

Semi-annual Management Report of Fund Performance

As at March 31, 2024

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

The NEI Canadian Bond Fund's Series A units returned 7.3% for the six-month period ended March 31, 2024 compared with a return of 6.9% 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 0.43% during the period, from \$1,143,841,415 as at September 30, 2023 to \$1,138,967,778 as at March 31, 2024. This change in net assets is attributed to net unitholder activity of -\$94,949,610 and \$90,075,973 to investment operations, including market appreciation (depreciation), income and expenses.

Market Overview

Bond markets corrected during the first quarter of 2024 following one of the best absolute performance quarters since the mid 1980s in the fourth quarter of 2023. The continued resiliency of most economic data into the New Year, particularly firmer-than-anticipated readings of underlying inflationary pressures, and recognition that central banks may not be as aggressive as expected in moving toward a more "neutral" policy setting, were material contributors to driving yields higher during the quarter.

The net result was a broad move higher in market interest rates across the curve that weighed on fixed income performance over the three months ended March. The domestic benchmark FTSE Canada Universe Index declined in the first quarter while the more rate-sensitive segments of the market, such as longer-duration and government bonds, underperformed other areas, such as shorter-term and corporate bonds.

Note, however, these moves only amounted to a partial retracement of the outsized ones recorded late last year, as rather than a complete rethink in the direction of policy such as the one that triggered the selloff last summer (from looming cuts to "higher for longer"), the shift in the first quarter of 2024 largely just reflected a delay in the timing. Indeed, central banks globally have signaled that no further rate hikes are expected and that their focus has shifted to the appropriate timing of cuts. So it remains the case that the path of least resistance for rates is lower, just not as quickly as previously assumed.

Factors That Have Affected Performance

Given the rapid rise in interest rates and expectations the Bank of Canada will begin lowering rates later this year, the Fund maintains a bullet structure (concentrated on the 5-, 7- and 10-year segment of the yield curve) as it has for the past few quarters. The Fund's yield curve positioning detracted from relative performance as while yields fell significantly overall, they fell more in the short end of the curve where the Fund was relatively underweight.

Portfolio Changes

Spreads tightened from their levels in September, especially in the fourth quarter of 2023, with BBB-rated bond spreads tightening slightly in the first quarter with other spreads otherwise fairly unchanged. The Fund continues to overweight corporate issues generally, and Financials in particular, which positively contributed to relative returns. Strong credit selection in mid-term bank and insurance bonds also added value.

The Fund is higher-quality, liquid, and provides a higher yield carry relative to the benchmark. The portfolio sub-advisor continues to actively seek attractive opportunities to enhance the Fund's structure and relative total returns.

Recent Developments

Looking forward, the adjustment of expectations over the last three months brings the market more closely aligned with the views of central banks, which leads to a better balance of risks than prevailed three months ago. The base case is that low, growth combined with continued progress on inflation will leave policymakers positioned to begin gradually moving away from their restrictive policy stances around the middle of the year in a boon for bond market investors. However, there is the potential that continued underlying economic verve could lead to a more extended pause that would limit near-term downside for rates and weigh on performance.

Taken together, this backdrop would suggest that interest rates may remain rangebound over the coming months while also being subject to continued volatility as markets react to the incoming dataflow and weigh its implications for the policy outlook.

Any moves higher in yields from their current levels, however, may represent opportunities to selectively add duration to the Fund as rates are ultimately expected to drift lower with the easing cycle. The portfolio sub-advisor views the belly of the curve (5- to 10-year maturity band) as providing a compelling risk-reward profile, with absolute yields providing the best income on offer in decades and an ample cushion against near-term volatility, while also offering among the best potential for capital gains.

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.

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 2024 (\$)	March 2023 (\$)
Amounts received from underlying funds	1,980,526	874,041

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.

Effective April 1, 2024, Credential Asset Management Inc. and Credential Qtrade Securities Inc. merged into Aviso Financial Inc. As a result, the Fund is now distributed through Aviso Financial Inc., and members of the Fédération 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.

