

# NEI **IMPACT** BALANCED PORTFOLIO

*Investment Policy Statement*

Prepared for

Date

Prepared by

NEI

Dear

Re: Investment Policy Statement

I am pleased to recommend the **NEI Impact Balanced Portfolio** based on your specific investor profile, taking into account all of your personal circumstances that are not limited to investment objective, time, horizon, and level of risk tolerance. I have attached a comprehensive NEI Impact Balanced Portfolio Investment Policy Statement, which will help you understand exactly how your portfolio will be managed to attain your investment goals.

As a part of the NEI Impact Portfolios, the NEI Impact Balanced Portfolio is a single-ticket solution that provides access to impact investments from around the world that span a range of Responsible Investing themes. This Portfolio is an actively managed solution that provides comprehensive asset allocation, diversification, re-balancing, and oversight on your behalf.

As your investment objectives or circumstances may change over time, we will need to review your asset mix periodically to determine whether it needs to be adjusted.

If you have any questions, please do not hesitate to contact me at:

Sincerely,

# PORTFOLIO DETAILS

## Portfolio diversification

NEI Impact Balanced Portfolio is a “fund of funds” solution underpinned by NEI funds that are focused on impact investing. It uses a combination of individual mutual funds and exchange traded funds (ETFs) to provide a balance between generating income and long-term capital growth through exposure to foreign and Canadian equity securities and exposure to foreign and Canadian fixed income and money market instruments while primarily focusing on positive environmental and/or social impact.

Your recommended asset allocation takes into account the following factors:

- Your interest in ‘Impact investing’
- Your investment objective
- How long you plan to stay invested
- Your risk tolerance

Your portfolio is diversified using a mixture of asset classes including Global and Canadian fixed income, Global and Canadian equities along with a mixture of other ESG ETF’s. This is further diversified by:

- Environmental impact /Social impact
- Industry sector
- Market capitalization
- Geography
- Portfolio Manager style

## Portfolio Managers

The NEI Impact Balanced Portfolio invests in a variety of other investment funds managed by different sub-advisors. The Portfolio Manager (NEI) uses strategic asset allocation as the principal investment strategy. Tactical asset allocation can also be made to take advantage of market developments and opportunities. Each of the underlying funds in the Portfolio must integrate ESG factors into their investment processes as a fundamental feature. In addition to ESG factors, the Portfolio Manager selects the underlying funds in consideration of other quantitative factors including expected return,

volatility and correlation while also accounting for various qualitative factors, such as the ability to identify, measure and report on impact outcomes.

## Geographic diversification

NEI Impact Balanced Portfolio invests in underlying investment funds whose managers invest in either Canadian or global markets. The NEI Impact Balanced Portfolio may invest up to 100% of its assets in foreign securities.

## Style and market capitalization

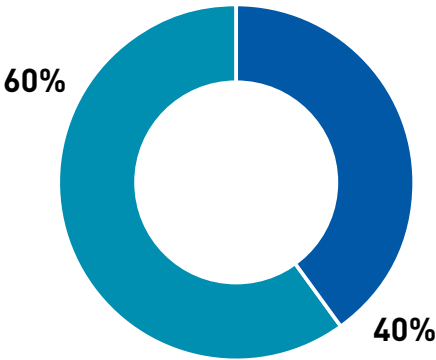
Since no single strategy is right for every market situation, allocating your investments across multiple investment styles and market capitalizations helps to reduce your overall risk and take advantage of long-term markets trends. This helps to achieve more consistent returns over time.

## Evaluating, rebalancing, and monitoring your portfolio

Having the right asset mix is one of the most important factors in meeting your return objectives within an acceptable level of risk. Therefore, it is critical to maintain the right mix over time. As a result of market activity, assets grow at different rates and the proportion of each asset class in your portfolio may shift over time. If the shifts are significant, your asset mix may no longer accurately reflect your investment objectives. NEI Impact Balanced Portfolio is rebalanced as needed as part of our disciplined approach to managing your investment. The Portfolio’s distribution policy is annual/variable.

