NEI

NEI Global Impact Bond Fund

Annual Management Report of Fund Performance

As at September 30, 2022

This 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.sedar.com.

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

Investment Objective and Strategies

The Fund's investment objective is to provide current income and long-term total returns by investing in debt instruments issued by companies, governments, and organizations located all over the globe whose products, services or funding objectives help address some of the world's major social and environmental challenges.

The Fund follows a responsible approach to investing as described in Part A of the Simplified Prospectus.

Risk

The risks associated with investing in the Fund remain as discussed in the Simplified Prospectus. This Fund is suitable for investors investing for the short to medium term, with a low tolerance for risk. Any changes in the Fund have not affected the overall level of risk of the Fund.

Results of Operations

The NEI Global Impact Bond Fund’s Series A units returned -14.5% for the twelve months ended September 30, 2022 compared with a return of -12.3% for the benchmark explained below.

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.

The benchmark for this Fund is the Bloomberg Barclays Global Aggregate Index (C$ hedged).

The Fund's net asset value increased by 29.99% during the period, from $293,354,167 as at September 30, 2021 to $381,331,804 as at September 30, 2022. This change in net assets is attributed to net unitholder activity of $142,771,201 and -$54,793,564 to investment operations, including market appreciation (depreciation), income and expenses.

Factors That Have Affected Performance

Global fixed income sectors experienced sharply negative returns during the third quarter of 2022, in a continuation of challenging 1Q22 and 2Q22 performance. Most global fixed income sectors generated negative returns over the trailing twelve-month period ended 30 September 2022, and underperformed government bonds amid increasing concerns that tighter financial conditions resulting from less accommodative policy could tip the global economy into recession. Global sovereign yields moved sharply higher as most major central banks supercharged their hiking cycles to deal with high inflation. Inflation pressures remained acute though commodity prices declined later in the period to provide some relief. Global GDP showed some resilience over the period, though recession risks mounted. US labor market strength persisted while the housing market started to show some cracks following the sharp move in higher mortgage rates. The US dollar (USD) strengthened versus most currencies over the period as it became increasingly clear that the Fed will likely tighten policy more aggressively to counter persistently high inflation. By the end of the period, the yen declined to its weakest level since 1998, as the BOJ remained the outlier among major G10 central banks in not tightening policy. European currencies generally ended lower versus the dollar.

Absolute returns were negative for fixed income sectors over the period. On an excess return basis, most spread sectors underperformed as spreads widened significantly during the period. Select securitized sectors such as ABS and CMBS were among the best relative performers on an excess return basis.

The Fund was positioned with a modestly pro-cyclical risk posture relative to the benchmark during the period and posted negative total returns, underperforming the Bloomberg Global Aggregate Bond Index (hedged to CAD) amid weaker market sentiment and elevated volatility. Underweight positioning in the US investment grade corporate sector contributed positively, particularly financials and industrials. Shorter duration and yield curve positioning relative to the benchmark was also a positive contributor to results amid a sharp rise of most global sovereign yields over the period.

Positioning in agency MBS passthroughs, in support of the Affordable Housing theme, hurt relative results following the heightened interest rate volatility. An allocation to CMBS, backed by green buildings, detracted from performance as the sector came under pressure amid economic uncertainty.

Within the government related sector, the Fund continued to be positioned with an underweight to traditional sovereign debt and overweight to government related issuers such as international development banks and foreign local agencies. Overall, this positioning had a negative impact on relative performance as sovereign yields continued to move higher during the period.

Within corporates, an allocation to high yield issuers had a negative overall impact, particularly industrials. An allocation to emerging markets (EM) corporate debt also had a negative impact on relative performance as the sector remained under pressure from rising inflation, interest rate hikes, and a strong US dollar. An allocation to convertible bonds, where the portfolio sub-advisor focuses exposures in the technology and biotech sectors with strong upside potential, also had a negative impact on performance.

US taxable municipals, the Fund's largest overweight, detracted from relative results during the period amid heightened volatility and higher-rate environment. Issuers within select universities supporting the Education & Job Training impact theme, and non-profit hospitals supporting the Health theme detracted the most.

Recent Developments

The portfolio sub-advisor believes the Fed's tolerance for higher unemployment and resolve to achieve its inflation goal will likely push the US economy into recession in 2023; inflation should recede but remain above central banks' targets given the strength of the labor market and as structural disinflationary forces have started to reverse. The Fund has modest overweight to credit risk while preserving substantial liquid, high-quality assets, with a short duration bias.

