NEI

NEI Canadian Equity Pool

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 Equity Pool (the "Fund") Series I units returned 5.4% for the six-month period ended March 31, 2025 compared with a return of 5.3% 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 S&P/TSX Composite TR Index.

The Fund's net asset value increased by 4.85% during the period, from $78,067,947 as at September 30, 2024 to $81,854,474 as at March 31, 2025. This change in net assets is attributed to net unitholder activity of -$623,122 and $4,409,649 to investment operations, including market appreciation (depreciation), income and expenses.

Market Overview

In the fourth quarter of 2024, the global macroeconomic environment was characterized by diverging economic and political outcomes, not only for monetary and fiscal policy, but also for corporate earnings, inflation, and foreign exchange rates.

Despite consecutive interest rate reductions of 50 basis points by the Bank of Canada, Canada’s nominal and real yields were not immune to the rise in global longer-dated yields, led by the rise in U.S. treasury yields.

The boost from the Trump administration’s perceived growth-leaning agenda that was experienced during the latter half of 2024 subsequently turned into a challenge for certain risk markets in the first quarter of 2025.

Canada’s nominal and real yields declined with expectations for continued policy easing and elevated risks to the demand side of the economy as the trade war permeated through Canada’s fixed income markets.

Factors That Have Affected Performance

The Canadian equity portfolio performed exceptionally well in absolute and relative terms during the fourth quarter of 2024 amid ongoing geopolitical tensions and the threat of additional protectionist measures by President-elect Donald Trump. The portfolio sub-advisor focuses on investing in a diversified set of high-quality companies, and in times of uncertainty, these companies tend to outperform, which was the case in the fourth quarter. These businesses are often regional or global leaders that demonstrate superior growth, durable competitive advantages, and strong balance sheets, leading to more predictable earnings and solid downside protection. The Fund’s overweight allocation to Industrials companies drove about two-thirds of the outperformance, and its strong relative performance in Financials combined with its underweight exposure to weaker sectors, Communication Services and Materials, were also positive contributors. Gains were modestly offset by relative underperformance from our Information Technology and Consumer Staples holdings.

From a stock-specific standpoint, the top contributors to relative stock performance in the fourth quarter were CAE Inc., AtkinsRéalis Group Inc., and Brookfield Corp. CAE outperformed in the fourth quarter, driven by strong earnings in both its civil and defense training divisions. Notably, the company reported improving margins in its defense division near the high end of its 2025 target range of 6%-7% earnings before income tax margins. AtkinsRéalis performed well after reporting strong third-quarter results. The engineering services division achieved 8.4% organic growth year-over-year (“YoY”) with improving margins, while the nuclear division posted an impressive 35% organic growth. Brookfield reported a solid fourth quarter, with distributable earnings up 19% YoY. The company continued to benefit from lower global interest rate expectations, which helped stabilize commercial real estate values and created a favourable environment for capital deployment, fundraising, and exit opportunities for private asset managers.

The primary detractors from performance in the fourth quarter of 2024 were Premium Brands Holdings Corp., Canadian National Railway Co., and OpenText Corp.

The Canadian equity portfolio underperformed the S&P/TSX Composite Index during the first quarter of 2025, primarily due to a rotation towards slow-growth, safe-haven assets as the market re-priced risk amid concerns over protectionist measures from President Trump. Despite the portfolio sub-advisor's focus on investing in a diverse set of high-quality businesses—typically regional or global leaders with durable competitive advantages, strong balance sheets, and superior growth through the cycle—the risk-off environment favoured other sectors, where these attributes are lacking. Notably, Materials, led by the gold sub-sector, substantially outperformed as the flight to safety pushed the commodity up 40% over the past year to all-time highs. Similarly, Utilities, Communication Services, and Real Estate Investment Trusts performed better than the index, despite their low growth and high debt levels. These four areas accounted for more than 40% of the Fund’s underperformance in the first quarter of 2025. Materials was the largest detractor; the Fund’s position in high-performing Franco-Nevada Corp. could not fully offset the rally in producers, which have the most exposure to commodity prices.

