

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 Global Equity Pool's Series I units returned 17.7% for the six-month period ended March 31, 2024 compared with a return of 21.4% 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 MSCI World NR Index (C\$).

The Fund's net asset value increased by 9.44% during the period, from \$272,004,611 as at September 30, 2023 to \$297,675,738 as at March 31, 2024. This change in net assets is attributed to net unitholder activity of -\$20,673,469 and \$46,344,596 to investment operations, including market appreciation (depreciation), income and expenses.

Market Overview

During the six-month period ended March 31, 2024, the MSCI World Index rose more than 21% in Canadian-dollar terms. Central banks began to pause rate hikes, but equity markets continued to experience bouts of volatility amid hawkish higher-for-longer rhetoric. In October, stronger-than-expected third-quarter economic growth triggered a rapid rise in bond yields, especially the 10-year U.S. Treasury note, which briefly crossed the 5% threshold for the first time in 16 years. Headwinds from higher Treasury yields, conflict in the Middle East, and concern that strength in the economy and the labour market could warrant further tightening weighed on investor sentiment globally and briefly sent all major indices into correction territory. Global equity markets began to rally in November, as inflation continued to cool, consumer spending remained resilient, and the U.S. economy grew more quickly than expected. Economic soft-landing expectations in the U.S. gained momentum amid investor optimism that the U.S. Federal Reserve could begin to cut interest rates as early as the second half of 2024 but firmer inflation readings for January and February tempered rate-cut expectations somewhat.

Factors That Have Affected Performance

During the period, the Fund rose in absolute terms, but underperformed the MSCI World Index. Security selection was negative, while sector selection was positive. Security selection within Financials and Information Technology detracted the most, while selection within Health Care and Consumer Discretionary contributed.

Detractors over the six-month period included NVIDIA Corp. (underweight), Equinor ASA, and Shell PLC. NVIDIA continued its artificial intelligence (AI) driven rally, and their lack of exposure to the stock detracted against performance. In contrast, shares of oil giants Equinor and Shell fell as the price of natural gas retreated from record highs. In addition, Equinor's payout guidance missed consensus, taking the company from being the payout champion in 2024, with a 19% yield, to being last in its peer group in 2026, with only an 8% yield.

Contributors over the six-month period included Broadcom Inc., Apple Inc. (underweight) and Novo Nordisk AS. Broadcom contributed as sentiment regarding AI beneficiaries continued to accelerate and as the company's recent acquisition of VMware Inc. offered meaningful upside to consensus growth estimates. In contrast, an underweight to Apple contributed as the stock fell on several issues including a deteriorated sales growth outlook in China and news of a lawsuit filed by the U.S. Department of Justice. Novo Nordisk contributed on reported results that beat expectations, raised its full-year outlook, and put in place a stock repurchase program.

Portfolio Changes

During the period, the portfolio sub-advisor initiated a position in engineering, architecture and related professional services enterprise Stantec Inc. Given its leverage towards infrastructure, environmental service and water (approximately 70% of revenues), the company is poised to embark on a multi-year growth trajectory with government funding and a push for environmental, social and governance (ESG) driving high single-digit growth. The portfolio sub-advisor views Stantec as one of the key enablers in aiding customers to meet the United Nations's Sustainable Development Goals (SDGs), with 60% of gross revenue (up from 43% in 2019) coming from SDGs. It was also the first architectural and engineering firm to be granted status as an actor partner in the United Nation's Decade on Ecosystem Restoration, having helped restore more than 40,000 acres of ecosystems in North America and over 1,000 miles of rivers and streams globally. The company itself had achieved operational carbon neutrality in 2022.

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 40% of the proxy items at 25 annual general meetings and/or special meetings. They supported 48% of 25 shareholder resolutions filed on ESG topics such as climate risk in retirement plan options, weapons development, and use of AI. All votes cast on shareholder resolutions were consistent with NEI's Proxy Voting Guidelines, available at www.neiinvestments.com.

Recent Developments

The portfolio sub-advisor continues to believe that a soft landing is the most likely outcome, with major economies still on course to avoid significant contractions. The economy remains resilient, but the lagged impact of past interest rate hikes suggest that it is likely to slow somewhat in the coming quarters.

Of course, as 2024 progresses it will not be economic variables alone that drive financial markets. Political and policy risk are very elevated and will intensify in the coming months. While history says that the impact of elections on the economy and on markets is overblown, the policy differences between the parties seem larger than typical, which could lead to increased economic volatility as well. The headline risk is the U.S. political cycle; public pronouncements about both trade and fiscal policies could rattle the global political economy. But it is not only the U.S. where elections will matter in 2024. More than half of the world's population will go to the polls this year, and the portfolio sub-advisor has already seen meaningful outcomes from elections in some countries.

The portfolio sub-advisor believes that equity portfolios designed to smooth volatility are especially appealing in the current market environment. For long-term, outcome-oriented investors, the portfolio sub-advisor believes that companies with these features are best positioned to deliver strong returns through changing environments.

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 Desjardins Trust and amounts received from underlying funds managed by NEI LP during the period are presented.