# Asset class diversification

To achieve its objective, NEI Impact Balanced Portfolio invests in the following asset classes by purchasing units of underlying funds:



	Range
Fixed income and bond %	25–55
Equity %	45–75

Note: Using Benchmark asset mix, on any given day the strategic asset mix may vary slightly from that of the actual asset mix. Rebalancing will be done at the discretion of the Portfolio Manager, NEI Investments.

While portfolio holdings can change at any time the NEI Balanced Portfolio invests in the following underlying funds:

## ■ Fixed Income Funds

NEI Global Impact Bond Fund  
NEI Canadian Impact Bond Fund

## ■ Global Equity Funds

NEI Clean Infrastructure Fund  
NEI Environmental Leaders Fund  
NEI Global Corporate Leaders Fund  
NEI Global Dividend RS Fund

**Thematic ESG ETFs – Max 10%**

**Broadbased ESG ETFs – Max 10%**

# Responsible Investing with Impact

NEI Impact Balanced Portfolio has a distinct focus on impact investing through the underlying funds. Companies and issuers that are making measurable contributions to solving environmental and social challenges are identified by the sub-advisors through a rigorous impact assessment and framework. The impact within the underlying funds is calculated, verified and reported on an annual basis. Key impact measurements may include, CO2 emissions avoided, water saved and treated, etc...

In addition to impact, the NEI Impact Portfolios include the following RI activities:

- Exclusionary screens
- ESG evaluations: Assessment of a company’s capacity and commitment to managing material ESG risks
- ESG integration: Environmental, social, and governance factors are incorporated in the investment decision-making process.
- Ongoing monitoring of ESG risks
- Stewardship: An umbrella term that covers three of NEI’s most powerful tools for influencing companies to improve their ESG performance: corporate dialogue, proxy voting, and shareholder resolutions.

# ACKNOWLEDGEMENT

Your **NEI Impact Balanced Portfolio** Investment Policy Statement is based on your current investment objective. As your investment objectives change over time, we will need to review your asset mix to determine whether it needs to be adjusted.

## Investor

By providing my signature below, I confirm that this investment policy statement reflects my current objectives and risk tolerance. I understand that I should meet with my advisor regularly to review changes in my investor profile, to ensure this investment remains consistent with my ongoing investment objectives and to review any changes related my investment:

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Name of Investor

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Signature

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Date

## Advisor

By providing my signature below, I am acknowledging the following:

- I have recommended the most appropriate investment strategy to my client based on his or her personal circumstances that include investment objectives, time horizon and level of risk tolerance.
- I have discussed the NEI Impact Balanced Portfolio with my client and outlined the associated benefits and risks of this portfolio.

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Name of Advisor

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Signature

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Date



This Investment Policy Statement (the IPS) was created by NEI Investments exclusively for use by financial advisors with the investment funds offered by NEI Investments. The IPS should not be considered as investment advice from NEI Investments. The IPS does not guarantee the future performance or benefits of your investment in the mutual funds offered by NEI Investments. No tax advice has been rendered by the IPS. You may and should consult your own tax and financial advisor prior to purchasing this investment. The IPS is a document that sets out the long-term strategy and guidelines for asset allocation for your investment in the respective NEI mutual fund. These recommendations have been based on your specific investor profile and have been made by your financial advisor taking into account all information about you that is required to assess your total financial needs. Any information provided in this IPS should be reviewed carefully and discussed with your financial advisor prior to making an investment decision. You should meet with your financial advisor regularly to review changes in your investor profile, to ensure this investment remains consistent with your ongoing investment objectives and to review any changes related to the applicable NEI fund. Each mutual fund offered by NEI Investments is distributed by a simplified prospectus, which contains important information, including its investment objective, purchase options and applicable charges. As with any investment, there are risks to investing. Mutual funds are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus and/or Fund Facts before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. NEI Investments is a registered trademark of Northwest & Ethical Investments L.P. ("NEI LP"). Northwest & Ethical Investments Inc. is the general partner of NEI LP and a wholly-owned subsidiary of Aviso Wealth Inc. ("Aviso"). Aviso is the sole limited partner of the 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 owned by the five Provincial Credit Union Centrals and The CUMIS Group Limited.

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