NEI

NEI Managed Asset Allocation Pool

Annual Management Report of Fund Performance

As at September 30, 2023

This Annual Management Report of Fund Performance contains financial highlights but does not contain either semi-annual or annual financial statements of the investment fund. You can obtain a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 1-888-809-3333, by writing us at Northwest & Ethical Investments L.P., 151 Yonge Street Suite 1200, Toronto, ON M5C 2W7 or by visiting our website at www.neiinvestments.com or SEDAR at www.sedarplus.ca.

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

Management Discussion of Performance

Investment Objective and Strategies

This Fund's investment objectives are to provide long-term capital growth and some income by investing in a combination of securities, which may include ETFs. The Fund's asset mix may be changed over time to reflect the portfolio manager's outlook for each asset class.

Risk

The risks associated with investing in the Fund remain as discussed in the Simplified Prospectus. This Fund is suitable for investors investing for the medium term, with a low to medium tolerance for risk. Any changes in the Fund have not affected the overall level of risk of the Fund.

Results of Operations

The NEI Managed Asset Allocation Pool's Series I units returned 8.0% for the twelve-month period ended September 30, 2023 compared with a return of 9.2% for the benchmark explained below.

Unlike the benchmark return, the Fund's returns are after the deduction of fees and expenses paid by the Fund. Performance differences between series of units are mainly attributable to management fees charged to each series. Refer to the Past Performance section for the details of returns by series.

The blended benchmark is composed of 25% FTSE Canada Universe Bond Index, 25% Bloomberg Global Aggregate Index (C$ Hedged) and 50% MSCI ACWI NR Index (C$).

The Fund's net asset value increased by 1.98% during the period, from $182,969,798 as at September 30, 2022 to $186,595,785 as at September 30, 2023. This change in net assets is attributed to net unitholder activity of -$10,958,491 and $14,584,478 to investment operations, including market appreciation (depreciation), income and expenses.

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Market Overview

After bottoming in October 2022, equity markets were mostly on an upward trajectory during the period. Performance was driven by better-than-expected economic indicators, slowing inflation and interest rate hikes, and the narrative around artificial intelligence (AI) and its potential benefits.

Equity markets had some volatility during the first half of the period, each month driven by unique and divergent narratives. In January, falling yields drove markets towards a strong risk-on posture, which led to low-quality and high-beta stocks outperforming. However, risk sentiment changed rapidly in February, as concerns around persistent inflation and the U.S. Federal Reserve Board remaining hawkish for longer, began to take hold. In March, yields fell materially due to increased concerns about credit and liquidity risks stemming from negative developments at financial institutions such as SVB Financial Group, Signature Bank and Credit Suisse Group AG.

The quick recovery from the regional banking crisis brought skeptics off the sidelines, and in the second quarter of 2023, the equity rally that was mostly driven by the handful of mega-capitalization stocks extended further, delivering one of the best S&P 500 Index first-half returns on record. So far, the market has been focused on the first order beneficiaries of AI, including the mega-cap Information Technology companies Microsoft Corp., Apple Inc., NVIDIA Corp., Tesla Inc., Meta Platforms Inc., Amazon.com Inc., and Alphabet Inc. U.S. equity markets marched into bull market territory in July as economic data showed resilience with strong growth and key inflation indicators easing. However, the steady upward market trend that began in mid-March ended in August, when the markets started seeing some volatility and negative returns as rising yields and uncertainty surrounding the path of global economies were the main concerns among investors.

More recently the focus has shifted from whether there will be another interest rate hike, to how long central banks will hold rates at restrictive levels, with “higher for longer” increasingly viewed as the necessary scenario. Fiscal sustainability was another area of concern for bond investors in the U.S., with the U.S. Treasury market being hit by concerns over the amount of issuance that will be required to sustain a large fiscal deficit, coupled with decreased demand from foreign investors.

While the U.S. has greater prospects of making a soft landing, recession risk in Canada is rising. The economy entered a period of weaker growth, with a marked weakening in consumption and a contraction in manufacturing activity. This weakening in consumption indicated that Canadian consumers are starting to feel the weight of tighter monetary policies.

Economic data coming from Europe continued to surprise negatively, as tighter monetary policy weighed on consumers and businesses. Both the manufacturing and the service indices were in contractionary territory and forward-looking indicators pointed to further declines in output ahead.

Japan was the best-performing equity market this year with recent months seeing a chorus of bullish calls on Japanese equities and a surge in overseas investor interest, pushing the main indices back to levels not seen since 1989. This growth was attributed to confidence in corporate earnings and attractive stock valuations. Additionally, the Tokyo Stock Exchange's call for companies to focus on sustainable growth and raising their price-to-book ratios has also played a role. These factors led to increased foreign investments, but a weakening of the yen limited gains for overseas investors.