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, 2024 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 Capital	Total Distributions ⁽³⁾⁽⁴⁾	
A	Mar. 2024	7.75	0.15	-0.06	-0.09	0.57	0.57	0.07	0.00	0.02	0.00	0.08	0.17	8.15
	Sept. 2023	8.24	0.28	-0.13	-0.26	-0.03	-0.14	0.14	0.00	0.01	0.00	0.19	0.34	7.75
	Sept. 2022	9.75	0.31	-0.15	-0.25	-1.03	-1.12	0.00	0.00	0.17	0.13	0.09	0.39	8.24
	Sept. 2021	10.58	0.29	-0.16	0.06	-0.61	-0.42	0.11	0.00	0.01	0.12	0.17	0.41	9.75
	Sept. 2020	10.23	0.33	-0.17	0.26	0.31	0.73	0.14	0.00	0.02	0.01	0.23	0.40	10.58
	Sept. 2019	9.81	0.32	-0.16	0.15	0.51	0.82	0.15	0.00	0.01	0.00	0.24	0.40	10.23
F	Mar. 2024	7.80	0.15	-0.04	-0.09	0.58	0.60	0.10	0.00	0.01	0.00	0.06	0.17	8.23
	Sept. 2023	8.25	0.31	-0.08	-0.26	-0.01	-0.04	0.22	0.00	0.01	0.00	0.11	0.34	7.80
	Sept. 2022	9.70	0.32	-0.09	-0.24	-1.00	-1.01	0.00	0.00	0.14	0.25	0.00	0.39	8.25
	Sept. 2021	10.46	0.29	-0.10	0.06	-0.61	-0.36	0.18	0.00	0.01	0.14	0.08	0.41	9.70
	Sept. 2020	10.06	0.32	-0.11	0.26	0.26	0.73	0.20	0.00	0.02	0.01	0.16	0.39	10.46
	Sept. 2019	9.58	0.31	-0.10	0.15	0.49	0.85	0.20	0.00	0.01	0.00	0.18	0.39	10.06
I	Mar. 2024	10.24	0.20	0.00	-0.12	0.76	0.84	0.18	0.00	0.02	0.00	0.00	0.20	10.87
	Sept. 2023	10.63	0.37	0.00	-0.34	-0.07	-0.04	0.36	0.00	0.01	0.00	0.00	0.37	10.24
	Sept. 2022	12.27	0.40	0.00	-0.31	-1.32	-1.23	0.33	0.00	0.07	0.00	0.00	0.40	10.63
	Sept. 2021	13.06	0.36	0.00	0.07	-0.64	-0.21	0.33	0.00	0.01	0.14	0.00	0.48	12.27
	Sept. 2020	12.32	0.40	0.00	0.32	0.39	1.11	0.35	0.00	0.02	0.01	0.00	0.38	13.06
	Sept. 2019	11.50	0.37	0.00	0.18	0.68	1.23	0.33	0.00	0.02	0.00	0.00	0.35	12.32
O	Mar. 2024	8.72	0.17	0.00	-0.10	0.65	0.72	0.15	0.00	0.02	0.00	0.00	0.17	9.26
	Sept. 2023	9.07	0.32	0.00	-0.29	0.05	0.08	0.31	0.00	0.01	0.00	0.00	0.32	8.72
	Sept. 2022	10.48	0.34	0.00	-0.27	-1.17	-1.10	0.28	0.00	0.07	0.00	0.00	0.35	9.07
	Sept. 2021	11.17	0.31	-0.01	0.06	-0.62	-0.26	0.29	0.00	0.01	0.12	0.00	0.42	10.48
	Sept. 2020	10.55	0.34	0.00	0.27	0.32	0.93	0.30	0.00	0.02	0.01	0.00	0.33	11.17
	Sept. 2019	9.88	0.30	0.00	0.15	0.02	0.47	0.31	0.00	0.02	0.00	0.00	0.33	10.55
P	Mar. 2024	8.03	0.15	-0.06	-0.09	0.59	0.59	0.08	0.00	0.02	0.00	0.07	0.17	8.46
	Sept. 2023	8.52	0.30	-0.11	-0.27	-0.09	-0.17	0.17	0.00	0.01	0.00	0.17	0.35	8.03
	Sept. 2022	10.05	0.32	-0.12	-0.25	-1.08	-1.13	0.00	0.00	0.20	0.12	0.09	0.41	8.52
	Sept. 2021	10.87	0.30	-0.14	0.06	-0.62	-0.40	0.15	0.00	0.01	0.11	0.16	0.43	10.05
	Sept. 2020	10.49	0.33	-0.15	0.27	0.36	0.81	0.16	0.00	0.02	0.01	0.22	0.41	10.87
	Sept. 2019	10.00	0.25	-0.12	0.16	0.45	0.74	0.12	0.00	0.01	0.00	0.21	0.34	10.49
PF	Mar. 2024	8.29	0.15	-0.03	-0.10	0.60	0.62	0.11	0.00	0.01	0.00	0.06	0.18	8.75
	Sept. 2023	8.73	0.30	-0.06	-0.27	-0.10	-0.13	0.23	0.00	0.01	0.00	0.12	0.36	8.29
	Sept. 2022	10.24	0.33	-0.07	-0.26	-1.09	-1.09	0.00	0.00	0.26	0.05	0.11	0.42	8.73
	Sept. 2021	11.01	0.30	-0.08	0.06	-0.60	-0.32	0.21	0.00	0.01	0.08	0.14	0.44	10.24
	Sept. 2020	10.55	0.33	-0.08	0.27	0.31	0.83	0.23	0.00	0.02	0.01	0.15	0.41	11.01
	Sept. 2019	10.00	0.25	-0.06	0.16	0.46	0.81	0.18	0.00	0.01	0.00	0.15	0.34	10.55

