

## Semi-annual Management Report of Fund Performance

### As at March 31, 2026

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](http://www.neiinvestments.com) or SEDAR+ at [www.sedarplus.ca](http://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 U.S. Equity RS Fund (the "Fund") Series A units returned -6.8% for the six-month period ended March 31, 2026 compared with a return of -1.5% 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 500 Index (C\$).

The Fund's net asset value decreased by 7.56% during the period, from \$1,758,428,709 as at September 30, 2025 to \$1,625,494,642 as at March 31, 2026. This change in net assets is attributed to net unitholder activity of -\$31,360,541 and -\$101,573,526 to investment operations, including market appreciation (depreciation), income and expenses.

### Market Overview

During the six-month period ended March 31, 2026, U.S. equity markets, as measured by the S&P 500 Index, fell 1.50% in Canadian-dollar terms. As the U.S. Federal Reserve Board shifted its focus to labour market weakness, the central bank lowered interest rates twice in the fourth quarter of 2025. Concerns over Information Technology stock valuations, prompted by uncertainty over artificial intelligence ("AI") spending and its potential disruption to enterprise software businesses, began to weigh on U.S. markets at the end of 2025 and early in 2026. Investors looked to rotate into value-oriented sectors and non-U.S. markets to diversify from large-capitalization Information Technology stocks, sending many international and emerging market equity indices to all-time highs. That changed in March as the conflict with Iran intensified and disruptions in the Strait of Hormuz sent energy prices sharply higher. The drawdown was broad-based across regions, although U.S. stocks declined less than other developed markets, while emerging markets sustained heavier losses. Within large-cap markets, value stocks gained in absolute terms while growth stocks declined. Small-cap stocks increased in absolute terms while large-cap stocks declined.

## Factors That Have Affected Performance

During the period, both security and sector selection were negative. Security selection within Industrials and Information Technology detracted the most, while selection within Health Care and Communication Services contributed the most.

Detractors from performance over the six-month period included Microsoft Corporation, ServiceNow Inc., and Intuit Inc. Microsoft struggled due to increased scrutiny on AI infrastructure costs, slower cloud growth, and disappointing early AI monetization, with aggressive capital expenditure not translating into expected Azure or M365 Copilot acceleration. ServiceNow detracted along with the broader software industry. Shares were impacted by concerns about software-as-a-service and AI disruption. Intuit was affected by the general software sell-off and fears that new AI partnerships, such as Anthropic's Claude Cowork plugins, might cannibalize traditional software revenues, even as it actively integrates generative AI capabilities.

Top contributors over the six-month period included Merck & Co. Inc., Gilead Sciences Inc., and Taiwan Semiconductor Manufacturing Co. Ltd. ("TSMC"). Merck contributed with higher revenue, a new lung hypertension drug, and acquisitions enhancing its immunology and cardiometabolic portfolio. Shares of Gilead Sciences rose following strong quarterly financials, positive investor sentiment based on undervaluation and confidence in its HIV and oncology pipeline expansion. TSMC outperformed following strong 2025 results and a raised forecast for AI accelerator growth.

## Portfolio Changes

During the six-month period, the portfolio sub-advisor initiated a position in regulated utility NextEra Energy Inc. NextEra operates through a distinctive dual business structure that combines regulated utility stability through Florida Power & Light Co. with competitive renewable-energy growth via NextEra Energy Resources LLC. The company is positioned as one of America's largest renewable-energy developers while maintaining one of the country's largest regulated utility franchises. The ongoing transition to a low-carbon economy, now further accelerated by the massive electricity demands of the technology and AI sectors, positions NextEra at the centre of the next decade's infrastructure buildout. NextEra has demonstrated a strong execution track record, with a 15-year history of meeting expectations, and benefits from an unmatched competitive advantage through scale advantages.

## 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.

During the monitoring process, 22 companies were flagged for review based on potential ESG risk. Reviews were completed on 18 companies. Steps we may take based on our reviews include heightened monitoring and reaching out to the company to ask questions and express concern.

## Recent Developments

The Fund has faced three key challenges that the portfolio sub-advisor believes will become positive factors in 2026. These challenges are generative AI, geopolitics and economic risk, and the divergence between quality and speculative growth stocks. In AI, the portfolio sub-advisor expects the capital expenditure bubble to decelerate and software monetization to drive a re-rating of quality companies as disruption fears ease. The Fund is built on resilient, high-quality business models that can monetize AI and avoid speculative risks. Geopolitical risks, such as the Iran conflict, could increase inflation and slow growth, an environment in which the Fund has historically outperformed, especially with companies that have pricing power and are less sensitive to economic growth. Quality stocks have lagged speculative growth but historically rebound strongly after such periods.

