



NEI Canadian Impact Bond Fund

Semi-annual Management Report of Fund Performance

As at March 31, 2025

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

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

Management Discussion of Performance

Results of Operations

NEI Canadian Impact Bond Fund (the "Fund") Series A units returned 1.7% for the six-month period ended March 31, 2025 compared with a return of 2.0% for the benchmark explained below.

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

The benchmark for this Fund is the FTSE Canada Universe Bond Index.

The Fund's net asset value decreased by 15.53% during the period, from \$126,419,841 as at September 30, 2024 to \$106,789,373 as at March 31, 2025. This change in net assets is attributed to net unitholder activity of -\$22,136,220 and \$2,505,752 to investment operations, including market appreciation (depreciation), income and expenses.

Market Overview

There has been a lot of volatility in interest rates during the last six months primarily due to the political situation in the U.S. The last quarter of 2024 saw mostly an upward trend in interest rates up until early January. Once the new U.S. administration put tariffs in place and made threats of further trade action toward Canadian exports, it led to recessionary fears for the Canadian economy. A volatile downward trend was initiated in interest rates with the situation constantly changing. Corporate bonds were the best-performing section in the fixed income market throughout this period. Credit spreads over the last six months were basically unchanged after a strong narrowing in the last quarter of 2024 that was subsequently took back by a widening during the first quarter of 2025 as a result of uncertainty in the financial markets. It was the same situation with provincial bond spreads.

Factors That Have Affected Performance

The Fund benefited from an overweight positioning in corporate bonds, combined with positive security selection in the last quarter of 2024. The overweight positioning was significantly reduced late in 2024 and early 2025 to reduce the corporate bond risk in the Fund, while adding to government holdings. An active longer duration positioning versus the benchmark during the period, which varied according to interest rate market movement, provided added value in 2025.

Portfolio Changes

The portfolio sub-advisor added new securities during the period, in its community development theme from the First Nations Financial Authority and a City of Toronto social bond. Additionally, the portfolio sub-advisor also added new green bonds from the Province of Ontario, Hydro Ottawa Capital Corp., Ontario Power Generation Inc., TransAlta Corp., and BCI QuadReal Realty. The Fund also invested in a new bond to finance a Halifax hospital project (Plenary PCL Health HEIP L.P.), which falls under the Fund's health and wellness theme.

Environmental, Social, And Governance ("ESG") Activities

In addition to any ESG-related commentary made in the sections above, other ESG-related activities undertaken in the period are described here.*

NEI completed three ESG evaluations on companies that were either already held in the Fund, or that were requested by the portfolio sub-advisor for evaluation as part of the initial investment decision. All companies evaluated were deemed to be eligible for investment in the Fund.

*Impact metrics for the 12-month period ending December 31, 2024, will be reported in the annual Management Report of Fund Performance for the period ending September 30, 2025.

Recent Developments

The focus of financial markets at this moment is on the tariff situation coming out of the U.S. The magnitude of the tariffs could jeopardize economic expansion. It will all depend on the final tariff bill and who will be absorbing this tax bill between businesses and the U.S. consumer. If a majority of the tariffs are passed on to the consumer, the U.S. could enter into a consumer-led recession. Even if Canada is not hit with tariffs as bad as initially expected, a U.S. recession could lead to an economic downturn in Canada.

The portfolio sub-advisor expects interest rates to be neutral to lower in this context. Portfolio positioning will be kept at a longer duration exposure than its benchmark. They also see a less interesting risk-reward relationship for credit securities because of the uncertainty. Therefore, corporate bond exposure will remain overweight for the benefit of the positive carry. However, it will be much more modest than it has been over the last several years. The Fund's holdings will be concentrated in high-quality issuers that enable a lower risk profile.