The Fund holds select green bonds supporting resource efficiency projects. The Fund is positioned with an underweight to investment grade credit, focusing on better opportunities in other sectors. The Fund is tilted toward higher-yielding credit sectors with allocations to select below investment grade and emerging markets corporates and underweights to government and government related issuers.

The portfolio sub-advisor believes that taxable municipal bonds offer diversification benefits, and positioning within this sector remains the Fund’s largest active overweight; however, positioning in this sector decreased over the period.

The Fund is positioned with an overweight to agency MBS supporting housing affordability and owns select single-asset single borrower CMBS backed by LEED certified buildings.

The portfolio sub-advisor continues to monitor the implications of global central bank policies and geopolitical uncertainty. They believe this year’s heightened uncertainty and volatility – which have contributed to different credit sectors selling off to varying degrees and at different times – have spawned opportunities to rotate across the global fixed income spectrum and to shift credit risk to areas that may offer compelling risk/reward trade-offs. The portfolio sub-advisor expects issuance of green, social, and sustainability bonds will continue to increase in 2023 and may look to add these instruments selectively to the Fund to take advantage of compelling valuations.

Related Party Transactions

Northwest & Ethical Investments L.P. ("NEI LP") 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 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 transactions, and Desjardins Trust may act as the Fund's securities lending and 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 their fund 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 distributed through Credential Asset Management Inc., Credential Qtrade Securities Inc., and members of the Desjardins group and other nonrelated parties by way of shared ownership. NEI LP pays to these parties distribution and servicing fees based on a percentage of the daily values of the units of each held by the dealer’s clients and additionally, in some cases, on the amount of initial purchase.

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.

NEI Global Impact Bond Fund

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 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
A	Sept. 2022	9.55	0.32	-0.13	-0.12	-1.49	-1.42	0.19	0.00	0.00	0.03	0.16	0.38	7.82
	Sept. 2021	9.96	0.12	-0.14	0.17	-0.19	-0.04	0.00	0.00	0.00	0.07	0.37	0.44	9.55
	Sept. 2020	10.00	0.01	-0.03	0.10	-0.09	-0.01	0.00	0.00	0.00	0.00	0.10	0.10	9.96
F	Sept. 2022	9.61	0.32	-0.08	-0.12	-1.51	-1.39	0.24	0.00	0.00	0.02	0.12	0.38	7.91
	Sept. 2021	9.97	0.12	-0.09	0.17	-0.18	0.02	0.03	0.00	0.00	0.06	0.35	0.44	9.61
	Sept. 2020	10.00	0.01	-0.02	0.10	-0.11	-0.02	0.00	0.00	0.00	0.00	0.10	0.10	9.97
I	Sept. 2022	9.94	0.34	0.00	-0.12	-1.60	-1.38	0.11	0.00	0.00	0.00	0.00	0.11	8.52
	Sept. 2021	10.05	0.12	0.00	0.18	-0.12	0.18	0.15	0.00	0.00	0.13	0.00	0.28	9.94
	Sept. 2020	10.00	0.01	0.00	0.10	-0.03	0.08	0.03	0.00	0.00	0.00	0.00	0.03	10.05
O	Sept. 2022	9.98	0.37	-0.01	-0.12	-3.05	-2.81	0.07	0.00	0.00	0.00	0.00	0.07	8.58
	Sept. 2021	10.04	0.13	-0.01	0.18	-0.61	-0.31	0.11	0.00	0.00	0.13	0.00	0.24	9.98
	Sept. 2020	10.00	0.00	0.00	0.10	-0.06	0.04	0.00	0.00	0.00	0.00	0.00	0.00	10.04
P	Sept. 2022	9.55	0.32	-0.11	-0.12	-1.47	-1.38	0.21	0.00	0.00	0.03	0.14	0.38	7.84
	Sept. 2021	9.95	0.12	-0.12	0.17	-0.16	0.01	0.00	0.00	0.00	0.06	0.38	0.44	9.55
	Sept. 2020	10.00	0.01	-0.03	0.10	-0.06	0.02	0.00	0.00	0.00	0.00	0.10	0.10	9.95
PF	Sept. 2022	9.63	0.33	-0.06	-0.12	-1.56	-1.41	0.27	0.00	0.00	0.03	0.09	0.39	7.94
	Sept. 2021	9.96	0.12	-0.07	0.17	-0.17	0.05	0.05	0.00	0.00	0.08	0.31	0.44	9.63
	Sept. 2020	10.00	0.02	-0.02	0.10	-0.09	0.01	0.00	0.00	0.00	0.00	0.10	0.10	9.96

