NEI FUNDS
SIMPLIFIED PROSPECTUS DATED
January 11, 2024

The units of the Fund are offered under this Simplified Prospectus in all of the provinces and territories of Canada. The units are intended primarily for purchase by residents of Canada. The Fund is an "alternative mutual fund" as such term is defined under applicable securities laws.

No securities regulatory authority has expressed an opinion about these units and it is an offense to claim otherwise.

The Fund and the securities of the Fund offered under this simplified prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

Alternative Mutual Fund
NEI Long Short Equity Fund *(Series A, C, F, I and, O units)*

NEI FUNDS
SIMPLIFIED PROSPECTUS DATED
January 11, 2024

Contents

Part A: General disclosure

Introduction

This simplified prospectus (the “prospectus”) contains selected important information to help you make an informed investment decision about the fund listed on the front cover of this prospectus (the “Fund”), and to help you understand your rights as an investor.

This prospectus contains information about the Fund and the risks of investing in mutual funds generally, as well as the names of the firms responsible for management of the Fund.

This prospectus is divided into two parts:

- Part A, the first part, from pages 3 to 37, contains general information about the Fund.
- Part B, the second part, from pages 38 to 59, contains specific information about the Fund described in this prospectus.

Additional information about the Fund is available in the following documents:

- the most recently filed Fund Facts document;
- the most recently filed annual financial statements;
- any interim financial report filed after those annual financial statements;
- the most recently filed annual management report of fund performance; and
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this prospectus, which means they legally form part of this prospectus just as if they were printed as a part of this prospectus.

You can get a copy of these documents, at your request, and at no cost by calling toll-free 1-888-809-3333 or by asking your financial advisor or dealer.

These documents are available on our designated website at www.neiinvestments.com or by contacting us at neiclientservices@neiinvestments.com.

These documents and other information about the Fund are also available at www.sedarplus.com .

Throughout this prospectus:

- *dealer* refers to the company or partnership that employs your financial advisor;
- *financial advisor* refers to the individual who you consult with for investment advice;
- *NEI Funds* refers collectively to the Fund listed on the front cover of this prospectus and the other funds managed and offered by NEI Investments under separate prospectuses or each may be sometimes referred to as a *NEI Fund*;
- *units* refers to units of the Fund;
- *we, us, the Manager, the Trustee, NEI Investments* and *our* refer to Northwest & Ethical Investments L.P., the manager of the Fund, acting through its general partner, Northwest & Ethical Investments Inc.; and
- *you* and *unitholders* refer to everyone who invests in the Fund.

Responsibility for Mutual Fund Administration

Manager

As manager for the Fund, we manage the overall business of the Fund, including providing administration services, promoting sales of the Fund's units and making provisions for fund accounting.

The Fund is organized as a trust. When you invest in the Fund, you are buying units of a trust. In our capacity as the Fund's Trustee, we hold actual title to the property in the Fund - the cash, securities, and other property - on your behalf (although physical custody of such property is held by the Fund's custodian, as described below).

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

The head office and the principal address of the Manager is Northwest & Ethical Investments L.P., 151 Yonge Street, 12th Floor, Toronto, Ontario, M5C 2W7. The Managers telephone numbers are 416-594-6633 or toll free: 1-888-809-3333, website address is www.neiinvestments.com and email address is neiclientservices@neiinvestments.com.

Directors and Executive Officers

Name and Municipality of Residence	Municipality of Residence	Position and Office Held
Rodney Ancrum	West Vancouver, British Columbia	Director and Senior Vice-President ("SVP"), Chief Financial Officer and Chief Administrative Officer
Sherri Evans	Hamilton, Ontario	Director and SVP, Head of People & Client Experience
Wanda Frisk	Surrey, British Columbia	Director and SVP, Head of Credit Union Wealth Management
Yasmin Lalani	North Vancouver, British Columbia	Director and SVP, Chief Legal Officer and Chief Governance Officer
William Packham	Thornhill, Ontario	Director and President, Chief Executive Officer, and Ultimate Designated Person
Christine Zalzal	Oakville, Ontario	Director and SVP, Head of Online Brokerage and Digital Wealth

Name and Municipality of Residence	Municipality of Residence	Position and Office Held
Timothy Prescott	Orangeville, Ontario	Director and SVP, Head of Asset Management.
Endu Gentles	Toronto, Ontario	Director and SVP, Strategy and Chief Transformation Officer
Mark Nicholson	Stouffville, Ontario	Director and SVP, Marketing, Communications and Client Experience
Shelley Whitney	Port Moody, British Columbia	VP, Corporate Compliance and Chief Compliance Officer

The Manager is responsible for providing all management and administrative services required by the Fund, which includes arranging for the distribution of the Fund's units and arranging for all investment management services of the Fund, pursuant to an amended and restated management agreement dated January 1, 2015, as amended (the "Management Agreement"). In that capacity, it makes available to the Fund its accounting facilities and clerical staff. The Manager also acts as trustee of the Fund.

The Management Agreement may be terminated on 60 days' prior written notice.

The Manager also provides investment management services for the Fund.

The Fund may invest some or all of its assets in underlying funds that are managed by us or by a third-party investment manager. Where an underlying fund is managed by us, we will not vote the units of the underlying fund.

Portfolio Advisers

Northwest & Ethical Investments L.P., the manager of the Fund, is the portfolio manager (the "Portfolio Manager") of the Fund, and it has appointed a portfolio sub-advisor (the "Portfolio Sub-Advisor") as identified in the following pages. The Fund uses the Portfolio Sub-Advisor appointed by us to provide portfolio advice for the entire portfolio.

The Manager has been appointed portfolio manager of the NEI Funds pursuant to an amended and restated portfolio management contract dated June 4, 2004, as amended (the "Portfolio Management Agreement"), and as assigned to the Manager by a contribution agreement among Northwest Mutual Funds Inc. and Northwest & Ethical Investments L.P. made as of December 28, 2007 (the "Contribution Agreement").

The services provided by the Portfolio Sub-Advisor include the provision of investment analysis and recommendations and the implementation of investment decisions, in accordance with the fundamental investment objectives of the Fund, as described in this prospectus.

The Portfolio Sub-Advisor has been appointed under a portfolio advisory agreement (the "Sub-Advisor Agreement") as described below.

The Manager is responsible for the advisory fees and performance fees payable to the Portfolio Sub-Advisor.

The table below describes individuals employed by the Portfolio Manager for the Fund who make investment decisions, their titles, and their role in the investment decision-making process.

Northwest & Ethical Investments L.P.
Toronto, Canada

The table below sets out the name, title and role in the investment decision-making process of individuals employed by the Manager.

Name and Title	Fund	Role in Investment Decision-Making Process
Adelaide Chiu, Vice President and Portfolio Manager, Head of Responsible Investing	NEI Long Short Equity Fund	Leads the Responsible Investing investment strategy at NEI Investments. Adelaide is responsible for the oversight of NEI Investment's responsible investing program comprised of the investment evaluations process and stewardship program which include investment decisions, proxy voting, and public advocacy functions.

The investment decisions of the individuals listed in the table above made on behalf of NEI Investments are not subject to the oversight, approval or ratification of any committee. The investment decision-making process is supported by both traditional and responsible investing research and analysis, and internal investment committees. Investment decisions for the Fund are overseen by John Bai, Chief Investment Officer, Will Benton, VP and Portfolio Manager and Adelaide Chiu, VP and Portfolio Manager, Head of Responsible Investing.

The Portfolio Management Agreement may be terminated by either the Portfolio Manager or the Manager on 60 days' prior notice to the other party, unless a shorter notice period is acceptable to the party receiving the notice. The Manager also has the right to terminate the agreement immediately if the Portfolio Manager commits certain acts or fails to perform its duties under the agreement.

Portfolio Sub-Advisors

The table below describes the Portfolio Sub-Advisor and its principal location and, the lead portfolio managers for the Fund, their titles, and their role in the investment decision making process.

Picton Mahoney Asset Management
Toronto, Ontario

Picton Mahoney Asset Management ("Picton Mahoney") has been appointed as Portfolio Sub-Advisor to provide investment management services to the Manager in respect of NEI Long Short Equity Fund pursuant to a Sub-Advisor Agreement dated January 11, 2024.

Name and Title	Fund	Role in Investment Decision-Making Process
David Picton	NEI Long Short Equity Fund	Lead portfolio manager, Canadian Equities
Jeffrey Bradacs	NEI Long Short Equity Fund	Portfolio manager Canadian Equities
Michael Kimmel	NEI Long Short Equity Fund	Portfolio manager U.S. Equities
Michael Kuan	NEI Long Short Equity Fund	Portfolio manager International Equities

The investment decisions of the individuals listed above made on behalf of Picton Mahoney are not subject to the oversight, approval or ratification of any committee.

The Sub-Advisor Agreement between NEI Investments and Picton Mahoney provides that it may be terminated on 30 days' prior written notice given by NEI Investments or 120 days' prior written notice given by Picton Mahoney. NEI Investments also has the right to terminate the agreement immediately if Picton Mahoney commits certain acts or fails to perform its duties under the agreement.

Brokerage Arrangements

The policy of the Manager is that the purchase and sale of portfolio securities for the Fund are transacted through a number of registered brokers and dealers on the basis of the assessment of the following factors:

1. The ability of the registered broker or dealer to execute transactions promptly and on favourable terms.
2. The quality and value of investment decision making goods and services provided to the Fund by the registered broker or dealer. Investment decision making services include the provision of advice, valuations, research, and related data and software used in assessing potential investments.
3. The Manager receives from the Portfolio Manager and Portfolio Sub-Advisor to the Fund, at least annually, disclosure of any brokerage transactions that may have been directed to a dealer in return for the provision of any good or service provided by the dealer as prescribed by National Instrument 23-102 – *Use of Client Brokerage Commissions*.
4. Brokerage decisions are made by the Portfolio Manager or Portfolio Sub-Advisor.

The process for allocation of brokerage business is the same as described above for dealers that are affiliated entities.

Since June 29, 2023, the following types of goods or services, other than order execution, have been provided to the Portfolio Manager or Portfolio Sub-Advisor: advice, valuations, research, and related data and software used in assessing potential investments.

The names of the dealers which have provided such goods or services are available by contacting the Manager at 1-888-809-3333 if you are outside the Toronto area or 416-594-6633 in the Toronto area, or by e-mail at clientservices@neiinvestments.com.

Principal Distributor

The principal distributor for NEI Investments is Credential Asset Management Inc. located at Suite 700, 1111 W Georgia St, Vancouver, British Columbia, V6E 4T6. The principal distributor markets the NEI Funds and sells them through financial advisors at credit unions across the country. Credential Asset Management Inc. and NEI Investments are wholly-owned subsidiaries of Aviso. Aviso is a wholly-owned subsidiary of Aviso Wealth LP, which in turn is owned 50% by Desjardins and 50% by a limited partnership, CU CUMIS Wealth Holdings LP, owned by the Centrals and The CUMIS Group Limited. Aviso Wealth GP Inc. is the general partner of Aviso Wealth LP. For more details about the master distributorship agreement, please see the "*Material Contracts*" section on pages 15 to 16.

Directors, Executive Officers, & Trustee

The Manager is the trustee of the Fund and is located in Toronto. Details about the directors and executive officers of the Manager are listed under the sub-heading "*Directors and Executive Officers*" above.

Custodian

Desjardins Trust Inc. is the custodian (the "Custodian") of the portfolio of each of the NEI Funds pursuant to a custodian agreement dated April 19, 2004 as amended originally between Northwest Mutual Funds Inc. and Desjardins Trust Inc. and assigned to the Manager by the Contribution Agreement (the "Custody Agreement"). Pursuant to the Custody Agreement, the cash and securities of the NEI Funds are held at the Custodian's principal place of business situated at 1 Complexe Desjardins, Montréal, Québec, H5B 1E4, except for securities held by a domestic or foreign depository or clearing agency authorized to operate a national or transactional book-based system.

The Custodian has appointed RBC Dominion Securities Inc. as the sub-custodian (the "Sub-Custodian") pursuant to a sub-custody services agreement dated January 5, 2024 (the "Sub-Custody Agreement"). Pursuant to the Sub-Custody Agreement, the cash and securities of the Fund are held at the Sub-Custodian's principal place of business situated at RBC Dominion Securities Inc., 180 Wellington St West 9th Floor, Toronto, Ontario M5J 0C2, except for securities held by a domestic or foreign depository or clearing agency authorized to operate a national or transactional book-based system.

Any foreign sub-custodian will be appointed by or under the authority of the Custodian, based upon a variety of factors, including reliability as a custodian, financial stability and compliance with applicable regulatory requirements.

Either party may at any time terminate the Custody Agreement without penalty by giving at least 60 days' notice to the other party of such termination; provided that the Custody Agreement may be terminated immediately by a party by notice in writing to the other if a party commits certain acts or fails to perform its duties under the agreement.

Either party may at any time terminate the Sub-Custody Agreement by giving at least 60 days' notice to the other party of such termination, provided that the Sub-Custody Agreement may be terminated immediately by a party by notice in writing to the other if a party commits certain acts or fails to perform its duties under the agreement.

Auditor

The auditor of the NEI Funds is Ernst & Young LLP, in Toronto, Ontario. The auditor is independent of the NEI Funds in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario.

Registrar

The Manager is the Fund’s registrar. The register of securities is kept at the offices of the Manager’s agent, Fiducie Desjardins Trust. 1 Complexe Desjardins, Montreal, H5B 1E4, CA.

The registrar keeps track of the owners of units of the Fund and processes purchase, switch, conversion and redemption orders, issues investor account statements and issues annual tax reporting information, if applicable. Northwest & Ethical Investments L.P. may outsource these registrar services.

Securities Lending Agent

Desjardins Trust Inc. has physical custody of the NEI Funds’ property and acts as the NEI Funds’ securities lending agent. The principal office of Desjardins Trust Inc. is 1 Complexe Desjardins, Montreal, H5B 1E4, CA. For more details about the securities lending agreement, please see the “*Material Contracts*” section on pages 15 to 16.

The Fund may enter into securities lending transactions to generate additional income from securities held in the Fund’s portfolio, in a manner that is consistent with the Fund’s investment strategies and as permitted by securities law. In a securities lending transaction, the Fund will loan securities it holds in its portfolio to a borrower in exchange for a fee. The Fund may lend securities held in its portfolio to qualified borrowers who provide adequate collateral. The borrower of the securities must provide collateral permitted by the Canadian Securities Administrators worth at least 102% of the value of the securities loaned. If the borrower to these transactions becomes insolvent or otherwise cannot fulfill its agreement, the Fund may suffer losses. For example, the Fund risks losing securities it lends to a borrower if the borrower is unable to fulfill its promise to return the securities or settle the transaction and the collateral that has been provided is inadequate. To the extent the Fund accepts cash collateral and invests such cash collateral, the Fund assumes any market or investment risk of loss with respect to the investment of such cash collateral. If the value of the cash collateral so invested is insufficient to return any and all amounts due to the borrower, the Fund is responsible for such shortfall.

As Desjardins Trust Inc. is the Custodian and acts as the Fund’s securities lending agent, please see “*Custodian*” section above for further details regarding the material terms of the agreement with the securities lending agent of the Fund.

Prime Broker

RBC Dominion Securities Inc. of Toronto, Ontario, or such other parties as the Manager may retain, will act as prime brokers for the Fund pursuant to separate prime brokerage agreements. The prime brokers provide prime brokerage services to the Fund, including trade execution and settlement, custody, margin lending and securities lending in connection with the short sale strategies of the Fund. The Fund may appoint additional prime brokers from time to time.

RBC Dominion Securities Inc. is not affiliate or associate of the Manager or the Fund.

Independent Review Committee and Fund Governance

Independent Review Committee

In accordance with National Instrument 81-107 – *Independent Review Committee for Investment Funds* (“NI 81-107”) an independent review committee (“IRC”) has been appointed for the NEI Funds. The IRC mandate is to review and provide recommendations or approval, as required, on conflict of interest matters referred to it by the Manager on behalf of the NEI Funds. The IRC is responsible for overseeing the Manager’s decisions in situations where the Manager is faced with any present or perceived conflicts of interest, all in accordance with NI 81-107. The IRC is composed of three members, Michele McCarthy

(Chair), Caroline Cathcart, and W. William Woods, who are independent of the Manager, the Fund and entities related to the Manager.

The Manager has established policies and procedures that it must follow before proceeding with a conflict of interest matter or any other matter, that securities legislation requires regarding its duties under securities legislation and refer such policies and procedures to the IRC for its review and input.

The IRC reviews conflict of interest matters referred to it by the Manager relating to the operations of the NEI Funds.