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 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⁾ |
| I | Mar. 2024 | 12.95 | 0.15 | -0.02 | 0.75 | 1.37 | 2.25 | 0.00 | 0.30 | 0.00 | 0.26 | 0.00 | 0.56 | 14.62 |
| | Sept. 2023 | 11.18 | 0.31 | -0.05 | 0.03 | 1.74 | 2.03 | 0.00 | 0.23 | 0.00 | 0.00 | 0.00 | 0.23 | 12.95 |
| | Sept. 2022 | 12.37 | 0.25 | -0.04 | 0.05 | -1.25 | -0.99 | 0.00 | 0.16 | 0.00 | 0.08 | 0.00 | 0.24 | 11.18 |
| | Sept. 2021 | 10.75 | 0.22 | -0.04 | 0.29 | 1.27 | 1.74 | 0.00 | 0.12 | 0.00 | 0.00 | 0.00 | 0.12 | 12.37 |
| | Sept. 2020 | 10.12 | 0.22 | -0.04 | -0.57 | 1.20 | 0.81 | 0.00 | 0.03 | 0.00 | 0.02 | 0.00 | 0.05 | 10.75 |
| | Sept. 2019 | 10.00 | 0.04 | -0.02 | -0.01 | 0.21 | 0.22 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 10.12 |

(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⁾ | Net Asset Value per Unit (\$) |
|--------|------------|-------------------------------------|-------------------------------------|---|---|--|--|-------------------------------|
| | | | | | | | | |
| I | Mar. 2024 | 297,676 | 20,356 | N/A | N/A | 0.05 | 22.74 | 14.62 |
| | Sept. 2023 | 272,005 | 21,009 | N/A | N/A | 0.06 | 45.78 | 12.95 |
| | Sept. 2022 | 260,984 | 23,346 | N/A | N/A | 0.03 | 32.81 | 11.18 |
| | Sept. 2021 | 256,723 | 20,754 | N/A | N/A | 0.06 | 44.61 | 12.37 |
| | Sept. 2020 | 140,741 | 13,097 | N/A | N/A | 0.14 | 46.61 | 10.75 |
| | Sept. 2019 | 18,474 | 1,825 | N/A | N/A | 0.13 | 6.19 | 10.12 |

(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.

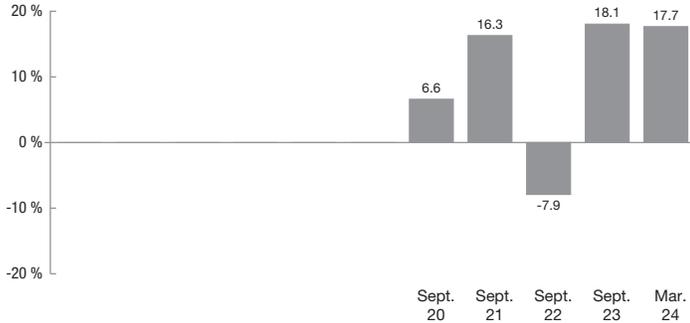
Past Performance

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: \$297,675,738

| Top Holdings | % |
|---------------------------------|------|
| Microsoft | 5.6 |
| Broadcom | 3.2 |
| Alphabet Inc. | 3.2 |
| Cash and Equivalents | 2.6 |
| Apple | 2.3 |
| AutoZone | 2.2 |
| Merck & Co. | 2.2 |
| Shell | 2.2 |
| Novo Nordisk, Class B | 2.0 |
| UnitedHealth Group | 2.0 |
| Visa, Class A | 1.9 |
| Oracle | 1.8 |
| AbbVie | 1.7 |
| McKesson | 1.7 |
| Sumitomo Mitsui Financial Group | 1.5 |
| RELX Group | 1.5 |
| Wolters Kluwer | 1.5 |
| Overseas-Chinese Banking | 1.5 |
| Constellation Software | 1.5 |
| Meta Platforms, Class A | 1.5 |
| Intuit | 1.3 |
| Marsh & McLennan Companies | 1.3 |
| AXA | 1.3 |
| Comcast, Class A | 1.2 |
| Amdocs | 1.2 |
| Total | 49.9 |

| Net Asset Value Mix | % |
|----------------------|-------|
| Equity | 96.8 |
| Cash and Equivalents | 2.6 |
| Unit Trust | 0.5 |
| Other | 0.1 |
| Total | 100.0 |

| Sector Allocation | % |
|------------------------|-------|
| Information Technology | 24.7 |
| Financials | 18.4 |
| Health Care | 15.0 |
| Industrials | 10.6 |
| Consumer Discretionary | 9.2 |
| Communication Services | 8.1 |
| Consumer Staples | 4.3 |
| Energy | 4.0 |
| Cash and Equivalents | 2.6 |
| Utilities | 2.4 |
| Real Estate | 0.5 |
| Other | 0.1 |
| Materials | 0.1 |
| Total | 100.0 |

| Geographic Distribution | % |
|-------------------------|-------|
| United States | 58.4 |
| Other Countries | 32.1 |
| United Kingdom | 6.9 |
| Cash and Equivalents | 2.6 |
| Total | 100.0 |

"Unit Trust" includes REITs, ETFs, and other similarly structured investment vehicles.

"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.