

NEI

NEI Funds

Semi-annual financial statements

March 31, 2025



NEI Global Sustainable Balanced Fund

STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

As at

	March 31 2025 \$	September 30 2024 \$
ASSETS		
Current Assets		
Cash	1,445,952	3,489,337
Investments at fair value through profit or loss (FVTPL)	303,271,018	321,903,575
Subscriptions receivable	57,020	188,029
Receivable for investments sold	311,692	-
Interest, dividends and other receivables	1,128,835	1,151,851
	<u>306,214,517</u>	<u>326,732,792</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	145,250	144,024
Unrealized depreciation on derivatives	1,316,552	775,666
Redemptions payable	213,628	371,060
Payable for investments purchased	712,668	339,245
	<u>2,388,098</u>	<u>1,629,995</u>
Net Assets Attributable to Holders of Redeemable Units	<u>303,826,419</u>	<u>325,102,797</u>
Data per Series (Note b)		
Series A		
Net assets attributable to holders of redeemable units	<u>124,931,763</u>	<u>141,126,221</u>
- per unit	<u>10.44</u>	<u>10.97</u>
Series F		
Net assets attributable to holders of redeemable units	<u>19,544,883</u>	<u>21,847,743</u>
- per unit	<u>6.84</u>	<u>7.15</u>
Series I		
Net assets attributable to holders of redeemable units	<u>2,616,759</u>	<u>2,416,149</u>
- per unit	<u>21.36</u>	<u>22.70</u>
Series O		
Net assets attributable to holders of redeemable units	<u>10,105,799</u>	<u>10,429,006</u>
- per unit	<u>14.38</u>	<u>15.29</u>
Series P		
Net assets attributable to holders of redeemable units	<u>95,914,228</u>	<u>98,822,133</u>
- per unit	<u>9.94</u>	<u>10.43</u>
Series PF		
Net assets attributable to holders of redeemable units	<u>50,712,987</u>	<u>50,461,545</u>
- per unit	<u>10.68</u>	<u>11.14</u>

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



William Packham,
President and Chief Executive Officer



John H. Bai,
SVP, Chief Financial Officer and Chief Risk Officer

The Fund's independent auditors have not performed a review of these semi-annual financial statements in accordance with standards established by the Chartered Professional Accountants of Canada.

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

NEI Global Sustainable Balanced Fund

STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

Six-month Periods Ended March 31

	2025 \$	2024 \$
Income		
Interest for distribution purposes	3,038,426	2,440,703
Distributions from underlying funds	5,767,700	2,857,947
Foreign exchange gain (loss) on cash	302,958	(11,879)
Net realized gain (loss) on investments	6,080,025	2,592,757
Net realized gain (loss) on derivatives	(8,528,768)	(248,663)
Changes in fair value:		
Net unrealized gain (loss) on investments	(10,504,138)	38,518,690
Net unrealized gain (loss) on derivatives	(540,886)	162,873
	<u>(4,384,683)</u>	<u>46,312,428</u>
Expenses (Note 5)		
Management fees	2,081,233	1,944,358
Independent review committee's fees	1,192	1,633
Administration fees	404,056	378,443
Sales taxes	215,110	201,392
	<u>2,701,591</u>	<u>2,525,826</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>(7,086,274)</u>	<u>43,786,602</u>
Data per Series		
Series A		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>(3,254,272)</u>	<u>19,878,892</u>
- per unit	<u>(0.26)</u>	<u>1.44</u>
Weighted average units	<u>12,568,819</u>	<u>13,795,859</u>
Series F		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>(383,029)</u>	<u>3,532,241</u>
- per unit	<u>(0.13)</u>	<u>0.96</u>
Weighted average units	<u>3,005,584</u>	<u>3,668,920</u>
Series I		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>(36,226)</u>	<u>327,773</u>
- per unit	<u>(0.32)</u>	<u>3.05</u>
Weighted average units	<u>113,562</u>	<u>107,549</u>
Series O		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>(149,900)</u>	<u>1,365,168</u>
- per unit	<u>(0.22)</u>	<u>2.04</u>
Weighted average units	<u>695,160</u>	<u>670,060</u>
Series P		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>(2,329,761)</u>	<u>11,878,952</u>
- per unit	<u>(0.24)</u>	<u>1.37</u>
Weighted average units	<u>9,541,555</u>	<u>8,653,974</u>
Series PF		
Increase (decrease) in net assets attributable to holders of redeemable units	<u>(933,086)</u>	<u>6,803,576</u>
- per unit	<u>(0.20)</u>	<u>1.51</u>
Weighted average units	<u>4,659,072</u>	<u>4,510,073</u>

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

NEI Global Sustainable Balanced Fund

STATEMENTS OF CHANGES IN FINANCIAL POSITION (UNAUDITED)

Six-month Periods Ended March 31

	Series A		Series F		Series I	
	2025 \$	2024 \$	2025 \$	2024 \$	2025 \$	2024 \$
Net Assets Attributable to Holders of Redeemable Units, Beginning of Period	141,126,221	133,576,311	21,847,743	23,084,184	2,416,149	1,966,816
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	(3,254,272)	19,878,892	(383,029)	3,532,241	(36,226)	327,773
Redeemable Unit Transactions						
Proceeds from sale of redeemable units	16,839,606	10,739,206	4,724,765	4,648,535	391,872	313,433
Reinvested distributions	3,237,349	3,432,989	411,882	474,312	113,994	-
Amounts paid for redeemable units redeemed	(29,754,878)	(24,292,303)	(6,553,164)	(7,858,314)	(155,036)	(250,320)
	(9,677,923)	(10,120,108)	(1,416,517)	(2,735,467)	350,830	63,113
Distributions to Holders of Redeemable Units						
Net investment income	-	(976,816)	-	(296,352)	(11,788)	-
Net realized gain on sale of investments and derivatives	(3,262,263)	-	(503,314)	-	(102,206)	-
Return of capital	-	(2,484,451)	-	(285,055)	-	-
	(3,262,263)	(3,461,267)	(503,314)	(581,407)	(113,994)	-
Net Assets Attributable to Holders of Redeemable Units, End of Period	124,931,763	139,873,828	19,544,883	23,299,551	2,616,759	2,357,702

Six-month Periods Ended March 31

	Series O		Series P		Series PF	
	2025 \$	2024 \$	2025 \$	2024 \$	2025 \$	2024 \$
Net Assets Attributable to Holders of Redeemable Units, Beginning of Period	10,429,006	8,311,403	98,822,133	77,643,359	50,461,545	43,160,881
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	(149,900)	1,365,168	(2,329,761)	11,878,952	(933,086)	6,803,576
Redeemable Unit Transactions						
Proceeds from sale of redeemable units	530,316	660,189	16,299,945	13,410,968	7,615,119	5,844,605
Reinvested distributions	262,062	-	2,304,042	1,976,304	960,606	866,694
Amounts paid for redeemable units redeemed	(489,517)	(745,833)	(16,842,128)	(10,680,902)	(6,161,308)	(6,984,409)
	302,861	(85,644)	1,761,859	4,706,370	2,414,417	(273,110)
Distributions to Holders of Redeemable Units						
Net investment income	(46,390)	-	-	(666,846)	-	(628,411)
Net realized gain on sale of investments and derivatives	(429,778)	-	(2,340,003)	-	(1,229,889)	-
Return of capital	-	-	-	(1,352,791)	-	(493,128)
	(476,168)	-	(2,340,003)	(2,019,637)	(1,229,889)	(1,121,539)
Net Assets Attributable to Holders of Redeemable Units, End of Period	10,105,799	9,590,927	95,914,228	92,209,044	50,712,987	48,569,808

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NEI Global Sustainable Balanced Fund

STATEMENTS OF CASH FLOWS (UNAUDITED)