Before the Manager may proceed with a matter related to a NEI Fund giving rise to a conflict of interest, the IRC must provide a recommendation to the Manager as to whether the proposed action provides a fair and reasonable result for the NEI Fund. The Manager must consider the recommendation of the IRC and in the event that the Manager intends to proceed with the matter, in circumstances where the IRC has not given a favourable recommendation, the Manager must notify the IRC in writing of this intention before proceeding with the action. In such circumstances the IRC can require the Manager to notify the NEI Fund's unitholders of its decision.

For recurring conflict of interest matters the IRC can provide the Manager with standing instructions. The Manager must report to the IRC at least annually and provide information to the IRC with respect to each instance in which it acted in reliance on a standing instruction.

The IRC may also approve certain reorganizations between a NEI Fund and other funds, and any change of the auditor of a NEI Fund. Subject to any corporate and securities law requirements, no unitholder approval will be obtained in such circumstances, but you will be sent a written notice at least 60 days before the effective date of any such transaction or change of auditor. In certain circumstances, unitholder approval may be required to approve certain reorganizations. Please see "*Matters Requiring Unitholder Approval*" section below for further details.

The IRC has adopted a written charter that includes its mandate, responsibilities and functions, and the policies and procedures it will follow when performing its functions.

The IRC is composed of persons who are independent of the Manager, the NEI Funds and entities related to the Manager. The costs associated with the IRC will form part of the operating expenses of the NEI Funds.

The IRC prepares at least annually a report of its activities for unitholders which is available on the Fund's designated website at www.neiinvestments.com, or at a unitholder's request at no cost by contacting the Manager at neiclientservices@neiinvestments.com or by calling 1-888-809-3333.

Fund Governance

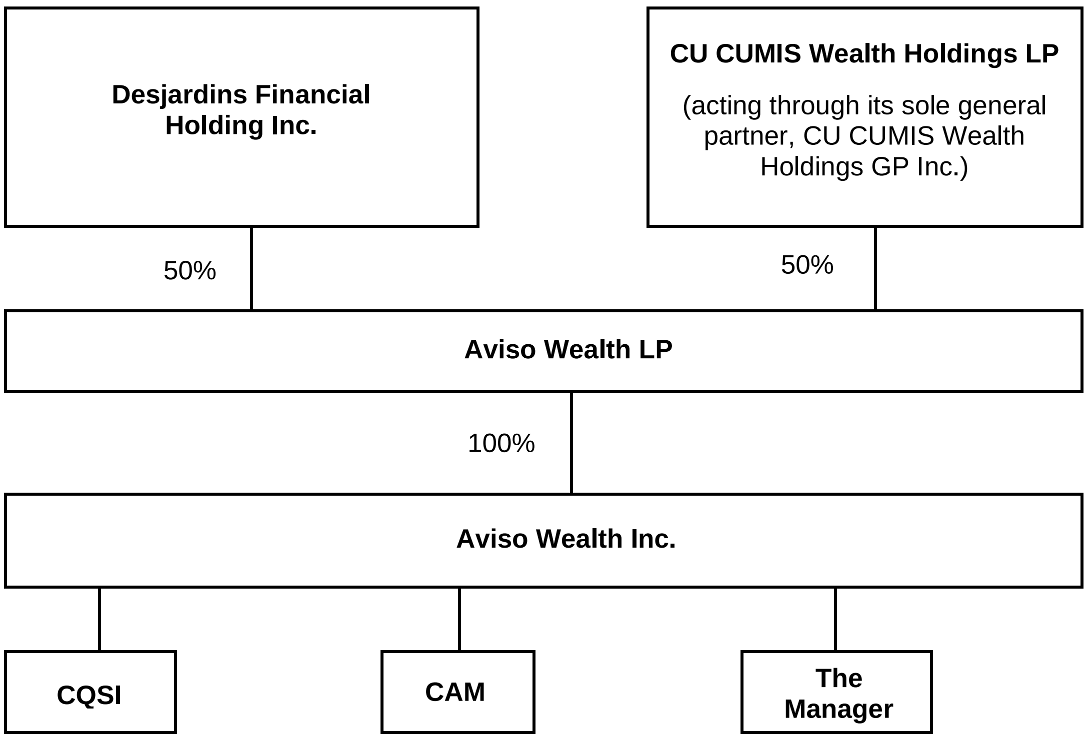
The Manager is ultimately responsible for fund governance, which is the responsibility of the board of directors of the Manager's general partner. Currently, the board of directors of the general partner of the Manager consists of nine individuals. None of the members of the board are independent as each is a member of the management of the general partner of the Manager. Details of the members of the board of the general partner of the Manager are described on pages 4 and 5.

Code of Conduct

Aviso has a Code of Business Conduct (the "Code") which applies to all of its employees (including those of the Manager) and which has been provided to the Portfolio Sub-Advisor with the request that its employees comply therewith. The Code is in place to ensure that all employees of the Manager and the Portfolio Sub-Advisor are working with the sole purpose of doing what is best for the clients with no real or perceived conflicts of interest. The Code provides mandatory policies in respect of the conduct of business including conflicts of interest, privacy and confidentiality.

Affiliated Entities

Northwest & Ethical Investments Inc., the general partner of NEI Investments, 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 and 50% by a limited partnership, CU CUMIS Wealth Holdings LP, owned by the Centrals and The CUMIS Group Limited. Aviso Wealth GP Inc. is the general partner of Aviso Wealth LP. Credential Asset Management Inc. (“CAM”) and Credential Qtrade Securities Inc. (“CQSI”) are affiliated entities of the Manager. The relationship between the Manager and its affiliates is shown below. The amount of fees received from the Fund by these entities each year will be disclosed in the Fund’s audited annual financial statements.



In addition to acting as directors and officers of the Manager, Mr. Packham, Mr. Ancrum, Ms. Evans, Ms. Lalani, Ms. Frisk, Ms. Zalzal, Mr. Prescott, Mr. Nicholson, and Ms. Gentles are all officers of Aviso, and directors and officers of CQSI* and CAM (*Ms. Evans, Ms. Zalzal, Mr. Nicholson, and Ms. Gentles are not directors or officers of CQSI).

Policies and Practices

The Chief Compliance Officer of the Portfolio Sub-Advisor is tasked with setting and annually reviewing the written policies and procedures that delineate the objectives, goals, and risk management protocols for derivatives trading, short selling, engagement with repurchase and reverse repurchase transactions and securities lending. These policies are subject to annual approval by the risk management committee of the Portfolio Sub-Advisor.

The Fund is allowed to invest in specified derivatives, uncovered derivatives, and enter into derivative contracts with counterparties irrespective of a designated rating, as per NI 81-102 – *Investment Funds* (“NI 81-102”). The Portfolio Sub-Advisor is required to execute all derivative transactions in strict accordance with the provided authorization and within the parameters of the established risk management framework. This ensures that all personnel handling derivatives are adequately qualified and that their activities reflect the comprehensive policy rigorously adhered to by the Portfolio Sub-Advisor to uphold the fund's commitment to sound risk management practices.

Derivatives Practices

The Fund may engage in derivative transactions, including but not limited to options, swaps, futures, and forwards, and including for both hedging and non-hedging purposes, consistent with its investment objectives, as outlined in NI 81-102. The Manager and Portfolio Sub-Advisor will ensure that using derivatives aligns with the Fund's investment strategies and risk management practices. Authorized investment personnel, approved by the Portfolio Sub-Advisor's senior management for their expertise in derivatives, are permitted to initiate such transactions.

All derivative transactions are recorded in real-time within the Fund's portfolio management systems and are monitored daily to ensure compliance with regulatory requirements, including cash cover obligations and other trading limits or controls. This diligence in record-keeping and monitoring is crucial to maintaining the integrity of the Fund's investment strategies and adherence to risk management commitments.

The Portfolio Sub-Advisor may use derivative instruments to reduce or hedge against various risks, including currency exchange risk associated with foreign investments, and as a substitute for purchasing or selling securities directly to obtain investment exposures consistent with its investment objectives, strategies and risk management. The Portfolio Sub-Advisor's derivatives include but are not limited to, options, swaps, futures and forwards. The Portfolio Sub-Advisor may also employ various option strategies to increase the income return of the Fund, including, but not limited to, covered call and put option writing. No assurance can be given that the Fund will be hedged from any particular risk at any time.

For more information on the risks associated with the Fund's intended use of derivatives for hedging purposes and non-hedging purposes, please refer to the heading "*Derivative Risk*" on page 43 of this prospectus.

Short Selling Practices

The Fund, which operates as an "alternative mutual fund," may engage in short selling within a robust risk management framework that aligns with its investment objectives and the flexibility applicable securities legislation offers. Managed by the Portfolio Sub-Advisor, these activities are in strict adherence to the Portfolio Sub-Advisor's written policies and are approved only by authorized investment personnel who have the necessary proficiency and experience.

Short selling follows the controls and restrictions outlined by the Portfolio Sub-Advisor policies and NI 81-102, and the associated risks are disclosed in the simplified prospectus. All short-selling transactions are recorded in real-time and reflected immediately in the Fund's portfolio management records, with positions monitored daily for regulatory compliance, including cash cover requirements.

For the Fund's transactions, the Portfolio Sub-Advisor may borrow cash, offering a security interest over fund assets as collateral. This is conducted under specific conditions allowed by NI 81-102, as modified by the Fund's obtained exemptive relief. Cash borrowing is limited to entities meeting the criteria of sections 6.2 or 6.3 of NI 81-102, and if the lender is affiliated with the Manager, the transaction requires IRC approval as per NI 81-107. All agreements are established per industry norms and commercial standards.

The combined value of cash borrowed and securities sold short by the Fund is carefully managed to ensure a balanced risk profile, not exceeding 100% of the Fund's net asset value. Furthermore, the Fund's total exposure to short selling, cash borrowing, and derivatives is capped at 300% of the net asset value.

Securities Lending Practices

Securities lending transactions are subject to the requirements of the Canadian Securities Administrators and the agreement that we have entered into with our securities lending agent. These requirements are designed to minimize risk and they include the following:

- The Manager may lend Canadian and U.S. securities in a manner that is consistent with the Fund's investment strategies and as permitted by securities law, in which case it will aim to recall all loaned securities by the record date for the purpose of voting.
- The borrower of the securities must provide collateral permitted by the Canadian Securities Administrators worth at least 102% of the value of the securities loaned.
- The Fund will only deal with borrowers who have been approved by the Manager and the securities lending agent and the borrowers will be subject to transaction and credit limits.
- No more than 50% of the Fund's net asset value ("NAV") may be loaned in such transactions.
- The value of the securities and collateral will be monitored daily.
- The Fund may only invest the cash collateral in qualifying securities (such as Canadian and U.S. government debt securities and debt securities with a prescribed credit rating) having a remaining term to maturity of no more than 90 days.
- If a borrower fails to return securities, our securities lending agent will pay to the Fund the market value of those securities.
- Internal controls, procedures and records will be maintained.
- Securities lending transactions may be terminated at any time.

Proxy Voting Guidelines

The Manager believes that a core part of its mandate as a responsible investor is to diligently vote the proxies it holds on behalf of Fund unitholders. The Manager has established Proxy Voting Guidelines (the "Guidelines") which serve as the basis on which the voting rights related to securities held in the Fund's are to be exercised.

Although the Manager cannot foresee every proxy item, the Guidelines reflect general principles that will guide the Manager's voting decisions regarding typical ballot items such as director elections, ratification of auditors, executive compensation, as well as management and shareholder proposals. The Manager's voting decisions are intended to promote good corporate governance practices and to support proposals that, in the Manager's view, are likely to contribute to building long-term sustainable value for all stakeholders.

The Manager has staff dedicated to overseeing the proxy voting process (the "Proxy Voting Staff"). The Manager also retains an external proxy advisor to assist with proxy voting analysis and implementation. The external proxy advisor receives all proxy materials, formulates voting recommendations in accordance with the Guidelines and conveys these recommendations to the Manager for review. The Manager makes the final voting decision based on the Guidelines and its own internal analysis, which may differ from the external proxy advisor's recommendations. The Portfolio Sub-Advisor retained by the Manager generally does not exercise proxy voting authority. However, for voting decisions on mergers and acquisitions, the Manager may consult with the Portfolio Sub-Advisor to ensure that the proposed transactions are in the best interest of the unitholders from both a financial and ESG perspective. The final voting decision is then conveyed to the issuer via the external proxy advisor, which also provides the Manager with records of all votes.

The Guidelines describe the Manager's approach to actual, potential or perceived conflicts of interest that may arise from time to time in the process of voting. To address potential conflicts of interest, only Proxy Voting Staff make proxy voting decisions on behalf of the Manager. Proxy Voting Staff must disclose at regular proxy voting meetings if they have a potential personal conflict of interest, in which case they must recuse themselves from voting the securities of that company. Where the Manager holds shares in a company to which the Manager provides or from which it receives portfolio-management related services (including ESG services or sub-advisory services), Proxy Voting Staff will either vote according to the recommendations of the external proxy advisor based on its interpretation of the Guidelines, or abstain if there are reasons to believe the Guidelines have been misinterpreted or misapplied by the external proxy advisor.

The Guidelines are used to inform voting decisions in any market, but they are explicitly and most often applied to voting proxies in Canada and the U.S. In other markets, the Manager generally aligns its international voting with its understanding of local good governance practices that are reflected in the market-specific guidelines of its external proxy advisor. The Manager may also address contentious items in international markets on a case-by-case basis.

In principle, all proxies are voted for Canadian and U.S. holdings. The Manager cannot guarantee the ability to always vote shares of companies domiciled outside Canada and the U.S. due to technical or practical restrictions on voting in various countries. For markets imposing shareblocking restrictions, the Manager may, after consulting the Portfolio Sub-Advisor, abstain from voting proxies when retaining the ability to trade shares during the shareblocking period is deemed to be in the best interest of the unitholders.

The Guidelines are available on the Manager's designated website at www.neiinvestments.com or by request at no cost by calling 1-888-809-3333 or by writing to Funds Customer Service at Northwest & Ethical Investments L.P., 151 Yonge Street, 12th Floor, Toronto, Ontario, M5C 2W7.

The Fund's historical proxy voting records are accessible from the Manager's website. Voting rationale is made available shortly after votes are cast.

Remuneration of Directors, Officers and Trustees

The Fund does not have officers and directors. Northwest & Ethical Investments L.P., as trustee of the Fund, is not entitled to any remuneration.

The IRC was created effective May 1, 2007. The individual IRC members are compensated by way of an annual retainer fee as well as being reimbursed for expenses associated with IRC duties. These costs are allocated amongst the NEI Funds in a manner that is fair and reasonable. For the financial year ended September 30, 2023 total compensation paid by the NEI Funds to the IRC members was as outlined below. No expenses were reimbursed. The individual members were compensated as follows:

Name	Total Compensation
Marie Rounding	$34,000
Michele McCarthy	$28,000
W. William Woods	$28,000
Aggregate Amount	$90,000

Material Contracts

The material contracts of the Fund are as follows:

- **Declarations of Trust**

The Fund was formed under the laws of Ontario and is governed by a master declaration of trust dated January 11, 2024, as amended from time to time bearing the formation date set out below (the "Declaration of Trust"). The Declaration of Trust permits the Fund to issue one class of units, within which there are more than one series of units (the purpose of any multiple series of units being to provide various management fee structures, distribution payments, dealer compensation packages, or investment options to investors).

- **Management Agreement** (see pages 4 and 5)

The amended and restated management agreement between the Trustee and the Manager dated January 1, 2015, and subsequent amendments, sets out the responsibilities of the Manager to the NEI Funds.

The Management Agreement may be terminated by the Trustee or the Manager with at least 60 days' prior written notice to the other party. Either party also has the right to terminate the agreement immediately if the other party commits certain acts or fails to perform its duties under the agreement.

- **Portfolio Management Agreement** (see pages 5 and 6)

The Manager has been appointed portfolio manager of the NEI Funds pursuant to an amended and restated portfolio management contract between Northwest Asset Management Inc., Northwest Mutual Funds Inc. and the NEI Funds dated June 4, 2004, as amended, and as assigned to the Manager by the Contribution Agreement sets out the responsibilities of the portfolio manager to the NEI Funds. The Portfolio Management Agreement may be terminated by the Manager or the portfolio manager with at least 60 days' prior written notice to the other party. The Manager also has the right to terminate the agreement immediately if the portfolio manager commits certain acts or fails to perform its duties under the agreement.

- **Prime Brokerage Agreement** (see page 9)

The settlement services agreement between the Fund, the Manager and RBC Dominion Securities Inc. dated January 5, 2024 (the "Prime Brokerage Agreement") sets out the terms of a prime brokerage arrangement, including but not limited to settlement services by RBC Dominion Securities Inc. for the Fund. The agreement may be terminated by each party with at least 30 days' prior written notice to the other party. The Prime Brokerage Agreement will immediately terminate if an event of default occurs and is continuing with respect to RBC Dominion Securities Inc. and if an event of default occurs and is continuing with respect to the Fund, RBC Dominion Securities Inc. may specify a termination date that is no earlier than 30 days following a notice to the Fund of an event of default.

