France (continued)				Zurich Finance					
Corporations (4.0%)				3.000%, floating rate from 2031-04-19, 2051-04-19	USD	9,600,000	12,205,440	10,899,294	
BNP Paribas				Total Ireland					
Private Placement, Series 144A, 2.159%, floating rate from 2028-09-15, 2029-09-15	USD	4,000,000	4,939,160	4,741,142			33,229,074	31,074,070	
Private Placement, Series 144A, 3.132%, floating rate from 2032-01-20, 2033-01-20	USD	3,000,000	3,297,837	3,465,562	Italy (9.8%)				
7.375%, floating rate from 2025-08-19, Perpetual	USD	4,000,000	5,953,524	5,443,958	Government (6.1%)				
4.032%, floating rate from 2025-11-25, Perpetual	EUR	500,000	761,383	722,256	Italy Treasury Bonds				
7.750%, floating rate from 2029-08-16, Perpetual	USD	2,200,000	2,824,437	3,049,563	Series 3Y, 3.500%, 2026-01-15	EUR	5,000,000	7,325,210	7,338,077
Crédit Agricole					3.000%, 2029-08-01	EUR	7,500,000	13,266,138	10,867,812
4.250%, floating rate from 2025-01-13, Perpetual	EUR	1,400,000	1,952,517	2,032,157	Series 8Y, 4.000%, 2031-10-30	EUR	12,850,000	19,198,484	19,561,174
Crédit Agricole Assurances					3.450%, 2048-03-01	EUR	3,800,000	7,683,153	5,046,000
4.750%, floating rate from 2028-09-27, 2048-09-27	EUR	2,000,000	3,530,844	2,982,521	1.700%, 2051-09-01	EUR	19,100,000	28,320,329	17,418,758
Crédit Mutuel Arkéa					2.150%, 2052-09-01	EUR	4,600,000	4,265,406	4,579,674
1.625%, 2026-04-15	EUR	1,000,000	1,567,055	1,417,096			80,058,720	64,811,495	
3.375%, 2031-03-11	EUR	2,000,000	3,007,704	2,768,168	Corporations (3.7%)				
Groupe BPCE					Assicurazioni Generali				
5.150%, 2024-07-21	USD	2,630,000	3,472,481	3,555,235	5.399%, 2033-04-20	EUR	1,200,000	1,767,669	1,884,033
lcade Santé					BPER Banca				
1.375%, 2030-09-17	EUR	1,900,000	2,960,278	2,322,614	8.375%, floating rate from 2029-07-16, Perpetual	EUR	1,200,000	1,755,746	1,849,469
La Mondiale					Enel				
5.050%, floating rate from 2025-12-17, Perpetual	EUR	3,650,000	6,418,217	5,379,039	1.375%, floating rate from 2027-09-08, Perpetual	EUR	900,000	1,098,591	1,167,933
Société Générale					Enel Finance International				
4.000%, 2027-01-12	USD	1,000,000	1,371,760	1,302,644	0.875%, 2036-06-17	EUR	2,000,000	2,892,932	2,101,262
1.750%, 2029-03-22	EUR	900,000	1,358,973	1,202,471	ERG				
Sogecap					0.875%, 2031-09-15	EUR	2,600,000	3,888,811	3,041,720
4.125%, floating rate from 2026-02-18, Perpetual	EUR	400,000	638,013	577,857	Intesa Sanpaolo				
Total					4.750%, 2027-09-06	EUR	2,120,000	3,221,675	3,191,275
1.750%, floating rate from 2024-04-04, Perpetual	EUR	800,000	1,206,782	1,168,773	5.000%, floating rate from 2027-03-08, 2028-03-08	EUR	2,840,000	4,074,723	4,293,449
			45,260,965	42,131,056	6.625%, 2033-05-31	GBP	4,600,000	7,603,975	8,364,609
Total France		52,085,391	46,849,638		Private Placement, Series XR, 4.700%, 2049-09-23	USD	2,000,000	2,787,434	2,020,880
					5.500%, floating rate from 2028-03-01, Perpetual	EUR	3,000,000	3,614,242	4,172,156
					9.125%, floating rate from 2030-03-07, Perpetual	EUR	1,600,000	2,344,282	2,610,341
					UniCredit				
					2.731%, floating rate from 2027-01-15, 2032-01-15	EUR	3,000,000	4,345,005	4,165,273
							39,395,085	38,862,400	
Germany (1.4%)					Total Italy				
							119,453,805	103,673,895	
Government (1.1%)					Japan (3.5%)				
Federal Republic of Germany					Government (3.2%)				
2.500%, 2046-08-15	EUR	7,500,000	18,290,699	11,039,887	Japan Government				
					Series 66, 0.400%, 2050-03-20	JPY	2,000,000,000	21,692,943	13,171,652
Corporations (0.3%)					Series 70, 0.700%, 2051-03-20	JPY	2,200,000,000	23,182,830	15,496,524
Allianz					Series 79, 1.200%, 2053-06-20	JPY	628,700,000	5,704,247	4,960,555
3.200%, floating rate from 2028-04-30, Perpetual	USD	3,000,000	3,520,593	3,336,704			50,580,020	33,628,731	
					Corporations (0.3%)				
Total Germany		21,811,292	14,376,591		Nomura Holdings				
					1.653%, 2026-07-14	USD	2,800,000	3,489,780	3,492,241
Ireland (2.9%)					Total Japan				
							54,069,800	37,120,972	
Corporations					Luxembourg (0.3%)				
AIB Group					Corporations				
5.871%, floating rate from 2034-03-28, 2035-03-28	USD	1,432,000	1,938,069	1,948,328	Aroundtown				
Bank of Ireland Group					5.375%, 2029-03-21	USD	2,750,000	4,156,251	3,204,367
4.625%, floating rate from 2028-11-13, 2029-11-13	EUR	3,100,000	4,536,716	4,694,077					
Cloverie									
5.625%, floating rate from 2026-06-24, 2046-06-24	USD	4,000,000	5,763,048	5,407,526					
Hammerson Ireland Finance									
1.750%, 2027-06-03	EUR	6,000,000	8,785,801	8,124,845					

