NEI Global Total Return Bond Fund

May 2025

The bond market has been sending important signals recently. With yield volatility, persistent inflation, and global debt loads rising, today's environment calls for a more thoughtful approach to fixed income investing.

In this environment, global fixed income strategies can offer key advantages: broader geographical diversification, active duration management, and the ability to capture alpha across currencies and credit markets**. NEI Global Total Return Bond Fund's flexible and active approach allows it to seek out the best investment opportunities globally in various market conditions.**

Seeking to extract value wherever it exists

The Fund, managed by Amundi, one of the largest asset managers in Europe, seeks to maximize the potential of a diversified approach to fixed income investing by exploiting inefficiencies and finding the best investment opportunities in government bonds, corporate credit, and currency markets globally.

To do so, the investment team express their investment views through:

1. Strategic directional positions (e.g. long or short duration compared to the benchmark, or over/underweight credit);
2. Relative value positions (e.g. country allocation and yield curve positioning, or sector, country and issuer exposure within credit); as well as
3. Tactical positions to manage the active risk of the portfolio on a day-to-day basis.

These positions are the result of a robust, time tested and highly structured investment process, that starts with the generation of top-down investment views (with the support of Amundi's large teams of experts) based the global monetary policy environment, growth dynamics, country specific macroeconomic conditions, monetary and fiscal policies, inflation expectations, business cycle, credit risk, investor risk appetite and relative opportunities between regions.

The Fund incorporates these perspectives through various sources of value, through an active strategy designed to achieve superior returns by leveraging inefficiencies within and across prominent fixed income sectors.

Multiple sources of value[1]

Duration

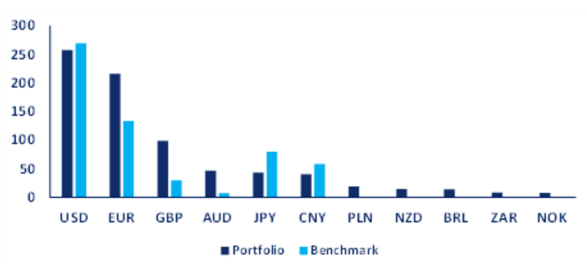
- Active duration management that can range between 1 to 8 years depending on the market conditions
- Duration positioning based on country specific macroeconomic conditions, monetary and fiscal policies, inflation expectations, business cycle, investor risk appetite and relative opportunities between regions
- Expertise in generating top-down macroeconomic views and finding dislocations between macroeconomic expectations and market prices allows Amundi to form views on the directionality of key rate markets as well as suggest relative value trades between the main regions (e.g. overweight core Eurozone duration vs. US treasuries)

[1] Current positioning examples are provided for illustrative purposes only at the time of writing. This Fund is actively managed; holdings and sector allocations will vary over other periods and do not reflect a commitment to an investment policy or sector. Individual figures may not total due to rounding. Indices are unmanaged and their returns assume reinvestment of dividends and, unlike mutual fund returns, do not reflect any fees or expenses associated with a mutual fund. It is not possible to invest directly in an index. Indices used for comparative purposes only.

- **Current positioning example:** At the fund level the duration is longer than the benchmark mainly coming from:
  - Longer duration in Europe – longer duration in Italy, Spain, and Greece compared to France and Germany on positive fundamentals in southern economies (driven in part by their services oriented economies which are less vulnerable to tariffs) and further likely European Central Bank (ECB) easing. The team believes that the ECB is in a better position than the Fed, focusing primarily on growth impacts from trade tensions, while inflation should be less of a concern.
  - Longer duratiton in U.K. – the second largest long duration position is in the U.K. given attractive valuations and room for more cuts from the BoE

The Fund's shortest duration positions are in Japan given the economic regime change, as well as in China and Canada given the tariff uncertainty. The fund also has a long position in U.S. TIPS to hedge against potential inflation spikes from Trump's policies.

Chart 1: Modified duration by currency

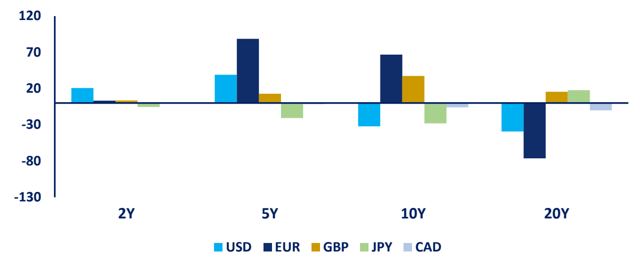


Source: Amundi as at 31/03/2025. The benchmark refers to Bloomberg Barclays Global Aggregate Index (C$ hedged). Positioning given for indicative purposes only and may change without prior notice. The above graph is not exhaustive of all duration positioning in the fund.