- **Sub-Advisor Agreement** (see pages 6 and 7)

The Sub-Advisor Agreement between the Manager and the Portfolio Sub-Advisor outlines the investment management services to be provided to the Manager in respect of the Fund. For more details about the Sub-Advisor Agreement see pages 6 and 7.

- **Custody Agreement** (see page 8)

The Custody Agreement between the NEI Funds, the Manager and the Custodian dated April 19, 2004, and subsequent amendments, sets out the custodial services to be performed by the Custodian. The Custody Agreement may be terminated by each party with at least 90 days' prior written notice to the other party. Each party also has the right to terminate the agreement immediately if the other party commits certain acts or fails to perform its duties under the agreement.

- **Sub-Custody Agreement** (see page 8)

The Sub-Custody Agreement between the Custodian, the Manager, the Fund and RBC Dominion Securities Inc. dated January 5, 2024, sets out the sub-custodian services to be performed by the Sub-Custodian. The Sub-Custody Agreement may be terminated by each party with at least 60 days' prior written notice to the other party. Each party also has the right to terminate the agreement immediately if the other party commits certain acts or fails to perform its duties under the agreement.

- **Master Distributorship Agreement**

The master distributorship agreement between the Manager and Credential Asset Management Inc. dated March 31, 2013, and subsequent amendments, sets out the appointment of Credential Asset Management Inc. as principal distributor of the NEI Funds and the distribution services to be performed by Credential Asset Management Inc. The master distributorship agreement may be terminated by each party with 90 days' prior written notice to the other party. Each party also has the right to terminate the agreement immediately if the other party commits certain acts or fails to perform its duties under the agreement.

- **Unitholder Recordkeeping and Administration Services Agreement**

The unitholder recordkeeping and administration services agreement between the NEI Funds, the Manager and Fiducie Desjardins Trust Inc. dated April 11, 2009, and subsequent amendments, sets out the recordkeeping and administration services relating to the unitholders of the NEI Funds to be performed by Fiducie Desjardins Trust Inc. The unitholder recordkeeping and administration services agreement may be terminated by each party with at least 180 days' prior written notice to the other party. Each party also has the right to terminate the agreement immediately if the other party commits certain acts or commits a material breach under the agreement and fails to remedy such breach within 60 days after written notice to remedy such breach has been provided.

- **Fund Accounting, Valuation and Reporting Agreement**

The fund accounting valuation and reporting agreement between the NEI Funds, the Manager and Fiducie Desjardins Trust Inc. dated January 1, 2009, and subsequent amendments, sets out the accounting services in relation to the NEI Funds to be performed by Fiducie Desjardins Trust Inc. The fund accounting valuation and reporting agreement may be terminated by each party with at least 180 days' prior written notice to the other party. Each party also has the right to terminate the agreement immediately if the other party commits certain acts or commits a material breach under the agreement and fails to remedy such breach within 60 days after written notice to remedy such breach has been provided.

- **Securities Lending Agreement**

The Agreement for Participation in Desjardins Trust's Securities Lending Program between the Manager and Desjardins Trust Inc. dated June 1, 2020 sets out the terms of the participation of the NEI Funds in the securities lending program offered by Desjardins Trust Inc. The agreement may be terminated by each party with at least 30 days' prior written notice to the other party.

Copies of these agreements may be inspected at the head office of the Fund during normal business hours by prospective and existing unitholders.

Legal Proceedings

There are no material legal proceedings to which the Fund, Northwest & Ethical Investments L.P. or Credential Asset Management Inc. is a party.

Designated Website

A mutual fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the alternative mutual fund this document pertains to can be found at www.neiinvestments.com.

Valuation of Portfolio Securities

The NAV per unit of each series of the Fund, for all purposes other than financial statements, is calculated using the valuation principles below. For financial reporting purposes, the Fund applies International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board to prepare its annual and interim financial statements. The valuation principles used to determine the NAV for purchases and redemptions by unitholders may differ in some respects from the requirements of IFRS. As a result, the series NAV per unit presented in the financial statements may differ from the series NAV per unit for the purpose of purchases and redemptions of units of the Fund.

The following principles are applied in the valuation of the portfolio securities of the Fund:

1. Cash on hand or on deposit, bills, notes, accounts receivable and prepaid expenses are valued at their full face value amount unless the Manager has determined that any of these assets is not worth the full amount, in which event the value shall be determined to be the value the Manager reasonably deems to be the fair value;
2. Bonds, debentures, notes and other such instruments are valued by taking the average between the bid and ask quotation or the bid quotation, depending on the circumstances, as of the valuation date;
3. Securities listed on a recognized stock exchange are valued at the closing sale price applicable to a board lot as of the applicable valuation date; in the event that no sale has taken place, the last published sale price or the average between the bid and ask prices is used, whichever, in the opinion of the Manager, most fairly reflects the actual market value. Securities not listed on any stock exchange are valued at the average of bid and ask quotations as of the applicable valuation date. The value of securities not so traded is determined on the basis of over-the-counter quotations, if available, or by such other method as is deemed by the Manager to reflect fair market value;
4. If securities are traded on more than one exchange, the Manager must determine which exchange constitutes the principal market for the trading of those securities and must use the trading prices on that exchange or market for their valuation; if no bid or sale price is available, the Manager must take into consideration the last sale price and make a valuation which is fair and reasonable;
5. Amounts of interest accrued but not yet received, dividends having an ex-dividend date prior to the applicable valuation date but not yet received as well as other sums which the Fund will receive are added to the assets;
6. For options written by the Fund:
    a. The premium received by the Fund for these options shall be reflected as a deferred credit that shall be valued at an amount equal to the current market value of the options that would have the effect of closing the position;
    b. Any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment;
    c. The deferred credit shall be deducted in arriving at the NAV for each series of units of the Fund; and
    d. Any securities that are the subject of a written option shall be valued at their current market value in the manner described above for listed securities;
7. Securities which the Fund has agreed to buy or sell are included or excluded, as the case may be, as if the transaction had effectively been completed;
8. Discounted securities issued without interest are appraised according to the market. The difference between the cost and the amount to be received at maturity is amortized using the declining balance amortization method at a fixed rate at each valuation date. This amortization is credited directly to the income of the Fund. The difference between the cost and the value at maturity is allotted amongst the unitholders in the form of income;

9. The value of any security, the resale of which is restricted or limited by reason of a representation, undertaking or agreement by the Fund or by the Fund's predecessor in title, shall be the value which the Manager considers fair and reasonable in the circumstances;
10. A long position in an option or a debt-like security is valued at the current market value of the position;
11. The value of any derivative, the investment in which or the use of which is permitted by Canadian securities legislation together with any premium received or margin paid or deposited with respect thereto, shall be determined in accordance with Canadian securities legislation;
12. If an investment cannot be valued under the foregoing rules or under any other valuation rules adopted under securities legislation or if any rules adopted by the Manager but not set out under securities legislation are at any time considered by the Manager to be inappropriate under the circumstances, then the Manager shall use a valuation which it considers fair and reasonable in the interests of investors of the Fund;
13. Values calculated in accordance with the foregoing principles in foreign currencies are translated into Canadian dollars at the prevailing rate of exchange on the applicable valuation date;
14. Values of the securities of other investment funds other than exchange-traded funds will be the series NAV per security on that day or, if the day is not a valuation day of the mutual fund, the series NAV per security on the most recent valuation day for the mutual fund; and
15. The liabilities of the Fund shall include:
    a. all bills, notes and accounts payable of which the Fund is an obligor;
    b. all administrative or operating expenses payable or accrued or both (including management fees and performance fees);
    c. all contractual obligations for the payment of money or property, including the amount of any unpaid distribution credited to unitholders of the Fund on or before Valuation Date;
    d. all allowances authorized or approved by the Manager for taxes (if any) or contingencies; and
    e. all other liabilities of the fund of whatsoever kind and nature, except liabilities represented by outstanding units of the Fund.

For greater certainty, if at any time the foregoing rules conflict with the valuation rules adopted under securities legislation, the Manager shall use the valuation rules required under securities legislation. The Manager has not exercised its discretion to deviate from the valuation principles set forth above in the preceding three years.

Calculation of Net Asset Value

The NAV per unit for all purposes other than financial statements (the "Unit Value") for each series of units of the Fund is calculated by the Manager after 4:00 p.m. (Eastern time) on each day that the Toronto Stock Exchange is open for trading, but in some circumstances we may calculate it at another time. The NAV of the Fund and the Unit Value for each series of units of the Fund is available, at no cost, on our designate website at www.neiinvestments.com or by contacting the Manager by calling toll-free 1-888-809-3333 or by e-mail at neiclientservices@neiinvestments.com.

The NAV for each series of units is calculated by taking the series' proportionate share of the Fund's common assets less common liabilities and deducting from this amount all liabilities that relate solely to a specific series. The Unit Value for each series of units is derived by dividing the NAV for each series of units by the total number of series units outstanding. The Unit Value so determined at any time will remain in effect until the next such determination. The price used for purchases, conversions, switches (which include both a redemption and a purchase) or redemptions (before deduction of any redemption fee payable by an investor as described under "*Purchases, Switches, and Redemptions*" of each unit of each series will be the Unit Value of the series, determined in the manner described below, as of the applicable valuation date.

Purchases, Switches, and Redemptions

How to Purchase, Switch, Convert and Redeem Units of the Fund

You can purchase, switch, convert and redeem units of the Fund by contacting your financial advisor or dealer. NEI Investments is not liable for the recommendations given to you by your financial advisor or dealer. NEI Investments does not monitor the appropriateness of any series of the Fund for any investor and makes no determination as to the appropriateness of any series of the Fund for any investor, including investors who hold units of the Fund in a discount brokerage account. Once you place your order to purchase, switch, convert or redeem units, your financial advisor or dealer will transmit the order to us as soon as possible.

The units of the Fund are offered for sale in Canadian dollars only.

Under exceptional circumstances, a mutual fund may suspend redemptions of units. Please see "*Redemptions*" on pages 23 to 24.

Series Eligibility

The Fund has multiple series of units and is permitted to issue an unlimited number of units of each series as indicated in the table below. Each series is intended for different kinds of investors and has different fees and expenses. It is the responsibility of the dealer to recommend the most suitable series for you. See "*Fees and Expenses*" on pages 26 to 29 and "*Dealer Compensation*" on pages 29 to 31.

Fund	Series A	Series C	Series F	Series I	Series O
NEI Long Short Equity Fund	x	x	x	x	x

Series A units, Series C, Series F units, Series I units and Series O units are each targeted to a specific type of investor, as described below. All new units that you receive on reinvestment of distributions or which are purchased under this prospectus will have the attributes described below. In certain cases, investors that fail to meet certain criteria associated with a particular series may be asked or required to switch to a more appropriate series of the Fund.

Series	Description
Series A units	Investors purchasing on a front-end sales charge option basis.
Series C units	Investors who have granted their dealer discretionary investment authority to invest through the use of proprietary model portfolios. Dealers that want to purchase Series C units on behalf of their investors must enter into a dealer agreement with us. No management fee will be charged to the Fund with respect to Series C units. No sales commissions or trailing commissions are payable by us to a dealer for investments in Series C units. These investors

Series	Description
	may also pay fees to their dealer, which they negotiate directly with their dealer.
Series F units	Investors participating in programs that do not require the payment of sales charges by investors and do not require the payment of trailing commissions to investment professionals or dealers from us and whose dealer has entered into a dealer agreement with us. For these investors, we are able to charge a lower management fee. Potential investors of this type include clients of discount brokerage platforms; clients of “fee-for-service” financial advisors, clients invested in dealer-sponsored “wrap accounts”; and any other clients who pay a fee to their dealer or investment professional instead of transactional sales charges, and whose advisor firm does not receive trailing commissions from the manufacturer.
Series I units	Institutional or other high net worth investors who meet any criteria we may establish from time to time and negotiate and pay management fees directly to the Manager. Investors who purchase Series I units must enter into an agreement with us which identifies the management fee negotiated with the investor and payable by the investor directly to us. The Series I management fee will in no circumstances be higher than the management fee payable on Series A units of the Fund. These investors may also pay fees to their dealer, which they negotiate directly with their dealer.
Series O units	Investors, which may include dealer-sponsored wrap-programs or portfolios that make large initial allocations to the Fund and are approved by us from time to time, who make large investments in the Fund and meet any eligibility criteria which we may establish from time to time. Investors who purchase Series O units must enter into an agreement with us which identifies the management fee negotiated with the investor and payable by the investor directly to us. The Series O management fee will in no circumstances be higher than the management fee payable on Series A units of the Fund. No sales commissions or trailing commissions are payable by us to a dealer for investments in Series O units. These investors may also pay fees to their dealer, which they negotiate directly with their dealer.

Although the money you and other investors pay to purchase units is tracked on a series by series basis in the Fund’s administrative records, the assets of each series of the Fund are combined into a single pool to create one portfolio for investment purposes for the Fund.

How We Process Your Purchase, Switch, Conversion or Redemption Order

The purchase, switch, conversion and redemption price of the units of the Fund is based on the series NAV per unit next determined after receipt by the Fund of your order. If we receive your order before 4:00 p.m. (Eastern time), your transaction will be processed at that day's closing series NAV per unit. If we receive your order after 4:00 p.m. (Eastern time), your transaction will be processed at the series NAV per unit at the close of the next business day.

In the event that we determine that the series NAV per unit will be calculated at a time other than 4:00 p.m. (Eastern time) on a day that the Toronto Stock Exchange is open for business, the series NAV per unit that will be used to process the transaction will be determined relative to that time. Currently, all orders are processed within two business days.

We may accept or reject a purchase order within one business day of receiving it. If we accept your order, we or your dealer will send you a confirmation within seven days, which is your proof of the transaction. If you sign up for a pre-authorized payment plan (as described below under "*Optional Services Provided by the Mutual Fund Organization*"), you will generally only receive confirmation of the first transaction made under the plan. If we reject your order, we will return any money we have received immediately, without interest.

If settlement of your transaction fails for any reason (for example, your cheque does not clear or your cheque is returned), we will cancel your order and sell the units. If we sell the units for more than you paid, the difference will go to the Fund. If we sell the units for less than you paid, you or your dealer may have to make up the difference, including any additional costs, expenses and lost interest.

We do not issue a certificate when you purchase units of the Fund, but you will receive a confirmation of the transaction. The account statement will be issued by us or by your dealer if your account is held in nominee name. A record of the number and series of units you own and their value appears on your account statement.

Purchases

Your choice of purchase option affects the fees and sales charges you, or we, will pay to your dealer and the trailing commission we will pay to your dealer. See "*Fees and Expenses"* on pages 26 to 29 and "*Dealer Compensation"* on pages 29 to 31.

Series A units

Series A units are offered under a front-end sales charge option under which you pay a sales charge or commission to your dealer when you buy the units. You negotiate the rate of commission directly with your dealer, up to a maximum of 5%.

Series C units

Series C units are designed for investors who invest through a dealer and have granted their dealer discretionary investment authority to invest through the use of proprietary model portfolios. We will negotiate the terms of purchasing Series C units directly with dealers. No management fee will be charged to the Fund with respect to Series C units. No sales or redemption charge is payable to us when you purchase or redeem Series C units. You will negotiate any sales charges directly with your dealer. Your dealer is required to negotiate a contract for the purchase of Series C units before making an investment in such units. If you no longer meet the requirement for holding Series C units, you may be asked or required to switch your investment into a more appropriate series of the Fund.

Series F units

No sales or redemption charges are payable by you to us on the purchase or sale of Series F units and we do not pay your dealer compensation on the purchase or sale of Series F units.

We are able to reduce our management fee rate on the Series F units for investors who participate in a dealer-sponsored program that does not require the unitholder to pay a sales or redemption charge on the purchase or redemption of Series F units, and that does not require us to pay a trailing commission to the dealer for assets held in Series F accounts. If we become aware that you are no longer eligible to hold Series F units because you no longer participate in such a program, we may convert your Series F units to Series A units of the Fund after giving you 30 days' notice. We will not make this change if you or your dealer notifies us during the notice period that you are once again eligible to hold Series F units. When converting from Series F units to Series A units, your dealer may charge you a front-end sales charge.

We may also issue Series F units to other investors for whom we do not incur any distribution costs. If you no longer meet the requirement for holding Series F units, you may be asked or required to switch your investment into a more appropriate series of the Fund.