(1) All per unit figures presented in 2022 are referenced to net assets determined in accordance with IFRS and are derived from the Fund's audited annual financial statements for the period ended September 30, 2022.
(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	Sept. 2022	8,183.70	1,046.77	1.44	1.44	0.00	42.66	7.82
	Sept. 2021	6,515.74	682.41	1.46	1.46	0.00	32.21	9.55
	Sept. 2020	784.59	78.80	1.48	1.48	0.00	18.28	9.96
F	Sept. 2022	13,875.49	1,754.35	0.88	0.88	0.00	42.66	7.91
	Sept. 2021	9,798.17	1,019.53	0.89	0.89	0.00	32.21	9.61
	Sept. 2020	1,127.97	113.17	0.90	0.90	0.00	18.28	9.97
I	Sept. 2022	303,165.33	35,563.82	N/A	N/A	0.00	42.66	8.52
	Sept. 2021	240,897.59	24,232.36	N/A	N/A	0.00	32.21	9.94
	Sept. 2020	121,869.31	12,131.25	N/A	N/A	0.00	18.28	10.05
O	Sept. 2022	8,859.52	1,032.37	0.05	0.05	0.00	42.66	8.58
	Sept. 2021	577.45	57.89	0.06	0.06	0.00	32.21	9.98
	Sept. 2020	1.00	0.10	0.05	0.05	0.00	18.28	10.04
P	Sept. 2022	7,647.49	975.81	1.25	1.25	0.00	42.66	7.84
	Sept. 2021	8,041.50	841.67	1.25	1.25	0.00	32.21	9.55
	Sept. 2020	673.24	67.68	1.31	1.31	0.00	18.28	9.95
PF	Sept. 2022	39,600.27	4,985.73	0.66	0.66	0.00	42.66	7.94
	Sept. 2021	27,523.72	2,858.07	0.67	0.67	0.00	32.21	9.63
	Sept. 2020	6,050.42	607.26	0.69	0.69	0.00	18.28	9.96

(1) Management expense ratio is based on total expenses (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.

(2) The trading expense ratio represents total commissions and other Fund 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.

NEI Global Impact Bond Fund

Management Fees

The Manager is responsible for the management, supervision and administration of the Fund. The Manager receives from the Fund management fees, before HST, calculated daily 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	1.05	52.38	47.62
Series F	0.55	100.00	N/A
Series P	0.90	44.44	55.56
Series PF	0.40	100.00	N/A

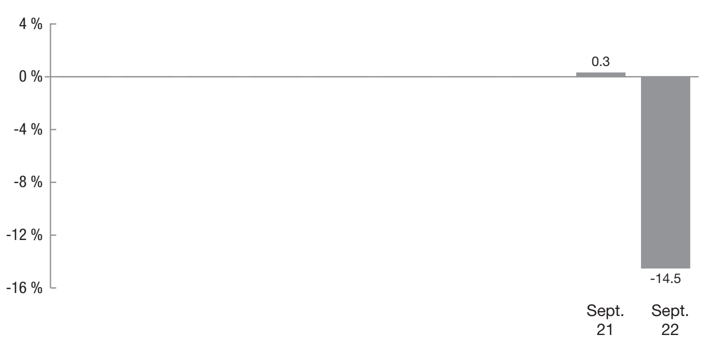
Past Performance

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.

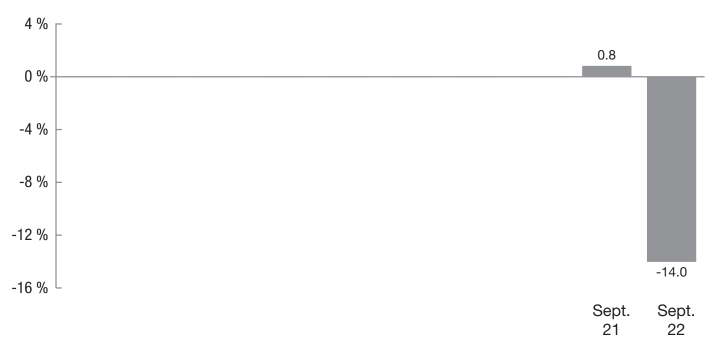
Year-by-Year Returns

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. 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.