Factors That Have Affected Performance

The portfolio started the period being defensive, as recession concerns mounted towards the end of 2022, and as equities moved into an overbought level from a fundamental and technical standpoint. The portfolio started the year in January with underweight exposures to bonds and equities and a 9% allocation to cash. Throughout March, the allocation to cash was gradually raised to 10% from both equities and fixed income. A more defensive posture was undertaken in late March given the uncertainty brought forth by bank collapses and the takeover of Credit Suisse.

In June, as economic data continued to improve, particularly in the U.S., we brought the Fund's asset allocation to neutral at 50% equities and 50% fixed income. We added more to our U.S. equity position as we believed second-quarter earnings would likely beat estimates and there was no sign of an imminent recession. As we worked through second-quarter earnings reports and passed the late July Fed interest rate decision, we chose to close our overweight equities position and brought the Fund back to neutral. Within fixed income, we have a longer-term view that U.S. interest rates will be lower and as such, extended the duration (interest rate sensitivity) of the Fund's U.S fixed income holdings.

September began with our neutral position in asset allocation and remained that way for the entirety of the month. However, we saw opportunities within the regions on the equity side. The momentum and fundamentals turned negative in China, which, given its weight, would impact our emerging markets position. Early in the month, we sold our emerging market exposure in favour of U.S. and Europe, Australasia and the Far East to lower that potential risk. We ended the quarter neutral with 50% equities and 50% fixed income.

The portfolio underperformed over the period given its defensive positioning and overweight cash allocation amid elevated recession risks at the beginning of the year, which led to an underperformance as equities rallied during the second quarter.

Recent Developments

We continue to expect the effects of monetary tightening to weigh on the economy between late 2023 and early 2024. The U.S. is still the most resilient economy but is showing signs of slowdown, while risk of recession in Canada and Europe is rising.

We have a preference for U.S. markets over other regions given the relatively greater resilience in its economy and higher expected earnings growth in 2024 and 2025. Historically speaking, positive economic growth along with falling inflation creates a supportive environment for both bonds and equities. High-growth assets may pullback mildly, given their higher valuation and moderating growth. However, the majority of the market is at reasonable valuation and can provide support.

We believe the market's current belief that interest rates will be "higher for longer" may not hold for long if inflation continues to recede. We believe the market will be in a holding pattern until the end of the year as growth weakens. However, as inflation continues to fall and corporate earnings improve over the next 6-9 months, we believe it will create a positive environment for both equities and fixed income. The recent pullback in equities and rally in yields has created an attractive entry point for long-term investors.

The term of Marie Rounding ended on September 30, 2023. Ms. Rounding has served with distinction on the Independent Review Committee ("IRC") since 2014. After consulting with the Manager, the IRC determined it would replace Ms. Rounding with Caroline Cathcart. Ms. Cathcart was appointed as a new IRC member effective October 01, 2023, for a one-year term. As Ms. Rounding acted as the IRC chair after her term ended, Ms. McCarthy was appointed IRC Chair, effective October 5, 2023, and replaced Ms. Rounding in this role.

Related Party Transactions

Northwest & Ethical Investments L.P. ("NEI LP") is the Manager, Trustee, Portfolio Manager and Registrar of the Fund. Northwest & Ethical Investments Inc., the general partner of NEI LP, is a wholly-owned subsidiary of Aviso Wealth Inc. ("Aviso"). Aviso is also the sole limited partner of NEI LP. 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 charges the Fund a fixed administration fee in place of certain variable expenses. NEI LP in turn, pays all operating expenses of the Fund, other than specified Fund costs (e.g. the fees and expense of the Independent Review Committee ("IRC"), taxes, and brokerage commissions) which include payments to related parties. These services are in the normal course of operations and are measured at an exchange amount that is consistent with other independent parties. Desjardins Trust Inc. ("Desjardins Trust") is the custodian of the Fund. Desjardins Trust is a wholly-owned subsidiary of the Fédération. The Fund may engage in securities lending and repurchase transactions, and Desjardins Trust may act as the Fund's securities lending and repurchase transactions agent ("Agent"). Any revenue earned on such transactions is split 60%—40% between the Fund and the Agent. Desjardins Securities Inc. ("DSI") is a broker responsible for security transactions on behalf of the Fund. DSI is a wholly-owned subsidiary of the Fédération.

The Fund's sub-advisors may place a portion of the Fund's portfolio transactions with brokerage firms which are affiliates of NEI LP, provided that the affiliate's trade execution abilities and costs are comparable to those of non-affiliated qualified brokerage firms.