Yield curve positioning

- Expertise in generating top-down macroeconomic views informs the team's views on duration and any changes in yield curve slope or shape across regions
- Potential changes in the term structure of yield curves and yield curve positioning trades are also considered
- Current positioning example: The Fund has a steepener position in the U.S. and Europe being underweight duration in the long end of the yield curve, as the managers expect curves to steepen in the medium term

Chart 2: Duration relative to benchmark per curve segment



Source: Amundi as at 31/03/2025. The benchmark refers to Bloomberg Barclays Global Aggregate Index (C$ hedged).

Credit

- Credit positions reflect the team's macroeconomic views as well as the analysis of valuation and risk premium, with a rigorous bottom-up process to select bonds, aided by the Credit Research team which consists of around 40 experienced global credit analysts
- **Current positioning example:** The team's positive view on credit is reflected through an overweight position. Amid strong corporate fundamentals, the fund is still overweight in corporate credit, especially in European investment grade financials which should benefit from upward revisions in economic growth and greater fiscal spending. In the US, the fund is focusing on areas of the market with higher credit quality, where spreads are wide and compensate for liquidity risk.

High Yield

- Similar to investment grade credit, high yield credit positioning reflects the team's macroeconomic views as well as the analysis of valuation and risk premium
- In addition, occasionally credit default swaps are used for hedging
- **Current positioning example:** The Fund currently has limited high yield exposure (~7%) as the team favours investment grade credit at this time

Emerging Markets

- Positioning considers country specific macroeconomic conditions, monetary and fiscal policies, inflation expectations, business cycle, credit risk, investor risk appetite and relative opportunities between regions, and takes into account views of Amundi's team dedicated to Emerging Market Debt

- **Current positioning example:** Currently the team believes that the emerging market picture remains fragmented in terms of inflation and monetary policy, and therefore requires different positioning, specific to each region/country. Overall while the duration in the emerging market parts of the portfolio is neutral, the team is positive on local currency debt in Latin America, and positive on high qulaity corporate credit.

Currencies

- The Fund takes full advantage of currency allocations and uses this lever to both generate alpha and mitigate risk through carry trades (capitalizing on interest rate differentials by borrowing in a low yielding currency to buy a high yielding currency) and relative value trades where the team uses proprietary purchasing power parity models to determine long term valuation trends on currencies
- **Current positioning example:** Amundi maintains a positive view on select Latin American currencies on attractive valuations and on US dollar as a hedge to Emerging Market FX exposures. Chart 3: Currency risk allocation (%MV)

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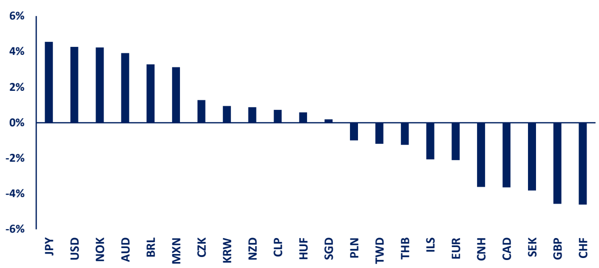


Source: Amundi as at 31/03/2025.

A core idea behind the investment philosophy is that the market isn't always efficient, and skilled managers can exploit these inefficiencies within and across asset classes.

The approach is flexible and unbiased when it comes to the allocation of assets between the various levers of value add, allowing the managers to act on their strongest convictions and to switch from one asset class to another as valuations change throughout the market cycle, while always maintaining a diversified portfolio.

Therefore, while a specific asset class may be favoured relative to another at a point in time, allocations can vary and should be broadly even over the long term.

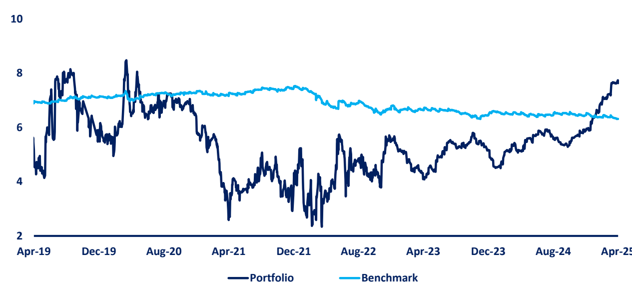
Active approach to changing market trends

To be able to effectively navigate changes in the market, the Fund employs tactical trades that can amplify or reduce strategic views in response to market trends.