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NEI Global Total Return Bond Fund

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

	PAR VALUE	COST \$	FAIR VALUE \$		PAR VALUE	COST \$	FAIR VALUE \$
Mexico (6.9%)				Romania (0.8%)			
Government				Government			
United Mexican States				Romania Government			
Series M 20, 7.500%, 2027-06-03	MXN 200,000,000	14,118,526	15,446,653	6.625%, 2029-09-27	EUR 3,000,000	4,573,237	4,754,625
4.500%, 2029-04-22	USD 4,000,000	5,350,144	5,253,649	4.625%, 2049-04-03	EUR 2,800,000	5,332,092	3,563,026
2.659%, 2031-05-24	USD 6,000,000	7,025,021	6,806,532	Total Romania			
Series M, 7.750%, 2031-05-29	MXN 455,000,000	31,096,594	34,013,745			9,905,329	8,317,651
4.750%, 2032-04-27	USD 6,000,000	8,130,702	7,729,306	South Africa (2.1%)			
4.875%, 2033-05-19	USD 3,000,000	3,843,970	3,850,674	Government			
Total Mexico				Republic of South Africa			
		69,564,957	73,100,559	Series 2035, 8.875%, 2035-02-28	ZAR 245,640,000	14,511,297	14,028,136
Netherlands (6.5%)				Series R209, 6.250%, 2036-03-31	ZAR 173,900,000	8,698,514	7,674,482
Corporations				Total South Africa			
ABN AMRO Bank						23,209,811	21,702,618
4.375%, floating rate from 2025-09-22, Perpetual	EUR 2,600,000	3,925,335	3,681,031	Spain (13.0%)			
American Medical Systems Europe	EUR 2,300,000	3,346,059	3,389,061	Government (8.4%)			
3.500%, 2032-03-08	EUR 2,300,000	3,346,059	3,389,061	Kingdom of Spain			
ASR Nederland	EUR 1,200,000	1,753,703	1,764,506	1.400%, 2028-07-30	EUR 30,000,000	41,663,655	41,409,414
3.625%, 2028-12-12	EUR 1,200,000	1,753,703	1,764,506	3.250%, 2034-04-30	EUR 8,000,000	11,593,050	11,808,380
6.625%, floating rate from 2032-06-27, Perpetual	EUR 1,800,000	2,650,828	2,635,632	3.900%, 2039-07-30	EUR 11,800,000	17,788,614	18,106,089
AT Securities	USD 4,000,000	5,422,932	3,258,072	1.000%, 2042-07-30	EUR 17,900,000	16,746,944	17,391,647
7.747%, floating rate from 2024-07-21, Perpetual	USD 4,000,000	5,422,932	3,258,072			87,792,263	88,715,530
Coöperatieve Rabobank	USD 10,000,000	12,906,500	13,269,443	State Governments and Crown Corporations (0.6%)			
4.655%, floating rate from 2027-08-22, 2028-08-22	USD 10,000,000	12,906,500	13,269,443	Instituto de Crédito Oficial			
4.375%, floating rate from 2027-06-29, Perpetual	EUR 3,200,000	4,909,064	4,482,660	3.250%, 2028-10-31	EUR 4,680,000	6,751,024	6,934,644
De Volksbank	EUR 2,700,000	3,967,580	3,664,269	Corporations (4.0%)			