Related Party Transactions

Northwest & Ethical Investments L.P. ("NEI LP", "NEI Investments" and the "Manager") is the Manager, trustee, portfolio manager and registrar of the Fund. Northwest & Ethical Investments Inc., the general partner of NEI LP, is a wholly-owned subsidiary of Aviso Wealth Inc. ("Aviso"). Aviso is also the sole limited partner of NEI LP. Aviso is a wholly-owned subsidiary of Aviso Wealth LP, which in turn is owned 50% by Desjardins Financial Holding Inc. and 50% by a limited partnership, 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 charges the Fund a fixed administration fee in place of certain variable expenses. NEI LP in turn, pays all operating expenses of the Fund, other than specified Fund costs (e.g. the fees and expense of the Independent Review Committee ("IRC"), taxes, and brokerage commissions) which include payments to related parties. These services are in the normal course of operations and are measured at an exchange amount that is consistent with other independent parties. Desjardins Trust Inc. ("Desjardins Trust") is the custodian of the Fund. Desjardins Trust is a wholly-owned subsidiary of the Fédération. The Fund may engage in securities lending and repurchase and/or reverse repurchase transactions, and Desjardins Trust may act as the Fund's securities lending and repurchase and/or reverse repurchase transactions agent ("Agent"). Any revenue earned on such transactions is split 60%—40% between the Fund and the Agent. Desjardins Securities Inc. ("DSI") is a broker responsible for security transactions on behalf of the Fund. DSI is a wholly-owned subsidiary of the Fédération.

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

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

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

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the six-month period ended March 31, 2025 and the past five fiscal years or for the periods since inception, as applicable.

Net Assets per Unit (\$) ⁽¹⁾

Series	Period	Net Assets, Beginning of Period	Increase (Decrease) from Operations					Distributions						Net Assets, End of Period
			Total Revenue	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total Increase (Decrease) from Operations ⁽²⁾	From Income (Excluding Dividends)	From Dividends	From Underlying Funds	From Capital Gains	Return of Distributions Capital	Total of Distributions ⁽³⁾⁽⁴⁾	
A	Mar. 2025	10.31	0.19	-0.06	0.13	-0.04	0.22	0.12	0.00	0.00	0.08	0.00	0.20	10.27
	Sept. 2024	9.54	0.39	-0.13	0.09	0.66	1.01	0.25	0.00	0.00	0.00	0.16	0.41	10.31
	Sept. 2023	10.00	0.07	-0.03	-0.01	-0.39	-0.36	0.05	0.00	0.00	0.00	0.05	0.10	9.54
F	Mar. 2025	10.39	0.20	-0.03	0.13	-0.06	0.24	0.15	0.00	0.00	0.07	0.00	0.22	10.37
	Sept. 2024	9.56	0.39	-0.07	0.09	0.71	1.12	0.31	0.00	0.00	0.00	0.10	0.41	10.39
	Sept. 2023	10.00	0.08	-0.01	-0.01	-0.32	-0.26	0.06	0.00	0.00	0.00	0.04	0.10	9.56
I	Mar. 2025	10.54	0.20	0.00	0.13	-0.12	0.21	0.22	0.00	0.00	0.08	0.00	0.30	10.47
	Sept. 2024	9.60	0.39	0.00	0.09	0.84	1.32	0.39	0.00	0.00	0.00	0.00	0.39	10.54
	Sept. 2023	10.00	0.07	0.00	-0.01	-0.40	-0.34	0.06	0.00	0.00	0.00	0.00	0.06	9.60
O	Mar. 2025	10.54	0.20	0.00	0.13	-0.10	0.23	0.19	0.00	0.00	0.08	0.00	0.27	10.50
	Sept. 2024	9.66	0.38	0.00	0.09	0.85	1.32	0.45	0.00	0.00	0.00	0.00	0.45	10.54
	Sept. 2023	10.00	0.07	0.00	-0.01	-0.40	-0.34	0.00	0.00	0.00	0.00	0.00	0.00	9.66
P	Mar. 2025	10.34	0.19	-0.06	0.13	-0.06	0.20	0.12	0.00	0.00	0.08	0.00	0.20	10.31
	Sept. 2024	9.55	0.38	-0.11	0.09	0.64	1.00	0.26	0.00	0.00	0.00	0.15	0.41	10.34
	Sept. 2023	10.00	0.07	-0.02	-0.01	-0.39	-0.35	0.06	0.00	0.00	0.00	0.04	0.10	9.55
PF	Mar. 2025	10.40	0.20	-0.03	0.13	-0.05	0.25	0.16	0.00	0.00	0.07	0.00	0.23	10.38
	Sept. 2024	9.56	0.39	-0.06	0.09	0.81	1.23	0.32	0.00	0.00	0.00	0.09	0.41	10.40
	Sept. 2023	10.00	0.08	-0.01	-0.01	-0.32	-0.26	0.06	0.00	0.00	0.00	0.04	0.10	9.56