From a stock-specific standpoint, the top contributors to the Fund’s relative first quarter performance were Franco-Nevada, Intact Financial Corp., and Metro Inc. Franco-Nevada, a prominent streaming and royalty company, demonstrated strong performance driven by rising gold prices, which positively influenced sector sentiment and the company's run-rate cash flow. Intact Financial outperformed this quarter, driven by robust underwriting performance and growth in investment and distribution income. Metro continued to report industry-leading sales growth, driven by its balanced approach between full-service and discount offerings in the grocery business, and a value-oriented pharmacy brand.

The primary detractors in the first quarter of 2025 were AtkinsRéalis, OpenText, and Brookfield Corp.

Portfolio Changes

During the fourth quarter of 2024, the portfolio sub-advisor exited the Fund's position in Winpak Ltd. Winpak did not perform according to its expectations due to slow sales growth.

During the first quarter of 2025, the portfolio sub-advisor made several portfolio changes to upgrade its quality characteristics and enhance expected returns. Early in the quarter, Magna International Inc. was exited due to excessive binary risks from potential tariffs. The Trump administration subsequently implemented a 25% tariff on non-U.S. vehicles, which created a significant challenge for Magna's Canadian, Mexican, and European businesses. Additionally, the portfolio sub-advisor exited positions in Empire Co. Ltd. and Manulife Financial Corp., as strong fundamental performance led to significant valuation re-ratings, reducing the potential for future returns.

These trades funded new positions in The Toronto-Dominion Bank ("TD Bank") and TFI International Inc. The portfolio sub-advisor initiated a position in TD Bank as the bank trades at a discounted valuation despite significant progress on remediating its anti-money laundering issues and an accelerated leadership refresh at the CEO and board levels. TD Bank is the best-capitalized Canadian bank, with a dominant retail franchise and ranking as North America's sixth-largest bank by assets. The valuation is attractive, and the portfolio sub-advisor anticipates significant share buybacks to provide downside protection compared to other Canadian banks.

Finally, the portfolio sub-advisor initiated a position in TFI International, as recent results have been impacted by the ongoing freight recession across North America, presenting a compelling opportunity to purchase the stock at a large discount to intrinsic value. TFI has high levels of insider ownership and a strong history of growth through acquisitions. Despite the recent pullback, the company has significantly outperformed the index over the past 10 years. The portfolio sub-advisor expects management to improve operations as volumes recover and allocate capital to acquisitions and share buybacks, to maximize shareholder value in the years ahead.

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.

The Fund was monitored over the period for any headline risk associated with the holdings. No ESG risks were determined to be significant enough to warrant escalation for further action.

Recent Developments

Entering 2025, the portfolio sub-advisor expects economic, political, and policy divergence between major economies to persist and likely intensify.

Credit spreads, which widened in the first quarter, should continue their path towards a normalized, and frankly more attractive, level.

The current market volatility is providing ample opportunity to deploy capital in businesses that the portfolio sub-advisor believes will have enduring competitive advantages beyond the current uncertainty.

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.

Where applicable, the amounts paid in commission by the Fund to DSI and amounts received from underlying funds managed by NEI LP during the period are presented.

	March 2025 ($)	March 2024 ($)
Commissions paid by the Fund to DSI	102	1,033

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

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

NEI LP has established the IRC for the Fund in accordance with the requirements of National Instrument 81-107 – Independent Review Committee for Investment Funds in order to review conflicts of interest as they relate to investment fund management. The Fund received standing instructions from the IRC with respect to the following related party transactions: trades in securities (whether debt or equity) of a company related to a sub-advisor.

The Manager is required to advise the IRC of any material breach of a condition of the standing instructions. The standing instructions require, among other things, that the investment decision in respect to related party transactions (a) are aligned with the investment objectives, investment strategies, risk profile and other important details of the Fund for which the investment is being proposed; (b) are made by the Manager free from any influence by any entities related to the Manager; (c) represent the business judgment of the Manager uninfluenced by considerations other than the best interests of the Fund; and (d) are made in compliance with the Manager’s policies and procedures.

Transactions made by the Manager under the standing instructions are subsequently reviewed by the IRC to monitor compliance. The Fund relied on the IRC’s standing instructions regarding related party transactions during this reporting period.