0.250%, 2026-06-22	EUR 2,700,000	3,967,580	3,664,269	Banco Bilbao Vizcaya Argentaria			
EDP Finance	USD 5,600,000	7,362,734	6,686,373	8.250%, floating rate from 2028-11-30, 2033-11-30	GBP 2,000,000	3,438,367	3,682,502
1.710%, 2028-01-24	USD 5,600,000	7,362,734	6,686,373	4.875%, floating rate from 2031-02-08, 2036-02-08	EUR 1,900,000	2,755,150	2,800,770
1.875%, 2029-09-21	EUR 2,000,000	2,803,701	2,695,948	6.000%, floating rate from 2024-03-29, Perpetual	EUR 1,800,000	2,919,338	2,629,766
Iberdrola International	EUR 3,500,000	4,967,170	4,699,547	Banco Santander	USD 3,200,000	4,447,360	4,195,464
Series NC6, 1.450%, floating rate from 2027-02-09, Perpetual	EUR 3,500,000	4,967,170	4,699,547	2.746%, 2025-05-28	USD 3,200,000	4,447,360	4,195,464
ING Groep	GBP 4,000,000	6,984,668	5,966,380	5.000%, floating rate from 2029-04-22, 2034-04-22	EUR 2,300,000	3,374,471	3,440,419
1.125%, floating rate from 2027-12-07, 2028-12-07	GBP 4,000,000	6,984,668	5,966,380	4.750%, floating rate from 2025-03-19, Perpetual	EUR 2,400,000	3,652,194	3,367,291
6.114%, floating rate from 2033-09-11, 2034-09-11	USD 1,173,000	1,600,207	1,653,221	4.375%, floating rate from 2026-01-14, Perpetual	EUR 2,800,000	4,063,593	3,844,747
NIBC Bank	EUR 5,300,000	7,525,727	7,137,291	CaixaBank	EUR 4,200,000	6,089,223	6,227,449
0.875%, 2027-06-24	EUR 5,300,000	7,525,727	7,137,291	4.125%, floating rate from 2031-02-09, 2032-02-09	EUR 4,200,000	6,089,223	6,227,449
NN Group	EUR 2,200,000	3,278,312	3,528,038	6.037%, floating rate from 2034-06-15, 2035-06-15	USD 1,359,000	1,829,010	1,855,836
6.000%, floating rate from 2033-11-03, 2043-11-03	EUR 2,200,000	3,278,312	3,528,038	5.250%, floating rate from 2026-03-23, Perpetual	EUR 2,600,000	3,352,174	3,643,035
Total Netherlands				Total Spain			
		73,404,520	68,511,472			138,147,952	138,378,653
New Zealand (4.3%)				Government			
Government				New Zealand Government			
Series 0425, 2.750%, 2025-04-15	NZD 7,000,000	5,695,796	5,522,856	3.875%, floating rate from 2026-09-22, Perpetual	EUR 2,500,000	3,751,047	3,600,537
Series 0427, 4.500%, 2027-04-15	NZD 34,000,000	27,874,814	27,574,818	2.875%, floating rate from 2027-09-24, Perpetual	EUR 1,000,000	1,471,747	1,368,009
1.750%, 2041-05-15	NZD 23,000,000	16,398,453	11,913,287	2.376%, floating rate from 2029-05-12, Perpetual	EUR 1,600,000	2,460,991	2,072,654
Total New Zealand						43,604,665	42,728,479
		49,969,063	45,010,961	Total Spain			
						138,147,952	138,378,653