Series I units

Series I units are designed for institutional and other high net worth investors who are entitled to reduced management fees and operating expenses because of the lower cost of servicing large dollar investments in the Fund. We will negotiate the terms of purchase of Series I units directly with each investor, including any management fee. No sales or redemption charge is payable to us when you purchase or redeem Series I units; you will negotiate any sales charges directly with your dealer. We may, if requested by your dealer and agreed to by you in writing, agree to collect this fee on your dealer's behalf. You or your dealer are required to negotiate a contract for the purchase of Series I units before making an investment in such units. If you no longer meet the requirement for holding Series I units, you may be asked or required to switch your investment into a more appropriate series of the Fund.

Series O units

Series O units are designed for institutional and other investors who are eligible for reduced management fees because of the lower cost of servicing large dollar investments in the Fund. We will negotiate the terms of purchasing Series O units directly with investors, including any management fee. No sales or redemption charge is payable to us when you purchase or redeem Series O units; you will negotiate any sales charges directly with your dealer. You or your dealer are required to negotiate a contract for the purchase of Series O units before making an investment in such units. If you no longer meet the requirement for holding Series O units, you may be asked or required to switch your investment into a more appropriate series of the Fund.

Switches

You can redeem units of the Fund to buy units of another NEI Fund as long as you meet the minimum initial investment and minimum account balance requirements, as the case may be. The other NEI Fund may not offer the same series as the units you redeemed and the requirements to invest and costs of investing may vary between the NEI Funds offered by us. This is called a switch. When we receive your order to switch, we will sell your units in the Fund and use the proceeds to buy units of the other NEI Fund.

You can switch from the Fund to another NEI Fund (provided that your dealer is authorized to sell units of such NEI Fund) or to any new mutual fund, which is created and offered by us after the date of this prospectus (provided that units of the new mutual fund have been qualified for sale in your province or territory of residence and your dealer is authorized to sell units of that fund) through your dealer who may charge you a switch fee. The switch fee is paid by a redemption of units of the Fund by the Manager immediately before the switch is made. In addition, if you switch units in excess of $10,000 within 29 days of your original purchase, you may be subject to a short-term trading fee. Please see "*Fees and Expenses*" for details.

Switching between mutual funds is a taxable event and will generally result in a capital gain or loss for tax purposes.

Conversions

You can convert from one series of units to another series of units of the Fund, as long as you meet the minimum initial investment and minimum account balance requirements and your dealer is authorized to deal in those units, as the case may be. This is called a conversion.

You can convert from one series of units to another series of units of the Fund through your dealer. When converting from Series F units to Series A units, your dealer may charge you a front-end sales charge.

Your dealer is paid a trailing commission on units converted to the front-end sales charge option. Please see "*Dealer Compensation*" for details.

Your dealer may charge you a conversion fee which is paid by a redemption of units of the Fund by the Manager immediately before the conversion is made. Please see "*Fees and Expenses*" for details. However, you will not pay a conversion fee on Manager initiated conversions.

A conversion of units from one series to another series of the Fund is generally not a disposition for tax purposes and consequently should not result in a capital gain or loss or other cost to a converting unitholder, except to the extent that units of the Fund are redeemed to pay any conversion fees owing by the unitholder.

Please note that provided the conditions set out below are met, we may, in our discretion or in response to regulatory requirements, convert your units of the Fund into units of another series of the Fund.

We may only convert your units in this circumstance if all the following conditions are satisfied:

- You receive units of the Fund of the same aggregate value;
- The management fee and fixed administration fee of the new series are not more than that of the series that you previously owned;
- The conversion is done at no cost to you;
- The conversion is not, in our reasonable determination, a disposition for tax purposes; and
- The trailing commissions payable to registered dealers, if any, remain the same or lower.

Redemptions

You may request the Fund to redeem (or sell) any or all of your units at any time. Redemption orders in respect of the Fund will be implemented based on the series NAV per unit determined as of the close of business on the day on which such orders are deemed received provided the order is received before the cut off time. If we receive your order after the cut off time, it will be processed on the following business day.

Payment for any units redeemed (including by reason of a mandatory redemption as described below), less all taxes required to be withheld and all applicable redemption charges will be made by the Fund within two business days of the determination of the redemption price. If you redeem units in excess of $10,000 within 29 days of your original purchase, you may be subject to a short-term trading fee. Please see "*Fees and Expenses*" for details.

Unless you request otherwise, your redemption proceeds will be sent to your dealer. If you so request, we will wire the redemption proceeds to a designated bank account on the day on which the redemption proceeds are made available by the Fund to us.

If we do not receive all the documents required to complete your sale in ten business days, we will buy the same number of units you sold. If the purchase price is less than the sale price for the units, the Fund is required by securities regulations to keep the difference. If the purchase price is greater than the sale price for the units, we are required to pay the Fund the difference, and will collect the difference from your dealer, who may then collect from you.

We reserve the right to redeem your units, in whole or in part, in certain circumstances. In most cases, we will provide you with advance notice before we take any action. The situations in which we may take this action are:

1. If the total you have invested in the NEI Funds in a single account is less than $500 dollars for any reason other than market movement, we may decide to redeem your holdings. We may not do this if you have other balances invested in the NEI Funds in another accounts. We will only do this after providing you thirty (30) days advance notice.
2. If the total amount of your investment in the Fund is less than $25 dollars, even if you have a larger investment in other NEI Funds, we may decide to redeem your holdings. We will only do this after providing you thirty (30) days advance notice.
3. If the total you have invested in the NEI Funds in a single account is less than $50 for any reason (whether due to market movements or other reasons), we may decide to redeem your holdings without any advance notice to you.

We also intend to observe all redemption policies that may be implemented from time to time by industry participants such as Fundserv, the provider of the transaction processing system used by most mutual funds in Canada.

Under exceptional circumstances, we may be unable to process your redemption order. This would most likely occur if market trading were suspended on stock exchanges where the Fund holds its investments. Payment of the redemption price of the units of the Fund that is subject to a redemption order may be postponed.

The Fund may suspend the calculation of the series NAV per unit and the redemption of its units in the following cases:

- For any period when normal trading is suspended on any stock exchange, options exchange or futures exchange on which securities are listed and traded, or on which derivatives are traded, which represent more than 50% in value or underlying market exposure of the total assets of the Fund, without allowance for liabilities (provided that such securities or derivatives are not traded on any other exchange that represents a reasonably practical alternative for the Fund); or
- If the Ontario Securities Commission authorizes such suspension.

If the right of redemption is suspended, a unitholder may either withdraw his or her redemption request or receive payment based on the series NAV per unit next determined after the end of the suspension. The Fund will not be permitted to issue units during any period when the right to redeem units is suspended.

Short-Term Trading

Investors are discouraged from short-term trading. Short-term trading can harm the Fund’s performance and the value of other investors’ holdings in the Fund, except in series (such as Series C) that are designed to be short term series because such trading can increase brokerage and other administrative costs of the Fund and interfere with the investment decision making of the Fund’s portfolio manager.

Short-term trading may be particularly problematic when large sums are involved. Short-term trading can include purchasing and then redeeming or switching units of the Fund soon after purchasing or switching them.

We have policies and procedures to detect and deter short-term trading that include the ability to refuse your present or future order(s) to purchase or switch units.

If you switch or redeem units in excess of $10,000 within 29 days of a purchase or switch, you may be subject to a short-term trading fee to be paid directly to the Fund out of your redemption proceeds, reducing the amount otherwise payable to you on the redemption or switch (please see "*Fees and Expenses*"). We have the ability to waive or change this penalty at any time.

The restrictions imposed on short-term trading, including the short-term trading fees, will generally not apply in connection with redemptions or switches for systematic withdrawal plans and in respect of redemptions made by other mutual funds managed by the Manager, as those are circumstances that do not constitute inappropriate trading activity. In addition, short-term trading fees will not apply to Series C units, which are designed for use by dealers that have been granted discretionary investment authority through the use of proprietary model portfolios by the investor.

Despite these restrictions and our procedures to detect and deter short-term trading, we cannot ensure that such trading will be completely eliminated.

Optional Services Provided by the Mutual Fund Organization

Registered Plans

Units of the Fund are expected to be at all relevant times, qualified investments for trusts governed by registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), deferred profit sharing plans ("DPSPs"), registered education savings plans ("RESPs"), registered disability savings plans ("RDSPs"), first home savings accounts ("FHSAs") and tax-free savings accounts ("TFSAs") (as defined below, and collectively "registered plans"). We offer RRSPs, RRIFs, life income funds, locked-in retirement income funds, locked-in retirement accounts, retirement savings fixed term annuities (in Québec only), RESPs (including some provincial programs tied to educational savings), TFSAs, locked-in RRSPs, prescribed retirement income funds, restricted life income funds and restricted locked-in savings plans.

The trustee of our registered plans is Concentra Trust. Concentra Trust is a wholly-owned subsidiary of Concentra Bank, previously operated as Concentra Financial Services Association ("CFSA"). The change results from the continuation of CFSA to Concentra Bank, under the *Bank Act* (Canada).

Pre-authorized Payment Plan

Under a pre-authorized payment plan you can indicate a regular amount of investment (not less than $25) to be made on a periodic basis, the series of units of the Fund in which the investment is to be made, and the chequing or savings account from which the investment amount is to be debited. You may modify, suspend or terminate such a plan on ten days' prior written notice.

Automatic Withdrawal Plan

You can establish an automatic withdrawal plan, provided you are not investing through a retirement savings plan. Under an automatic withdrawal plan, you can indicate a regular amount of cash redemption (not less than $100 monthly) to be made on a periodic basis, the series of units of the Fund from which the investment is to be withdrawn and the chequing or savings account to which the withdrawn amounts are to be credited. Withdrawals will be made by way of redemption of units. If withdrawals are in excess of dividends and distributions and net capital appreciation, they will result in encroachment on, or possible exhaustion of, your original capital. If you choose the automatic withdrawal plan, all distributions declared on units held under such a plan must be reinvested into additional units of the Fund. To establish an automatic withdrawal plan in respect of the Fund, your account must have a minimum value of $5,000 invested in NEI Funds. You may modify, suspend or terminate an automatic withdrawal plan on ten days' prior written notice. There is no administration fee for the automatic withdrawal plan.

Electronic Funds Transfer

You can arrange to have money moved electronically when you buy or redeem your units, just ask your financial advisor or dealer.

Fees and Expenses

This section sets out the fees and expenses related to investments in the Fund.

The first part of this section shows the fees and expenses the Fund may pay. Although you do not pay these directly, they will reduce the value of your investment.

The second part of this section shows the fees and expenses you may have to pay directly.

In certain circumstances the Manager is not required to seek unitholder approval for the introduction of, or a change in the basis of calculating, a fee or expense that is charged to the Fund, a series of the Fund or charged directly to unitholders of the Fund in a way that could result in an increase in charges to the Fund, a series of the Fund or unitholders, provided any such introduction, or change, will only be made if notice is sent to unitholders at least 60 days before the effective date of the change. Please see "*Matters Requiring Unitholder Approval*" section below for further details.

Underlying Fund Management Fee

The Fund may invest in units of other mutual funds and exchange-traded funds including any affiliated NEI Funds. You should note that in addition to the fees and expenses paid by the Fund, these other funds have their own operating expenses to pay. The Fund will effectively bear the operating expenses of the other funds in proportion to their holdings in the other funds. However, the Fund will not invest in units of other funds if the Fund would be required to pay any management fees or incentive fees in respect of such investments that to a reasonable person, would duplicate a fee payable to us by the Fund (or, in the case of Series I or Series O units, a unitholder directly) for the same service. In addition, the Fund will not make investments in other funds if the Fund would be required to pay any sales or redemption fees in respect of such investments that a reasonable person would find to duplicate a fee payable by unitholders of the Fund. Further, the Fund will not invest in units of any affiliated NEI Funds if any sales or redemption fees are payable in respect of such investments.

Fees and Expenses Payable by the Fund

Management Fees

The Fund pays us a management fee which is subject to applicable taxes, including but not limited to GST/QST/HST. The fee covers the costs for services such as managing the Fund, arranging for investment advisory services, recommendations and investment decision making for the Fund including the selection of the Portfolio Sub-Advisor and portfolio managers, arranging for distribution, marketing and promotion of the Fund. The fee is calculated daily based on the NAV per series from the previous trading day and paid weekly. The table below shows the annual management fee rates charged for Series A and Series F units of the Fund (exclusive of applicable taxes, including but not limited to GST/QST/HST). The annual management fee charged for Series I and Series O units is negotiated directly with each investor but will not exceed the annual management fee charged in respect of Series A units of the Fund. An annual management fee for Series C units may be negotiated directly with your dealer and paid directly by your dealer to us.

Annual Management Fees

Name and Title	Series A	Series F
NEI Long Short Equity Fund	2.00%	1.00%

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 the Fund. The performance fee for each series shall be calculated, earned and accrued daily and become a liability of the Fund on each valuation day and shall be paid by the Fund at the end of each calendar quarter.

The 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 fee 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 Portfolio Sub-Advisor and will not be reduced if there is subsequent negative performance by the Fund.

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

Operating Expenses

We pay all of the operating expenses (the “Operating Expenses”) of the Fund, except for:

- Costs and expenses associated with taxes, including income and sales taxes;
- Borrowing costs incurred by the Fund from time to time;
- The costs associated with the independent review committee (“IRC”);
- The costs of compliance with any regulatory changes imposed following July 27, 2018 (together the “Fund Expenses”); and
- Costs associated with portfolio transactions, including brokerage commissions and research and execution costs (“Portfolio Transaction 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, continuous disclosure materials including financial reporting and other periodic investor communications, legal fees, bank charges, and regulatory filing fees. The Fund Expenses, Portfolio Transaction Costs and any expenses of the Fund outside of Operating Expenses are paid directly by the Fund.

In return for assuming the obligation to pay the Fund's Operating Expenses, we are paid a fixed annual administration fee (the "Administration Fee"), which is subject to applicable taxes, including but not limited to HST. The Administration Fee payable by Series A, Series C, Series F and Series O units of the Fund is equal to a specified percentage of the NAV of the series, calculated and accrued daily and paid periodically. No Administration Fee is charged to Series I units of the Fund because of the fee structures associated with such series.

The Fund will be subject to a blended rate of HST based on the jurisdictions of residence of its unitholders. The Fund will calculate and pay HST on an aggregate basis, such that the cost of the HST will be borne by all investors, regardless of their individual province or territory of residence.

The Administration Fee paid to the Manager in respect of a series may, in any particular period, be less than or exceed the Operating Expenses that the Manager incurs for the series.

The following table shows the Administration Fee applicable to Series A, Series C, Series F and Series O units of the Fund:

Administration Fees

Fund	Series A	Series C	Series F	Series O
NEI Long Short Equity Fund	0.25%	0.08%	0.25%	0.08%

The Manager may, in some years and in certain cases, absorb a portion of a series' management fees, Administration fees, performance fees or Fund Expenses. The decision to absorb the management fees, Administration fees, performance fees or Fund Expenses, or a portion thereof, is reviewed annually and determined at the discretion of the Manager, without notice to unitholders.

Independent Review Committee

The NEI Funds pay the fees and expenses associated with the IRC, including annual fees and meeting fees, if any, payable to members of the IRC and the payment of any other expenses related to the operation of the IRC which could include travel expenses, educational amounts or legal fees. IRC fees are allocated to the NEI Funds on a pro-rata basis of net assets less the net assets of any underlying funds managed by NEI Investments. The IRC members are each paid an annual retainer of $28,000 plus expenses. The Manager does not reimburse the NEI Funds for any of the costs associated with the IRC. For amounts allocated to the Fund please refer to the Fund's financial statements.

Fees and Expenses Payable Directly by You

Sales Charges

Under the front-end sales charge option, there is a maximum charge of 5% of the original cost of your investment in Series A units of the Fund. The amount of the fee is a matter between you and your dealer. There are no sales charges on Series C, Series F, Series I and Series O units of the Fund, however you may be required to pay your dealer an advisory or asset-based fee. Any such advisory or asset-based fee is in addition to the following fees: (i) in respect Series F units, the Management Fee and the Administration Fee payable by the Fund; (ii) in respect of Series O units, the Administration Fee payable by the Fund and the Management Fee payable by you; (iii) in respect of Series I Units, the Management Fee payable by you; and (iv) in respect of Series C Units, the Administration Fee payable by the Fund.

Switch/Conversion Fees

You may have to pay a fee of up to 2% of the amount you wish to switch or convert, as applicable. The amount of the fee is a matter between you and your dealer. However, you will not pay a conversion fee on Manager initiated conversions.

Short-Term Trading Fee

Units of Fund, other than series C units of the Fund, may be subject to a short-term trading fee payable to the Fund on redemptions and switches of units in excess of $10,000 on the following basis:

- 2% of the redemption proceeds otherwise payable if a redemption or switch occurs within 1 to 7 days of a purchase or switch.
- 1% of the redemption proceeds otherwise payable if a redemption or switch occurs within 8 to 29 days of a purchase or switch.