Six-month Periods Ended March 31

	2025 \$	2024 \$
Cash Flows from (used in) Operating Activities		
Increase (decrease) in Net Assets Attributable to Holders of Redeemable Units	(7,086,274)	43,786,602
Adjustments for:		
Foreign exchange (gain) loss on cash	(302,958)	11,879
Net realized (gain) loss on investments and derivatives	2,448,743	(2,344,094)
Net unrealized (gain) loss on investments and derivatives	11,045,024	(38,681,563)
Non-cash distribution from investments	(5,767,700)	(2,857,947)
Proceeds from sale/maturity of investments	53,025,846	55,005,497
Investments purchased	(41,586,275)	(34,537,485)
Receivable for investments sold	(311,692)	(1,000,000)
Interest, dividends and other receivables	23,016	(16,185)
Accrued expenses	1,226	65,742
Payable for investments purchased	373,423	979,370
Net Cash Flows from (used in) Operating Activities	11,862,379	20,411,816
Cash Flows from (used in) Financing Activities		
Proceeds from sale of redeemable units	46,532,632	35,375,752
Amounts paid for redeemable units redeemed	(60,113,463)	(50,774,769)
Distributions paid to holders of redeemable units, net of reinvested distributions	(635,696)	(433,551)
Net Cash Flows from (used in) Financing Activities	(14,216,527)	(15,832,568)
Effect of exchange rate changes on foreign cash	310,763	(6,731)
Increase (decrease) in cash/bank overdraft	(2,043,385)	4,572,517
Cash (bank overdraft), beginning of period	3,489,337	1,524,516
Cash (Bank Overdraft), End of Period	1,445,952	6,097,033
Supplemental Information on Cash Flows from (used in) Operating Activities		
Interest received	3,065,094	2,425,578
Interest paid	3,479	3,955

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NEI Global Sustainable Balanced Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2025 (UNAUDITED)

		NUMBER OF UNITS	COST \$	FAIR VALUE \$			PAR VALUE	COST \$	FAIR VALUE \$
Investment Funds (56.9%)					Albertsons, Private Placement Series 144A, 6.250%, 2033-03-15	USD	250,000	362,285	362,284
NEI Environmental Leaders Fund, Series I		4,548,221	78,480,374	103,281,007	Alliant Holdings, Private Placement Series 144A, 7.000%, 2031-01-15	USD	500,000	710,775	723,130
NEI Global Corporate Leaders Fund, Series I		6,592,981	66,203,446	69,511,116	Allison Transmission, Private Placement Series 144A, 3.750%, 2031-01-30	USD	200,000	238,257	256,338
Total Investment Funds			144,683,820	172,792,123	Alphabet 1.900%, 2040-08-15	USD	800,000	905,532	769,708
					Amazon.com 2.875%, 2041-05-12	USD	400,000	448,813	429,689
					3.950%, 2052-04-13	USD	500,000	633,472	572,562
					American Museum of Natural History Series 2021, 3.121%, 2052-07-15	USD	250,000	306,788	245,139
					American Tower 5.900%, 2033-11-15	USD	750,000	1,022,079	1,129,151
					American Water Capital 5.250%, 2035-03-01	USD	500,000	712,450	724,130
					Amgen 2.600%, 2026-08-19	USD	200,000	260,092	280,957
					6.400%, 2039-02-01	USD	500,000	741,373	778,526
					Apple 3.950%, 2052-08-08	USD	750,000	882,280	868,492
					Assured Guaranty US Holdings 6.125%, 2028-09-15	USD	250,000	336,480	377,035
					AT&T 5.400%, 2034-02-15	USD	250,000	333,352	365,465
					4.350%, 2045-06-15	USD	600,000	699,287	712,960
					4.750%, 2046-05-15	USD	250,000	300,343	312,313
					3.500%, 2053-09-15	USD	500,000	642,317	490,263
					Avantor Funding, Private Placement Series 144A, 3.875%, 2029-11-01	USD	250,000	309,947	331,766
					Baldwin Insurance Group, Private Placement Series 144A, 7.125%, 2031-05-15	USD	400,000	567,313	581,491
					Ball 6.875%, 2028-03-15	USD	250,000	338,414	367,573
					Bank of America 2.572%, floating rate from 2031-10-20, 2032-10-20	USD	500,000	560,697	621,583
					3.311%, floating rate from 2041-04-22, 2042-04-22	USD	500,000	498,981	547,170
					4.083%, floating rate from 2050-03-20, 2051-03-20	USD	300,000	326,074	339,812
					Bank of New York Mellon 6.300%, floating rate from 2030-03-20, Perpetual	USD	250,000	362,612	369,080
					Bellring Brands, Private Placement Series 144A, 7.000%, 2030-03-15	USD	250,000	318,525	372,455
					Brixmor Operating Partnership 5.200%, 2032-04-01	USD	500,000	721,534	719,993
					Broadcom, Private Placement Series 144A, 3.500%, 2041-02-15	USD	750,000	844,340	848,115
					Burlington Northern Santa Fe 5.500%, 2055-03-15	USD	250,000	339,106	357,827
					Chubb INA Holdings 5.000%, 2034-03-15	USD	250,000	338,360	360,151
					2.850%, 2051-12-15	USD	250,000	312,656	230,885
					Church & Dwight 3.950%, 2047-08-01	USD	250,000	280,663	280,971
					Ciena, Private Placement Series 144A, 4.000%, 2030-01-31	USD	500,000	648,001	660,099
Bonds (34.8%)									
Canadian Bonds (0.1%)									
Provincial Governments and Crown Corporations									
Ontario Teachers' Finance Trust, Private Placement Series 144A, 1.250%, 2030-09-27	USD	300,000	391,057	366,662					
U.S. Bonds (23.7%)									
State Governments and Crown Corporations (2.5%)									
California State University 2.795%, 2041-11-01	USD	500,000	626,675	545,422					
2.939%, 2052-11-01	USD	250,000	313,338	241,904					
Federal Farm Credit Banks 1.000%, 2026-10-07	USD	500,000	617,300	685,470					
1.230%, 2030-07-29	USD	230,000	270,654	281,162					
2.020%, 2031-04-01	USD	250,000	302,523	313,486					
2.780%, 2044-10-06	USD	425,000	420,023	441,163					
Federal Home Loan Bank 0.520%, 2026-02-12	USD	500,000	632,760	697,337					
2.150%, 2041-02-25	USD	1,000,000	987,026	989,073					
5.250%, 2044-03-11	USD	500,000	731,886	738,189					
State of Oregon 4.721%, 2042-05-01	USD	500,000	653,220	722,166					
U.S. International Development Finance 1.440%, 2028-04-15	USD	300,000	370,785	405,860					
1.650%, 2028-04-15	USD	500,000	628,225	682,772					
Series 4, 3.130%, 2028-04-15	USD	500,000	636,075	704,048					
			7,190,490	7,448,052					
Cities and Semi-Public Institutions (0.6%)									
California Health Facilities Financing Authority 4.190%, 2037-06-01	USD	500,000	623,775	669,809					
Commonwealth of Massachusetts Series A, 3.881%, 2031-01-15	USD	500,000	645,275	698,443					
University of Michigan 3.504%, 2052-04-01	USD	500,000	547,278	543,767					
			1,816,328	1,912,019					
Corporations (20.6%)									
AbbVie 4.250%, 2049-11-21	USD	500,000	584,086	597,069					
Advanced Drainage Systems, Private Placement Series 144A, 6.375%, 2030-06-15	USD	250,000	314,400	362,878					
AGCO 5.450%, 2027-03-21	USD	250,000	342,050	364,583					

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NEI Global Sustainable Balanced Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2025 (UNAUDITED) (continued)