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

NEI Global Total Return Bond Fund

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

		PAR VALUE	COST \$	FAIR VALUE \$		PAR VALUE	COST \$	FAIR VALUE \$	
Sweden (0.5%)					Foreign Asset-Backed Securities (0.2%)				
State Governments and Crown Corporations					United Kingdom				
Swedish Export Credit 2.750%, 2028-02-23	EUR	4,000,000	5,519,363	5,791,198	Income Contingent Student Loans Series 1, Class A1, floating rate, 2056-07-24	GBP	173,817	294,796	297,403
					Series 2, Class A1, floating rate, 2058-07-24	GBP	981,538	1,614,722	1,675,596
United Kingdom (8.3%)					Total Foreign Asset-Backed Securities				
Government (4.1%)					Total Investments (91.0%)				
United Kingdom Government 0.125%, 2028-01-31	GBP	12,500,000	17,414,679	18,567,789			1,033,810,020	965,209,881	
1.625%, 2028-10-22	GBP	8,000,000	11,738,635	12,470,271	Unrealized Appreciation on Derivatives (TABLE 1) (0.8%)				
0.625%, 2050-10-22	GBP	2,000,000	3,113,066	1,426,834					
1.250%, 2051-07-31	GBP	12,500,000	11,348,484	10,801,737					
			43,614,864	43,266,631	Unrealized Depreciation on Derivatives (TABLE 2) (-0.7%)				
Corporations (4.2%)									
Barclays 6.375%, floating rate from 2025-12-15, Perpetual	GBP	2,200,000	3,613,065	3,629,496					
InterContinental Hotels Group 1.625%, 2024-10-08	EUR	1,800,000	2,796,116	2,610,011	Options at Fair Value - Long positions (TABLE 3) (0.0%)				
Nationwide Building Society Private Placement, Series 144A, 2.972%, floating rate from 2027-02-16, 2028-02-16	USD	4,950,000	6,271,897	6,265,374					
NatWest Group 1.750%, floating rate from 2025-03-02, 2026-03-02	EUR	4,100,000	6,275,895	5,881,095	Options at Fair Value - Short positions (TABLE 4) (-0.0%)				
5.808%, floating rate from 2028-09-13, 2029-09-13	USD	2,800,000	3,738,700	3,863,361					
5.125%, floating rate from 2027-11-12, Perpetual	GBP	1,000,000	1,712,188	1,579,864	Other Net Assets (8.9%)*				
Royal Bank of Scotland 0.750%, floating rate from 2024-11-15, 2025-11-15	EUR	3,000,000	4,358,458	4,301,223					
Santander UK Group Holdings 6.750%, floating rate from 2024-06-24, Perpetual	GBP	2,600,000	4,525,293	4,428,180	Net Assets (100.0%)				
Standard Chartered 1.456%, floating rate from 2026-01-14, 2027-01-14	USD	4,170,000	5,285,684	5,245,907					
Vodafone Group 4.875%, 2049-06-19	USD	2,000,000	2,991,106	2,433,666					
6.250%, floating rate from 2024-07-03, 2078-10-03	USD	2,254,000	2,932,905	3,071,169					
3.250%, floating rate from 2026-09-04, 2081-06-04	USD	850,000	1,026,077	1,085,072					
			45,527,384	44,394,418					
Total United Kingdom			89,142,248	87,661,049					
Total Foreign Bonds			812,541,014	752,777,352					
Supranational Bonds (1.6%)									
Africa Finance Corporation 3.750%, 2029-10-30	USD	3,400,000	4,392,678	4,049,313					
African Export-Import Bank (Afreximbank) 3.798%, 2031-05-17	USD	950,000	1,148,692	1,095,987					
European Union 0.000%, 2031-07-04	EUR	10,000,000	11,793,306	12,037,960					
Total Supranational Bonds			17,334,676	17,183,260					
Total Bonds			1,031,900,502	963,236,882					

* Includes receivables and payables from Tables 5 and 6.

