

## 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](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

The NEI Canadian Equity Pool's Series I units returned 16.8% for the six-month period ended March 31, 2024 compared with a return of 15.3% 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/TSX Composite TR Index.

The Fund's net asset value decreased by 41.26% during the period, from \$116,950,000 as at September 30, 2023 to \$68,693,119 as at March 31, 2024. This change in net assets is attributed to net unitholder activity of -\$64,003,629 and \$15,746,748 to investment operations, including market appreciation (depreciation), income and expenses.

### Market Overview

Global economic growth stabilized during the first quarter of 2024 with the U.S. remaining the outlier in terms of its continued strength. The eurozone appears to have absorbed most of the energy cost increases related to the war in Ukraine and growth is expected to improve in anticipation of a recovery in China. In Canada, the Bank of Canada (BoC) continues to be more cautious in conveying its plans for interest rate reductions. Although recent inflation news has been positive, the BoC is wary of encouraging consumption growth and a housing market resurgence as the Canadian economy remains particularly unbalanced with high consumption spending and weak investment spending. In addition, it must now take into account the Canadian government's plans to reduce temporary residents, which could lead to substantially softer population growth in 2025-2027.

The portfolio sub-advisor sees much of this weaker economic outlook priced into the longer Canadian bond maturities. The Bank of Japan finally raised interest rates, which it has not done in 17 years, and moved the overnight rate into positive territory for the first time in eight years. As Japanese institutions are significant buyers of foreign bonds, the move had raised concerns of a reduction in demand from Japan; however, the impact, if any, has not been significant. The U.S. dollar continued its strong performance, resulting in the Canadian dollar's decline against it.

### Factors That Have Affected Performance

The Fund posted strong fourth-quarter returns, slightly outperforming the S&P/TSX Composite Index. The decline in Energy was a notable contributor to the Fund's relative returns due to its underweight position in the sector. Other notable contributors were the overweight position in Consumer Discretionary and the recovery of holdings in the Real Estate sector. Both sectors performed well due to a change in sentiment on the back of lower interest rate expectations for 2024. Relative gains in the above-mentioned sectors were partly offset by the following notable detractors: the overweight in Consumer Staples, where Fund holdings underperformed the strong market rally in the quarter; weak stock performance of Franco-Nevada Corp. versus the Materials sector; and the underweight in Financials, a sector that benefited from the anticipation of lower interest rates. From a stock-specific perspective, the top relative contributors to the Fund were Brookfield Corp., Stantec Inc., and Colliers International Group Inc. These were partly offset by relative underperformance from AtkinsRéalis, Franco-Nevada and CAE Inc.

The Fund had a strong start to 2024, outperforming its S&P/TSX Composite Index benchmark. The Fund's underweight position in Financials, which underperformed for the quarter, combined with strong stock selection—led by outperformance from Definity Financial Corp., National Bank of Canada and Manulife Financial Corp.—helped contribute to alpha. Similarly, the Fund's underweight in Materials, and stock performance from CCL Industries Inc. and Franco-Nevada, resulted in notable alpha for the sector. From a stock-specific perspective, the top contributors to the Fund were AtkinsRéalis, WSP Global Inc., and CCL Industries Inc. Global engineering services firms are benefiting from increased infrastructure spending, which the portfolio sub-advisor believes will be a medium-term tailwind for outsized growth. These were partly offset by relative underperformance from OpenText Corp., Magna International Inc., and CAE Inc.

### Portfolio Changes

During the last quarter, the portfolio sub-advisor completed exiting the position in Saputo Inc. Saputo proceeds were used to fund a new position in the Bank of Montreal.

### 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.

NEI's Responsible Investing team voted against management on 60% of the proxy items at three annual general meetings and/or special meetings. They supported 83% of six shareholder resolutions filed on ESG topics such as auditor rotation, anticompetitive practices, and the ability to hold virtual and in-person annual general meetings. All votes cast on shareholder resolutions were consistent with NEI's Proxy Voting Guidelines, available at [www.neiinvestments.com](http://www.neiinvestments.com).

### Recent Developments

The markets will be more keenly observing the evolution of economic data as central banks have clearly signaled that their actions will be contingent on the same data sets. The decline in inflation has slowed as the normalization in supply chain pressures no longer seems to be providing help to the downside. In fact, those supply chain pressures have rebounded from their lows with the disruptions in ocean freight traffic (principally with the Red Sea and Panama Canal experiencing substantial disturbances, thereby adding delays and costs to international seaborne freight).

However, there are reasons for optimism that inflation will decline further, with leading indicators pointing to further relief: Shelter inflation is still declining; job creation is softening; import prices are weakening as China ramps up economic recovery efforts through exports; and the wave of technology capital spending related to artificial intelligence is filtering through the economy. In relation to the growth outlook, it continues to be supported by aggressive levels of government spending, which has thus far thwarted market expectations for a recession. After a period of weakness, global growth momentum has picked up, particularly in relation to manufacturing activity. The portfolio sub-advisor believes that we appear to be on the cusp of interest rates cuts by central banks in developed markets, which should be supportive for financial markets in general.

Looking forward, the portfolio sub-advisor continues to take a measured approach to their selection given more fulsome valuations in certain areas. Market sentiment has leaned towards a “soft landing” outcome for the economy, with inflation tamed and the expectation that interest rates will revert towards lower levels. While this is certainly feasible, many sectors seem to have priced in this optimistic scenario and, as such, leave little margin for safety. The portfolio sub-advisor’s focus remains on those businesses that will prove resilient in a variety of scenarios.