For example, when the Silicon Valley Bank crisis hit in March 2023, the portfolio manager adjusted the duration on USD to underweight based on their view that rates would eventually increase, which paid off when it became apparent that the crisis was not systemic. In Q2 2023, the manager implemented a steepener on the U.S. yield curve (i.e. long the front end of the yield curve and short the long end of the curve) as they believed that the yields would normalize as GDP growth data appeared too optimistic, which also proved to be a successful trade.

This dynamic asset allocation allows for nimble and proactive adaptation of the portfolio throughout market cycles, with the aim to add value and reduce volatility even in uncertain market environments. The chart below shows how this dynamic approach was used to adapt to the changing interest rate environment over the past six years.

Chart 4: Historic modified duration



Source: Amundi as at 31/03/2025. The benchmark refers to Bloomberg Barclays Global Aggregate Index (C$ hedged).

The global platform of Amundi's fixed income team (which manages over 1 trillion Euros in assets making it a key fixed income player globally) comprises highly experienced portfolio managers that have access to extensive internal resources, which allows the team to quickly capture price distortions across fixed income asset classes.

Maximizing potential through a wider investment universe and diversification

The Fund considers a wide investment universe that includes sovereign bonds, corporates, as well as an out-of-benchmark universe of high yield bonds, emerging market debt, convertible bonds and currencies, allowing investors to benefit from broader diversification and lower correlation of asset classes.

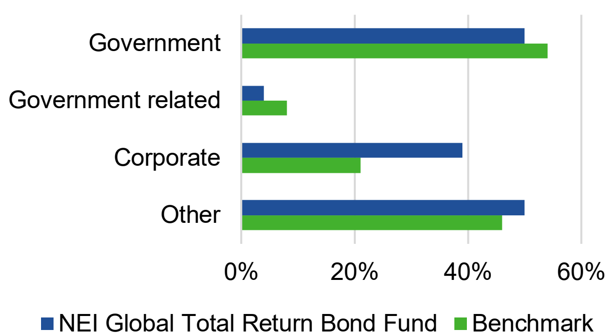
Chart 5: Fund characteristics vs the benchmark

	Portfolio	Benchmark
Yield to maturity	4.82%	3.13%
Duration	7.68	6.31
Average rating	A	AA-

Source: Amundi as at 31/03/2025. The benchmark refers to Bloomberg Barclays Global Aggregate Index (C$ hedged).

Rigorous diversification across asset classes, risk factors, geographies and investment horizons improves the return potential and reduces risk across different market environments.

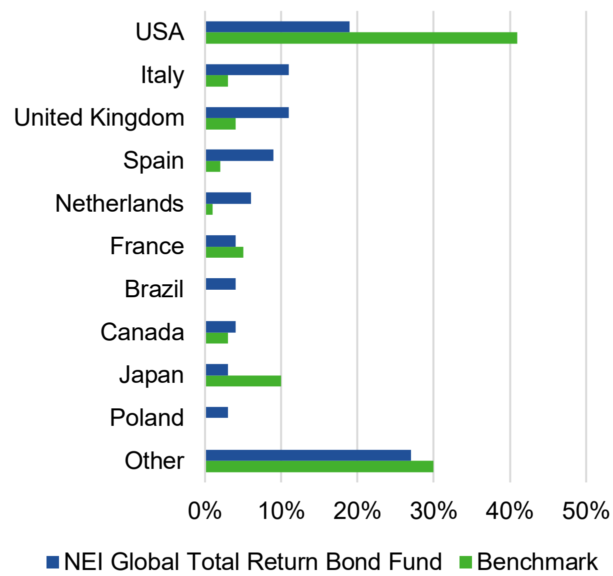
Chart 6: Portfolio breakdown by issuer type



Other includes ABS, MBS, cash, derivatives and covered securities. The benchmark refers to Bloomberg Barclays Global Aggregate Index (C$ hedged). Source: Amundi, as of April 30, 2025.

In addition, with a larger exposure to non-North American issuers, the Fund is uniquely positioned in the Canadian marketplace offering investors a differentiated and complementary exposure to their global and Canadian fixed income investments.

Chart 7: Top 10 country exposure



The benchmark refers to Bloomberg Barclays Global Aggregate Index (C$ hedged). Source: Amundi, as of April 30, 2025.