		PAR VALUE	COST \$	FAIR VALUE \$			PAR VALUE	COST \$	FAIR VALUE \$
U.S. Bonds (continued)					Health Care REIT				
Cisco Systems					6.500%, 2041-03-15	USD	341,000	509,763	531,318
5.900%, 2039-02-15	USD	600,000	825,231	923,326	Home Depot				
Citizens Financial Group					2.750%, 2051-09-15	USD	500,000	625,732	442,860
5.253%, floating rate from					HP				
2030-03-05, 2031-03-05	USD	500,000	713,275	724,137	6.350%, 2045-10-15	USD	500,000	743,628	739,988
Clean Harbors, Private Placement					II-VI, Private Placement				
Series 144A, 6.375%,					Series 144A, 5.000%,				
2031-02-01	USD	250,000	334,675	364,328	2029-12-15	USD	250,000	338,148	344,771
CNH Industrial Capital					Insight Enterprises, Private				
4.750%, 2028-03-21	USD	200,000	284,912	288,296	Placement				
Cogent Communications Holdings,					Series 144A, 6.625%,				
Private Placement					2032-05-15	USD	200,000	274,681	290,625
Series 144A, 7.000%,					Interface, Private Placement				
2027-06-15	USD	400,000	547,353	580,277	Series 144A, 5.500%,				
Comcast					2028-12-01	USD	250,000	324,491	351,265
5.350%, 2053-05-15	USD	300,000	404,129	402,803	IQVIA				
Corebridge Global Funding,					6.250%, 2029-02-01	USD	250,000	341,851	375,178
Private Placement					John Deere Capital				
Series 144A, 4.900%,					4.500%, 2027-01-08	USD	250,000	358,255	361,806
2028-01-07	USD	250,000	358,458	363,083	JPMorgan Chase & Co.				
CVS Health					5.294%, floating rate from				
4.780%, 2038-03-25	USD	250,000	315,035	323,937	2034-07-22, 2035-07-22	USD	500,000	684,017	722,684
Diebold Nixdorf, Private Placement					3.964%, floating rate from				
Series 144A, 7.750%,					2047-11-15, 2048-11-15	USD	275,000	422,143	311,628
2030-03-31	USD	250,000	365,682	373,423	Kraft Heinz Foods Company				
DTE Electric					5.000%, 2042-06-04	USD	500,000	643,404	655,883
Series A, 1.900%, 2028-04-01	USD	500,000	625,768	671,605	Kroger				
Elevance Health					5.500%, 2054-09-15	USD	250,000	335,007	339,285
5.650%, 2054-06-15	USD	500,000	677,694	694,737	Lowe's Companies				
Equinix					5.750%, 2053-07-01	USD	250,000	339,514	352,053
2.500%, 2031-05-15	USD	250,000	286,456	313,907	Massachusetts Institute of				
ESAB, Private Placement					Technology				
Series 144A, 6.250%,					Series H, 3.067%, 2052-04-01	USD	300,000	382,230	295,500
2029-04-15	USD	250,000	341,059	365,839	Merck & Co.				
Federal Farm Credit Banks					3.700%, 2045-02-10	USD	250,000	341,926	283,943
4.410%, 2027-01-28	USD	400,000	573,500	576,587	MetLife				
Fifth Third Bancorp					5.250%, 2054-01-15	USD	250,000	339,111	341,940
1.707%, floating rate from					Microsoft				
2026-11-01, 2027-11-01	USD	500,000	615,962	686,808	2.921%, 2052-03-17	USD	750,000	654,550	722,518
Fiserv					MidAmerican Energy				
5.150%, 2034-08-12	USD	650,000	901,713	928,236	3.650%, 2029-04-15	USD	413,000	680,471	576,320
Florida Power & Light Company					Midcontinent Communications,				
5.600%, 2054-06-15	USD	450,000	633,704	649,321	Private Placement				
Ford Foundation					Series 144A, 8.000%,				
Series 2020, 2.415%,					2032-08-15	USD	500,000	713,508	731,512
2050-06-01	USD	200,000	169,634	171,926	Morgan Stanley				
Garden Spinco, Private Placement					5.597%, floating rate from				
Series 144A, 8.625%,					2050-03-24, 2051-03-24	USD	300,000	496,987	425,321
2030-07-20	USD	250,000	332,325	380,032	Nasdaq				
Gates, Private Placement					5.550%, 2034-02-15	USD	305,000	402,358	450,002
Series 144A, 6.875%,					Nature Conservancy				
2029-07-01	USD	500,000	711,261	735,686	Series A, 1.861%, 2033-07-01	USD	265,000	339,293	296,267
Genesee and Wyoming, Private					Norfolk Southern				
Placement					2.300%, 2031-05-15	USD	250,000	306,462	314,558
Series 144A, 6.250%,					5.350%, 2054-08-01	USD	250,000	340,801	344,890
2032-04-15	USD	250,000	341,157	360,432	Novant Health Care				
Georgia Power					2.637%, 2036-11-01	USD	500,000	632,807	562,985
Series A, 3.250%, 2051-03-15	USD	450,000	514,091	439,061	Olympus Water, Private Placement				
Goldman Sachs Group					Series 144A, 4.250%,				
3.210%, floating rate from					2028-10-01	USD	300,000	384,300	399,034
2041-04-22, 2042-04-22	USD	500,000	564,358	531,736	OneMain Finance				
HAH Group Holding, Private					3.500%, 2027-01-15	USD	350,000	426,580	483,395
Placement					Pattern Energy Operations, Private				
Series 144A, 9.750%,					Placement				
2031-10-01	USD	200,000	273,452	277,849	Series 144A, 4.500%,				
Haleon					2028-08-15	USD	250,000	345,481	334,349
3.625%, 2032-03-24	USD	250,000	310,171	330,226	PG&E Energy Recovery Funding				
Hat Holdings, Private Placement					Series A-2, 2.280%,				
Series 144A, 8.000%,					2036-01-15	USD	440,000	451,763	509,837
2027-06-15	USD	750,000	1,040,230	1,119,577	Series A-2, 5.256%,				
HCA					2038-01-15	USD	500,000	696,094	725,615
5.500%, 2032-03-01	USD	500,000	708,879	725,994					

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NEI Global Sustainable Balanced Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2025 (UNAUDITED) (continued)