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

NEI Global Total Return 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 Purchase of Foreign Currencies for Canadian Dollars						
U.S. Dollar	5	May 2024	1.3495	26,442,012	35,682,528	106,747
Unrealized Appreciation on Sale of Foreign Currencies for Canadian Dollars						
Euro	7	May 2024	1.4661	287,000,000	420,781,714	788,290
U.S. Dollar	2	May 2024	1.3570	13,000,000	17,641,208	45,810
						834,100
Unrealized Appreciation on Purchase of Foreign Currencies for Swiss Francs						
U.S. Dollar	2	April 2024	1.3508	17,599,846	23,773,095	918,683
Unrealized Appreciation on Purchase of Foreign Currencies for Chinese Yuan Renminbis						
U.S. Dollar	1	June 2024	1.3586	38,131,282	51,803,254	281,134
Unrealized Appreciation on Purchase of Foreign Currencies for Indian Rupees						
U.S. Dollar	1	April 2024	1.3522	2,700,000	3,651,075	20,919
Unrealized Appreciation on Purchase of Foreign Currencies for Japanese Yens						
U.S. Dollar	1	April 2024	1.3527	29,121,261	39,390,874	1,439,316
Unrealized Appreciation on Sale of Foreign Currencies for Mexican Pesos						
U.S. Dollar	1	May 2024	1.3626	1,298,637	1,769,513	49,222
Unrealized Appreciation on Purchase of Foreign Currencies for New Zealand Dollars						
U.S. Dollar	1	April 2024	1.3482	43,117,321	58,128,617	1,185,804
Unrealized Appreciation on Sale of Foreign Currencies for U.S. Dollars						
Australian Dollar	1	April 2024	0.8885	200,000	177,704	2,984
Brazilian Real	1	June 2024	0.2695	68,414,821	18,438,317	120,075
Pound Sterling	1	April 2024	1.7277	72,000,000	124,390,825	1,960,576
South African Rand	1	April 2024	0.0722	251,720,000	18,167,490	294,094
Swedish Krona	1	April 2024	0.1295	250,480,000	32,442,015	835,175
Taiwan Dollar	1	April 2024	0.0428	415,970,546	17,817,587	102,277
						3,315,181
Interest Rate Swaps						
	NUMBER OF CONTRACTS	MATURITY	FIXED RATE %	FLOATING RATE	NOMINAL VALUE BUY/(SALE) \$	
Pay/Receive						
Pay Float/Received Fixed	1	June 2029	2.250	CNY 7-DAY REVERSE REPO	450,000,000	305,338
Unrealized Appreciation on Derivatives						8,456,444

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

NEI Global Total Return Bond Fund

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

TABLE 2

Foreign Currency Forward Contracts	NUMBER OF CONTRACTS	MATURITY	AVERAGE EXCHANGE RATE OF CONTRACTS (CURRENCY/CAD)	CURRENCY AMOUNT	CONTRACTED VALUE \$	UNREALIZED DEPRECIATION \$
Unrealized Depreciation on Sale of Foreign Currencies for Brazilian Reals						
Euro	1	June 2024	1.4829	2,898,297	4,297,916	(11,815)
Unrealized Depreciation on Purchase of Foreign Currencies for Canadian Dollars						
South African Rand	1	April 2024	0.0718	71,860,000	5,156,412	(26,943)
U.S. Dollar	2	May 2024	1.3582	18,000,000	24,447,400	(84,461)
						(111,404)
Unrealized Depreciation on Sale of Foreign Currencies for Canadian Dollars						
U.S. Dollar	5	May 2024	1.3484	404,500,000	545,417,900	(2,069,709)
Unrealized Depreciation on Sale of Foreign Currencies for Chilean Pesos						
U.S. Dollar	1	April 2024	1.3653	6,943,200	9,479,795	(85,731)
Unrealized Depreciation on Sale of Foreign Currencies for Czech Republic Korunas						
U.S. Dollar	1	April 2024	1.3592	3,651,973	4,963,832	(24,840)
Unrealized Depreciation on Sale of Foreign Currencies for Hungarian Forints						
U.S. Dollar	1	May 2024	1.3539	10,052,640	13,610,549	(97,114)
Unrealized Depreciation on Sale of Foreign Currencies for Indonesian Rupiahs						
U.S. Dollar	1	April 2024	1.3542	169,994	230,207	(4,167)
Unrealized Depreciation on Sale of Foreign Currencies for Indian Rupees						
U.S. Dollar	2	April 2024	1.3417	37,979,234	50,957,872	(134,387)
Unrealized Depreciation on Sale of Foreign Currencies for Japanese Yens						
U.S. Dollar	2	April 2024	1.3441	8,289,118	11,141,133	(86,651)
Unrealized Depreciation on Sale of Foreign Currencies for South Korean Wons						
U.S. Dollar	1	April 2024	1.3533	365,162	494,188	(6,234)
Unrealized Depreciation on Sale of Foreign Currencies for Norwegian Kroner						
U.S. Dollar	1	April 2024	1.3502	39,187,087	52,911,254	(1,824,185)
Unrealized Depreciation on Sale of Foreign Currencies for Singapore Dollars						
U.S. Dollar	1	June 2024	1.3514	2,021,292	2,731,500	(12,743)
Unrealized Depreciation on Sale of Foreign Currencies for Thai Bahts						
U.S. Dollar	1	April 2024	1.3603	851,214	1,157,927	(14,928)
Unrealized Depreciation on Purchase of Foreign Currencies for U.S. Dollars						
Australian Dollar	1	April 2024	0.8859	39,600,000	35,083,156	(497,657)
Unrealized Depreciation on Sale of Foreign Currencies for U.S. Dollars						
Israeli Shekel	1	April 2024	0.3578	76,610,000	27,411,515	(596,226)
Mexican Peso	1	May 2024	0.0802	124,700,000	9,997,469	(64,272)
Polish Zloty	1	April 2024	0.3321	10,500,000	3,487,066	(50,468)
						(710,966)
Credit Default Swaps						
	NUMBER OF CONTRACTS	MATURITY	FIXED RATE %	COUNTERPARTY	NOMINAL VALUE BUY/(SALE) \$	
Referenced Entity						
Markit ITRX EUR XOVER	1	June 2029	5.000	BARCLAYS BANK IRELAND	11,000,000	(1,414,598)
Unrealized Depreciation on Derivatives						(7,107,129)