The Fund is currently only distributed by NEI on an exempt-market basis.

NEI LP has established the IRC for the Fund in accordance with the requirements of National Instrument 81-107 – Independent Review Committee for Investment Funds in order to review conflicts of interest as they relate to investment fund management. The Fund did not rely on an approval, positive recommendation or standing instruction from the Fund's IRC with respect to any related party transactions.

This document contains forward-looking statements. Such statements are generally identifiable by the terminology used, such as ''plan'', ''anticipate'', ''intend'', ''expect'', ''estimate'', or other similar wording. These forward-looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Such factors include, but are not limited to: general economic, market and business conditions; fluctuations in securities prices, fluctuation in interest rates and foreign currency exchange rates; and actions by governmental authorities. Future events and their effects on the Fund may not be those anticipated by us. Actual results may differ materially from the results anticipated in these forward-looking statements. We do not undertake, and specifically disclaim, any obligation to update or revise any forward-looking information, whether as a result of new information, future developments or otherwise.

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five fiscal years or for the periods since inception, as applicable.

Net Assets per Unit ($)(1)

			Increase (Decrease) from Operations					Distributions						
Series	Period	Net Assets, Beginning of Period	Total Revenue	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total Increase (Decrease) from Operations (2)	From Income (Excluding Dividends)	From Dividends	From Underlying Funds	From Capital Gains	Return of Capital	Total Distributions (3)(4)	Net Assets, End of Period
I	Sept. 2023	9.47	0.21	-0.02	0.03	0.55	0.77	0.00	0.24	0.00	0.00	0.00	0.24	9.98
	Sept. 2022	11.48	0.26	-0.03	-0.43	-1.21	-1.41	0.00	0.23	0.00	0.44	0.00	0.67	9.47
	Sept. 2021	10.52	0.24	-0.02	0.58	0.28	1.08	0.00	0.19	0.00	0.02	0.00	0.21	11.48
	Sept. 2020	10.03	0.20	-0.03	-0.24	0.69	0.62	0.00	0.17	0.00	0.00	0.00	0.17	10.52
	Sept. 2019	10.00	0.07	-0.01	-0.04	0.03	0.05	0.00	0.03	0.00	0.00	0.00	0.03	10.03

(1) All per unit figures presented in 2023 are referenced to net assets determined in accordance with IFRS and are derived from the Fund's audited annual financial statements for the period ended September 30, 2023.
(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
(3) Distributions were paid in cash or reinvested in additional units of the Fund.
(4) Distributions (if any) that may have been made that included return of capital in excess of short term earnings were made to minimize disruption and provide stability to investors who have elected to take their distributions in the form of cash, and as disclosed in the Simplified Prospectus. These amounts are reviewed at each calendar year-end and management engages in discussions with the sub-advisor to determine the most applicable strategy on a go forward basis and will take any action(s) as needed for the long term stability of the Fund.

Ratios and Supplemental Data

Series	Period	Total Net Asset Value (000's of $)	Number of Units Outstanding (000's)	Management Expense Ratio (%) (1)(4)	Management Expense Ratio before Waivers and Absorptions (%)	Trading Expense Ratio (%) (2)	Portfolio Turnover Rate (%) (3)	Net Asset Value per Unit ($)
I	Sept. 2023	186,596	18,691	0.11	0.11	0.02	95.73	9.98
	Sept. 2022	182,970	19,325	0.09	0.09	0.03	108.20	9.47
	Sept. 2021	190,558	16,605	0.10	0.10	0.02	87.81	11.48
	Sept. 2020	104,971	9,982	0.09	0.09	0.03	84.29	10.52
	Sept. 2019	14,128	1,408	0.05	0.05	0.07	28.47	10.03

(1) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs, as well as withholding taxes) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The Fund's management expense ratio includes a proportion of the management expense ratio from underlying ETFs held in the Fund's portfolio during the year.

(2) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The Fund's trading expense ratio includes a proportion of the trading expense ratio from underlying ETFs held in the Fund's portfolio during the year

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

(4) The historical management expense ratios have been restated due to a change in methodology to include a proportion of the management expense ratio from underlying ETFs held in the Fund's portfolio.

Management Fees

The Manager is responsible for the management, supervision and administration of the Fund. The Fund does not pay management fees for Series I. Series I unitholders pay a negotiated fee directly to NEI Investments.

In addition to the fees and expenses directly payable by the Fund, certain fees and expenses may be payable by some underlying third party funds. The Fund indirectly bears its proportionate share of such fees and expenses. However, the Fund does not pay any management fees or similar expenses that, in the view of the Manager, a reasonable person would consider duplicate a fee payable by an underlying fund for the same service.