		PAR VALUE	COST \$	FAIR VALUE \$			PAR VALUE	COST \$	FAIR VALUE \$
U.S. Bonds (continued)					VM Consolidated, Private Placement				
Series A-3, 2.822%, 2046-07-15	USD	250,000	311,461	254,812	Series 144A, 5.500%, 2029-04-15	USD	250,000	345,889	342,440
Series A-3, 5.536%, 2047-07-15	USD	805,000	1,115,427	1,134,606	Wells Fargo & Company				
PNC Financial Services Group					3.350%, floating rate from 2032-03-02, 2033-03-02	USD	325,000	411,921	419,655
4.812%, floating rate from 2031-10-21, 2032-10-21	USD	400,000	550,020	569,985	5.499%, floating rate from 2034-01-23, 2035-01-23	USD	300,000	429,828	438,078
Post Holdings, Private Placement					3.068%, floating rate from 2040-04-30, 2041-04-30	USD	400,000	423,633	429,741
Series 144A, 6.250%, 2032-02-15	USD	500,000	681,063	723,641	Windstream Escrow, Private Placement				
President and Fellows of Harvard College					Series 144A, 8.250%, 2031-10-01	USD	250,000	373,383	367,630
3.150%, 2046-07-15	USD	500,000	527,541	515,489				61,740,776	62,545,123
Resideo Funding, Private Placement					Total U.S. Bonds				
Series 144A, 6.500%, 2032-07-15	USD	500,000	725,840	721,468				70,747,594	71,905,194
Ryan Specialty, Private Placement					Foreign Bonds (2.8%)				
Series 144A, 5.875%, 2032-08-01	USD	392,000	546,607	559,324	Chile (0.1%)				
SCE Recovery Funding					Corporations				
Series A-1, 4.697%, 2040-06-15	USD	392,081	527,650	546,254	Sable International Finance, Private Placement				
Series A-2, 2.943%, 2042-11-15	USD	345,000	418,224	405,974	Series 144A, 7.125%, 2032-10-15	USD	250,000	339,245	347,772
Series A-3, 3.240%, 2046-11-15	USD	350,000	359,229	369,183	China (0.3%)				
Series A-2, 5.112%, 2047-12-15	USD	500,000	670,229	654,876	Corporations				
Sealed Air, Private Placement					NXP Funding				
Series 144A, 6.500%, 2032-07-15	USD	250,000	343,563	365,724	5.000%, 2033-01-15	USD	233,000	293,135	330,018
Southwestern Public Service Company					3.250%, 2041-05-11	USD	522,000	555,854	550,370
6.000%, 2054-06-01	USD	350,000	521,093	506,946	Total China				
Sprint Capital								848,989	880,388
8.750%, 2032-03-15	USD	250,000	406,728	432,334	Germany (1.2%)				
Standard Industries, Private Placement					State Governments and Crown Corporations				
Series 144A, 5.000%, 2027-02-15	USD	296,000	423,677	419,684	KRW				
Series 144A, 4.375%, 2030-07-15	USD	200,000	234,278	265,677	1.000%, 2026-10-01	USD	500,000	618,703	688,535
Stanford University					3.750%, 2028-02-15	USD	750,000	1,002,227	1,073,988
3.460%, 2047-05-01	USD	300,000	317,372	325,043	4.625%, 2030-03-18	USD	1,000,000	1,449,713	1,475,544
TerraForm Power Operating, Private Placement					0.750%, 2030-09-30	USD	300,000	393,063	361,967
Series 144A, 5.000%, 2028-01-31	USD	200,000	293,671	278,799	Total Germany				
T-Mobile USA								3,463,706	3,600,034
4.375%, 2040-04-15	USD	750,000	907,454	951,543	Jersey (0.1%)				
Travelers Companies					Corporations				
5.450%, 2053-05-25	USD	500,000	672,601	706,782	Aptiv				
Union Electric Company					5.150%, 2034-09-13	USD	200,000	268,823	273,230
2.150%, 2032-03-15	USD	500,000	605,015	603,214	Luxembourg (0.1%)				
Union Pacific					Corporations				
4.950%, 2053-05-15	USD	250,000	332,954	329,873	Millicom International Cellular, Private Placement				
United Rentals					Series 144A, 7.375%, 2032-04-02	USD	250,000	364,939	363,450
5.250%, 2030-01-15	USD	250,000	350,064	353,704					
UnitedHealth Group									
5.625%, 2054-07-15	USD	250,000	344,499	352,618					
Uniti Group, Private Placement									
Series 144A, 4.750%, 2028-04-15	USD	250,000	314,300	344,645					
Unum Group									
6.000%, 2054-06-15	USD	200,000	270,046	288,584					
Verizon Communications									
4.500%, 2033-08-10	USD	500,000	600,882	690,514					
4.812%, 2039-03-15	USD	650,000	838,369	872,197					
Victra Holdings, Private Placement									
Series 144A, 8.750%, 2029-09-15	USD	250,000	357,011	371,944					

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

NEI Global Sustainable Balanced Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2025 (UNAUDITED) (continued)

		PAR VALUE	COST \$	FAIR VALUE \$
Netherlands (0.2%)				
Corporations				
ING Groep, Private Placement Series 144A, 4.625%, 2026-01-06	USD	423,000	667,182	609,479
Norway (0.4%)				
State Governments and Crown Corporations				
Kommunalbanken, Private Placement Series 144A, 4.625%, 2025-10-24	USD	250,000	343,453	360,129
Series 144A, 1.125%, 2026-10-26	USD	500,000	615,197	687,528
Total Norway			958,650	1,047,657
South Korea (0.2%)				
State Governments and Crown Corporations				
Export-Import Bank of Korea 5.125%, 2033-01-11	USD	500,000	671,311	736,714
United Kingdom (0.2%)				
Corporations				
Howden UK Refinance, Private Placement Series 144A, 7.250%, 2031-02-15	USD	500,000	677,852	729,785
Total Foreign Bonds			8,260,697	8,588,509
Supranational Bonds (8.2%)				
European Bank for Reconstruction and Development 4.250%, 2034-03-13	USD	500,000	675,220	714,826
European Investment Bank 1.375%, 2027-03-15	USD	500,000	632,695	684,772
2.375%, 2027-05-24	USD	782,000	1,229,631	1,089,191
3.875%, 2028-06-15	USD	1,000,000	1,436,331	1,436,114
0.750%, 2030-09-23	USD	750,000	936,578	905,576
4.375%, 2031-10-10	USD	500,000	678,608	728,951
3.750%, 2033-02-14	USD	500,000	666,793	697,558
4.125%, 2034-02-13	USD	500,000	667,568	708,977
4.625%, 2035-02-12	USD	500,000	725,256	734,844
Inter-American Development Bank 1.500%, 2027-01-13	USD	500,000	634,865	688,916
3.500%, 2029-09-14	USD	1,000,000	1,310,818	1,407,319
4.250%, 2030-04-01	USD	500,000	712,668	723,029
1.125%, 2031-01-13	USD	750,000	945,317	914,631
3.500%, 2033-04-12	USD	500,000	667,010	682,858
International Bank for Reconstruction and Development Stripped, 0.000%, 2028-03-31	USD	500,000	649,452	699,877
4.625%, 2028-08-01	USD	500,000	672,007	734,189
3.875%, 2030-02-14	USD	750,000	1,003,990	1,070,232
4.125%, 2030-03-20	USD	1,000,000	1,432,575	1,442,993
4.000%, 2031-01-10	USD	500,000	664,644	714,603
4.500%, 2031-04-10	USD	250,000	337,915	366,508
4.625%, 2032-01-15	USD	400,000	571,497	589,124
1.745%, floating rate from 2025-07-31, 2033-07-31	USD	800,000	1,096,724	1,134,938

	PAR VALUE	COST \$	FAIR VALUE \$
International Development Association			
Private Placement, Series 144A, 0.375%, 2025-09-23	USD	300,000	394,216
Private Placement, Series 144A, 4.375% 2029-06-11	USD	200,000	272,220
Private Placement, Series 144A, 4.500%, 2035-02-12	USD	1,000,000	1,422,415
International Finance Corporation			
0.750%, 2026-10-08	USD	750,000	940,929
4.375%, 2027-01-15	USD	500,000	677,459
4.500%, 2028-07-13	USD	900,000	1,201,605
4.250%, 2029-07-02	USD	500,000	680,173
Total Supranational Bonds		23,937,179	24,832,503

Total Bonds	103,336,527	105,692,868
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U.S. Mortgage-Backed Securities (4.3%)

