

# NEI Canadian Impact Bond Fund

Make impact a core part of your fixed income portfolio

NEI

## Impact

Portfolio securities are selected to address some of Canada's major social and environmental challenges, with measurable impact.

## Core fixed income

Predominantly investment-grade portfolio designed to provide risk-return profile of core global fixed income.

## Competitive price<sup>1</sup>

Cost-effective exposure to issuers and secular themes not typically found in traditional fixed income strategies.

## Addenda's portfolio composition<sup>2</sup>

### Thematic allocation

	%
Climate change	67.0
Community development	14.9
Education	5.6
Health and wellness	3.4
Non impact	9.2

### Sector allocation

	%
Cash and money market	0.5
Federal and supranational bonds	24.0
Provincial bonds	31.2
Municipal bonds	6.6
Corporate bonds	37.7
Preferred shares	0.0

### Characteristics (key metrics)

Modified duration (years)	7.4
Average yield to maturity [%]	4.2
Average credit quality	AH
Number of holdings	88

## Addenda's proprietary process to identify impact bonds, based on extensive research and experience

- All bonds must fit into one of 13 investment themes grouped under four broad impact categories
- All bonds must meet strict eligibility criteria around materiality, additionality and measurability
- Bonds are then added to the portfolio based on suitable risk-return characteristics.

## Composition of the Fund

Asset class / Sector limits & other constraints	Minimum %	Maximum %
Fixed income	90	100
Allocation to below BBB-rated securities	0	20
Preferred shares	0	5
Unrated securities	0	10
Foreign securities	0	30
Impact-related securities	80	100
Cash and money market securities	0	10

<sup>1</sup>Based on year-end 2022 management and/or administrative fees of other Canadian Fixed Income Mutual Funds as per SimFund data as of December 31, 2022; For more information about the SimFund Report contact us by calling 1-888-809-3333, email at NEIclientservices@NEIinvestments.com, or by writing us at Northwest & Ethical Investments L.P., 151 Yonge Street Suite 1200, Toronto ON M5C 2W7.

<sup>2</sup>As of December 31, 2023. Based on Addenda Capital's representation of the portfolio.

# Addenda's impact assessment framework

## Climate change

- Renewable energy
- Clean transportation
- Energy efficiency

## Community development

- Credit unions and financial services co-operatives
- Development finance
- Affordable housing
- Indigenous economy

## Education

- Universities
- School boards
- School service centres

## Health and wellness

- Hospitals
- Non-profit seniors' housing

## Fast facts

- ✓ Managed by **Addenda Capital**, a Canadian specialist in impact investing
- ✓ **Measurable impact** addressing social and environment Canadian challenges
- ✓ Predominantly **investment-grade** portfolio designed to provide a risk-return profile of core Canadian fixed income
- ✓ Annual fixed distribution of **4%**, paid monthly
- ✓ **Downside protection** via stable underpinning of high-quality bonds
- ✓ **Competitively priced** with a cost-effective exposure

## Fund codes and fees

Prefix: NWT

Series	FE	NL
<b>A</b>	154	-
<b>F</b>	-	554
<b>P</b>	8154	-
<b>PF</b>	-	8554

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