(1) All per unit figures presented in 2025 are referenced to net assets determined in accordance with International Financial Reporting Standards and are derived from the Fund's semi-annual financial statements for the period ended March 31, 2025.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash or reinvested in additional units of the Fund.

(4) Distributions (if any) that may have been made that included return of capital in excess of short term earnings were made to minimize disruption and provide stability to investors who have elected to take their distributions in the form of cash, and as disclosed in the simplified prospectus. These amounts are reviewed at each calendar year-end and management engages in discussions with the sub-advisor to determine the most applicable strategy on a go forward basis and will take any action(s) as needed for the long-term stability of the Fund.

Ratios and Supplemental Data

Series	Period	Total Net Asset Value (000's of \$)	Number of Units Outstanding (000's)	Management Expense Ratio (%) ⁽¹⁾	Management Expense Ratio before Waivers and Absorptions (%)	Trading Expense Ratio (%) ⁽²⁾	Portfolio Turnover Rate (%) ⁽³⁾	Net Asset Value per Unit (\$)
A	Mar. 2025	1,964	191	1.24	1.24	0.00	30.82	10.27
	Sept. 2024	1,502	146	1.25	1.25	0.00	58.71	10.31
	Sept. 2023	145	15	1.26	1.26	0.00	4.53	9.54
F	Mar. 2025	1,611	155	0.67	0.67	0.00	30.82	10.37
	Sept. 2024	806	78	0.68	0.68	0.00	58.71	10.39
	Sept. 2023	2	-	0.69	0.69	0.00	4.53	9.56
I	Mar. 2025	91,234	8,710	N/A	N/A	0.00	30.82	10.47
	Sept. 2024	118,141	11,209	N/A	N/A	0.00	58.71	10.54
	Sept. 2023	101,594	10,581	N/A	N/A	0.00	4.53	9.60
O	Mar. 2025	1	-	0.05	0.05	0.00	30.82	10.50
	Sept. 2024	1	-	0.05	0.05	0.00	58.71	10.54
	Sept. 2023	1	-	0.05	0.05	0.00	4.53	9.66
P	Mar. 2025	2,379	231	1.13	1.13	0.00	30.82	10.31
	Sept. 2024	1,412	137	1.13	1.13	0.00	58.71	10.34
	Sept. 2023	1	-	1.15	1.15	0.00	4.53	9.55
PF	Mar. 2025	9,600	925	0.55	0.55	0.00	30.82	10.38
	Sept. 2024	4,559	438	0.54	0.54	0.00	58.71	10.40
	Sept. 2023	10	1	0.57	0.57	0.00	4.53	9.56

(1) Management expense ratio is based on total expenses charged to the Fund (excluding commissions and other portfolio transaction costs, as well as withholding taxes) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. See Management Fees for more information.

(2) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

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

Management Fees

The Manager is responsible for the management, supervision and administration of the Fund. The Manager receives management fees, before HST, from the Fund, which are calculated daily and based on the net asset value of the Fund at an annual rate shown below. The Fund does not pay management fees for Series I and O units. Series I and O unitholders pay a negotiated fee directly to NEI Investments.

The management fee covers the cost of investment advisory fees, sales, marketing, and distribution expenses of the Fund. In addition, the Manager may pay a trailer fee to dealers out of this management fee. The trailer fee is a percentage of the average daily value of the units of the Fund held by the dealer's clients. No trailer fees are paid in respect of any Series F and PF units of the Fund.