Angel Oak Mortgage Trust			
Private Placement, Series 2022-5, Class A1, Available Funds Cap, 4.500%, 2067-05-25	USD	377,282	483,169
Fannie Mae			
Series 2017-M13, Class A2, Multi-Family, floating rate, 2027-09-25	USD	361,712	482,051
Series 2018-M4, Class A2, Multi-Family, floating rate, 2028-03-25	USD	397,488	536,704
Series 2019-M9, Class A2, Multi-Family, 2.937%, 2029-04-25	USD	412,114	544,289
Series 2019-M22, Class A2, Sequential Pay Class, 2.522%, 2029-08-25	USD	440,807	639,311
Series 2018-M13, Class A2, Collateral Strip Rate, floating rate, 2030-09-25	USD	792,267	1,024,190
Series 2021-M1S, Class A2, Multi-Family, floating rate, 2030-12-25	USD	300,000	382,447
Series 2023-M1S, Class A2, Sequential Pay Class, floating rate, 2033-04-25	USD	750,000	981,012
Private Placement, Series 2021- R01, Class 1B1, Exchangeable, floating rate, 2041-10-25	USD	250,000	347,744
Private Placement, Series 2021- R01, Class 1M2, Exchangeable, floating rate, 2041-10-25	USD	302,919	435,992
Private Placement, Series 2025- R02, Class 1A1, floating rate, 2045-02-25	USD	199,189	285,646
Farmer Mac Agricultural Real Estate Trust			
Private Placement, Series 2024-1, Class A, Exchangeable, 4.721%, 2053-10-01	USD	460,448	587,737
Private Placement, Series 2024-2, Class A, Exchangeable, floating rate, 2054-08-01	USD	487,260	666,532

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

NEI Global Sustainable Balanced Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2025 (UNAUDITED) (continued)

		PAR VALUE	COST \$	FAIR VALUE \$			PAR VALUE	COST \$	FAIR VALUE \$
U.S. Mortgage-Backed Securities (continued)					Frontier Issuer				
Freddie Mac					Private Placement, Series 2023-1, Class B, Subprime, 8.300%, 2053-08-20	USD	250,000	355,274	371,997
Series KG02, Class A2, Multi-Family, floating rate, 2029-08-25	USD	500,000	644,538	666,041	Private Placement, Series 2024-1, Class A2, Sequential Pay Class, 6.190%, 2054-06-20	USD	250,000	341,640	371,558
Series 2021-P009, Class A1, Sequential Pay Class, 1.132%, 2031-01-25	USD	324,643	374,959	427,693	Helios Issuer				
Series 2021-P011, Class A1, Multi-Family, floating rate, 2031-09-25	USD	127,055	161,087	166,891	Series 2019-AA, Class A, Sequential Pay Class, 3.750%, 2046-06-20	USD	258,708	339,833	339,349
Series KG07, Class A2, Multi-Family, 3.123%, 2032-08-25	USD	250,000	313,363	328,444	Private Placement, Series 2020-AA, Class A, Sequential Pay Class, 2.980%, 2047-06-20	USD	160,167	204,211	204,753
Series KSG4, Class A2, Multi-Family, floating rate, 2032-08-25	USD	250,000	299,854	334,647	Private Placement, Series 2021-B, Class A, Sequential Pay Class, 1.620%, 2048-07-20	USD	379,551	476,909	477,154
Series KG08, Class A2, Multi-Family, floating rate, 2033-05-25	USD	583,333	732,443	813,863	Loanpal Solar Loan				
Series 2024-P106, Class A2, Sequential Pay Class, 4.606%, 2033-09-25	USD	500,000	667,810	722,630	Series 2021-1GS, Class A, Sequential Pay, 2.290%, 2048-01-20	USD	346,745	444,486	404,696
Private Placement, Series 2024-DNA2, Class M1, Mezzanine, floating rate, 2044-05-25	USD	453,486	633,302	652,823	Private Placement, Series 2021-2GS, Class A, Sequential Pay Class, 2.220%, 2048-03-20	USD	396,777	501,413	448,578
Private Placement, Series 2025-DNA1, Class A1, floating rate, 2045-01-25	USD	221,875	317,914	318,723	Mosaic Solar Loans				
SLG Office Trust Commercial Mortgage					Private Placement, Series 2017-2A, Class A, Sequential Pay Class, 3.820%, 2043-06-22	USD	261,114	360,474	346,854
Private Placement, Series 2021-OVA, Class A, Sequential Pay Class, 2.585%, 2041-07-15	USD	250,000	294,890	309,038	Private Placement, Series 2019-1A, Class A, Sequential Pay Class, 4.370%, 2043-12-21	USD	126,895	156,800	170,301
Tricon American Homes					Private Placement, Series 2018-2GS, Class A, Sequential Pay Class, 4.200%, 2044-02-22	USD	139,770	173,839	185,114
Private Placement, Series 2020-SFR2, Class A, Sequential Pay Class, 1.482%, 2039-11-17	USD	452,000	576,602	600,675	Private Placement, Series 2020-1A, Class A, Sequential Pay Class, 2.100%, 2046-04-20	USD	235,021	317,184	298,971
Total U.S. Mortgage-Backed Securities			12,413,586	13,057,531	Private Placement, Series 2020-2A, Class A, Sequential Pay Class, 1.440%, 2046-08-20	USD	269,248	350,768	336,001
U.S. Asset-Backed Securities (3.8%)					Private Placement, Series 2020-2A, Class C, Subprime, 3.000%, 2046-08-20	USD	88,782	116,326	118,671
College Avenue Student Loans					Private Placement, Series 2021-1A, Class A, Sequential Pay Class, 1.510%, 2046-12-20	USD	240,591	299,634	286,209
Private Placement, Series 2024-B, Class A1A, Sequential Pay Class, 5.690%, 2054-08-25	USD	237,660	325,281	349,697	Private Placement, Series 2021-2A, Class B, Subprime, 2.090%, 2047-04-22	USD	296,157	364,953	312,892
First Help Financial					Private Placement, Series 2022-3A, Class A, Sequential Pay Class, 6.100%, 2053-06-20	USD	394,453	538,276	568,383
Private Placement, Series 2024-1A, Class A2, Sequential Pay Class, 5.690%, 2030-02-15	USD	124,903	167,982	181,638	PACEWell 5 Trust				
Private Placement, Series 2024-3A, Class A2, Sequential Pay Class, 4.940%, 2030-11-15	USD	250,000	343,709	360,514	Private Placement, Series 2021-1, Class A, Sequential Pay Class, 2.628%, 2059-10-10	USD	378,420	478,500	412,135
Private Placement, Series 2025-1A, Class A2, Sequential Pay Class, 4.920%, 2031-02-15	USD	250,000	357,667	359,526					
Foundation Finance Trust									
Private Placement, Series 2023-1A, Class A, Sequential Pay Class, 5.670%, 2043-12-15	USD	302,361	406,953	440,986					
Private Placement, Series 2023-2A, Class A, Sequential Pay Class, 6.530%, 2049-06-15	USD	174,022	234,412	261,177					
Private Placement, Series 2023-2A, Class C, Subprime, 7.310%, 2049-06-15	USD	250,000	357,802	374,459					

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

NEI Global Sustainable Balanced Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2025 (UNAUDITED) (continued)

		PAR VALUE	COST \$	FAIR VALUE \$
U.S. Asset-Backed Securities (continued)				
SBA Small Business Investment Company				
Series 2023-10A, Class 1, 5.168%, 2033-03-10	USD	452,323	610,470	661,087
Series 2023-10B, Class 1, 5.688%, 2033-09-10	USD	336,158	454,385	501,070
Series 2024-10A, Class 1, 4.963%, 2035-03-10	USD	500,000	721,775	727,047
SoFi Professional Loan Program				
Private Placement, Series 2017-D, Class BFX, Subprime, 3.610%, 2040-09-25	USD	500,000	654,805	687,874
Private Placement, Series 2017-F, Class BFX, Subprime, 3.620%, 2041-01-25	USD	320,000	463,083	441,424
Private Placement, Series 2018-A, Class A2B, Sequential Pay Class, 2.950%, 2042-02-25	USD	13,510	17,226	19,327
Private Placement, Series 2018-B, Class BFX, Subprime, 3.830%, 2047-08-25	USD	250,000	347,002	346,553
Tesla Auto Lease Trust				
Private Placement, Series 2024-A, Class B, Subprime, 5.550%, 2028-05-22	USD	250,000	339,775	362,501
Total U.S. Asset-Backed Securities			11,622,847	11,728,496
Total Investments (99.8%)			272,056,780	303,271,018
Unrealized Depreciation on Derivatives (TABLE 1) (-0.4%)				(1,316,552)
Other Net Assets (0.6%)				1,871,953
Net Assets (100.0%)				303,826,419