In certain circumstances, we may at our discretion elect to waive or change this penalty at any time.

Insufficient Funds Fee

There will be a $25 fee for non-sufficient funds cheques returned or if there are insufficient funds in your account to pay for your units.

Registered Plans/Pre-authorized Payment Plans/Electronic Funds Transfers

We do not apply any registered plan fees in respect of the Fund, or charge any fees in connection with the establishment of pre-authorized payment plans or use of electronic funds transfers.

Account Closing or Transfer Fees

We do not apply any account closing or transfer fees in respect of the Fund.

Introduction of New Fees or Changes to Existing Fees

Any new fee or expense or a change in the basis for the calculation of a fee or expense that is charged to the Fund, or to unitholders of the Fund in connection with the holding of units of the Fund, that could result in an increase in charges to the Fund or its unitholders must be approved by a majority of the votes cast at a meeting of the unitholders of the Fund called for such purpose.

If the change or new fee or expense described above is a result of a change made by a third-party at arm’s length to the Fund, or if unitholder consent is not required by securities regulation, we will give you 60 days’ written notice of the change before the effective date of the change if such notice is required by securities regulation.

Dealer Compensation

Sales Commissions and Switch and Conversion Fees

For Series A units purchased under the front-end sales charge option, you will pay your dealer a sales commission at the time of your purchase, such commission being up to 5% of the original cost. The actual percentage is a matter between you and your dealer.

Sales charges are not paid when you switch or convert your units, but a switch or conversion fee, as applicable, of up to 2% may be charged to you and retained by your dealer. The amount of any switch or conversion fee is a matter between you and your dealer.

No sales commissions are paid when you receive units from reinvested distributions.

There is no sales charge to purchase Series C, Series F, Series I, or Series O units, however you may be required to pay your dealer an advisory or asset-based fee. Any such advisory or asset-based fee is in addition to the following fees: (i) in respect of Series F units, the Management Fee and the Administration Fee payable by the Fund; (ii) in respect of Series O units, the Administration Fee payable by the Fund and the Management Fee payable by you; (iii) in respect of Series I Units, the Management Fee payable by you; and (iv) in respect of Series C Units, the Administration Fee payable by the Fund.

Trailing Commissions

We pay your dealer a trailing commission either at month or quarter end for the ongoing advice and/or service you receive from your dealer relating to Series A units. Dealers receive this trailing commission based on the aggregate NAV of the Series A units in respect of their clients' investments in the Fund at the annualized rates indicated below.

Trailing Commission Rate

Fund	Front-end sales charge option
NEI Long Short Equity Fund	Up to 1.00%

We may change or cancel the terms of trailing commissions that we pay at any time.

There are no trailing commissions paid to your dealer by us with respect to Series C, Series F, Series I or Series O units which you hold, however you may pay an advisory or asset-based fee directly to your dealer.

Discount Brokers

On September 17, 2020, the Canadian Securities Administrators published rule amendments that, effective June 1, 2022, prohibit the payment of trailing commissions to order execution only ("OEO") dealers, which includes discount brokers and other dealers that do not make a suitability determination, in connection with an investor's purchase and ongoing ownership of securities of a NEI Fund in an OEO account. Effective June 1, 2022, series of NEI Funds that pay trailing commissions are no longer be available to investors who hold units in an OEO account, which may result in changes to your account or to the Units of the NEI Funds you own. If you no longer meet the requirement for holding OEO eligible Series, you may be asked or required to switch your investment into a more appropriate Series of the same NEI Fund.

Incentive Programs

We may provide additional monetary or non-monetary incentives and marketing support for dealers, as permitted by securities regulations governing sales practices. These incentives are not charged to the Fund.

Related Dealers

The general partner of the Manager, Northwest & Ethical Investments Inc., is a wholly-owned subsidiary of 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 and 50% by a limited partnership, CU CUMIS Wealth Holdings LP, owned by the Centrals and the CUMIS Group Limited. Aviso Wealth GP Inc. is the general partner of Aviso Wealth LP. Certain registered dealers through which units of the Fund may be purchased are related to us by way of ownership interests in such dealers by Desjardins or Aviso. The related dealers are: (i) Desjardins Securities Inc., (ii) Desjardins Financial Services Firm Inc., (iii) Desjardins Financial Security Investments Inc. (each of (i), (ii) and (iii) being an indirect wholly-owned subsidiary of Desjardins), (iv) Credential Asset Management Inc., and (v) Credential Qtrade Securities Inc. (each of (iv) and (v) being a direct wholly-owned subsidiary of Aviso).

Our indirect owner, Aviso Wealth LP, may make annual profit sharing distributions to its partners which, subject to certain conditions, are based in part on the profits generated by us with respect to the market value of the Fund outstanding during the applicable annual period that were sold (either during or prior to the applicable annual period) by related dealers (see above for a description of these related dealers). These profit-sharing distributions are not charged to the Fund or the unitholders.

Income Tax Considerations

This section is a general summary of how Canadian federal income taxes affect your investment in the Fund. It is written for individual unitholders (other than trusts) who are residents of Canada, deal at arm’s length with the Fund, and hold their units as capital property.

This section is based on the current provisions of the *Income Tax Act* (Canada) (the “Tax Act”) and the regulations thereunder (the “Regulations”) and our understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency. This section also takes into account all specific proposals to amend the Tax Act and the Regulations publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date of this prospectus. However, there can be no assurance that these proposed amendments will be enacted in their current form, or at all. Except for any proposed amendments, this section does not take into account or anticipate any changes in law or administrative practice, whether by legislative, regulatory, administrative, or judicial action. Furthermore, this section is not exhaustive of all possible income tax considerations and, in particular, does not take into account provincial, territorial, or foreign income tax legislation or considerations.

This section is based upon the assumption that the Fund will qualify as a “mutual fund trust” under the Tax Act at all relevant times. We’ve tried to make this section as helpful and accurate as possible, but your situation may be different. **This section is not intended to be legal or tax advice to you or any other investor. Please consult a tax advisor about your own circumstances**.

How the Fund Is Taxed

The Fund can make money and be subject to income tax in two ways. First, it can earn income. Examples of income earned by the Fund are interest paid on bonds, dividends paid on stocks, and distributions of income from underlying funds. The Fund can also have capital gains if it realizes a gain on the sale of an investment or receives distributions treated as capital gains from underlying funds. 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.

The tax treatment of derivatives used by the Fund will vary depending on the type of derivative instrument and purpose for using the derivative. The Fund may enter into derivatives that are considered speculative and are taxed in the same manner as ordinary income. The Fund may also use derivatives as a hedge to limit its gain or loss on capital assets held by the Fund, in which case the derivative will result in capital gains or capital losses to the Fund.

The Fund will generally not be subject to income tax on the portion of its net income and net realized capital gains that it pays or makes payable to its unitholders, either in cash or by way of reinvestment in additional units. Any losses realized by the Fund cannot be allocated to its unitholders.

The excessive interest and financing expense limitation rules (the "EIFEL Rules"), if applicable, will limit the deductibility of interest and other financing-related expenses by the Fund to the extent that such expenses, net of interest and other financing-related income, exceed a fixed ratio of the Fund's tax EBITDA. The EIFEL Rules and their application are highly complex, and there can be no assurances that the EIFEL Rules will not have adverse consequences to the Fund or its unitholders. In particular, if these rules were to apply to restrict deductions otherwise available to the Fund, the taxable component of distributions paid by the Fund to unitholders may be increased, which could reduce the after-tax return associated with an investment in units.

How Your Mutual Fund Investment Is Taxed

The tax you pay on your mutual fund investment depends on whether you hold units directly in a non-registered account or indirectly through a registered plan.

Units You Hold in a Registered Plan

If you hold your units in a registered plan, generally you do not have to pay tax on distributions from the Fund or on any capital gains your plan realizes from redeeming or selling units, provided that the units are a qualified investment and are not a prohibited investment for your registered plan. If you take money out of your registered plan, you will generally have to pay tax on it; however, withdrawals from TFSAs are not subject to tax. Withdrawals from RESPs, RDSPs and FHSAs are subject to special rules.

Units of the Fund are expected to be a "qualified investment" for registered plans at all relevant times. However, if units of the Fund are a "prohibited investment" for your registered plan (other than a DPSP), the annuitant, holder or subscriber of that registered plan may be subject to a penalty tax. A unit of the Fund will be a prohibited investment for your registered plan if you do not deal at arm's length with the Fund or if your registered plan has a "significant interest" in the Fund. In general terms, your registered plan will have a significant interest in the Fund if you, either alone or together with persons and partnerships with whom you do not deal at arm's length, own directly or indirectly Fund units representing 10% or more of the fair market value of all outstanding units.

You should consult your own professional tax advisors regarding the tax treatment of acquiring and holding units of the Fund in a registered plan.

Units You Hold in a Non-Registered Account

If you hold units of the Fund directly in a non-registered account, we will send you a tax slip by the end of March each year. It shows your share of the Fund's distributions of income, net realized capital gains and return of capital for the previous year as well as any allowable tax credits. Income includes dividend income from taxable Canadian corporations, and foreign income. The Fund intends to make the appropriate designations so that taxable dividends from taxable Canadian corporations (including the gross-up and dividend tax credit applicable to such dividends) and net realized capital gains distributed by the Fund, will retain their identity in your hands for tax purposes. In addition, if the Fund has paid foreign withholding tax, the Fund may make a designation to permit you to credit that withholding tax against your Canadian taxable income. You must include the income and capital gains shown on the tax slip as part of your annual income. This applies whether your distributions were reinvested in units of the Fund or were paid to you in cash. If you receive more in distributions in a year than your share of the Fund's income and net realized capital gains for the year, you will have a return of capital. You generally don't pay tax on a return of capital. Instead, it will reduce the adjusted cost base of your units of the Fund. If the adjusted cost base of your units is reduced to less than zero you will be deemed to have realized a capital gain equal to the negative amount.

When you buy units of the Fund for a non-registered account, you may end up paying tax on income and capital gains the Fund earned before you bought your units and that were reflected in the purchase price of the units. This is particularly relevant when the Fund makes a distribution in December of its net income and net capital gains for the whole year. You should consider how this tax cost might affect you when you buy units of the Fund, especially if you are considering buying units late in the year.

If you redeem or sell units, you'll have a capital gain if the redemption or sale price is more than the adjusted cost base of the units, after deducting any costs of redeeming or selling your units. You'll have a capital loss if the redemption or sale price is less than the adjusted cost base, after deducting any costs of redeeming or selling your units. One-half of a capital gain is a taxable capital gain and is generally included in computing your income, and one-half of a capital loss is an allowable capital loss and generally deducted against taxable capital gains for the year. If you have more allowable capital losses than taxable capital gains in a year, the excess can generally be carried back up to three years or carried forward indefinitely and applied against taxable capital gains in those other years.

Converting units of one series of the Fund into units of another series of the Fund will generally not trigger a capital gain or loss. However, a redemption to effect a transfer from the Fund to another NEI Fund may trigger a capital gain or loss.

In general, the adjusted cost base of your units in any series of units in the Fund equals your initial and any subsequent investment, plus reinvested distributions, less the adjusted cost base of units of such series that have been redeemed and any return of capital otherwise received in respect of the units. If you've bought units at various times, you will likely have paid various prices. The adjusted cost base of a unit is, generally, the average of the cost of all the units you hold in the Fund. That includes units you acquired through reinvestments of distributions or dividends.

Management fees paid by unitholders on Series I and Series O units will not be deductible for tax purposes.

In certain cases, individuals may have to pay alternative minimum tax on the capital gains or Canadian dividends they earn, including through the Fund.

High Portfolio Turnover Rate

The higher the Fund's portfolio turnover rate, the greater the likelihood the Fund will realize income, capital gains or losses. In the event the Fund realizes net income or net capital gains in a taxation year that cannot be sheltered with losses, the income or gains will, in most cases, be distributed to you and must be included in computing your income for tax purposes. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

Tax Records

The Fund will provide unitholders each year with income tax information necessary to complete their income tax returns. Individual unitholders should keep records of the original cost, along with any sales charges, of their units and any re-invested distributions so that any capital gain or loss on redemption or other disposition can be accurately determined for tax purposes.

What Are Your Legal Rights?

Securities legislation in some of the provinces and territories of Canada gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the simplified prospectus or fund facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund units and get your money back, or to make a claim for damages, if the simplified prospectus, fund facts, or financial statements misrepresent any facts about the mutual fund. These rights must be exercised within certain time limits set by law in the applicable province or territory.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

Additional Information

Enhanced Tax Information Reporting

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-US Tax Convention entered into between Canada and the U.S. (the "IGA"), and related Canadian legislation, the Fund and/or registered dealers are required to report certain information with respect to unitholders who are U.S. residents and U.S. citizens (including U.S. citizens who are residents or citizens of Canada), and certain other "U.S. Persons" as defined under the IGA (excluding registered plans such as RRSPs), to the CRA. It is expected that the CRA will then exchange the information with the U.S. Internal Revenue Service. The Fund will endeavor to comply with the requirements imposed under the IGA and related Canadian legislation. However, if the Fund cannot satisfy the applicable requirements, it may be subject to U.S. withholding tax on U.S. and certain non-U.S. source income and gross proceeds. The Fund may also be subject to penalties under Canadian tax legislation. Any potential U.S. withholding taxes or penalties associated with such failure to comply would reduce the value of the Fund's assets.

In addition, to meet the objectives of the Organization for Economic Co-operation and Development Common Reporting Standard (the "CRS"), the Fund and/or registered dealers are required under Canadian legislation to identify and report to the CRA certain information relating to certain unitholders in the Fund (excluding registered plans such as RRSPs) who are resident in a country outside of Canada and the U.S. The CRA is expected to provide that information to the tax authorities of the relevant jurisdictions that have adopted the CRS.

Exemptions and Approvals

The Fund has obtained exemptive relief from certain restrictions in NI 81-102 or National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*, as follows:

Investing in Fixed Income Securities of Foreign Governments

Pursuant to exemptive relief, any NEI Fund that complies with the terms of the relief is permitted to invest up to: (i) 35% of the Fund's NAV at the time of the transaction in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies or governments other than the government of Canada, the government of a jurisdiction in Canada, or the government of the United States of America and are rated "AAA" by Standard & Poor's, or have an equivalent rating by one or more other designated rating organizations; and (ii) 20% of the Fund's NAV at the time of the transaction in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies or governments other than the government of Canada, the government of a jurisdiction in Canada or the government of the United States of America and are rated “AA” by Standard & Poor’s, or have an equivalent rating by one or more other designated rating organizations (such evidences of indebtedness are collectively referred to as “Foreign Government Securities”). The Fund will only invest in Foreign Government Securities that are traded on a mature and liquid market and where the acquisition of such Foreign Government Securities is consistent with the fundamental investment objectives of the Fund.

Cash Borrowing and Short Selling Relief

The Fund has received exemptive relief to engage in short sales and cash borrowing transactions in excess of the exposure limitations under NI 81-102 and use strategies generally prohibited for alternative mutual funds under NI 81-102, provided that (a) the aggregate market value of all securities sold short by the Fund does not exceed 100% of the Fund’s NAV, (b) the aggregate value of all cash borrowing by the Fund does not exceed 100% of the Fund’s NAV, (c) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund’s NAV, and (d) the Fund’s aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund’s NAV. Any short sale or cash borrowing transaction in which the Fund participates will otherwise comply with sale and cash borrowing securities law requirements applicable to alterative mutual funds, subject to any relief granted, and be consistent with the Fund’s investment objectives and strategies.

FundGrade Ratings Relief

The Manager, on behalf of the NEI Funds, has been granted exemptive relief that allows the Manager to reference Fundata Canada Inc.’s FundGrade A+ Awards and FundGrade Ratings in its sales communications, subject to conditions requiring specified disclosure, the requirements that the Fundata A+ Awards being referenced have not been awarded more than 365 days before the date of the sales communication, and certain required calculations.

Index Participation Units Short Sale Relief

The Fund has received exemptive relief to engage in short sales of index participation units (“IPUs”) issued by investment funds (each, an “IPU issuer”) in excess of the exposure limitations applicable to alterative investment funds under NI 81-102, provided that: (i) the only securities the Fund will sell short (other than governmental securities), resulting in the aggregate market value of the securities of that issuer sold short by the Fund exceeding 10% of the Fund’s NAV at the time of sale will be IPUs of IPU Issuers; (ii) immediately after the transaction, the aggregate market value of all securities sold short by the Fund does not exceed 100% of the Fund’s NAV; and (ii) immediately after the transaction, the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing of the Fund does not exceed 100% of the Fund’s NAV. Any short sale transaction in which the Fund participates will otherwise comply with securities law requirements applicable to alterative mutual funds, subject to any relief granted, and be consistent with the Fund’s investment objectives and strategies.