The following table shows the major services paid for out of management fees as a percentage of the management fee for all applicable series of the Fund:

	Management Fee (%)	Investment Advisory and Other Fees (%)	Trailer Fee (%)
Series A	0.95	47.43	52.57
Series F	0.45	100.00	N/A
Series P	0.85	41.25	58.75
Series PF	0.35	100.00	N/A

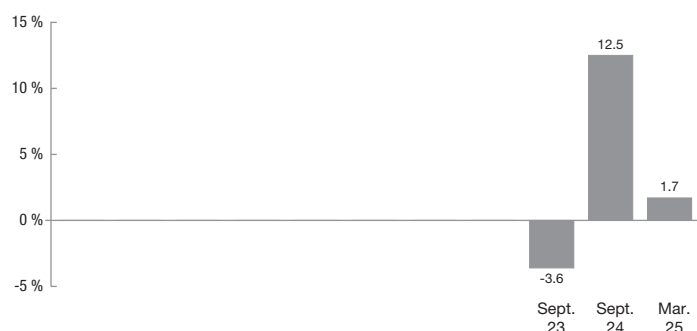
Past Performance

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

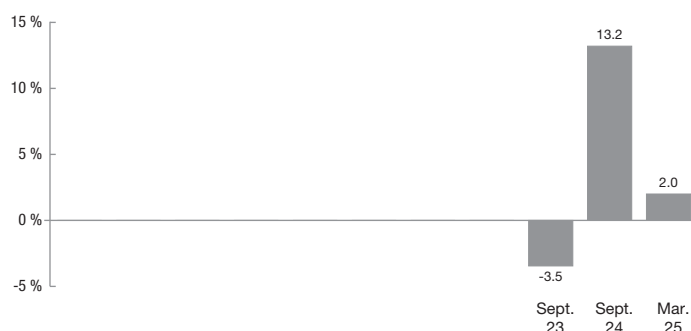
Year-by-Year Returns

The following charts show the annual performance for each series of units of the Fund for each period shown and illustrate how the Fund's performance has varied from period to period with the exception of 2025, which shows the six-month return for the period ended March 31, 2025. For a series that has not been in existence for over ten years, the series' first financial year performance is presented since inception until the close of that financial year. The charts indicate how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period. For the inception dates of the respective series, please refer to the Fund Facts document.