TABLE 1

	NUMBER OF CONTRACTS	MATURITY	AVERAGE EXCHANGE RATE OF CONTRACTS (CURRENCY/CAD)	CURRENCY AMOUNT	CONTRACTED VALUE \$	UNREALIZED DEPRECIATION \$
Foreign Currency Forward Contracts						
Unrealized Depreciation on Sale of Foreign Currencies for Canadian Dollars						
U.S. Dollar	1	May 2025	1.4213	97,150,000	138,082,715	(1,316,552)
Unrealized Depreciation on Derivatives						(1,316,552)

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

NEI Global Sustainable Balanced Fund

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION (UNAUDITED)

a) Establishment of the Fund (Note 1)

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

Series A	Series F	Series I
June 1, 1989	July 25, 2006	December 23, 1998
Series O	Series P	Series PF
June 29, 2018	December 3, 2018	December 3, 2018

b) Units (Note 4)

Issued and Outstanding Units

	Number of Units, Beginning of Period	Units Issued	Reinvested Units	Units Redeemed	Number of Units, End of Period
Series A					
March 31, 2025	12,861,491	1,563,516	302,311	2,764,266	11,963,052
March 31, 2024	14,129,922	1,073,547	342,787	2,405,452	13,140,804
Series F					
March 31, 2025	3,056,415	670,532	58,842	930,024	2,855,765
March 31, 2024	3,796,092	720,200	73,504	1,207,607	3,382,189
Series I					
March 31, 2025	106,418	17,836	5,315	7,035	122,534
March 31, 2024	107,939	15,541	-	12,599	110,881
Series O					
March 31, 2025	682,185	35,379	18,148	32,772	702,940
March 31, 2024	677,128	47,556	-	54,949	669,735
Series P					
March 31, 2025	9,478,140	1,594,768	226,293	1,648,636	9,650,565
March 31, 2024	8,675,868	1,388,987	207,890	1,138,564	9,134,181
Series PF					
March 31, 2025	4,528,027	692,573	87,995	561,576	4,747,019
March 31, 2024	4,562,263	573,727	85,912	695,555	4,526,347

c) Distributions

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

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

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

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

d) Management Fees and Other Expenses (Note 5)

The annual management fee rates, for 2025 and 2024, are as follows:

	Series A %	Series F %	Series P %
March 31, 2025	1.70	0.70	1.50
March 31, 2024	1.70	0.70	1.50
	Series PF %		
March 31, 2025	0.50		
March 31, 2024	0.50		

The annual administration fee rates, for 2025 and 2024, are as follows:

	Series A %	Series F %	Series O %
March 31, 2025	0.30	0.25	0.04
March 31, 2024	0.30	0.25	0.04
	Series P %	Series PF %	
March 31, 2025	0.25	0.20	
March 31, 2024	0.25	0.20	

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

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

e) Related Party Transactions (Note 6)

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

	March 31, 2025	September 30, 2024
	\$	\$
	145,250	144,024

The Fund has received income, during the period, from its investment in underlying funds. This income is presented in the following table:

	March 31, 2025	March 31, 2024
	\$	\$
Distributions from underlying funds	5,767,700	2,857,947

f) Interest in Unconsolidated Structured Entities

The following table presents the Fund's interest in unconsolidated structured entities:

	March 31, 2025		September 30, 2024	
	Fair Value of the Underlying Fund(s) / ETF(s) (in \$000's)	Fair Value of the Fund's Investment in the Underlying Fund(s) / ETF(s) (in \$000's)	Fair Value of the Underlying Fund(s) / ETF(s) (in \$000's)	Fair Value of the Fund's Investment in the Underlying Fund(s) / ETF(s) (in \$000's)
Unconsolidated Structured Entities				
NEI Environmental Leaders Fund	1,465,026	103,281	1,564,197	115,529
NEI Global Corporate Leaders Fund	175,414	69,511	147,558	75,875

NEI Global Sustainable Balanced Fund

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

g) Financial Instruments Disclosures (Note 7)

Strategy in Using Financial Instruments

Investment Objective

The Fund aims to generate a combination of income and capital appreciation over the long-term by investing in a globally diversified portfolio of equity and fixed income securities which fit within the Fund's definition of responsible investing.

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

Financial Instruments Fair Value Measurement

Hierarchy of Financial Instruments Measured at Fair Value

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

Fair Value Hierarchy (in \$'000)

March 31, 2025	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at FVTPL				
Bonds	37,121	67,872	700	105,693
Related Investment Funds	172,792	-	-	172,792
Mortgage-Backed Securities	11,612	1,446	-	13,058
Asset-Backed Securities	-	11,728	-	11,728
Total	221,525	81,046	700	303,271
Financial liabilities at FVTPL				
Derivative Financial Instruments	-	1,317	-	1,317
Total	-	1,317	-	1,317
September 30, 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at FVTPL				
Bonds	33,886	71,691	651	106,228
Related Investment Funds	191,404	-	-	191,404
Mortgage-Backed Securities	10,047	1,506	-	11,553
Asset-Backed Securities	-	12,719	-	12,719
Total	235,337	85,916	651	321,904
Financial liabilities at FVTPL				
Derivative Financial Instruments	-	776	-	776
Total	-	776	-	776

Transfers between Levels

During the periods ended March 31, 2025 and September 30, 2024, there were no transfers of securities between Levels 1, 2 and 3.

Classification of Level 3 (in \$'000)

As at March 31, 2025 and September 30, 2024, the Fund has financial instruments requiring Level 3 valuation. Fair value measurements are derived from valuation techniques. The substitution of one or more data from these techniques by one or several reasonably possible assumptions should not result in significant changes in the fair value of these investments. The following table explains the classification of fair value within Level 3:

	Financial instruments	Fair value \$	Valuation techniques	Unobservable inputs	Range
March 31, 2025	International Bank for Reconstruction and Development, Stripped, 0.000%, 2028-03-31	700	Portfolio Manager's Valuation	Net asset value	-
September 30, 2024	International Bank for Reconstruction and Development, Stripped, 0.000%, 2028-03-31	651	Portfolio Manager's Valuation	Net asset value	-

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

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

March 31, 2025	Total \$
Balance, Beginning of Period	651
Proceeds from sale of investments	-
Investments purchased	-
Net realized gain (loss)	-
Net unrealized gain (loss)	49
Transfers to (from) level 3	-
Balance, End of Period	700
Change in Net Unrealized Gain (Loss) of the Period for Securities Held as at March 31, 2025	49
September 30, 2024	Total \$
Balance, Beginning of Year	617
Proceeds from sale of investments	-
Investments purchased	-
Net realized gain (loss)	-
Net unrealized gain (loss)	34
Transfers to (from) level 3	-
Balance, End of Year	651
Change in Net Unrealized Gain (Loss) of the Year for Securities Held as at September 30, 2024	34

Financial Instruments Risks

As a portion of the Fund's Net Assets Attributable to Holders of Redeemable Units are invested in underlying funds, the Fund may be indirectly exposed to currency, interest, concentration or credit risks. Thus, only direct exposure to risks arising from the Fund's financial instruments is presented.