Series A



Series F



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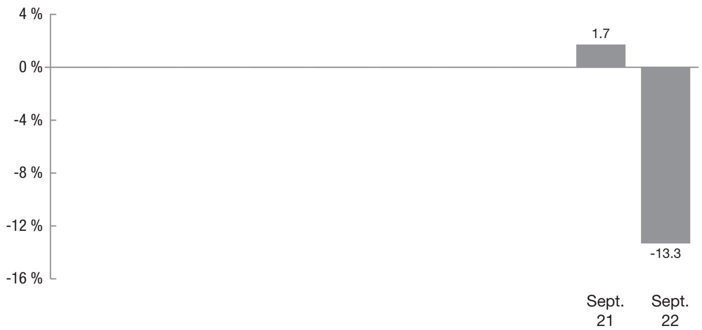
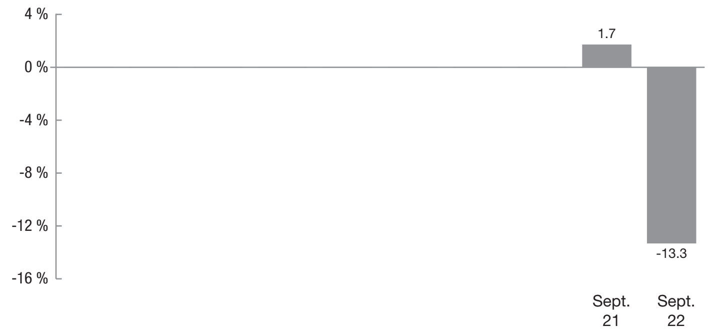
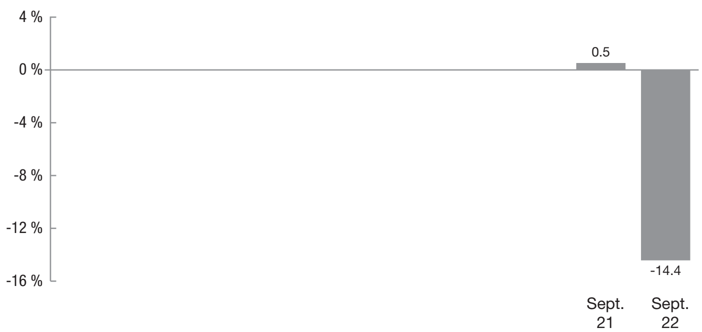
Series I



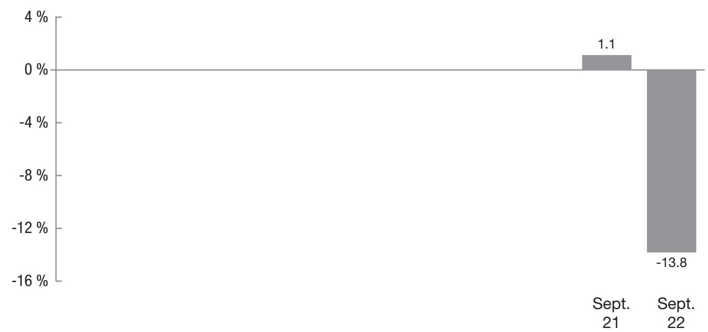
Series O



Series P



Series PF



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Annualized Compound Returns

The following table shows the annual compound returns for all series of the Fund. All returns are in Canadian dollars, on a total return basis, net of fees. For comparison, the returns for the benchmark are included. A discussion regarding the relative performance of the Fund is found in the Results of Operations section of this report and a description of indexes can be found in the Annualized Compound Returns section of this report.

The benchmark for this Fund is the Bloomberg Barclays Global Aggregate Index (C$ hedged).

The Bloomberg Barclays Global Aggregate Index is a measure of global investment grade debt from local currency markets. This multi-currency benchmark includes treasury, government-related, corporate, and securitized fixed-rate bonds from both developed and emerging markets issuers. This is a Canadian dollar hedged index.