Certificate of the Fund, Manager, and Promoter

Alternative Fund

NEI Long Short Equity Fund

(the "Fund")

This simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

Dated: January 11, 2024

Northwest & Ethical Investments L.P., acting through its general partner Northwest & Ethical Investments Inc., as trustee, manager and promoter of the Fund

"William Packham"

William Packham
President and Chief Executive Officer

"Rodney Ancrum"

Rodney Ancrum
SVP, Chief Financial Officer and Chief Administrative Officer

On behalf of the Board of Directors of
Northwest & Ethical Investments L.P., acting through its general partner Northwest & Ethical Investments Inc., as trustee, manager and promoter of the Fund

"Tim Prescott"

Tim Prescott
Director, Senior Vice President, Head of Asset Management

"Yasmin Lalani"

Yasmin Lalani
Director

Certificate of the Principal Distributor of the Fund

Alternative Fund

NEI Long Short Equity Fund

(the "Fund")

Dated: January 11, 2024

To the best of our knowledge, information and belief, this simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

ON BEHALF OF
Credential Asset Management Inc.
as Principal Distributor of the Fund

"William Packham"

William Packham
President and Chief Executive Officer

"Rodney Ancrum"

Rodney Ancrum
SVP, Chief Financial Officer and Chief Administrative Officer

Part B: Specific Information About the Mutual Fund Described in this Document

Pages 38 through 59 of this prospectus contain specific information about the Fund, including particulars of its investment objectives, strategies and risks.

What Is a Mutual Fund?

A mutual fund is an investment vehicle created to permit money contributed by people with similar investment objectives to be pooled. People who contribute money become unitholders of the mutual fund. Mutual fund unitholders share the mutual fund's income, expenses, and the gains and losses the mutual fund makes on its investments. The value of an investment in a mutual fund is realized by redeeming the units held. Where a mutual fund has more than one series of securities, each series shares in the mutual fund's income, expenses and any gains and losses allocated to the series generally in proportion to the value of each series as of the date of calculation.

A mutual fund may own different types of investments, such as, stocks, debt instruments, cash, and derivatives - all depending upon its investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news, with these and other factors affecting mutual funds with varying degrees of impact. For example, mutual funds that invest in equity securities will be directly affected by changes in the equity markets generally while a mutual fund investing solely in debt instruments would not be as directly affected. The value of a mutual fund may go up and down, and the value of your investment may be more or less when you redeem it than when you purchased it.

The specific investment objectives and strategies of the Fund are separately described in Part B of this prospectus under the heading "*What Does the Fund Invest in?*".

We do not guarantee that the full amount of your original investment in the Fund will be returned to you. Unlike bank accounts or GICs, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Responsible Investing

The Manager defines responsible investing ("RI") as an investment approach that incorporates environmental, social and governance ("ESG") analysis of company performance into the investment decision-making process with the goal of generating sustainable value for investors, for other company stakeholders, and for society. The Manager executes this approach through an RI program for the Fund that encompasses the following activities: exclusionary screening, ESG evaluation, ESG integration, , active ownership, headline risk assessment, and public policy work and research, each defined further below.

- **Exclusionary screening**: The Fund will seek to exclude companies with any direct revenue in the production or distribution of controversial weapons, which include cluster munitions, anti-personnel landmines, biological and chemical weapons and nuclear weapons. The Fund will also seek to exclude companies with any direct revenue in the manufacturing of automatic or semi-automatic weapons intended for civilian use and companies involved in the production of tobacco.

  The Fund will exclude companies that derive a material portion of their revenue (as defined by the Manager) from any of the following industries designated by the Manager: Distribution of tobacco and/ or tobacco-related products, nuclear power, gambling and distribution of automatic or semi-automatic weapons intended for civilian use. Exceptions with respect to the application of the nuclear power screen are explained in NEI's Responsible Investment Policy.

Exclusionary screening does not apply to third-party funds or derivatives, as the Manager does not have full discretion in managing those securities.

- **ESG evaluations:** The Manager and/or the portfolio manager(s) of the Fund consider company efforts on ESG issues by conducting proprietary ESG evaluations of companies to determine permissible holdings for inclusion in the Fund, and to ensure those companies are taking meaningful steps to manage the ESG risks they face.
- **ESG integration:** For the Fund, ESG factors such as those described below and in Table 1 are identified and assessed along with traditional financial analysis to inform investment decisions.
  - Environmental: Environmental factors may affect the operations and value of an investment, especially in industries that are dependent on the presence or use of natural resources. Companies should have an understanding of environmental risks and an appropriate business strategy to address such risks. Climate change is an environmental factor that may have a significant near-term or long-term financial impact, presenting either a risk or opportunity, driven by physical and transition climate factors.
  - Social: When a company manages relationships, various stakeholders should be considered, including employees, communities, customers, suppliers and clients, to avoid reputational and operational risks to the business. Companies should actively uphold basic human rights, including health and safety of their workforce, and they should proactively work to prevent forced labour, child labour, or any other human rights abuses from occurring in their supply chains.
  - Governance: The effectiveness of governance structures may impact the long-term financial performance of a company. A competent and diverse independent board of directors, robust risk management, appropriately designed executive compensation practices and strong corporate governance should support the long-term growth of a company.

Where applicable, ESG factors are aligned with global frameworks and best practices. For example, climate change factors are generally aligned with the four pillars of the Task Force on Climate-related Financial Disclosures: governance, strategy, risk management, and metrics and targets. Human rights expectations are informed by the UN Guiding Principles on Business and Human Rights, which covers factors such as human rights policies, stakeholder engagement and due diligence. Governance factors are generally aligned with governance best practice guidance such as the Canadian Coalition for Good Governance's Building High-Performance Boards and the International Corporate Governance Network's Global Governance Principles.

Table 1 below lists some of the ESG factors considered. Factors are identified and evaluated based on a material risk assessment specific to a company's sector exposure and considered at a company-specific level. The assessment of the ESG factor may take a quantitative or qualitative approach. The weighting of the ESG factor will vary between sectors based on the assessed materiality of the factor for that sector. For example, performance against the climate change factor (and associated metrics) could have a higher weighting for an energy sector company than for a technology sector company.

Table 1: Examples of ESG Factors

Environmental	**Social**	**Governance**
Biodiversity	Data Privacy	Board Structure
Climate Change	Digital Rights	Bribery and Corruption
Waste Management	Diversity and Inclusion	Cybersecurity
Water Management	Financial Inclusion	Executive Compensation

Environmental	Social	Governance
	Health and Safety	Shareholder Rights
	Human Rights	
	Indigenous Inclusion and Reconciliation	
	Labour Standards	
	Pay Equity	

The following RI activities are generally applicable to the Fund:

- **Active ownership:** The Manager uses its rights and position of equity ownership to influence corporate strategy related to material ESG issues with the goal of guiding companies held in the Fund toward sustainable value creation for all stakeholders. Three key activities make up the Manager's active ownership program: ESG-focused proxy voting, corporate dialogue, and shareholder resolutions.
  - ESG-focused proxy voting**:** The Manager takes seriously its responsibility as an investor to vote at annual general meetings and special meetings of companies held in the Fund. The Manager has staff responsible for overseeing the execution of its proxy voting and decisions are guided by the Manager's proprietary Proxy Voting Guidelines for North American markets. The Manager also utilizes its proxy advisor's ESG guidelines in international markets in order to reflect local best practices. Proxy voting is applicable to equity holdings of the Fund.
  - Corporate dialogue**:** The Manager may also use the special rights that come with shareholder status to engage in dialogue with companies to alert those companies to ESG risks, propose solutions to ESG challenges they face and encourage them to improve their ESG performance. When corporate dialogue is not advancing a specific issue facing a company, the Manager may seek the views of other shareholders by filing a shareholder proposal to be included in the management proxy circular and submitted to a vote at the company's annual general meeting. The Manager's voting decisions are aimed to promote good corporate governance practices and to support proposals that, in the Manager's view, are likely to contribute to building long-term sustainable value for all stakeholders and provide higher risk-adjusted returns for shareholders.
  - Shareholder resolutions**:** When corporate dialogue and proxy voting are not enough to alter the course of management on serious issues, the Manager may file a shareholder resolution, often in collaboration with other investors. A shareholder resolution, also called a shareholder proposal, is a non-binding resolution filed for a vote at a company's annual general meeting that encourages management to take a specific action.

The Manager tracks the progress of its corporate dialogues, proxy voting, and shareholder resolutions and provides a mix of summary and detailed information about those activities on a quarterly basis. In select cases, the Manager provides a narrative description of its conversation with companies. At the end of the calendar year, the Manager assesses the success of its dialogues against two key metrics: topic responsiveness and topic outcome. The Manager discloses the cumulative results of this assessment in its annual reporting.

- **Headline risk assessment:** The Manager monitors the Fund's holdings on an ongoing basis to identify any new controversies and emergent ESG risks. These risks are identified through monitoring media coverage and the use of third-party monitoring services. If material risks are uncovered through headline risk assessment, the Manager determines whether the risk can be mitigated through its active ownership program or whether the risk warrants divestment.

- **Public policy work:** Public policies and standards affect the rules by which all companies must operate. The Manager may undertake activities in this area such as participating in consultations and submitting response letters to promote change on a broader scale, beyond individual companies, to remove barriers to sustainability disclosure and improve corporate performance on an industry-wide basis.
- **Research:** The Manager conducts research into a range of RI issues to support and enhance company evaluations, active ownership practices and public policy work. This research may be shared publicly among companies, investors and other stakeholders and to help build collaborative efforts in the advancement of responsible investing**.**

For further information, see NEI's Responsible Investment Policy, annual Focus List of company engagements, quarterly Active Ownership Reports, and Proxy Voting Guidelines and results, all of which are available on the NEI website.

The Manager is a signatory to the Net Zero Asset Managers (NZAM) initiative, which supports the goal of net-zero greenhouse gas emissions by 2050 or sooner. Investors can read more about the Manager's NZAM commitment at https://www.netzeroassetmanagers.org/signatories/nei-investments/.

What Are the Risks of Investing in an Alternative Mutual Fund?

Everyone has a different tolerance for risk. Some individuals are significantly more conservative than others when making their investment decisions. It is important to take into account your own comfort with risk as well as the amount of risk suitable for your financial goals. In addition, you should carefully discuss your particular investment needs and goals with your financial advisor in order to determine the optimal risk levels for your investments generally and how these and other mutual funds would be consistent with such levels.

The risks associated with investing in a mutual fund are the risks associated with the securities in which the mutual fund invests. These risks are described further below. **To the extent that the Fund invests in underlying funds, it has the same risks as the underlying funds. Accordingly, any reference to the Fund in this section is intended to also refer to any underlying funds that the Fund may invest in.** The specific risks applicable to the Fund are separately described in Part B of this prospectus for the Fund under the heading "What Are the Risks of Investing in the Fund?".

Alternative Mutual Fund Risk

An alternative mutual fund is a type of mutual fund that, while generally subject to the requirements of NI 81-102, can invest in certain asset classes or use investment strategies that a conventional mutual fund is not permitted to invest in or use. Depending upon its investment objectives, an alternative mutual fund may invest to a greater extent in commodities, increase its use of derivatives for hedging and non-hedging purposes without the need to hold cover as would ordinarily be required, increase the amount of securities that it sells short and/or borrow cash. Through these investment strategies, an alternative mutual fund may make extensive use of leverage for investment purposes. This leverage can be achieved through cash borrowing, margin purchases, short selling of securities and/or derivative instruments. Any use of leverage has the potential to amplify gains and losses. For more information on how the Fund's use of leverage could affect your risk of losing money on your investment in the Fund, please refer to the heading "Leverage Risk" below.

Concentration Risk

If the holdings of an "alternative mutual fund" in one issuer exceed 20% of the Fund's assets, it is possible that the Fund may experience reduced liquidity and diversification. Additionally, if the Fund holds significant investments in a few companies, changes in the value of the securities of those companies may increase the volatility of the NAV of the Fund.

The Manager, on behalf of the Fund, has received exemptive relief as described in the "*Exemptions and Approvals*" and "*Investment Strategies*" sections of this prospectus. Subject to the terms of the exemptive relief, the Fund is permitted to engage in short sales of IPUs of IPU Issuers resulting in the aggregate market value of the securities of that issuer sold short by the Fund exceeding 10% (and up to 100%) of the Fund's NAV at the time of the sale, which is in excess of the short sale per issuer limit provided for both conventional mutual funds and alternative mutual funds in NI 81-102.

Currency Risk

The value of securities denominated in a currency other than Canadian dollars will be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated.

Cybersecurity Risk

With the increased use of technologies such as the Internet to conduct business, the Manager and the Fund has become potentially more susceptible to operational and information security risks through breaches in cybersecurity. In general, a breach in cybersecurity can result from either a deliberate attack or an unintentional event and may arise from external or internal sources. Cybersecurity breaches may involve, among other things, infection by computer viruses or other malicious software code or unauthorized access to the Manager's or the Fund's digital information systems, networks or devices through "hacking" or other means, in each case for the purpose of misappropriating assets or sensitive information (including, for example, personal unitholder information), corrupting data or causing operational disruption or failures in the physical infrastructure or operating systems that support the Manager or the Fund. Cybersecurity risks also include the risk of losses of service resulting from external attacks that do not require unauthorized access to the Manager's or the Fund's systems, networks or devices. Any such cybersecurity breaches or losses of service may cause the Manager or the Fund to lose proprietary information, suffer data corruption or lose operational capacity, which, in turn, could cause the Manager or the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. While the Fund and the Manager have established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks and have obtained insurance coverage for protecting against cybersecurity risks, there are inherent limitations in such plans and systems due in part to the ever-changing nature of technology and cybersecurity attack tactics, and there is a possibility that certain risks have not been adequately identified or prepared for. The Fund or its unitholders could be negatively impacted as a result.

In addition, cybersecurity failures by or breaches of the Manager's or the Fund's third-party service providers (including, but not limited to, the Portfolio Sub-Advisor, transfer agent, custodian, administrators and other financial intermediaries) may disrupt the business operations of the service providers and of the Manager or the Fund. These disruptions may result in financial losses, the inability of Fund unitholders to transact business with the Fund and inability of the Fund to process transactions, the inability of the Fund to calculate its NAV, violations of applicable privacy and other laws, rules and regulations, regulatory fines, penalties, reputational damage, reimbursement or other compensatory costs and/or additional compliance costs associated with implementation of any corrective measures. The Fund and its unitholders could be negatively impacted as a result of any such cybersecurity breaches, and there can be no assurance that the Fund will not suffer losses relating to cybersecurity attacks or other informational security breaches affecting the Manager's or the Fund's third-party service providers in the future, particularly as the Manager and the Fund cannot control any cybersecurity plans or systems implemented by such service providers.

Cybersecurity risks may also impact issuers of securities in which the Fund invests, which may cause the Fund's investments in such issuers to lose value.

Derivative Risk

Securities legislation sets limits on the amount and types of derivative instruments that mutual funds can hold. Generally, it depends on whether the derivative is being used for hedging purposes (to seek to mitigate market or portfolio risk) or for non-hedging purposes (to seek to enhance returns). Either way, derivatives involve risk as mentioned below. Examples of derivatives that may be used include but are not limited to options, futures, swaps or forward contracts as follows:

- **Options:** An option gives the holder the right, but not the obligation, to buy an asset from, or sell an asset to, another party for a set price, during a set period of time. A call option gives the holder the right to buy; a put option gives the holder the right to sell. Fluctuations in the value of the underlying asset during the life of the option impact the value of the option. The other party to the contract generally receives a cash payment (a premium) for agreeing to provide the option.
- **Forward contracts:** In a forward contract, an investor enters into an agreement to buy or sell an asset, such as a security or currency, at an agreed price on a future date.
- **Futures contracts:** Futures contracts generally function in a similar manner as forward contracts, except that futures are traded on an exchange.
- **Swaps:** A swap is a commitment to exchange one set of payments for another set of payments. The payments the two parties make are based on an agreed underlying amount.

Non-Hedging Strategies - Although derivatives used for non-hedging purposes may offer the potential for increased returns, such as benefiting from lower transaction costs than would otherwise arise through direct investments, they also expose the Fund to risk. In addition to the risks described below, there is the risk that the underlying security or investment on which the derivative is based, and the derivative itself, may not perform the way it is expected to perform. If this happens, the Fund may lose money on its investments.

Hedging Strategies - A hedging strategy may be used by a mutual fund in an effort to reduce the overall risk of the Fund's portfolio or one or more positions within the Fund's portfolio such as currencies, foreign markets, or specific securities. However, there can be no assurance that the Fund's hedging transactions will be effective. There may be an imperfect historical correlation between changes in the market value or attribute of the investment being hedged and the instrument with which the investment or attribute is hedged, and any historical correlation may not continue for the period during which the hedge is in place. It also precludes the opportunity for gain if the value of the hedged investment should rise. Moreover, hedging may also be costly or difficult to implement.