(1) All per unit figures presented in 2024 are referenced to net assets determined in accordance with IFRS and are derived from the Fund's semi-annual financial statements for the period ended March 31, 2024.

(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⁾⁽⁴⁾	Net Asset Value per Unit (\$)
A	Mar. 2024	55,302	6,785	1.62	1.62	0.00	15.23	8.15
	Sept. 2023	55,444	7,151	1.62	1.62	0.00	42.28	7.75
	Sept. 2022	63,035	7,646	1.62	1.62	0.00	64.75	8.24
	Sept. 2021	85,363	8,755	1.62	1.62	0.00	33.41	9.75
	Sept. 2020	104,095	9,840	1.62	1.62	0.00	55.56	10.58
	Sept. 2019	109,901	10,745	1.61	1.61	0.00	97.85	10.23
F	Mar. 2024	6,958	845	1.01	1.01	0.00	15.23	8.23
	Sept. 2023	7,064	905	1.01	1.01	0.00	42.28	7.80
	Sept. 2022	7,912	960	1.02	1.02	0.00	64.75	8.25
	Sept. 2021	8,847	912	1.03	1.03	0.00	33.41	9.70
	Sept. 2020	21,249	2,031	1.03	1.03	0.00	55.56	10.46
	Sept. 2019	23,510	2,337	1.02	1.02	0.00	97.85	10.06
I	Mar. 2024	1,012,102	93,089	N/A	N/A	0.00	15.23	10.87
	Sept. 2023	1,021,339	99,773	N/A	N/A	0.00	42.28	10.24
	Sept. 2022	1,087,576	102,286	N/A	N/A	0.00	64.75	10.63
	Sept. 2021	1,141,130	93,006	N/A	N/A	0.00	33.41	12.27
	Sept. 2020	700,766	53,669	N/A	N/A	0.00	55.56	13.06
	Sept. 2019	657,083	53,327	N/A	N/A	0.00	97.85	12.32
O	Mar. 2024	5,783	624	0.04	0.04	0.00	15.23	9.26
	Sept. 2023	5,967	684	0.04	0.04	0.00	42.28	8.72
	Sept. 2022	8,336	919	0.04	0.04	0.00	64.75	9.07
	Sept. 2021	12,324	1,176	0.04	0.04	0.00	33.41	10.48
	Sept. 2020	13,249	1,186	0.04	0.04	0.00	55.56	11.17
	Sept. 2019	13,289	1,259	0.05	0.05	0.00	97.85	10.55
P	Mar. 2024	32,997	3,902	1.34	1.34	0.00	15.23	8.46
	Sept. 2023	30,621	3,811	1.34	1.34	0.00	42.28	8.03
	Sept. 2022	30,722	3,606	1.35	1.35	0.00	64.75	8.52
	Sept. 2021	37,929	3,775	1.35	1.35	0.00	33.41	10.05
	Sept. 2020	37,251	3,427	1.37	1.37	0.00	55.56	10.87
	Sept. 2019	25,139	2,397	1.43	1.43	0.00	97.85	10.49
PF	Mar. 2024	25,827	2,952	0.72	0.72	0.00	15.23	8.75
	Sept. 2023	23,407	2,822	0.72	0.72	0.00	42.28	8.29
	Sept. 2022	22,432	2,569	0.73	0.73	0.00	64.75	8.73
	Sept. 2021	23,377	2,283	0.72	0.72	0.00	33.41	10.24
	Sept. 2020	11,784	1,070	0.73	0.73	0.00	55.56	11.01
	Sept. 2019	7,684	729	0.74	0.74	0.00	97.85	10.55

(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 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.