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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)

			Increase (Decrease) from Operations					Distributions						
Series	Period	Net Assets, Beginning of Period	Total Revenue	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total Increase (Decrease) from Operations (2)	From Income (Excluding Dividends)	From Dividends	From Underlying Funds	From Capital Gains	Return of Capital	Total Distributions (3)(4)	Net Assets, End of Period
I	Mar. 2025	13.98	0.14	0.00	0.83	-0.26	0.71	0.01	0.30	0.00	2.16	0.00	2.47	12.31
	Sept. 2024	11.70	0.28	-0.01	1.74	1.07	3.08	0.01	0.25	0.00	0.32	0.00	0.58	13.98
	Sept. 2023	10.69	0.26	0.00	0.22	0.99	1.47	0.01	0.17	0.00	0.29	0.00	0.47	11.70
	Sept. 2022	12.58	0.22	0.00	0.33	-2.20	-1.65	0.00	0.22	0.00	0.08	0.00	0.30	10.69
	Sept. 2021	9.60	0.26	0.00	0.16	2.68	3.10	0.00	0.20	0.00	0.00	0.00	0.20	12.58
	Sept. 2020	10.04	0.28	-0.01	-0.12	-0.59	-0.44	0.00	0.05	0.00	0.00	0.00	0.05	9.60

(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 $)	Number of Units Outstanding (000's)	Management Expense Ratio (%) (1)	Management Expense Ratio before Waivers and Absorptions (%)	Trading Expense Ratio (%) (2)	Portfolio Turnover Rate (%) (3)	Net Asset Value per Unit ($)
I	Mar. 2025	81,854	6,649	N/A	N/A	0.03	30.37	12.31
	Sept. 2024	78,068	5,583	N/A	N/A	0.04	29.22	13.98
	Sept. 2023	116,950	9,995	N/A	N/A	0.02	16.80	11.70
	Sept. 2022	84,408	7,892	N/A	N/A	0.02	13.84	10.69
	Sept. 2021	84,990	6,753	N/A	N/A	0.03	15.98	12.58
	Sept. 2020	46,490	4,845	N/A	N/A	0.08	21.33	9.60

(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 Fund does not pay management fees for Series I. Series I unitholders pay a negotiated fee directly to NEI Investments.

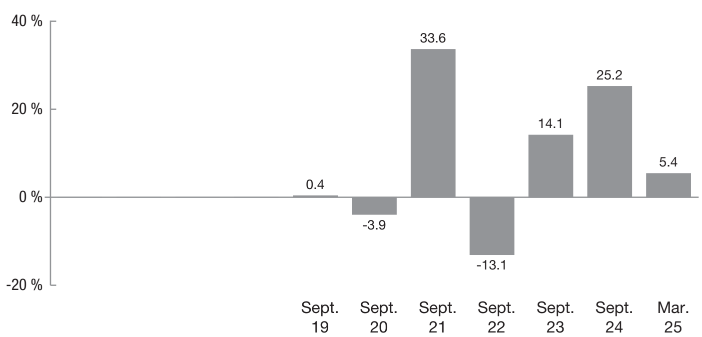
Past Performance

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 I



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Summary of Investment Portfolio as at March 31, 2025

Total Net Asset Value: $81,854,474

Top Holdings	%
Canadian National Railway Company	6.0
Brookfield, Class A	5.6
Toronto-Dominion Bank	5.2
Bank of Montreal	4.9
CAE	4.3
TC Energy	4.2
Metro	4.1
Open Text	3.5
Constellation Software	3.5
Intact Financial Corporation	3.5
AtkinsRealis Group	3.4
Franco-Nevada	3.4
WSP Global	3.3
Stantec	3.2
Thomson Reuters	3.1
Tourmaline Oil	2.9
Restaurant Brands International	2.9
CGI, Class A	2.9
National Bank of Canada	2.8
Shopify, Class A	2.7
Kinaxis	2.5
CCL Industries, Class B	2.4
Boyd Group Services	2.3
Descartes Systems Group	2.2
Gildan Activewear	2.1
Total	86.9

Sector Allocation	%
Industrials	27.0
Financials	25.5
Information Technology	18.4
Energy	7.1
Consumer Staples	6.2
Materials	5.7
Consumer Discretionary	5.0
Real Estate	3.0
Cash and Equivalents	2.1
Total	100.0

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