NEI Global Sustainable Balanced Fund

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

Underlying Funds Risk Management

The Fund's portfolio manager makes sure that the underlying funds' portfolio manager manages financial risks. Each month, the Fund's portfolio manager receives the underlying funds' investment portfolios to analyze the management style and compares performance against the Fund's benchmarks. Every quarter, the Fund's portfolio manager receives detailed quarterly documents featuring an analysis of performance, sector allocations and the underlying funds' top positions. To obtain the detail of underlying funds' risks, you can: view the underlying funds' financial statements on the website neiinvestments.com or contact NEI Investments using the information in Note 9.

Currency Risk (in \$'000)

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

March 31, 2025	Financial Assets	Financial Liabilities	Net Exposure	Impact on Net Assets Attributable to Holders of Redeemable Units
	\$	\$	\$	\$
USD	133,366	139,399	(6,033)	181

September 30, 2024	Financial Assets	Financial Liabilities	Net Exposure	Impact on Net Assets Attributable to Holders of Redeemable Units
	\$	\$	\$	\$
USD	134,681	130,899	3,782	113

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

Interest Rate Risk (in \$'000)

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

	Less than 1 Year	1 to 5 Years	5 to 10 Years	Greater than 10 Years	Total	Impact on Net Assets Attributable to Holders of Redeemable Units
	\$	\$	\$	\$	\$	\$
March 31, 2025	13,008	36,394	37,671	44,852	131,925	8,029
September 30, 2024	15,423	34,025	36,880	47,660	133,988	8,135

The impact on the Net Assets Attributable to Holders of Redeemable Units is based on Fund's fixed income securities as well as Fund's underlying investment funds and index-based investments exposed to interest rate risk, if any.

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

NEI Global Sustainable Balanced Fund

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

Concentration Risk

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

March 31, 2025		September 30, 2024	
Market Segment	%	Market Segment	%
Investment Funds		Investment Funds	
Growth	56.9	Growth	58.9
U.S. Bonds		U.S. Bonds	
Corporations	20.6	Corporations	19.7
State Governments and Crown Corporations	2.5	State Governments and Crown Corporations	1.6
Cities and Semi-Public Institutions	0.6	Cities and Semi-Public Institutions	0.6
Supranational Bonds	8.2	Supranational Bonds	7.4
Foreign Bonds	2.8	Foreign Bonds	3.1
Canadian Bonds	0.1	Canadian Bonds	0.3
U.S. Mortgage-Backed Securities	4.3	Asset-Backed Securities	3.9
U.S. Asset-Backed Securities	3.8	U.S. Mortgage-Backed Securities	3.5
Derivative Financial Instruments	(0.4)	Derivative Financial Instruments	(0.2)
Other Net Assets	0.6	Other Net Assets	1.2
Total	100.0	Total	100.0

Price Risk (in \$'000)

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

Benchmarks	Change in Price %	Impact on Net Assets Attributable to Holders of Redeemable Units	
		March 31, 2025	September 30, 2024
		\$	\$
60% MSCI ACWI NR Index (C\$)	3.00	6,364	7,084
40% Bloomberg U.S. Aggregate Index (C\$ Hedged)	1.00	1,414	1,574

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

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

Credit Risk

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

Fund's Fixed-Income Securities by Credit Rating Category

Credit Rating	Percentage of Fixed-Income Securities	
	March 31, 2025	September 30, 2024
	%	%
AAA	30	37
AA	23	8
A	12	12
BBB	16	20
BB	8	9
B	6	5
C	1	-
NOT RATED	4	9
Total	100	100

As at March 31, 2025, the counterparties to derivative financial instruments have a credit rating equivalent to at least "A-1" from designated rating organization ("A-1" as at September 30, 2024).

Liquidity Risk

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

h) Seed Capital

The Manager had the following seed capital investments:

	Seed Capital	Percentage Ownership
	\$	%
March 31, 2025	1,507	-
September 30, 2024	1,529	-

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

Capital and non-capital losses determined for tax purposes as at December 15, 2024, which is the taxation year-end, are as follows:

Capital Losses	Non-Capital Losses	
Amount	Amount	Year of Expiry
\$	\$	
-	327,868	2042

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2025, and 2024

Throughout the “Notes to the Financial Statements” section, “we”, “NEI LP”, “NEI” or “Manager” refers to Northwest & Ethical Investments L.P., the Manager of the NEI Funds, and “Unitholders” refers to holders of redeemable NEI Fund units.

1. ESTABLISHMENT OF THE FUNDS

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

The Funds are all mutual fund trusts or unit trusts established under the laws of Ontario.

The information provided in these financial statements and notes thereto are as at March 31, 2025 and 2024, and September 30, 2024, as applicable, and cover the six-month periods ended on those dates, as applicable.

For any Fund established during the above-noted periods, the “period” represents the period from the beginning of operations of the Fund, described in the “Establishment of the Fund” section under “Notes to the Financial Statements – Specific Information” for each Fund, to March 31 of the applicable period.

Funds	Inception date
NEI Long Short Equity Fund	January 22, 2024
NEI Global Corporate Leaders Fund	July 17, 2024

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

2. BASIS OF PRESENTATION AND MATERIAL ACCOUNTING POLICY INFORMATION

BASIS OF PRESENTATION

Statement of Compliance

The policies applied in the preparation of these financial statements are in accordance with the International Financial Reporting Standards (“IFRS”). These financial statements have been authorized for issue by the NEI LP Board of Directors on May 13, 2025.

MATERIAL ACCOUNTING POLICY INFORMATION

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

Financial Instruments

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

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

Classification and Measurement

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

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

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

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

As at March 31, 2025 and September 30, 2024, there are no differences between the Funds’ NAV per unit for transactions and their net assets per unit attributable to holders of redeemable units in accordance with IFRS.

Classification of Units Issued by the Funds

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

Impairment of Financial Assets

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

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

Determination of the Fair Value of Financial Instruments

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

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

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

Cash

Cash (bank overdraft) and margin deposited on derivatives (collateral payable) are measured at cost, which approximates fair value.

Money Market Securities

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

Equities, Index-Based Investments and Exchange Traded Funds

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

Bonds, Mortgage-Backed Securities and Asset-Backed Securities

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

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025, and 2024 (continued)

Investment Funds

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

Derivative Financial Instruments

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

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

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

Futures Contracts

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

Options

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

Valuation of Unlisted Securities and Other Investments

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

Other Assets and Liabilities

Receivable on standardized futures contracts, subscriptions receivable, receivable for investments sold, as well as interest, dividends and other receivables, are measured at amortized cost.

Similarly, accrued expenses, payable on standardized futures contracts, redemptions payable, payable for investments purchased, interest, dividends and other payables, as well as distributions payable and taxes payable, are measured at amortized cost.

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

Investment Transactions

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

Securities Lending Activities and Repurchase Agreements

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

Securities Lending

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

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

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

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

Repurchase and Reverse Repurchase Agreements

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

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

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

Leverage

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025, and 2024 (continued)

Offsetting Financial Assets and Financial Liabilities

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

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

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

Income

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

The net income from the limited partnership includes income attributed for tax purposes and are presented in "Distributions from underlying funds", if applicable. Distributions received from underlying funds are recorded at the date of distribution and are included in "Distributions from underlying funds" in the Statements of Comprehensive Income, if applicable.