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

NEI Global Total Return Bond Fund

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

TABLE 3

Options at Fair Value—Long Positions	NUMBER OF OPTIONS BUY/(SALE)	NUMBER OF BONDS PER OPTION	MATURITY	PRICE \$	COST \$	FAIR VALUE \$
Bond Options						
Call						
EURX EURO-BUND	(230)	1,000	April 2024	137.000 EUR	(55,200)	77,306
Put						
EURX EURO-BUND	(230)	1,000	April 2024	128.000 EUR	(70,150)	99,913
Options at Fair Value—Long Positions						177,219

TABLE 4

Options at Fair Value—Short Positions	NUMBER OF OPTIONS BUY/(SALE)	NUMBER OF BONDS PER OPTION	MATURITY	PRICE \$	COST \$	FAIR VALUE \$
Bond Options						
Call						
EURX EURO-BUND	230	1,000	April 2024	134.000 EUR	179,400	(259,894)
Options at Fair Value—Short Positions						(259,894)

TABLE 5

Futures Contracts	NUMBER OF CONTRACTS BUY/(SALE)	MATURITY	CURRENCY CONTRACTED VALUE	RECEIVABLE AMOUNT \$
Receivable on Futures Contracts				
EURO BOBL	286	June 2024	EUR 33,622,940	257,989
EURX EURO-BUND	443	June 2024	EUR 58,443,090	857,322
Government of Canada Bonds – 2 years	(4)	June 2024	CAD (412,740)	460
LONG GILT	1	June 2024	GBP 98,880	1,812
U.S. 10 years Ultra	50	June 2024	USD 5,700,313	32,382
U.S. Treasury Notes – 2 years	(161)	June 2024	USD (32,944,625)	42,594
U.S. Treasury Notes – 5 years	1,102	June 2024	USD 117,731,481	177,260
Receivable on Futures Contracts				1,369,819

TABLE 6

Futures Contracts	NUMBER OF CONTRACTS BUY/(SALE)	MATURITY	CURRENCY CONTRACTED VALUE	PAYABLE AMOUNT \$
Payable on Futures Contracts				
Australian Treasury Notes – 3 years	(1,068)	June 2024	AUD (114,020,617)	(89,107)
Australian Treasury Notes – 10 years	573	June 2024	AUD 66,797,939	(90,808)
Euro-BTP	(250)	June 2024	EUR (29,463,090)	(422,932)
EURO-OAT	(263)	June 2024	EUR (33,411,520)	(376,651)
EURO-SCHATZ	(148)	June 2024	EUR (15,629,540)	(15,140)
EURX EUR-BULX–30 years	(336)	June 2024	EUR (44,896,320)	(923,112)
Government of Canada Bonds – 10 years	(245)	June 2024	CAD (29,441,650)	(2,450)
Japanese Government Bonds – 10 years	(38)	June 2024	JPY (5,529,760,000)	(91,807)
U.S. Bonds – Ultra	(44)	June 2024	USD (5,588,962)	(93,685)
U.S. Treasury Notes – 10 years	(210)	June 2024	USD (23,149,188)	(133,381)
Payable on Futures Contracts				(2,239,073)

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

NEI Global Total Return Bond Fund

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION (UNAUDITED)

a) Establishment of the Fund (Note 1)

The NEI Global Total Return 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 C	Series F
September 25, 2013	August 17, 2023	September 27, 2013
Series I	Series O	Series P
March 31, 2014	June 29, 2018	July 29, 2014
		Series PF
		August 13, 2014