The portfolio sub-advisor has successfully navigated past market disruptions, identifying winners like Microsoft, RELX PLC, and Visa Inc., while avoiding those more vulnerable to disruption. The portfolio sub-advisor's diversified approach helps mitigate inflation and growth risks by investing in companies able to pass on higher prices and those resilient to slower growth. The portfolio sub-advisor believes that quality, stable companies should mitigate risk and outperform amid AI and geopolitical uncertainty in 2026, as their investment process has delivered strong results following similar periods.

## 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 Financial Inc. is the principal distributor for NEI LP. Aviso Financial Inc. is a wholly-owned subsidiary of 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 expenses 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.

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 Manager 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, fluctuations 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 (\$)<sup>(1)</sup>

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 <sup>(2)</sup>	From Income (Excluding Dividends)	From Dividends	From Underlying Funds	From Capital Gains	Return of Capital	Total Distributions <sup>(3)(4)</sup>	
A	Mar. 2026	82.70	0.50	-0.96	1.25	-6.20	-5.41	0.00	0.00	0.00	4.05	0.00	4.05	73.22
	Sept. 2025	76.14	1.10	-1.91	6.55	3.45	9.19	0.00	0.00	0.00	3.16	0.00	3.16	82.70
	Sept. 2024	59.24	1.05	-1.70	4.31	13.04	16.70	0.00	0.00	0.00	0.05	0.00	0.05	76.14
	Sept. 2023	51.49	0.98	-1.41	1.26	7.93	8.76	0.00	0.00	0.00	0.99	0.00	0.99	59.24
	Sept. 2022	54.06	0.85	-1.38	1.44	-3.07	-2.16	0.00	0.00	0.00	0.14	0.00	0.14	51.49
	Sept. 2021	47.16	0.74	-1.26	7.08	0.18	6.74	0.00	0.00	0.00	0.00	0.00	0.00	54.06
F	Mar. 2026	57.25	0.34	-0.35	0.88	-3.98	-3.11	0.00	0.03	0.00	2.80	0.00	2.83	50.97
	Sept. 2025	52.17	0.75	-0.69	4.51	2.67	7.24	0.00	0.06	0.00	2.19	0.00	2.25	57.25
	Sept. 2024	40.24	0.71	-0.61	2.93	9.00	12.03	0.00	0.13	0.00	0.04	0.00	0.17	52.17
	Sept. 2023	34.66	0.66	-0.50	0.85	5.45	6.46	0.00	0.10	0.00	0.67	0.00	0.77	40.24
	Sept. 2022	35.98	0.58	-0.49	0.96	-2.75	-1.70	0.00	0.01	0.00	0.09	0.00	0.10	34.66
	Sept. 2021	31.11	0.50	-0.45	4.72	0.15	4.92	0.00	0.11	0.00	0.00	0.00	0.11	35.98
I	Mar. 2026	32.30	0.19	-0.03	0.49	-2.46	-1.81	0.00	0.31	0.00	1.59	0.00	1.90	28.63
	Sept. 2025	29.34	0.42	-0.05	2.53	1.43	4.33	0.00	0.28	0.00	1.23	0.00	1.51	32.30
	Sept. 2024	22.61	0.40	-0.05	1.65	4.97	6.97	0.00	0.32	0.00	0.02	0.00	0.34	29.34
	Sept. 2023	19.41	0.37	-0.05	0.48	2.78	3.58	0.00	0.21	0.00	0.37	0.00	0.58	22.61
	Sept. 2022	20.04	0.31	-0.05	0.54	-1.21	-0.41	0.00	0.13	0.00	0.05	0.00	0.18	19.41
	Sept. 2021	17.34	0.27	-0.04	2.64	0.03	2.90	0.00	0.27	0.00	0.00	0.00	0.27	20.04
M	Mar. 2026	10.62	0.07	-0.05	0.15	-1.14	-0.97	0.00	0.01	0.00	0.52	0.00	0.53	9.47
	Sept. 2025	10.00	0.03	-0.02	0.86	-0.25	0.62	0.00	0.00	0.00	0.00	0.00	0.00	10.62
O	Mar. 2026	24.35	0.14	-0.02	0.37	-1.76	-1.27	0.00	0.25	0.00	1.19	0.00	1.44	21.57
	Sept. 2025	22.15	0.32	-0.05	1.91	0.97	3.15	0.00	0.23	0.00	0.93	0.00	1.16	24.35
	Sept. 2024	17.05	0.30	-0.05	1.24	3.80	5.29	0.00	0.21	0.00	0.02	0.00	0.23	22.15
	Sept. 2023	14.66	0.28	-0.04	0.36	2.20	2.80	0.00	0.18	0.00	0.28	0.00	0.46	17.05
	Sept. 2022	15.14	0.24	-0.04	0.41	-0.94	-0.33	0.00	0.10	0.00	0.04	0.00	0.14	14.66
	Sept. 2021	13.11	0.21	-0.04	1.97	0.10	2.24	0.00	0.21	0.00	0.00	0.00	0.21	15.14
P	Mar. 2026	21.26	0.13	-0.22	0.32	-1.61	-1.38	0.00	0.00	0.00	1.05	0.00	1.05	18.85
	Sept. 2025	19.53	0.28	-0.45	1.68	0.84	2.35	0.00	0.00	0.00	0.81	0.00	0.81	21.26
	Sept. 2024	15.17	0.27	-0.40	1.11	3.24	4.22	0.00	0.00	0.00	0.01	0.00	0.01	19.53
	Sept. 2023	13.15	0.25	-0.33	0.32	1.99	2.23	0.00	0.00	0.00	0.25	0.00	0.25	15.17
	Sept. 2022	13.78	0.22	-0.32	0.37	-0.87	-0.60	0.00	0.00	0.00	0.03	0.00	0.03	13.15
	Sept. 2021	12.00	0.19	-0.30	1.81	0.02	1.72	0.00	0.00	0.00	0.00	0.00	0.00	13.78
PF	Mar. 2026	22.41	0.14	-0.12	0.34	-1.67	-1.31	0.00	0.05	0.00	1.11	0.00	1.16	19.93
	Sept. 2025	20.41	0.30	-0.24	1.76	0.97	2.79	0.00	0.04	0.00	0.85	0.00	0.89	22.41
	Sept. 2024	15.74	0.28	-0.21	1.15	3.50	4.72	0.00	0.07	0.00	0.01	0.00	0.08	20.41
	Sept. 2023	13.55	0.26	-0.17	0.33	2.04	2.46	0.00	0.06	0.00	0.26	0.00	0.32	15.74
	Sept. 2022	14.05	0.22	-0.17	0.38	-0.94	-0.51	0.00	0.01	0.00	0.04	0.00	0.05	13.55
	Sept. 2021	12.17	0.19	-0.15	1.84	0.11	1.99	0.00	0.08	0.00	0.00	0.00	0.08	14.05