(4) At the close of business on October 29, 2018, the Meritas Canadian Bond Fund was merged into the NEI Canadian Bond Fund. The portfolio turnover rates exclude the value of securities acquired and sold to realign the Fund's holdings.

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.

In addition to the fees and expenses directly payable by the Fund, certain fees and expenses may be payable by some underlying funds. The Fund indirectly bears its proportionate share of such fees and expenses. However, the Fund does not pay any management fees, or similar expenses that, in the view of the Manager, to a reasonable person, would duplicate a fee payable by an investor in any underlying fund for the same service.

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	1.15	58.29	41.71
Series F	0.65	100.00	N/A
Series P	1.00	49.93	50.07
Series PF	0.40	100.00	N/A

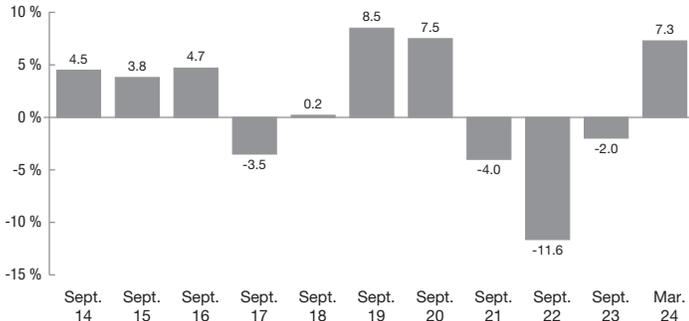
Past Performance

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.

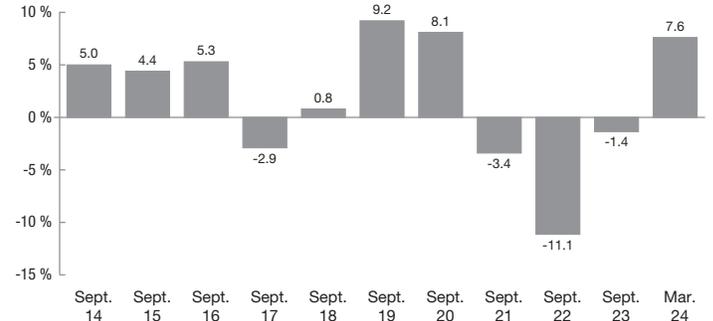
Year-by-Year Returns

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 with the exception of 2024, which shows the six-month return for the period ended March 31, 2024. 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.