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	3,695,803	906,257	67,543	822,217	3,847,386
March 31, 2023	3,731,301	387,576	270,366	575,204	3,814,039
Series C					
March 31, 2024	100	562,850	357	9,530	553,777
Series F					
March 31, 2024	4,567,307	2,769,692	60,837	1,909,239	5,488,597
March 31, 2023	4,280,342	883,625	248,750	1,100,154	4,312,563
Series I					
March 31, 2024	78,740,965	10,314,641	4,028,539	4,883,265	88,200,880
March 31, 2023	106,780,963	7,729,719	1,412,708	28,713,397	87,209,993
Series O					
March 31, 2024	221,062	108,418	7,750	13,924	323,306
March 31, 2023	442,626	44,523	32,257	370,442	148,964
Series P					
March 31, 2024	1,958,125	802,398	42,103	331,087	2,471,539
March 31, 2023	1,579,646	447,611	130,049	285,189	1,872,117
Series PF					
March 31, 2024	7,917,138	3,456,698	145,715	1,424,340	10,095,211
March 31, 2023	14,745,719	2,323,401	618,892	9,652,627	8,035,385

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 C	Series F
Monthly	Quarterly	Monthly
Series I	Series O	Series P
Quarterly	Quarterly	Monthly
Series PF		
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	1.40	0.65	1.25
March 31, 2023	1.40	0.65	1.25
	Series PF %		
March 31, 2024	0.50		
March 31, 2023	0.50		

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

	Series A %	Series C %	Series F %
March 31, 2024	0.25	0.08	0.25
March 31, 2023	0.25	N/A	0.25
	Series O %	Series P %	Series PF %
March 31, 2024	0.08	0.25	0.20
March 31, 2023	0.08	0.25	0.20

Series C unitholders negotiate directly with the dealer and pay management fees directly by the dealer to the Manager.

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
	\$	\$
	88,711	56,169

f) Financial Instruments Disclosures (Note 7)

Strategy in Using Financial Instruments

Investment Objective

The Fund aims to provide high level of current income with the potential for capital gains. The Fund will invest its assets primarily in global fixed income instruments from both developed and emerging markets. The Fund can invest across all sectors and credit qualities but will be primarily invested in investment grade securities rated BBB- and above by Standard & Poor's (or its equivalent by qualified rating agencies).

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

NEI Global Total Return 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	596,182	367,055	-	963,237
Options	177	-	-	177
Asset-Backed Securities	-	1,973	-	1,973
Derivative Financial Instruments	-	8,456	-	8,456
Total	596,359	377,484	-	973,843
Financial liabilities at FVTPL				
Options	260	-	-	260
Derivative Financial Instruments	-	7,107	-	7,107
Total	260	7,107	-	7,367
September 30, 2023				
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at FVTPL				
Bonds	507,288	325,857	-	833,145
Options	200	465	-	665
Asset-Backed Securities	-	1,913	-	1,913
Money Market Securities	19,830	-	-	19,830
Derivative Financial Instruments	-	11,293	-	11,293
Total	527,318	339,528	-	866,846
Financial liabilities at FVTPL				
Options	342	20	-	362
Derivative Financial Instruments	-	15,592	-	15,592
Total	342	15,612	-	15,954

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.

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	800,897	750,817	50,080	1,502
EUR	376,491	427,649	(51,158)	1,535
GBP	82,291	123,079	(40,788)	1,224
BRL	53,845	18,313	35,532	1,066
MXN	52,368	10,062	42,306	1,269
INR	51,297	3,635	47,662	1,430
NOK	51,244	-	51,244	1,537
NZD	45,850	57,199	(11,349)	340
JPY	45,759	38,084	7,675	230
AUD	43,989	357	43,632	1,309
ZAR	27,342	17,968	9,374	281
HUF	13,508	-	13,508	405
CLP	9,316	-	9,316	279
CZK	4,922	-	4,922	148
SGD	2,722	-	2,722	82
THB	1,139	-	1,139	34
KRW	488	-	488	15
CNY	309	51,304	(50,995)	1,530
IDR	226	-	226	7
CHF	38	22,913	(22,875)	686
PLN	15	3,560	(3,545)	106
ILS	9	28,232	(28,223)	847
SEK	3	31,715	(31,712)	951
TWD	-	17,621	(17,621)	529