(1) All per unit figures presented in 2026 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, 2026.

(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 (%) <sup>(1)</sup>	Management Expense Ratio before Waivers and Absorptions (%)	Trading Expense Ratio (%) <sup>(2)</sup>	Portfolio Turnover Rate (%) <sup>(3)(4)(5)</sup>	Net Asset Value per Unit (\$)
A	Mar. 2026	92,373	1,262	2.27	2.27	0.01	20.63	73.22
	Sept. 2025	106,013	1,282	2.27	2.27	0.01	43.73	82.70
	Sept. 2024	90,941	1,194	2.27	2.27	0.01	28.42	76.14
	Sept. 2023	58,012	979	2.27	2.27	0.01	42.01	59.24
	Sept. 2022	50,115	973	2.28	2.39	0.01	46.05	51.49
	Sept. 2021	58,381	1,080	2.29	2.44	0.01	62.36	54.06
F	Mar. 2026	15,113	297	1.10	1.10	0.01	20.63	50.97
	Sept. 2025	25,214	440	1.10	1.10	0.01	43.73	57.25
	Sept. 2024	21,370	410	1.10	1.10	0.01	28.42	52.17
	Sept. 2023	15,832	393	1.10	1.10	0.01	42.01	40.24
	Sept. 2022	14,443	417	1.11	1.22	0.01	46.05	34.66
	Sept. 2021	10,187	283	1.12	1.27	0.01	62.36	35.98
I	Mar. 2026	1,321,799	46,168	N/A	N/A	0.01	20.63	28.63
	Sept. 2025	1,393,454	43,139	N/A	N/A	0.01	43.73	32.30
	Sept. 2024	1,109,729	37,820	N/A	N/A	0.01	28.42	29.34
	Sept. 2023	745,148	32,951	N/A	N/A	0.01	42.01	22.61
	Sept. 2022	463,128	23,865	N/A	N/A	0.01	46.05	19.41
	Sept. 2021	524,275	26,165	N/A	N/A	0.01	62.36	20.04
M	Mar. 2026	12,207	1,290	0.80	0.80	0.01	20.63	9.47
	Sept. 2025	1	-	0.80	0.80	0.01	43.73	10.62
O	Mar. 2026	38,346	1,778	0.04	0.04	0.01	20.63	21.57
	Sept. 2025	58,526	2,403	0.04	0.04	0.01	43.73	24.35
	Sept. 2024	56,602	2,556	0.04	0.04	0.01	28.42	22.15
	Sept. 2023	41,827	2,454	0.04	0.04	0.01	42.01	17.05
	Sept. 2022	31,378	2,141	0.04	0.04	0.01	46.05	14.66
	Sept. 2021	32,293	2,133	0.04	0.04	0.01	62.36	15.14
P	Mar. 2026	96,455	5,118	2.04	2.04	0.01	20.63	18.85
	Sept. 2025	107,931	5,076	2.04	2.04	0.01	43.73	21.26
	Sept. 2024	69,310	3,548	2.06	2.06	0.01	28.42	19.53
	Sept. 2023	35,500	2,341	2.06	2.06	0.01	42.01	15.17
	Sept. 2022	28,983	2,203	2.07	2.07	0.01	46.05	13.15
	Sept. 2021	32,087	2,328	2.07	2.07	0.01	62.36	13.78
PF	Mar. 2026	49,203	2,468	0.94	0.94	0.01	20.63	19.93
	Sept. 2025	67,290	3,002	0.94	0.94	0.01	43.73	22.41
	Sept. 2024	53,808	2,636	0.94	0.94	0.01	28.42	20.41
	Sept. 2023	36,775	2,337	0.94	0.94	0.01	42.01	15.74
	Sept. 2022	30,182	2,227	0.94	0.94	0.01	46.05	13.55
	Sept. 2021	29,404	2,092	0.94	0.94	0.01	62.36	14.05