## 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 (\$)
Commissions paid by the Fund to DSI	1,033	-

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.

The Fund is currently only distributed by NEI on an exempt-market basis.

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 received standing instructions from the IRC with respect to the following related party transactions: trades in securities (whether debt or equity) of a company related to a sub-advisor.

The Manager is required to advise the IRC of any material breach of a condition of the standing instructions. The standing instructions require, among other things, that the investment decision in respect to related party transactions (a) are aligned with the investment objectives, investment strategies, risk profile and other important details of the Fund for which the investment is being proposed; (b) are made by the Manager free from any influence by any entities related to the Manager; (c) represent the business judgment of the Manager uninfluenced by considerations other than the best interests of the Fund; and (d) are made in compliance with the Manager’s policies and procedures.

Transactions made by the Manager under the standing instructions are subsequently reviewed by the IRC to monitor compliance. The Fund relied on the IRC’s standing instructions regarding related party transactions during this reporting period.

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 (\$) <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>
I	Mar. 2024	11.70	0.13	0.00	1.33	0.45	1.91	0.00	0.26	0.00	0.32	0.00	0.58	13.05
	Sept. 2023	10.69	0.26	0.00	0.22	0.99	1.47	0.01	0.17	0.00	0.29	0.00	0.47	11.70
	Sept. 2022	12.58	0.22	0.00	0.33	-2.20	-1.65	0.00	0.22	0.00	0.08	0.00	0.30	10.69
	Sept. 2021	9.60	0.26	0.00	0.16	2.68	3.10	0.00	0.20	0.00	0.00	0.00	0.20	12.58
	Sept. 2020	10.04	0.28	-0.01	-0.12	-0.59	-0.44	0.00	0.05	0.00	0.00	0.00	0.05	9.60
	Sept. 2019	10.00	0.08	-0.01	0.00	0.22	0.29	0.00	0.00	0.00	0.00	0.00	0.00	10.04

(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 (%) <sup>(1)</sup>	Management Expense Ratio before Waivers and Absorptions (%)	Trading Expense Ratio (%) <sup>(2)</sup>	Portfolio Turnover Rate (%) <sup>(3)</sup>	Net Asset Value per Unit (\$)
I	Mar. 2024	68,693	5,266	N/A	N/A	0.06	16.98	13.05
	Sept. 2023	116,950	9,995	N/A	N/A	0.02	16.80	11.70
	Sept. 2022	84,408	7,892	N/A	N/A	0.02	13.84	10.69
	Sept. 2021	84,990	6,753	N/A	N/A	0.03	15.98	12.58
	Sept. 2020	46,490	4,845	N/A	N/A	0.08	21.33	9.60
	Sept. 2019	8,148	812	N/A	N/A	0.09	1.15	10.04

(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.

## Management Fees

The Manager is responsible for the management, supervision and administration of the Fund. The Fund does not pay management fees for Series I. Series I unitholders pay a negotiated fee directly to NEI Investments.

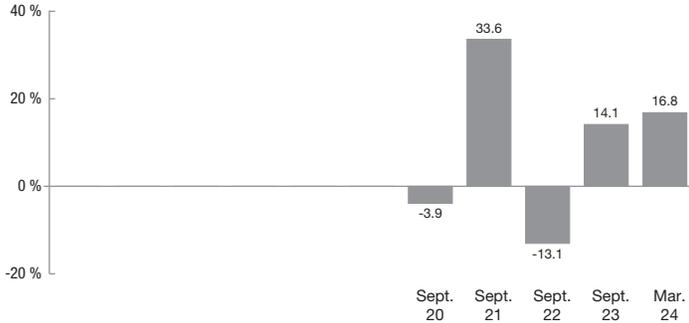
## Past Performance

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 I



### Summary of Investment Portfolio as at March 31, 2024

Total Net Asset Value: \$68,693,119

Top Holdings		%
Canadian National Railway Company		7.1
Brookfield, Class A		5.9
Scotiabank		4.6
SNC-Lavalin Group		4.3
WSP Global		3.7
Open Text		3.6
TC Energy		3.5
CCL Industries, Class B		3.5
Restaurant Brands International		3.4
Intact Financial Corporation		3.3
CAE		3.3
CGI, Class A		3.2
Metro		3.2
Gildan Activewear		3.1
Manulife Financial		3.0
Franco-Nevada		2.9
Thomson Reuters		2.8
Empire Company, Class A		2.7
National Bank of Canada		2.6
Bank of Montreal		2.5
Boyd Group Services		2.4
Magna International, Class A		2.4
Cash and Equivalents		2.4
Descartes Systems Group		2.3
Tourmaline Oil		2.2
Total		83.9

Net Asset Value Mix		%
Equity		97.6
Cash and Equivalents		2.4
Total		100.0

Sector Allocation		%
Industrials		25.5
Financials		24.8
Information Technology		14.5
Consumer Discretionary		9.0
Consumer Staples		7.7
Materials		7.2
Energy		5.8
Real Estate		3.1
Cash and Equivalents		2.4
Total		100.0

Geographic Distribution		%
Canada		97.6
Cash and Equivalents		2.4
Total		100.0

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