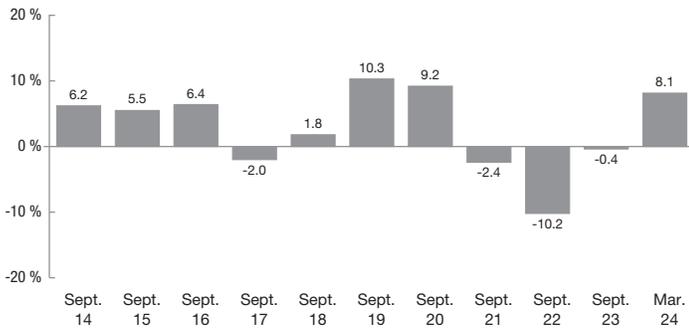
Series A



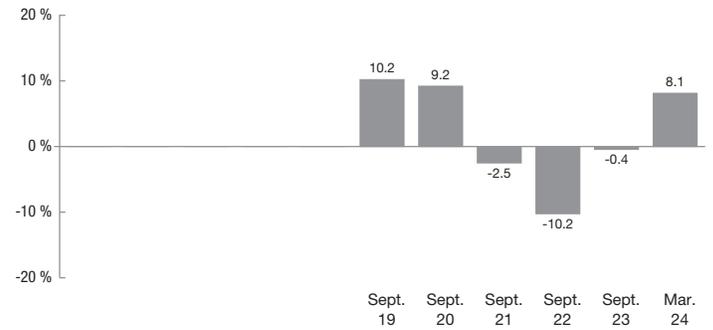
Series F



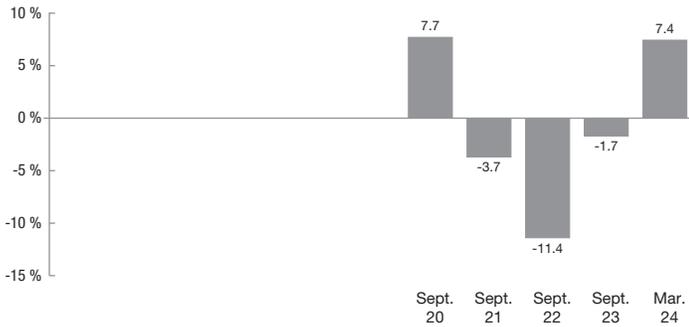
Series I



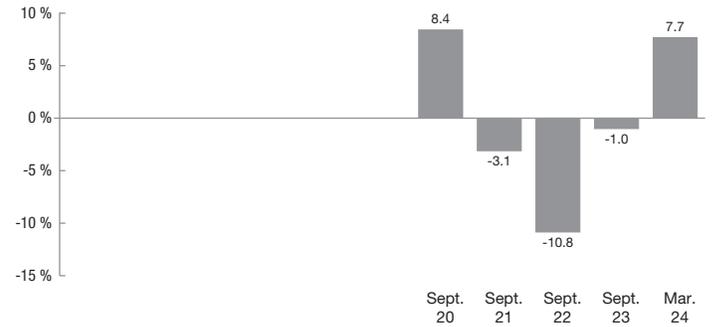
Series O



Series P



Series PF



Summary of Investment Portfolio as at March 31, 2024

Total Net Asset Value: \$1,138,967,778

Top Holdings	%
NEI Canadian Impact Bond Fund, Series I	9.6
Sun Life Financial, 2.800%, floating rate from 2028-11-21, 2033-11-21	5.4
Province of Ontario, 5.850%, 2033-03-08	4.4
Province of Ontario, 1.900%, 2051-12-02	3.9
Province of Ontario, 3.750%, 2032-06-02	3.7
Government of Canada, 1.500%, 2031-06-01	3.3
Canada Housing Trust, Series 97, 1.400%, 2031-03-15	2.4
Cash and Equivalents	2.0
Province of British Columbia, 2.950%, 2028-12-18	1.9
Province of Saskatchewan, 5.800%, 2033-09-05	1.8
Province of Ontario, 2.050%, 2030-06-02	1.8
Government of Canada, 2.000%, 2051-12-01	1.7
Bell Canada, Series M48, 3.800%, 2028-08-21	1.6
Bank of Montreal, 3.190%, 2028-03-01	1.6
Great-West Lifeco, 2.379%, 2030-05-14	1.6
Royal Bank of Canada, 5.096%, floating rate from 2029-04-03, 2034-04-03	1.4
Province of Ontario, 4.150%, 2034-06-02	1.4
Province of Ontario, 3.650%, 2033-06-02	1.3
Manulife Financial, 2.818%, floating rate from 2030-05-13, 2035-05-13	1.3
Province of British Columbia, 6.350%, 2031-06-18	1.3
Province of Saskatchewan, 2.650%, 2027-06-02	1.3
Canada Housing Trust, Series 92, 1.750%, 2030-06-15	1.3
Province of Ontario, 2.800%, 2048-06-02	1.2
Rogers Communications, 4.250%, 2032-04-15	1.2
Fairfax Financial Holdings, 4.700%, 2026-12-16	1.1
Total	59.5

Net Asset Value Mix ⁽¹⁾	%
Fixed Income	97.7
Cash and Equivalents	2.1
Mortgage-Backed Securities	0.2
Total	100.0

Sector Allocation ⁽¹⁾	%
Corporate Bonds	48.9
Provincial and Crown Corporations Bonds	33.6
Federal Bonds	13.8
Cash and Equivalents	2.1
Municipal Bonds	1.0
Supranational Bonds	0.4
Mortgage-Backed Securities	0.2
Total	100.0

Geographic Distribution ⁽¹⁾	%
Canada	97.3
Cash and Equivalents	2.1
Other Countries	0.6
Total	100.0

⁽¹⁾ Table represents an aggregated "look-through" of the top positions and category summaries that are held in the top and underlying fund(s).

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

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