(1) The 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.

(4) At the close of business on April 16, 2021, NEI U.S. Equity Fund was merged into NEI U.S. Equity RS Fund. The portfolio turnover rates exclude the value of securities acquired and sold to realign the Fund's holdings.

(5) At the close of business on November 15, 2024, NEI U.S. Dividend Fund was merged into NEI U.S. Equity RS 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 management fees, before HST, from the Fund, which are calculated daily and based 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, M, 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	1.75	42.86	57.14
Series F	0.70	100.00	N/A
Series M	0.45	100.00	N/A
Series P	1.60	37.50	62.50
Series PF	0.60	100.00	N/A

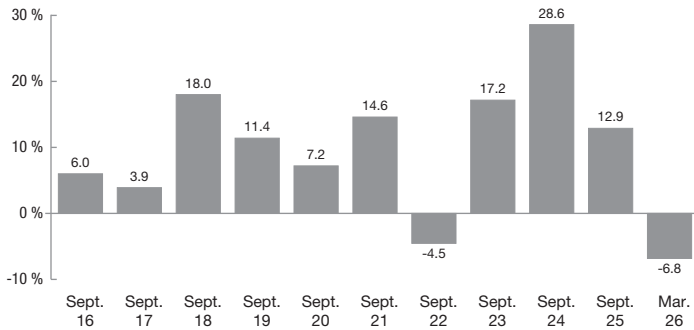
## Past Performance

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.

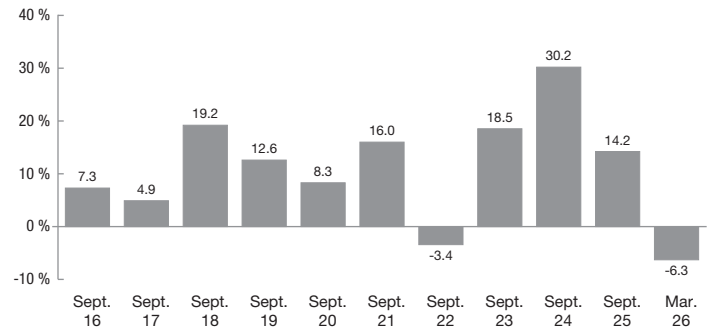
## Year-by-Year Returns

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 2026, which shows the six-month return for the period ended March 31, 2026. 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.