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

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

Foreign Currency Translation

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

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

Amount in currencies are presented using the following abbreviations:

Abbreviation	Currency	Abbreviation	Currency
AED	United Arab Emirates Dirham	KRW	South Korean Won
AUD	Australian Dollar	MXN	Mexican Peso
BRL	Brazilian Real	MYR	Malaysian Ringgit
CAD	Canadian Dollar	NOK	Norwegian Krone
CHF	Swiss Franc	NZD	New Zealand Dollar
CLP	Chilean Peso	PHP	Philippine Peso
CNY	Chinese Yuan Renminbi	PLN	Polish Zloty
CZK	Czech Republic Koruna	RUB	Russian Ruble
DKK	Danish Krone	SAR	Saudi Riyal
EUR	Euro	SEK	Swedish Krona
GBP	Pound Sterling	SGD	Singapore Dollar
HKD	Hong Kong Dollar	THB	Thai Baht
HUF	Hungarian Forint	TRY	Turkish Lira
IDR	Indonesian Rupiah	TWD	Taiwan Dollar
ILS	Israeli Shekel	USD	United States Dollar
INR	Indian Rupee	VND	Vietnamese Dong
JPY	Japanese Yen	ZAR	South African Rand

Short Selling

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

There can be no assurance that a Fund will be able to close out a short position at an acceptable time or price. Until a Fund replaces a borrowed security, it will maintain adequate margin with the broker consisting of cash and liquid securities. As at March 31, 2025, the margin maintained with the broker is noted in the Statements of Financial Position in "Margin deposits", if applicable.

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

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

Income Taxes

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

The following Funds are considered unincorporated unit trusts:

- NEI Fixed Income Pool;
- NEI Canadian Equity Pool;
- NEI Global Equity Pool; and
- NEI Managed Asset Allocation Pool (collectively, the "Pools").

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

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

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025, and 2024 (continued)

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

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

The Funds currently incur withholding taxes imposed by certain countries on foreign investment income and capital gains. Such income and gains are recorded on a gross basis, and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income.

The Funds that have exposure to Indian securities accrue a tax liability for unrealized gains that are in excess of unrealized losses.

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

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

Investments in Other Investment Entities

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

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

Subsidiaries

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

Associates

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

Structured Entities

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

New standards, amendments and interpretations not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of March 31, 2025, and have not been applied in preparing these financial statements.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures*)

In May 2024, the International Accounting Standards Board ("IASB") issued amendments to IFRS 9 and IFRS 7. Among other amendments, IASB clarified that a financial liability is derecognized on the settlement date and introduced an accounting policy choice to derecognize financial liabilities that will be settled in cash using an electronic payment system before the settlement date. These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted.

IFRS 18 *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18, which replaces IAS 1, *Presentation of Financial Statements*. It introduces several new requirements that are expected to impact the presentation and disclosure of financial statements. These include:

- The requirement to classify all income and expenses into specified categories and provide specified totals and subtotals in the statement of profit or loss.
- Enhanced guidance on the aggregation, location and labeling of items across the financial statements and the notes to the financial statements.

- Required disclosures about management-defined performance measures.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted.

The Funds are currently assessing the effect of the above standard and amendments. No other new standards, amendments and interpretations are expected to have a material effect on the financial statements of the Funds.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

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

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

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

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

4. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

Structure of Redeemable Units

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

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

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

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

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Authorized Units

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

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

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

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

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

An unlimited number of Series O units, intended for investors, which may include dealer-sponsored wrap-programs or portfolios that make large initial allocations to the Funds and are approved by the Manager from time to time, who make large investments in a Fund and meet any eligibility criteria which the Manager may establish from time to time. Those investors must enter into an agreement with the Manager which identifies the management fee negotiated and pay management fees directly to the Manager. The Series O management fee will in no circumstances be higher than the management fee payable on Series A units of the Fund.

An unlimited number of Series P units, intended for investors or discretionary managed accounts of an advisor who hold, individually or in aggregate (in the case of discretionary managed accounts only), at least \$100,000 investment in NEI Funds, and whose dealer has entered into a dealer agreement with the Dealer. Series P units may only be purchased on a front-end sales charge option basis.

An unlimited number of Series PF units, intended for investors or discretionary managed accounts of an advisor who hold, individually or in aggregate (in the case of discretionary managed accounts only), at least \$100,000 investment in a single Fund and participate in programs that do not require them to pay sales charges or service fees to investment professionals or dealers, and whose dealer has entered into a dealer agreement with the Dealer.

An unlimited number of Series W units, intended for investors who make an initial investment of at least \$100,000 in NEI Income Private Portfolio, NEI Income & Growth Private Portfolio, NEI Balanced Private Portfolio or NEI Growth Private Portfolio ("NEI Private Portfolios") and whose dealer has entered into a dealer agreement with the Dealer that provides for distribution of Series W units. Series W units may only be purchased on a front-end sales charge option basis. The initial investment criteria may vary from time to time.

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

On August 10, 2020, NEI LP discontinued its deferred sales charge ("DSC"), low load, low load 2 and low load 3 (together "LL") sales charge options for those NEI Funds that offered DSC or LL. For investors with existing DSC and/or LL units as of that date, subsequent investments subject to DSC and/or LL sales charges were available until October 2020. On October 5, 2020, DSC and LL sales charge options were closed to new investments. On March 14, 2025, all NEI Fund units held in DSC and LL sales charge options were converted to the corresponding front-end sales charge options (FE) for the same series of applicable Funds. Mature and non-mature units held in DSC sales charge options and LL sales charge options were converted automatically to the corresponding FE sales charge option. As a result of the conversions, any units held in FE sales charge options that meet the eligibility criteria for the Preferred Pricing Program will be automatically switched to the corresponding Preferred Pricing Series.

Valuation of Units

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

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

Management of Risks Associated with Units

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

Redemptions

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

5. MANAGEMENT FEES AND OTHER EXPENSES

Management Fees

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

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

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

Performance Fees

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

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

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

Other Expenses

The Manager pays all of the operating expenses (the "Operating Expenses") of the Funds, except for:

- The "Fund Expenses", which are collectively:
 - costs and expenses associated with taxes (including, but not limited to, GST/HST);
 - borrowing costs incurred by the Funds from time to time;
 - the costs associated with the independent review committee ("IRC"), including annual dues, meeting fees and other related expenses such as travel relating to the operation of the IRC

NOTES TO THE FINANCIAL STATEMENTS

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- the costs of compliance with any regulatory changes imposed following July 27, 2018;

and

- costs associated with portfolio transactions, including brokerage commissions and research and execution costs.

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

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

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

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

6. RELATED PARTY TRANSACTIONS

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

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

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

Underlying Funds

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

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

7. FINANCIAL INSTRUMENTS DISCLOSURES

Hierarchy of Financial Instruments Measured at Fair Value

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

- Level 1 - Measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 - Valuation techniques based primarily on observable market data.
- Level 3 - Valuation techniques not based primarily on observable market data.

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

Measurement Monitoring

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

Establishment of Levels

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

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

Money Market Securities

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

Equities

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

Index-Based Investments and Exchange Traded Funds

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

Bonds

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

Mortgage-Backed Securities and Asset-Backed Securities

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

Investment Funds

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

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2025, and 2024 (continued)

Derivative Financial Instruments

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

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

Management of Risks Arising from Financial Instruments

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

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

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

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

Market Risk

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

Currency Risk

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

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

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

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

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

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

Interest Rate Risk

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

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

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

Price Risk

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

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

Concentration Risk

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

Credit Risk

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

Financial Instrument Transactions

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

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

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

The credit rating for fixed-income securities and money market securities is generally rated by designated rating organizations. In cases where the credit rating organizations do not agree on a credit rating for fixed-income securities and money market securities, they will be classified following these rules:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

The credit rating of RBC Dominion Securities Inc. as at March 31, 2025 was A-1+

Securities Lending, Repurchase Transactions and Reverse Repurchase Transactions

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

Liquidity Risk

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

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

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

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

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

Short Selling Risk

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

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

Leverage Risk

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

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

Additional Information

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

8. COMPARATIVE BALANCES

The comparative financial statements have been reclassified from the statements previously presented in order to conform to the presentation of the current year financial statements.

9. OTHER INFORMATION

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

Northwest & Ethical Investments L.P.

151 Yonge Street

Suite 1200

Toronto, ON

M5C 2W7

www.NEIinvestments.com

Tel.: 1-888-809-3333

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