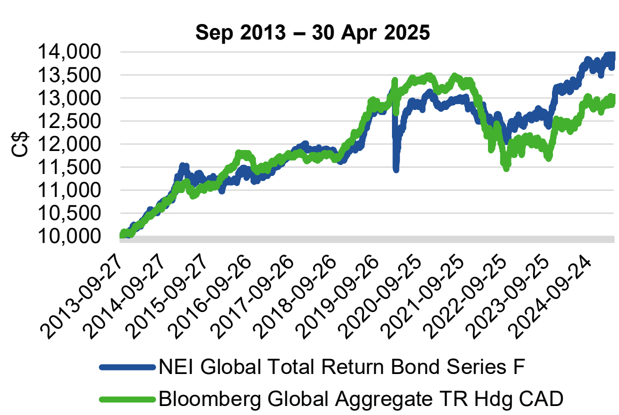
A proven track record

Since the inception of the Fund in 2013, the strategy has delivered value through a variety of market environments: a prolonged period of quantitative easing followed by quantitative tightening by major central banks, a global pandemic, a major escalation in geopolitical tensions, and an aggressive hiking cycle.

Throughout these different environments and despite elevated volatility in the bond markets, NEI Global Total Return Bond Fund (Series F) has:

- **Delivered strong growth since inception**

Chart 8: Growth of $10K since inception



Source: Morningstar, as of 30 April 2025.

Chart 9: Performance

	1 year	3 years	5 years	10 years
NEI Global Total Return Bond Fund, Series F	6.66	3.64	2.60	2.18
Benchmark	6.00	1.93	-0.25	1.62

The benchmark refers to Bloomberg Barclays Global Aggregate Index (C$ hedged). Source: Morningstar, as of 30 April 2025.

- **Added value during periods of both equity and market fixed income volatility in 2022,** outperforming equities and fixed income. The Fund's flexibility allowed it to add value through multiple levers in 2022. The short duration of the Fund protected on the downside as the aggressive interest rate hiking cycle caused big declines in both equity and fixed income markets. The Fund's currency allocations also added value through long positions in the US dollar as well as emerging market currencies which were further ahead in the hiking cycle

Chart 10: Performance in 2022

	2022 Calendar returns
NEI Global Total Return Bond Fund, Series F	-3.97
Category average	-9.43
Benchmark	-11.53
MSCI All Country World NR CAD	-12.43

The category average refers to the multi-sector fixed income group and the benchmark refers to Bloomberg Barclays Global Aggregate Index (C$ hedged). Source: Morningstar.

- **Provided diversification to Canadian investors** through lower correlations to fixed income markets than the average global fixed income fund in Canada.

Chart 11: Correlation of NEI Global Total Return Bond Fund to select indices and fixed income categories (based on 10-year returns)

	NEI Global Total Return Bond Series F	Canada Fund Global Fixed Income
Bloomberg Global Aggregate TR Hedged C$	0.64	0.88
Canada Fund Global Fixed Income	0.65	1.00
Canada Fund Canadian Fixed Income	0.65	0.92

A Canada Fund Global Fixed Income is a type of investment fund that primarily invests in fixed-income securities, which are debt instruments like bonds, issued by entities outside of Canada. A Canadian Fixed Income Fund is a type of investment fund that primarily invests in debt securities issued or guaranteed by entities within Canada. These funds aim to provide income and potentially preserve capital by investing in a diversified portfolio of global fixed income securities. Source: Morningstar, as of 31 March 2025.

- **Utilized its flexibility and expertise in different fixed income sectors to find sources of value in different market environments**. The table below illustrates how each of the levers has driven performance