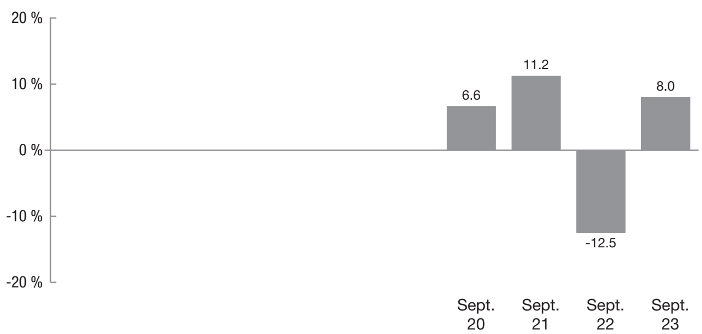
Past Performance

The performance information provided will not necessarily indicate how the Fund will perform in the future. The information shown assumes that distributions made by the Fund in the periods shown were reinvested in additional units of the relevant series of the Fund. In addition, the information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

Year-by-Year Returns

The following chart shows the annual performance for each series of units of the Fund for each period shown and illustrate how the Fund's performance has varied from period to period. The chart indicates how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.

Series I



Annualized Compound Returns

The following table shows the annual compound returns for all series of the Fund. All returns are in Canadian dollars, on a total return basis, net of fees. For comparison, the returns for the benchmark are included. A discussion regarding the relative performance of the Fund is found in the Results of Operations section of this report and a description of indexes can be found in the Annualized Compound Returns section of this report.

The blended benchmark is composed of 25% FTSE Canada Universe Bond Index, 25% Bloomberg Global Aggregate Index (C$ Hedged) and 50% MSCI ACWI NR Index (C$).

The FTSE Canada Universe Bond Index is designed to be a broad measure of the Canadian investment grade fixed income market. Returns are calculated daily, and are weighted by market capitalization, so that the return on a bond influences the return on the index in proportion to the bond's market value. There are four main credit or borrower categories: bonds issued by the Government of Canada (including Crown Corporations), provincial bonds (including provincially guaranteed securities), municipal bonds, and corporate bonds.

The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. This is a Canadian dollar hedged index.

The MSCI ACWI Index is designed to represent performance of the full opportunity set of large- and mid-cap stocks across developed and emerging markets. It is a free float-adjusted market capitalization weighted Index.

While the Fund uses this benchmark for long-term performance comparisons, it is not managed relative to the composition of the Index. As a result, the Fund may experience periods when its performance is not aligned with the Index, either positively or negatively. Please see the "Results of Operations" section of this report for a discussion of recent performance results.

Group/Investment	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception(*) (%)
25% FTSE Canada Universe Bond Index, 25% Bloomberg Global Aggregate Index (C$ Hedged), 50% MSCI ACWI NR Index (C$)	9.2	1.3	N/A	N/A	**
NEI Managed Asset Allocation Pool, Series I	8.0	1.7	N/A	N/A	2.9

*Since inception returns are not provided for series that have been in existence for more than 10 years.
**The return of the benchmark since inception for each applicable series is as follows: Series I: 3.2%.

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Summary of Investment Portfolio as at September 30, 2023

Total Net Asset Value: $186,595,785

Top Holdings		%
1	BMO Aggregate Bond Index ETF	24.3
2	Invesco S&P 500 ESG Index ETF	23.0
3	Vanguard Total International Bond ETF	15.4
4	iShares Core MSCI EAFE ETF	14.3
5	SPDR S&P 500 ETF Trust	11.3
6	Vanguard Total Bond Market ETF	2.9
7	iShares 20+ Year Treasury Bond ETF	2.8
8	SPDR Portfolio Intermediate Corporate Bond ETF	2.2
9	iShares iBoxx $ Investment Grade Corporate Bond ETF	2.1
10	Cash and Equivalents	0.8
11	Invesco S&P/TSX Composite ESG Index ETF	0.6
12	iShares Core S&P/TSX Capped Composite Index ETF	0.5
	Total	100.2

Net Asset Value Mix	%
Unit Trust	99.4
Cash and Equivalents	0.8
Other	-0.2
Total	100.0

Sector Allocation	%
Index-Based Investments	99.4
Cash and Equivalents	0.8
Other	-0.2
Total	100.0

Geographic Distribution	%
United States	51.0
Canada	48.4
Cash and Equivalents	0.8
Other Countries	-0.2
Total	100.0

"Unit Trust" includes REITs, ETFs, and other similarly structured investment vehicles.

"Other Countries" geographic category includes all countries individually representing less than 5% of the Fund's net asset value.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment fund. Updates are available quarterly.