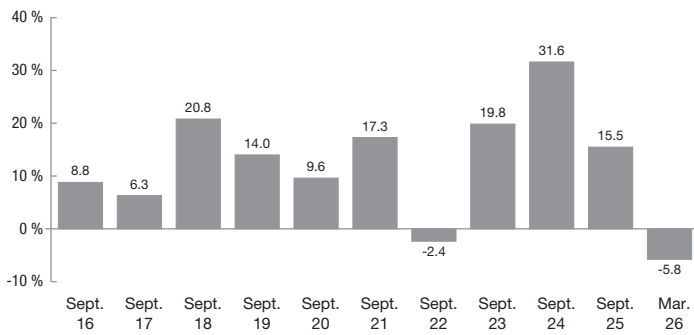
**Series A**



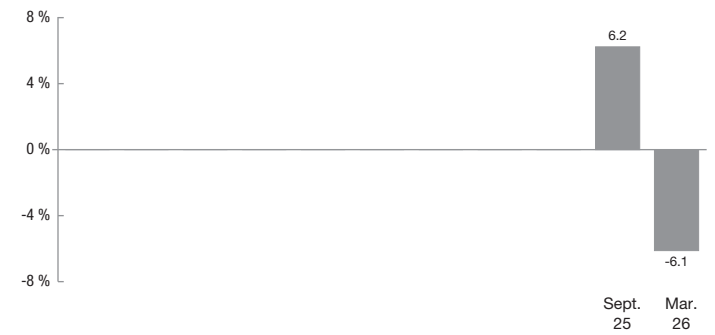
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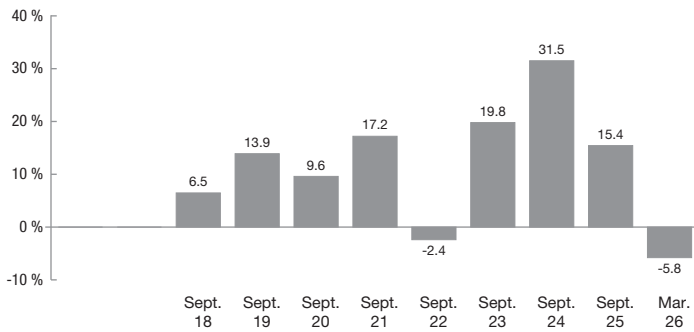
**Series I**



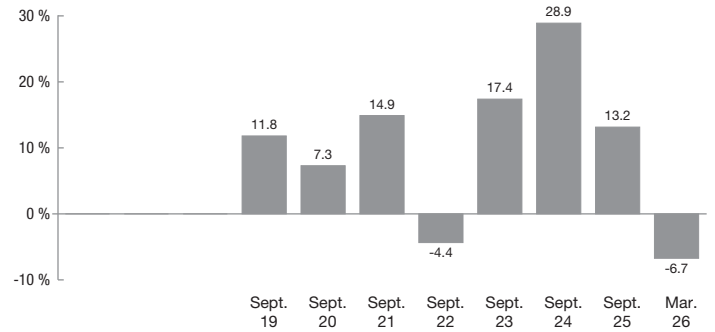
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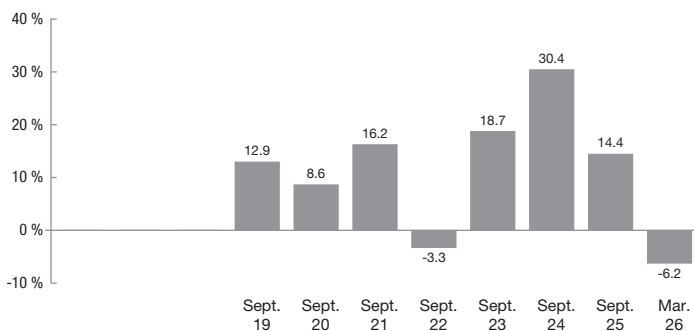
**Series O**



**Series P**



**Series PF**



### Summary of Investment Portfolio as at March 31, 2026

Total Net Asset Value: \$1,625,494,642

Top Holdings		Sector Allocation	
	%		%
Alphabet Inc.	6.5	Information Technology	31.6
Microsoft	6.2	Financials	16.7
Apple	5.9	Health Care	13.6
NVIDIA	5.3	Consumer Discretionary	9.4
Broadcom	3.8	Communication Services	8.9
Amazon.com	3.4	Utilities	5.3
Merck & Co.	2.5	Consumer Staples	4.5
Gilead Sciences	2.3	Industrials	4.3
Taiwan Semiconductor Manufacturing Company, ADR	2.3	Energy	3.0
Visa, Class A	2.3	Real Estate	1.9
Mastercard, Class A	2.2	Cash and Equivalents	0.8
McKesson	2.1	Total	100.0
American Electric Power Company	2.1		
Cisco Systems	2.0		
JPMorgan Chase & Co.	1.8		
Eli Lilly and Company	1.8		
Bank of America	1.8		
AbbVie	1.8		
Shell	1.7		
Analog Devices	1.7		
NextEra Energy	1.6		
Ameren	1.6		
AutoZone	1.6		
Colgate-Palmolive	1.5		
Travelers Companies	1.4		
Total	67.2		

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