Currency + 3.7% in 2014 and 2015	This was a period of USD strength, especially Q1 2014 and Q4 2015. The portfolio benefitted from being long USD during this period. Short EUR and JPY positions were also beneficial as well as some long emerging market FX positions in 2015.
Duration +1.7% in 2017	Yields broadly fell in 2017, which was negative for the Fund's underweight duration, but this was more than compensated by positive performance from country allocation. In particular, repositioning to underweight European duration just before the end of Q1 when there was a sharp rise in German bund yields was very beneficial. The Fund's yield curve positioning benefited from the flattening of the German bund and US treasury towards the end of the year as well.
Credit +1.9% in 2017	The overweight in credit was very positive in 2017, particularly in high quality European financial issuers.
Duration +2.7% in 2019	The Fund's shorter duration position was negative in the first half of 2019 as yields were broadly falling. The Fund moved into longer duration during the second part of the year, which was positive but did not compensate fully. However, country allocation added value, specifically the preference for US and Australian duration and an underweight to Japan and Europe, as well as the allocation to European periphery issuers. The yield curve positioning and preference for long maturities which outperformed, lead to a strong performance from duration as a whole.
Credit + 1.7% in 2019	Overweight position in investment grade credit was a strong contributor in 2019 as spreads tightened significantly, benefiting from the implied support from central banks.
Duration +7.5% in 2022 and +0.2% in 2023	In 2022 and 2023, the majority of the duration-related outperformance came from being underweight headline duration, as we saw a significant increase in yields globally. Amongst other strategies, the Fund bought protection through puts on US treasuries, which was very beneficial. The Fund also benefited from the flattening of the yield curve that took place as the short end underperformed.
Currency +0.7% in 2022 and + 0.7% in 2023	The Fund's overweight to the USD in 2022 added value, as the USD appreciated throughout the year, and this overweight was reduced towards the end of the year as the USD started weakening. The allocations to emerging market currencies also added value over the period, in particular through long MXN and BRL positions.
Credit +1.3% and Duration +0.4% in 2024	The overweight position in credit was a key source of value. The fund was exposed mainly to European and US Financials and Industrials with an overweight position in Financials. The fund was also underweight overall duration versus the benchmark, with the underweight mainly coming from shorter duration in US, which added value as US growth outperformance story was largely repriced on the rates side (yields rose) later in the year.

A robust fixed income solution for today's market environment and the long term

The current fixed income markets offer abundant opportunities for active management. A move into an actively managed multi-levered bond strategy, like the NEI Global Total Return Bond Fund, can provide opportunities for capital appreciation in a shifting market landscape that fixed income portfolios overexposed to local bonds can not offer.

The Fund's managers remain agile in this environment, and this nimble and flexible investment approach is well positioned to capitalize on relative value and tactical opportunities arising from added volatility.

About Amundi

- Amundi is a global asset manager, **ranked 8th in the world and 1st in Europe**, with over €2.2 trillion in assets under management.
- They have extensive fixed income capabilities with over **130 portfolio managers** covering various asset classes, including developed and emerging markets, currencies, and corporate bonds.
- Their investment process is **macro-focused**, analyzing growth, inflation, monetary policy, fiscal policy, and global economic and political events.
- They aim to maintain high diversification and liquidity, integrating ESG considerations into their investment process. The portfolio construction involves **views on currencies, rates, and credit**, optimizing for maximum expected return with minimum volatility

Why choose NEI Global Total Return Bond Fund?

The NEI Global Total Return Bond Fund is designed to help investors reach their financial goals, whether they are saving for retirement, seeking a steady income, or diversifying their portfolio. Managed by Amundi, a global leader in asset management, the Fund offers distinct advantages in today's dynamic markets. Here's why it stands out:

- **Seeks strong returns in changing markets**: The Fund actively adjusts to economic shifts, targeting opportunities in government bonds, corporate credit, and currencies worldwide. Since its inception in 2013, it has delivered value to investors, even through challenges like rising interest rates and global crises
- **Diversification to help reduce risk:** One of the main goals of investing in fixed income is to reduce overall portfolio risk. By investing across multiple asset classes, regions, and strategies, the Fund lowers your exposure to any single market downturn. This broad approach helps protect your capital while capturing growth opportunities globally. The Fund's significant exposure to non-North American markets complements your existing Canadian investments, offering unique diversification not found in most local bond funds
- **Expert management:** Amundi's extensive fixed income resources and expertise allow for a deeper understanding of global fixed income markets and a nimble approach that can anticipate and respond to market shifts quickly

Glossary:

	Definition
Duration	The measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates, typically expressed in years.
Yield	The income returns on an investment, such as the interest or dividends, received from holding a particular security.
Yield curve slope or shape	The graphic representation of yields across different maturities, indicating market expectations of future interest rates and economic activity.
Term	The length of time until the maturity of a debt instrument, influencing its yield and price sensitivity.
Steepener	A position taken to benefit from an increase in the yield spread between short-term and long-term bonds.
Carry	The gain or cost from holding an investment, often involving interest received versus financing costs.
Purchasing power parity	An economic theory that compares different countries' currencies through a basket of goods method, predicting exchange rates to equalize the purchasing power of different currencies.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the Fund Facts and/or prospectus before investing The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated

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