Whether derivatives are used as part of either hedging or non-hedging strategies, there can be no assurance that a liquid exchange or Over the Counter ("OTC") market will exist to permit a mutual fund to realize its profits or limit its losses by closing out positions. The Fund is subject to the credit risk that its counterparty (whether a clearing corporation in the case of exchange traded instruments or other third-party in the case of OTC traded instruments) may be unable to meet its obligations. In addition, there is the risk of loss by the Fund of margin deposits in the event of bankruptcy of a dealer with whom the Fund has an open derivative position. Derivative instruments traded in foreign markets may offer less liquidity and greater credit risk than comparable instruments traded in North American markets. The ability of the Fund to close out its positions may also be affected by exchange-imposed daily trading limits on exchange-traded derivatives.

ESG Investment Strategies or Objectives Risk

The Fund has fundamental investment objectives based on certain ESG criteria. The Fund also employs ESG analysis as a component of its investment strategies. ESG criteria, like any other metric through which investments in securities may be measured, are subject to uncertainty, limitations, and discretion. ESG methodologies and strategies may limit the types and number of investment opportunities available to the Fund and, as a result, the Fund may deviate from a benchmark or the performance of comparable funds that do not have an ESG focus.

Further, if the Fund utilizes an Index to achieve an ESG-based investment objective or strategy it will generally not be able to eliminate the possibility of an Index having exposure to companies that exhibit negative ESG characteristics and/or companies that are involved in severe controversies or materially involved in specified business activities that some may consider to be inconsistent with a restrictive ESG-oriented investment approach. Subject to applicable securities law, the methodology of the Indices may also change from time to time for any reason, including as a result of changes to ESG principles generally.

Notable also is that the criteria for Responsible Investing set out on pages 38 to 41 of this prospectus and in the Manager's Responsible Investment Policy articulate our highest expectations for corporate behaviour. However, these expectations may not always be met. When the Manager becomes aware that the Portfolio Manager or the Portfolio Sub-Advisor has invested in a company that may be engaged in an activity which is inconsistent with the Manager's responsible investment objectives, or may fail to enact policies/processes that are in accordance with the Manager's assessment of ESG risks, it may continue to hold such investment and first seek to use its influence, through shareholder activism and management dialogue, to change that activity even if it, the Portfolio Manager or the Portfolio Sub-Advisor, may determine to divest in such investment.

Emerging Markets Risk

In emerging market countries, securities markets may be smaller than in more developed countries, making it more difficult to sell securities in order to take profits or avoid losses. Companies in these markets may have limited product lines, markets or resources, making it difficult to measure the value of the company. Political instability and possible corruption, as well as lower standards of regulation for business practices increase the possibility of fraud and other legal problems. Emerging markets investments may increase the Fund's volatility.

Equity Investment Risk

Equities, such as common shares, or equity-related securities, such as warrants, represent part ownership of the companies that issue them. The value of these investments are influenced by company developments, stock market conditions where the shares are traded, and general economic, financial, and political conditions in regions where the companies are located. Companies may also distribute its profits as dividends or retain them to fund operations or future growth, which impact the value of these investments. Equity markets tend to change in value more frequently than fixed income markets, which in turn would impact the value of your investments.

Exchange Traded Funds Risk

The Fund may invest in exchange traded funds ("ETFs") that seek to provide returns similar to a particular benchmark, such as a stock market index. These ETFs may not achieve the same return as their benchmark due to differences in the actual weighting of securities held in the ETF versus the weightings in the actual benchmark, and due to the operating and administrative expenses of the ETF.

ETFs that are traded on an exchange are subject to the following risks, which can be increased in periods of market volatility: (i) an ETF's securities may trade on the exchange at a premium or discount to the NAV of such securities; (ii) an active trading market for an ETF may not be maintained; and (iii) there is no assurance that the ETF will continue to meet the listing requirements of the exchange.

Foreign Security Risk

The value of foreign securities will be affected by factors affecting other similar securities and could also be affected by additional factors such as the absence of timely information, less stringent auditing standards and less liquid markets. As well, different financial, political and social factors may involve risk not typically associated with investing in Canada.

Fund of Fund Risk

The Fund may invest in securities of underlying funds, including mutual funds managed by the Manager and other mutual funds and ETFs. The proportions and types of underlying funds held by the Fund will vary according to the risk and investment objective of the Fund. Pursuant to the requirements of applicable securities legislation, the Fund will not vote any of the securities it holds in an underlying fund managed by us or any of our affiliates and associates. However, we may in our sole discretion, arrange for you to vote your share of those securities of the underlying fund. To the extent that the Fund invests in underlying funds, it has the same risks as the underlying funds.

Implied Volatility Risk

Implied volatility is a forward-looking estimated volatility for the underlying asset class in the future, but does not estimate the direction in which the asset class is moving. It is determined by current options prices of the underlying asset, rather than historical price fluctuations. Generally, implied volatility may increase or decrease based on market events and future expectations of the underlying asset, which may impact the value of the Fund.

Investment Trust Risk

A mutual fund may invest in real estate, royalty, income and other investment trusts which are investment vehicles in the form of trusts rather than corporations. To the extent that claims, whether in contract, in tort, or as a result of tax or statutory liability, against an investment trust are not satisfied by the trust, investors in the investment trust, including the Fund that may have invested in such investment trust, could be held liable for such obligations. Investment trusts generally seek to make this risk remote in the case of contracts by including provisions in their agreements that the obligations of the investment trust will not be binding on investors personally. However, investment trusts could still have exposure to damage claims such as personal injury and environmental claims.

Certain jurisdictions have enacted legislation to protect investors in investment trusts from the possibility of such liability. Investors in most Canadian investment trusts have been placed on the same footing as shareholders of Canadian corporations which receive the protection of statutorily mandated limited liability in several provincial jurisdictions. However, the extent to which the Fund remains at risk for the obligations of investment trusts ultimately depends on the local laws of the jurisdictions where the Fund invests in investment trusts.

Large Transaction Risk

Where a significant portion of the units of the Fund are held by a unitholder, including another mutual fund, there is the risk that such unitholder may purchase or redeem a substantial number of units in a short period of time which may make the execution of the Fund's investment strategy difficult and thereby negatively affect its investment performance. The Fund may need to purchase or sell significant investments for or from its portfolio at prices less advantageous than might be obtained in respect of purchases or sales of lesser amounts of portfolio investments, which could negatively affect the Fund.

Legislation Risk

Securities, tax, or other regulators may make changes to legislation, rules, and administrative practice. Those changes may have an adverse impact on the value of the Fund.

Leverage Risk

As an "alternative mutual fund", the 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 the 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 the 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, the Fund's aggregate gross exposure, calculated as the sum of the following, must not exceed three times the 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 Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes. If the Fund's aggregate gross exposure exceeds three times the Fund's NAV, the Fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to three times the Fund's NAV or less.

The Manager, on behalf of the Fund, has received exemptive relief as described in the "*Exemptions and Approvals*" and "*Investment Strategies*" sections of this prospectus. Subject to the terms of the exemptive relief, the Fund is permitted 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 provided for both conventional mutual funds and alternative mutual funds in NI 81-102.

Liquidity Risk

Liquidity risk is the possibility that the Fund will not be able to convert its investments to cash of an amount that at least approximates the amount at which the investments are valued in calculating the Fund's NAV, when it needs to. The value of securities which are not regularly traded (less liquid) will generally be subject to greater fluctuations and potential delays in sale or settlement. As well, in volatile markets, securities that are generally liquid may suddenly become illiquid.

Multiple Series Risk

Each series of units of the Fund will be charged, as a separate series, any expenses and administrative fees which are specifically attributable to that series. However, those expenses do continue to be a liability of the Fund as a whole and therefore, if there are insufficient assets of a series to pay those expenses, the remaining assets of the Fund would be used to pay those excess expenses. In such circumstances, the unit price of the other series would decline.

Performance Fee Risk

To the extent described in this prospectus on page 27, the Sub-Advisor of the Fund receives a performance fee. The performance fee theoretically may create an incentive for the Sub-Advisor to make investments that are riskier than would be the case if such fee did not exist. In addition, because the performance fee is calculated on a basis that includes unrealized appreciation of the Fund's assets, it may be greater than if such compensation were based solely on realized gains. Since the performance fee is earned on a daily basis, there could be reporting periods where the Fund experiences negative performance, but still pays a performance fee. Additional information about performance fees can be found in the "*Fees and Expenses*" section of this prospectus.

Portfolio Turnover and Rebalancing Risk

As an "alternative mutual fund", the Fund may trade on a relatively frequent basis to adjust the weighting of portfolio securities, which in turn may result in a higher portfolio turnover rate. As the Fund may use leverage, this could lead to an elevated turnover rate. There is no limit on the portfolio turnover rate, and securities transactions may occur without regard to the amount of time held in the Fund, at the Sub-Advisor's discretion. The Fund may incur additional transaction costs due to high turnover and an increased possibility for the unitholder receiving distributions of income or capital gains.

The Fund may also be exposed to rebalancing risk when the securities in the Fund are targeted to be kept at a certain weight, but market price fluctuations cause movement away from the desired weighting. This triggers certain securities to be bought or sold in order to maintain the target weight, and could potentially have negative impacts on the Fund's performance over time.

Prime Broker Risk

As the 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.

Repurchase and Reverse Repurchase Risk

The Fund may enter into repurchase and reverse repurchase transactions. In a repurchase transaction, the Fund sells its securities for cash through an authorized agent while at the same time it assumes an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the Fund buys securities for cash while at the same time it agrees to resell the same securities for cash (usually at a higher price) at a later date. We have set out below some of the risks associated with these transaction types.

The counterparty may default under the agreement or go bankrupt and the Fund would be forced to make a claim to recover its investment.

The Fund could incur a loss if the value of the securities sold (in a repurchase transaction) increases in value relative to the value of the collateral held by the Fund.

The Fund could incur a loss if the value of the securities it has purchased (in a reverse repurchase transaction) decreases below the value of cash paid by the Fund to the counterparty.

Securities Lending Risk

The Fund may enter into securities lending transactions to seek to generate additional income from securities held in the Fund's portfolio. If the other party to the transaction becomes insolvent or otherwise cannot fulfill its agreement, the Fund may suffer losses. Additionally, the process of lending and recalling securities in the Fund's portfolio could be disruptive to the ability of the Manager to successfully vote such securities. For additional information about securities lending, see pages 9 and 13.

Security Selection Risk

Security selection is the process of determining which individual securities are included in the Fund's investment portfolio. The proportion of the Fund's assets invested in each security contribute to the Fund's performance, and may result in performance differentials relative to its benchmark or other funds with similar objectives.

Short Selling Risk

Because a "short sale" involves the Fund borrowing securities from a lender and selling those securities in the open market, the 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 the 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 the 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 the Fund's freedom of action in connection with short sales. In addition, the Fund may have difficulties repurchasing and returning the borrowed securities if a liquid market does not exist. The Fund may also be indirectly exposed to short selling risk if it invests in an underlying fund that practices short selling.

As an "alternative mutual fund", the Fund is subject to different short selling restrictions than those applicable to conventional mutual funds in securities legislation. In addition, the Manager, on behalf of the Fund, has received exemptive relief as described in the "*Exemptions and Approvals*" and "*Investment Strategies*" sections of this prospectus. Subject to the terms of the exemptive relief, the 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 the Fund's NAV, which is in excess of the short sale limits provided for both conventional mutual funds and alternative mutual funds in NI 81-102.

Smaller Company Risk

Investments in smaller, less established companies may involve greater risks than investments in larger, more established companies. Smaller companies may have more limited markets and financial resources and their securities may be more sensitive to market changes.

Specific Issuer Risk

The value of all securities will vary positively and negatively with developments within the specific companies or governments which issue the securities.

Stock Market Risk

The value of most securities, in particular equity securities, changes with stock market conditions. These conditions are affected by general economic and market conditions. In particular, during an inflationary market environment, an investor's return or purchasing power may be eroded by unanticipated increases in the prices of goods and services.

Tax Risk

The Fund is expected to qualify as a "mutual fund trust" under the Tax Act at all relevant times. If at any time the Fund is not a "mutual fund trust" the income tax considerations described under the heading "*Income Tax Considerations*" could be materially different. For example, if the Fund is not a "mutual fund trust" in a particular taxation year it may be liable to pay alternative minimum tax and/or tax under Part XII.2 of the Tax Act, it would not be entitled to a capital gains refund and its units may not be qualified investment for registered plans.

If the Fund experiences a "loss restriction event" (i) the Fund will be deemed to have a year-end for tax purposes, and (ii) the Fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, the Fund will be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of the Fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the Fund. Generally, a person is deemed not to become a majority-interest beneficiary, and a group of persons is deemed not to become a majority-interest group of beneficiaries, of the Fund if the Fund meets certain investment requirements and qualifies as an "investment fund" under the rules in the Tax Act.

Volatility Risk for Securities Markets

The performance of the Fund may depend to a great extent on the future course of price movements of securities and other investments. The securities markets have in recent years been characterized by great volatility and unpredictability. Fund performance may be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments and national and international political and economic events and policies. In addition, unexpected and unpredictable events such as war, a widespread health crisis or global pandemic, terrorism and related geopolitical risks may lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. For example, a global pandemic may cause volatility in the global financial markets, resulting in significant disruptions to global business activity and threatening one or more slowdowns in the global economy. The impact of a global pandemic may last for an extended period and could adversely affect the Fund. The effects of similar unexpected disruptive events could affect the economies and securities markets of countries in way that cannot necessarily be foreseen at the present. Such impacts and events could have an acute effect on individual issuers, certain investment strategies such as focussing on sustainability, geography or other like factors, or markets a whole. The Fund is exposed to some, and at times, a substantial degree of market risk.

Investment Restrictions

Subject always to compliance with its fundamental investment objective, the Fund is subject to, and managed in accordance with, securities legislation, including the standard investment restrictions and practices set out in NI 81-102 (being the rules established by the Canadian Securities Administrators to generally govern investment funds whose securities are offered by prospectus in Canada), which are designed in part to ensure that the Fund's investments are diversified and relatively liquid and to ensure the proper administration of the Fund. The Fund is managed in accordance with these restrictions and requirements subject to any exemptive relief therefrom. The Manager has received exemptive relief. See "*Exemptions and Approvals*" for further information.

The Fund is also subject to NI 81-107. The Manager received standing instructions from the IRC in relation to specific activities associated with investing in securities of related issuers (Investing in related issuer securities and Related party underwriting) and engaging in inter-fund trades. To ensure alignment with the regulation, the Manager follows conditions provided by the IRC in the standing instructions before engaging in any of the activities mentioned above. If conditions outlined in the standing instructions can't be met, the Manager must receive approval from the IRC first.

Description of Securities Offered by an Alternative Mutual Fund

Dividend & Distribution Rights

Each series unit entitles the holder thereof to participate equally in the distributions of the Fund made to that series. A series of units of the Fund will be entitled to a distribution equal to that series pro-rata share of Net Income, Net Capital Gains or returns of capital, adjusted to series specific expenses. A series of the Fund may pay distributions of net income, net capital gains, or return of capital at the discretion of the Manager. All distributions paid by a series of the Fund will be automatically reinvested in additional units of the same series of the Fund. You may, by written request, elect to receive cash payment. Units acquired through reinvestment of distributions are not subject to any sales charges. The frequency of distributions of the Fund or series of units of the Fund is indicated in the Fund Facts document.

The Manager reserves the right to make additional distributions in any year if determined to be appropriate. In each case, distributions will be reinvested by purchasing additional units of the same series of the Fund unless you ask us at least 5 business days in advance to be paid in cash rather than receive units of the Fund.

The distribution policy is reviewed not less than once annually and may be changed at any time, depending upon market conditions.

Voting Rights

Each unitholder has the right to exercise one vote at unitholder meetings for each unit held of the Fund. If a series of the Fund is affected separately, the series is entitled to vote separately.

Matters Requiring Unitholder Approval

In accordance with securities legislation and the Declaration of Trust, the following material changes require unitholder approval by no less than a majority of votes of the Fund or particular series of the Fund:

- A change to the basis of calculation of fees or expenses that are charged to the Fund, a series of the Fund or directly to unitholders by the Fund or the Manager in connection with the holding of units that could result in an increase in charges to the Fund, the series of the Fund or the unitholders of the Fund or the introduction of such a fee or expense. Unitholder approval is not required if (i) (A) the Fund is at an arm's length with the person or company charging the fee or expense to the Fund and (B) the Fund's investors receive written notice of the change at least 60 days before its effective date; or (ii) (A) the change is in respect of a 'no load' series of the Fund; and (B) the Fund's investors receive written notice of the change at least 60 days before its effective date.