NEI Global Total Return Bond Fund

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

September 30, 2023	Financial Assets \$	Financial Liabilities \$	Net Exposure \$	Impact on Net Assets Attributable to Holders of Redeemable Units \$
USD	839,291	853,488	(14,197)	426
EUR	281,864	323,844	(41,980)	1,259
GBP	99,429	129,997	(30,568)	917
MXN	69,449	22,491	46,958	1,409
NOK	66,027	4,470	61,557	1,847
NZD	58,238	72,699	(14,461)	434
AUD	56,262	14,580	41,682	1,250
ZAR	50,227	41,691	8,536	256
INR	44,735	-	44,735	1,342
BRL	42,370	9,154	33,216	996
JPY	36,147	38,795	(2,648)	79
PLN	13,473	17,223	(3,750)	113
CZK	9,589	4,584	5,005	150
SEK	9,420	40,574	(31,154)	935
THB	9,393	4,607	4,786	144
ILS	9,315	27,441	(18,126)	544
KRW	9,215	-	9,215	276
HUF	9,174	-	9,174	275
CLP	4,740	-	4,740	142
SGD	2,691	-	2,691	81
IDR	235	-	235	7
CHF	27	18,040	(18,013)	540
CNY	2	47,348	(47,346)	1,420
TWD	-	17,546	(17,546)	526

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

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	132,012	441,285	254,395	213,901	1,041,593	49,329
September 30, 2023	95,694	361,965	275,214	177,547	910,420	48,622

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

NEI Global Total Return Bond Fund

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

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		September 30, 2023	
Market Segment	%	Market Segment	%
Foreign Bonds		Foreign Bonds	
Spain	13.0	United Kingdom	11.3
Italy	9.8	Italy	9.1
United Kingdom	8.3	Mexico	7.5
Mexico	6.9	Netherlands	6.2
Netherlands	6.5	France	5.8
Other Countries*	26.5	Other Countries*	26.9
U.S. Bonds	13.0	U.S. Bonds	15.9
Canadian Bonds	5.2	Canadian Bonds	5.7
Supranational Bonds	1.6	Supranational Bonds	2.8
Foreign Asset-Backed Securities	0.2	Canadian Money Market Securities	2.2
Derivative Financial Instruments	0.1	Foreign Asset-Backed Securities	0.2
Other Net Assets	8.9	Options at Fair Value	0.1
		Derivative Financial Instruments	(0.5)
		Other Net Assets	6.8
Total	100.0		100.0

*This category includes all countries individually representing less than 5% of the Fund's net assets.

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 Global Aggregate Index (C\$ Hedged)	1.00	6,446	5,171

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 %
AAA	17	21
AA	7	11
A	16	15
BBB	48	42
BB	12	10
B	-	1
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	1,058	-
September 30, 2023	993	-

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
157,266,819	-	

NEI Global Total Return Bond Fund

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

i) Offsetting Financial Assets and Financial Liabilities (Note 2)

In the normal course of business, the Fund enters into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position (Section 1 table), however the agreements still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts (Section 2 table). The Section 2 table shows financial instruments that may be eligible for offset, if such conditions were to arise, as at March 31, 2024 and September 30, 2023. The "Net Impact" column displays what the impact would be on the Fund's Statement of Financial Position if all amounts were set-off. Only significant amounts (above 0.10% of the Fund's Net Assets Attributable to Holders of Redeemable Units) have been disclosed.

	Section 1		Section 2			Net Impact \$
	Gross Amount Presented in the Statement of Financial Position \$	Set Off Amount \$	Net Amount Presented in the Statement of Financial Position \$	Associated Amounts not Set Off		
				Financial Instruments \$	Financial Collateral Held/Pledged \$	
March 31, 2024						
Financial Assets						
Unrealized appreciation on derivatives	1,192,903	-	1,192,903	1,192,903	-	-
Financial Liabilities						
Unrealized depreciation on derivatives	4,138,839	-	4,138,839	1,192,903	-	2,945,936

	Section 1		Section 2			Net Impact \$
	Gross Amount Presented in the Statement of Financial Position \$	Set Off Amount \$	Net Amount Presented in the Statement of Financial Position \$	Associated Amounts not Set Off		
				Financial Instruments \$	Financial Collateral Held/Pledged \$	
September 30, 2023						
Financial Assets						
Unrealized appreciation on derivatives	7,650,775	-	7,650,775	7,171,373	-	479,402
Financial Liabilities						
Unrealized depreciation on derivatives	12,952,058	-	12,952,058	7,171,373	-	5,780,685

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.

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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