While the Fund uses this benchmark for long-term performance comparisons, it is not managed relative to the composition of the Index. As a result, the Fund may experience periods when its performance is not aligned with the Index, either positively or negatively. Please see the "Results of Operations" section of this report for a discussion of recent performance results.

Group/Investment	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception(*) (%)
Bloomberg Barclays Global Aggregate Index (C$ hedged)	-12.3	N/A	N/A	N/A	**
NEI Global Impact Bond Fund, Series A	-14.5	N/A	N/A	N/A	-6.5
NEI Global Impact Bond Fund, Series F	-14.0	N/A	N/A	N/A	-6.0
NEI Global Impact Bond Fund, Series I	-13.3	N/A	N/A	N/A	-5.2
NEI Global Impact Bond Fund, Series O	-13.3	N/A	N/A	N/A	-5.3
NEI Global Impact Bond Fund, Series P	-14.4	N/A	N/A	N/A	-6.4
NEI Global Impact Bond Fund, Series PF	-13.8	N/A	N/A	N/A	-5.8

*Since inception returns are not provided for series that have been in existence for more than 10 years.
**The return of the benchmark since inception for each applicable series is as follows: Series A: -5.8%, Series F: -5.8%, Series I: -5.8%, Series O: -5.8%, Series P: -5.8%, Series PF: -5.8%.

NEI Global Impact Bond Fund

Summary of Investment Portfolio as at September 30, 2022

Total Net Asset Value: $381,331,804

	Top Holdings	%
1	Cash and Equivalents	27.6
2	Fannie Mae, 2.500%, 2051-10-25	1.8
3	Fannie Mae, 3.000%, 2052-02-01	1.4
4	Fannie Mae, 2.000%, 2051-12-25	1.3
5	Fannie Mae, 2.000%, 2052-12-01	1.3
6	Inter-American Development Bank, 1.125%, 2031-01-13	1.2
7	United Kingdom Government, 0.875%, 2033-07-31	1.2
8	Ginnie Mae, 2.500%, 2051-04-20	1.1
9	Federal Republic of Germany, Series G, 0.000%, 2031-08-15	1.0
10	Santander Holdings USA, 5.807%, floating rate from 2025-09-09, 2026-09-09	1.0
11	Fannie Mae, 3.000%, 2052-03-25	0.9
12	Freddie Mac, 2.500%, 2052-01-25	0.9
13	Asian Development Bank, 3.300%, 2028-08-08	0.9
14	Fannie Mae, 2.500%, 2051-12-01	0.8
15	Fannie Mae, 3.000%, 2052-01-01	0.8
16	Commonwealth of Massachusetts, Series B, 4.110%, 2031-07-15	0.8
17	Asian Development Bank, 1.875%, 2030-01-24	0.8
18	European Investment Bank, 1.375%, 2028-02-21	0.7
19	Kingdom of Belgium, Series 86, 1.250%, 2033-04-22	0.7
20	Unédic, 0.010%, 2031-05-25	0.7
21	Inter-American Development Bank, 0.875%, 2027-08-27	0.6
22	Thomas Jefferson University, 3.847%, 2057-11-01	0.6
23	Global Payments, 2.900%, 2030-05-15	0.6
24	JP Morgan Chase Commercial Mortgage Securities Trust, Private Placement, Series 2022-OPO, Class A, Sequential Pay Class, 3.024%, 2039-01-05	0.6
25	Fannie Mae, 3.500%, 2050-02-01	0.6
	Total	49.9

Net Asset Value Mix	%
Fixed Income	53.8
Cash and Equivalents	27.6
Mortgage-Backed Securities	21.6
Asset-Backed Securities	1.4
Equity	0.2
Other	-4.6
Total	100.0

Sector Allocation	%
Corporate Bonds	30.9
Cash and Equivalents	27.6
Mortgage-Backed Securities	21.6
Foreign Government Bonds	10.7
Supranational Bonds	6.2
Municipal Bonds	5.2
Asset-Backed Securities	1.4
U.S. Government Bonds	0.8
Health Care	0.2
Other	-4.6
Total	100.0

Geographic Distribution	%
United States	38.9
Cash and Equivalents	27.6
Other Countries	22.1
Supra National	6.2
France	5.2
Total	100.0

"Other Countries" geographic category includes all countries individually representing less than 5% of the Portfolio's net asset value.

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