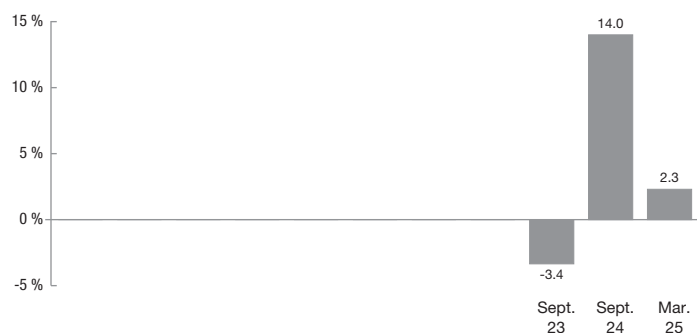
Series A



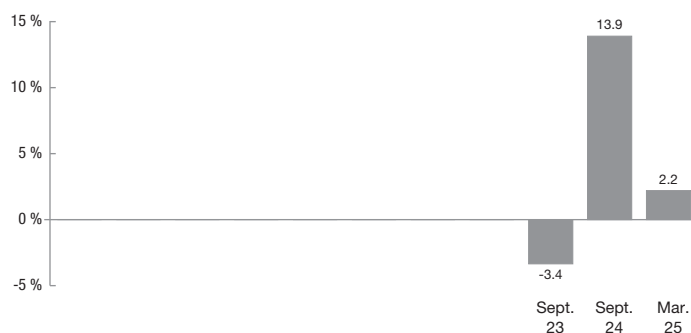
Series F



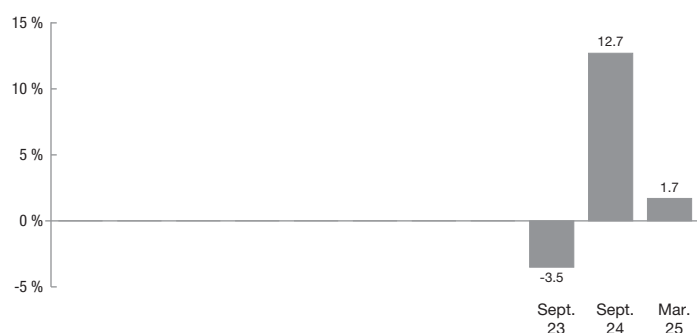
Series I



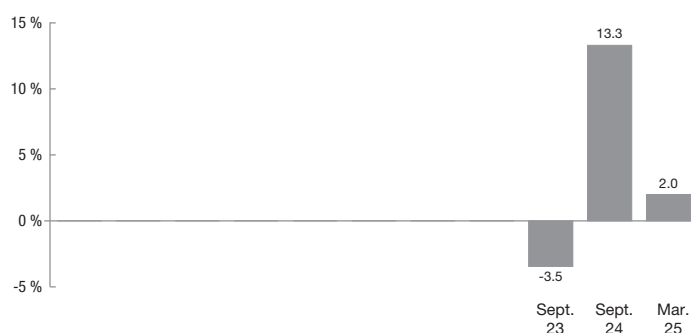
Series O



Series P



Series PF



Summary of Investment Portfolio as at March 31, 2025

Total Net Asset Value: \$106,789,373

Top Holdings	%	Sector Allocation	%
Government of Canada, 3.500%, 2034-03-01	6.3	Corporate Bonds	37.8
Province of Québec, 3.650%, 2032-05-20	5.1	Provincial and Crown Corporations Bonds	28.1
Province of Ontario, 4.050%, 2032-02-02	3.9	Federal Bonds	19.2
Province of Ontario, 4.100%, 2054-10-07	3.7	Municipal Bonds	11.4
Province of Ontario, 1.550%, 2029-11-01	3.4	Cash and Equivalents	1.6
First Nations Finance Authority, 4.100%, 2034-06-01	3.3	Supranational Bonds	1.1
PSP Capital, Series G-13, 4.400%, 2030-12-02	3.2	Mortgage-Backed Securities	0.8
55 School Board Trust, 5.900%, 2033-06-02	2.6	Total	100.0
National Bank of Canada, 4.968%, 2026-12-07	2.4	The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment fund. Updates are available quarterly.	
Government of Canada, 2.250%, 2029-12-01	2.3		
Central 1 Credit Union, 2.391%, floating rate from 2026-06-30, 2031-06-30	2.3		
Ottawa Hospital, 4.638%, 2063-06-14	1.9		
Government of Canada, 2.750%, 2055-12-01	1.9		
Canada Housing Trust, Series 118, 4.250%, 2034-03-15	1.9		
Province of Ontario, 4.100%, 2033-03-04	1.8		
Government of Canada, 3.000%, 2032-03-01	1.7		
Fédération des caisses Desjardins du Québec, 5.467%, 2028-11-17	1.7		
Cash and Equivalents	1.6		
TCHC Issuer Trust, Series A, 4.877%, 2037-05-11	1.6		
Dream Industrial Real Estate Investment Trust, Series E, 3.968%, 2026-04-13	1.5		
Coast Capital Savings Federal Credit Union, 5.250%, floating rate from 2025-10-29, 2030-10-29	1.5		
Northwestern Hydro Acquisition, Series 1, 3.940%, 2038-12-31	1.4		
Canada Pension Plan Investment Board, 3.000%, 2028-06-15	1.4		
Hydro-Québec, 4.000%, 2055-02-15	1.4		
Scotiabank, 3.836%, floating rate from 2029-09-26, 2030-09-26	1.4		
Total	61.2		