- A change of the manager of the Fund other than an affiliate of the Manager.
- A change in the fundamental investment objectives of the Fund.
- A decrease in the frequency of calculating the NAV of a series of the Fund.
- A reorganization of the Fund or the transfer of the Fund's assets to another issuer which results in the Fund ceasing to continue after the reorganization or transfer and the transaction results in unitholders of the Fund becoming securityholders of the other issuer. Notwithstanding the foregoing, no unitholder approval will be required for such a change if that change is approved by the IRC of the Fund, the assets of the Fund are being transferred to another mutual fund to which NI 81-102 and NI 81-107 both apply and that is managed by the Manager or an affiliate of the Manager, the reorganization or transfer of assets complies with other relevant securities legislation, and written notice of the reorganization or transfer is sent to the Fund's unitholders at least 60 days' prior to the effective date of the reorganization or transfer.
- A reorganization of the Fund or the acquisition of assets from, another issuer, which results in the Fund continuing after such reorganization or acquisition, and the transaction results in the unitholders of the other issuer becoming unitholders of the Fund and the transaction would be a material change to the Fund.
- A restructuring into a non-redeemable investment fund or an issuer that is not an investment fund (of which the Fund will not bear any costs or expenses).
- A change to the auditor of the Fund unless the IRC of the Fund approves the change and unitholders of the Fund are sent a written notice at least 60 days before the effective date of the change.

Changes to the Declaration of Trust

Certain amendments to the Declaration of Trust governing the Fund may not be made without the approval of a majority of votes cast at a meeting of unitholders duly called for that purpose. Such amendments include any change to the rights, privileges or restrictions attaching to units of the Fund which would have the potential to adversely impact the financial interests or rights of unitholders or any other change for which approval of unitholders is required by securities legislation or pursuant to the Declaration of Trust. Notwithstanding the prior two sentences, under the Declaration of Trust, the Trustee is entitled to amend the Declaration of Trust where: (i) the securities legislation requires that written notice be given to unitholders before the change takes effect (e.g. see above under "*Matters Requiring Unitholder Approval*"); (ii) the Trustee reasonably believes that the proposed amendment has the potential to adversely impact the financial interests or rights of the unitholders, so that it is equitable to give unitholders advance notice of the proposed change; and (iii) the change would not be prohibited by the securities legislation. All other amendments to the Declaration of Trust may be made by the Trustee without unitholder approval or prior notice to any unitholder.

In particular, the Trustee may amend the Declaration of Trust without the approval of or prior notice to any unitholders of the Fund, if the Trustee reasonably believes that the proposed amendment does not have the potential to adversely impact the financial interests or rights of unitholders, including:

- to ensure compliance with applicable laws, regulations or policies of any governmental authority having jurisdiction over the Fund or the distribution of its units;

- to remove any conflicts or other inconsistencies which may exist between any of the terms of the Declaration of Trust and any provisions of any applicable laws, regulations or policies affecting the Fund, the Trustee or its agents;
- to make any change or correction in the Declaration of Trust which is a typographical correction or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission or error contained therein;
- to facilitate the administration of the Fund as a mutual fund trust or make amendments or adjustments in response to any existing or proposed amendments to the Tax Act or its administration which might otherwise adversely affect the tax status of the Fund or its unitholders;
- for the purposes of protecting the unitholders of the Fund;
- to amend the provisions of the Declaration of Trust, if the Trustee is of the opinion that the amendment is not prejudicial to unitholders and is necessary or desirable; and
- to divide the beneficial interest in the Fund into one or more series of units and to establish and designate rights, restrictions, conditions or limitations for a series of units which the trustee may determine to establish or to reorganize or restructure the Fund, provided that in each case the rights of any existing unitholders at such time are not changed in a manner which is adverse to the interests of such unitholder; and

Liquidation Rights

In the event that the Fund or a particular series of units of the Fund is terminated, each unit owned will be entitled to a proportionate share in the net assets of the Fund or series of units of the Fund. The net assets of the Fund or series of units of the Fund upon termination are determined as the attributable assets after all of the fund liabilities have been paid or provided for.

Conversion & Redemption Rights

Units of the Fund may be exchanged for other series of units of that the Fund, or another NEI Fund listed in a current prospectus, as described under the "*Purchases, Switches, and Redemptions*" section in Part A of this prospectus.

Units of the Fund may be redeemed as described under the "*Purchases, Switches, and Redemptions*" section in Part A of this prospectus.

Name, Formation, and History of the Fund

The Fund will be formed under the laws of Ontario and governed by the Declaration of Trust. The Declaration of Trust will permit the Fund to issue one class of units, within which there are more than one series of units (the purpose of any multiple series of units being to provide various management fee structures, distribution payments, dealer compensation packages, or investment options to investors).

Units are offered for sale to the public only in those jurisdictions where they may be lawfully offered on a continuous basis and may only be offered by those persons registered with the appropriate securities authorities in the jurisdictions and which have been approved by the Manager.

The head office of the Fund is located at 151 Yonge Street, 12th Floor, Toronto, Ontario M5C 2W7.

Northwest & Ethical Investments L.P. is the manager of the Fund and is the trustee of the Fund. The Manager is the portfolio manager for the Fund and the Portfolio Sub-Advisor is as indicated in the section below.

Fund and Date of Formation	Major Events in Last 10 Years	Name Change
NEI Long Short Equity Fund **January 11, 2024**	**January 11, 2024**, Series A, C, F, I and O units of the Fund will be created under the Declaration of Trust.	None

Investment Risk Classification Methodology

As required by securities legislation we determine the investment risk level of the Fund in accordance with a standardized risk classification methodology that is based on the Fund's historical volatility as measured by the 10-year standard deviation of the returns of the Fund. The Manager identifies the investment risk level of the Fund by using the standard methodology in Appendix F Investment Risk Classification Methodology of NI 81-102. This methodology is based on the historical volatility risk of the Fund using its standard deviation of returns. Standard deviation is a common statistic used to measure the volatility and risk of an investment. For a newly established fund such as the Fund, the Manager will use a reference index that is reasonably expected to approximate the standard deviation of the Fund (or in certain cases a highly similar mutual fund managed by the Manager) as a proxy. Once return data is available, the Fund's risk is measured using its standard deviation for the most recent ten years, calculated monthly and annualized from the inception of the Fund with the categories set out below, assuming the reinvestment of all income and capital gains distributions in additional units of the Fund. Funds with higher standard deviations are generally considered to be higher risk investments. Where appropriate in the opinion of the Manager, the Manager may apply qualitative factors to classify the Fund in a higher risk rating than the volatility category indicated by NI 81-102. You should also be aware that other types of risk, both measurable and non-measurable, may exist. The Fund has been assigned a risk rating in one of the following categories:

Low – for funds with a level of risk typically associated with investment in money market and fixed income funds.

Low to Medium – for funds with a level of risk that is typically associated with investment in balanced funds and asset allocation funds.

Medium – for funds with a level of risk that is typically associated with investment in equity funds that are diversified and contain large capitalization equities in developed markets.

Medium to High – for funds with a level of risk that is typically associated with equities concentrated in specific sectors, geographical regions, or smaller capitalization companies.

High – for funds with a level of risk that is typically associated with emerging markets or sectors of the economy where there is substantial risk of loss.

The following chart sets out the reference index used for the Fund which has less than 10 years of performance history:

NEI Fund	Reference Index
NEI Long Short Equity Fund	75% S&P/TSX Composite Total Return Index, 25% FTSE Canada 30 Day T-Bill Index (TR)

The following chart sets out a description of the reference index used for the Fund:

Reference Index	Index Description
S&P/TSX Composite TR Index	The S&P/TSX Composite is the headline index for the Canadian equity market. It consists of the largest companies on the Toronto Stock Exchange (TSX). The Index is comprised of the S&P/TSX 60 Index and the S&P/TSX Completion Index.
FTSE Canada 30 Day T-Bill Index	The FTSE Canada 30 Day T-Bill Index tracks the performance of 1 month Government of Canada Treasury Bills. The index is designed to reflect the performance of a portfolio that only owns a single security, the current on the run 30 day T-Bill, switching into the new T-Bill at each auction.

Just as historical returns may not be indicative of future returns, historical volatility may not be indicative of future volatility as other types of risk exist in global economies.

The Fund is reviewed annually or if there has been a material change to the Fund’s investment objectives or investment strategies. Details about the methodology that we use to determine the investment risk level of the Fund are available on request, at no cost to you, by contacting us at the address or email address shown on the back cover of this prospectus.

NEI Long Short Equity Fund

Fund type:	Alternative Mutual Fund
Start Date:	**Series A units:** January 11, 2024 **Series C units**: January 11, 2024 **Series F units:** January 11, 2024 **Series I units:** January 11, 2024 **Series O units:** January 11, 2024
Securities Offered:	Mutual Fund Units
Eligibility for Registered Plans:	Qualified Investment
Portfolio Manager:	Northwest & Ethical Investments L.P., Toronto, ON
Portfolio Sub-Advisor:	Picton Mahoney Asset Management, Toronto, ON

What Does the Fund Invest in?

Investment Objectives

The investment objective of the Fund is to generate long-term capital appreciation primarily through a portfolio comprised of long and short equity securities. The Fund may also invest in fixed income securities, derivative instruments, securities of investment funds, and cash and cash equivalents.

The Fund may engage in physical short sales and/ or borrowing for investment purposes.

The Fund's aggregate gross exposure shall not exceed the limits on the use of leverage described in the Investment Strategies section of the Fund or as otherwise permitted under applicable securities legislation or any exemptions therefrom.

The Fund follows a responsible approach to investing, as described on pages 38 to 41 of this prospectus.

Securityholder approval (by a majority of votes cast at a meeting of security holders) is required prior to a fundamental change of investment objectives.

Investment Strategies

The Fund will buy quality companies with reasonable valuations that have upside potential due to positive fundamental change in their business. The Fund will invest primarily in long positions. The Fund will short sell securities that are unattractive based on similar metrics or to hedge market exposure of the Fund's long positions. The Fund uses risk control tools as part of a portfolio construction process to minimize risk.

The Fund will invest primarily in Canadian and U.S. securities and will not be limited in the type of equity securities in which it may invest.

The Fund may temporarily hold a portion of its assets in cash or fixed-income securities while seeking investment opportunities or for defensive purposes during times of anticipated market volatility.

The Fund may use derivative instruments, such as options, futures, OTC, forward contracts and/or swaps, for both hedging and non-hedging strategies in a manner which is consistent with the investment objectives of the Fund and as permitted by the Canadian Securities Administrators.

The Fund may invest up to 100% of its property in foreign securities.

The Fund may invest, directly or indirectly through the use of derivatives, a portion or even all of its assets in securities of other funds, including ETFs and funds managed by third parties, the Manager or the Sub-Advisor, selected in accordance with its investment objectives and the restrictions set out by Canadian securities regulations.

The Fund's long and short positions will exclude all companies with any direct revenue from the industries below, for the securities which the Portfolio Manager has full discretion:

- Automatic and/or semi-automatic weapons manufacturing for civilian use
- Controversial weapons: cluster munitions, anti-personnel landmines, biological and chemical weapons, nuclear weapons
- Tobacco production and manufacturing

The Portfolio Manager does not have full discretion over third-party funds and derivatives.

In addition, the Fund's long positions will exclude all companies with sustained revenues over 10% associated with the below industries, for the securities which the Portfolio Manager has full discretion:

- Nuclear power (with exception for certain companies that are transitioning towards renewable energy or non-nuclear low carbon solutions as explained in NEI's Responsible Investment Policy)
- Gambling
- The distribution of automatic or semi-automatic weapons intended for civilian use
- The distribution of tobacco and/or tobacco-related products

The Portfolio Manager does not have full discretion over third-party funds and derivatives. The industries listed above may be amended from time to time while continuing to align with the Fund's responsible investing approach.

The Fund's long positions integrate ESG factors into its security selection and portfolio construction process. These ESG factors are identified and assessed along with traditional financial analysis to inform investment decisions. This includes ESG factors that are relevant to a specific company, its industry and/or its sector as outlined in the responsible approach to investing section on pages 38 to 41 of this prospectus.

Leverage

The Fund is permitted to borrow cash to increase its investment leverage. As an "alternative mutual fund", the Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of a conventional mutual fund (other than an alternative mutual fund) to leverage its assets through borrowing, short sales and/or specified derivatives. On average, over time, the Fund generally expects to utilize leverage of 2.5 to 3 times its net assets, or, as may be permitted by securities regulations.

Under the investment restrictions applicable to alternative mutual funds in NI 81-102, the Fund's aggregate gross exposure, calculated as the sum of the following, must not exceed 300% of the 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 Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes. If the

Fund’s aggregate gross exposure exceeds three times the Fund’s NAV, the Fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to three times the Fund’s NAV or less.

Cash Borrowing and Short Sales

As an “alternative mutual fund”, the Fund is not subject to certain cash borrowing restrictions set out in applicable securities legislation that are applicable to conventional mutual funds. Where the Fund engages in cash borrowing, it will provide a security interest over fund assets with the lender as security in connection with such borrowings.

Where the Fund engages in short selling, it will sell securities short and provide a security interest over fund assets with dealers as security in connection with such transactions. A short sale by the Fund involves borrowing securities from a lender which are then sold in the market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, collateral is deposited with the lender and the Fund pays a borrowing fee to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the lender).

The Manager, on behalf of the Fund, has received exemptive relief which permits the Fund to use strategies generally prohibited for alternative mutual funds under NI 81-102. The Fund’s cash borrowing, short selling and short selling in respect of a single issuer is subject to certain conditions, in addition to those set out in securities regulations, including:

(a) the aggregate market value of all securities sold short by the Fund does not exceed 100% of the Fund's NAV;

(b) the aggregate value of all cash borrowing by the Fund does not exceed 100% of the Fund’s NAV;

(c) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund’s NAV; and

(d) the Fund’s aggregate exposure to short selling, cash borrowing and specified derivatives does not exceed 300% of the Fund’s NAV;

(e) the aggregate market value of the securities of the issuer of the securities sold short by the Fund (other than government securities as defined in NI 81-102) must not exceed 10% of the Fund’s NAV, except with respect to IPUs of IPU Issuers (see paragraph (f), below); and

(f) the Fund may sell an IPU of one or more IPU Issuers short in an aggregate amount up to 100% of the Fund’s NAV at the time of the sale, provided that, immediately after the transaction: (i) the aggregate market value of all securities sold short by the Fund does not exceed 100% of the Fund’s NAV; and (ii) the aggregate market value of securities sold short by the Fund combined with the aggregate value of cash borrowing by the Fund does not exceed 100% of the Fund’s NAV.

The Fund may engage in securities lending, which is described on pages 9 and 13 of this prospectus.

What Are the Risks of Investing in the Fund?

Investing in a mix of different mutual funds increases diversification and reduces volatility, but it also means the Portfolio is exposed to fund of fund risk as described on page 45 including that it will have the same risks as the underlying funds.

Please turn to page 41 for more information about these risks of investing in the Fund:

- Alternative Mutual Fund Risk
- Concentration Risk

- Currency Risk
- Cybersecurity Risk
- Derivative Risk
- ESG Investment Strategies or Objectives Risk
- Emerging Markets Risk
- Equity Investment Risk
- Exchange Traded Fund Risk
- Foreign Security Risk
- Fund of Fund Risk
- Implied Volatility Risk
- Investment Trust Risk
- Large Transaction Risk
- Leverage Risk
- Legislation Risk
- Liquidity Risk
- Multiple Series Risk
- Performance Fee Risk
- Portfolio Turnover and Rebalancing Risk
- Prime Broker Risk
- Repurchase and Reverse Repurchase Risk
- Securities Lending Risk
- Security Selection Risk
- Short Selling Risk
- Smaller Company Risk
- Specific Issuer Risk
- Stock Market Risk
- Tax Risk
- Volatility Risk for Securities Markets

The Fund's portfolio turnover rate may be high. The higher the Fund's portfolio turnover rate the greater the chance that you may receive a distribution from the Fund that must be included in determining your taxable income for tax purposes and the higher the Fund's trading costs, which are an expense of the Fund and are paid out of the Fund's assets, so that your returns may be reduced.

NEI FUNDS

Alternative Mutual Fund

NEI Long Short Equity Fund *(Series A, C, F, I, and O units)*

Additional information about the Fund is available in the Fund's Fund Facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this prospectus, which means that they legally form part of this document just as if they were printed as part of this document.

You can get a copy of these documents at no cost by calling toll-free 1-888-809-3333 if you are outside the Toronto area or 416-594-6633 in the Toronto area, or from your dealer or by e-mail at neiclientservices@neiinvestments.com.

These documents and other information about the Fund, such as information circulars and material contracts, are also available on our internet site at www.neiinvestments.com or at www.sedarplus.com.

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