



NEI Corporate Engagement Focus List

Q3 Update: October 2018



Company	Overview	ESG Issues	Dialogue Results	Holdings
FINANCE				
<p>Bank of Montreal</p>	<p>BMO Financial Group is a financial services provider that serves more than 12 million personal, commercial, corporate and institutional customers in North America and internationally.</p> <p>www.bmo.com</p>	<ul style="list-style-type: none"> • Governance Matters - ESG-Ready Boards • Governance Matters - Business Ethics • Getting Real About the Energy Transition - Implementing TCFD Recommendations on Climate Disclosures • Responsibility to Respect - Responsible Lending 	<p>In August 2018 we met with BMO to follow up on our earlier feedback on proxy letter in which we shared our perspective on the governance of key ESG issues affecting the bank including consumer protection, climate change and responsible lending. We heard from the company on how the board is building capacity on climate change and we noted the bank's efforts to manage its sales practices risk. In September 2018 we shared with the bank a list of key questions that it could use as a guidance to help meet our disclosure expectations on the governance of sales practices risk.</p> <p>In the context of the fourth update of the Equator Principles framework on responsible lending, in August 2018 we reached out to all Canadian signatories to the Equator Principles, including BMO. We shared with the company two collaborative investor communications with the Equator Principles Association that contained recommendations to strengthen the framework - one of the letters was signed by investors representing \$2.6 trillion in assets under management and advisement. We urged BMO to align itself with the investor recommendations during the Equator Principles Association's deliberations. Specifically, the investor letters requested a robust engagement with Indigenous Peoples during the review process, a uniform application of environmental and social minimum standards to projects in developed and developing countries unless local standards are demonstrably stronger, an establishment of an effective resolution mechanism, and the strengthening of reporting on human rights due diligence processes.</p>	<p>NEI Canadian Dividend Fund</p> <p>NEI Generational Leaders Fund</p>



NEI Corporate Engagement Focus List

Q3 Update: October 2018



<p>CIBC</p>	<p>CIBC is a leading Canadian-based financial institution and provides a full suite of financial products and services in Canada and around the world.</p> <p>www.cibc.com</p>	<ul style="list-style-type: none"> • Governance Matters - ESG-Ready Boards • Governance Matters - Business Ethics • Getting Real About the Energy Transition - Implementing TCFD Recommendations on Climate Disclosure • Responsibility to Respect - Responsible Lending 	<p>In the context of the fourth update of the Equator Principles framework on responsible lending, in August 2018 we reached out to all Canadian signatories to the Equator Principles, including CIBC. We shared with the company two collaborative investor communications with the Equator Principles Association that contained recommendations to strengthen the framework - one of the letters was signed by investors representing \$2.6 trillion in assets under management and advisement. We urged CIBC to align itself with the investor recommendations during the Equator Principles Association's deliberations. Specifically, the investor letters requested a robust engagement with Indigenous Peoples during the review process, a uniform application of environmental and social minimum standards to projects in developed and developing countries unless local standards are demonstrably stronger, an establishment of an effective resolution mechanism, and the strengthening of reporting on human rights due diligence processes.</p> <p>In September 2018, we led a follow-up meeting with CIBC to better understand its perspectives on earlier investor recommendations to strengthen the Equator Principles framework.</p>	<p>NEI Balanced RS Fund</p> <p>NEI Canadian Equity RS Fund</p> <p>NEI Canadian Dividend Fund</p>
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NEI Corporate Engagement Focus List

Q3 Update: October 2018



<p>E-L Financial</p>	<p>E-L Financial Corporation Limited is an investment and insurance holding company in Canada.</p> <p>www.e-lfinancial.ca/</p>	<ul style="list-style-type: none"> • Governance Matters - Advancing Governance of Canadian Holdings • Getting Real About the Energy Transition - • Implementing the TCFD Recommendations in Climate Disclosure 	<p>Given our endorsement of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, in August 2018 we wrote to E-L Financial to share developments in investor-facing climate disclosure. We highlighted the gaps in the company's climate-related disclosures in regard to the TCFD recommendations as well as gaps in comparison to its peers, and identified areas for possible enhancement. We also provided feedback on our proxy voting decisions at the company's Annual General Meeting. We raised corporate governance concerns regarding the board and key committee independence, the lack of gender diversity on the board, the non-independence of the Chair, and the fact that several director nominees were overboarded or did not hold company shares despite having served on the board for several years.</p>	<p>NEI Balanced RS Fund</p> <p>NEI Canadian Small Cap Equity RS Fund</p> <p>NEI Canadian Equity RS Fund</p>
<p>Power Financial</p>	<p>Power Financial is a Canadian multinational diversified management and holding company.</p> <p>www.powerfinancial.com</p>	<ul style="list-style-type: none"> • Getting Real About the Energy Transition - • Implementing the TCFD Recommendations in Climate Disclosure 	<p>Given our endorsement of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, in August 2018 we wrote to Power Financial to share developments in investor-facing climate disclosure and discuss how the company's current climate-related disclosures align with the TCFD recommendations. We noted that Power Financial already met several aspects of the TCFD recommendations. However, we encouraged the company to further enhance its disclosure, particularly on board capacity-building for effective oversight of climate risks and opportunities, the integration of climate perspectives into its business strategy as well as the metrics used to assess climate risks and opportunities.</p>	<p>NEI Balanced RS Fund</p> <p>NEI Canadian Equity RS Fund</p> <p>NEI Canadian Dividend Fund</p>



NEI Corporate Engagement Focus List

Q3 Update: October 2018



<p>Royal Bank of Canada</p>	<p>Royal Bank is Canada's largest company by market capitalization, providing personal and commercial banking, wealth management services, insurance, investor services and capital markets products and services on a global basis.</p> <p>www.rbc.com</p>	<ul style="list-style-type: none"> • Governance Matters - ESG-Ready Boards • Governance Matters - Business Ethics • Getting Real About the Energy Transition - Implementing TCFD Recommendations on Climate Disclosures • Responsibility to Respect - Responsible Lending 	<p>In the context of the fourth update of the Equator Principles framework on responsible lending, in August 2018 we reached out to all Canadian signatories to the Equator Principles, including RBC. We shared with the company two collaborative investor communications with the Equator Principles Association that contained recommendations to strengthen the framework - one of the letters was signed by investors representing \$2.6 trillion in assets under management and advisement. We urged RBC to align itself with the investor recommendations during the Equator Principles Association's deliberations. Specifically, the investor letters requested a robust engagement with Indigenous Peoples during the review process, a uniform application of environmental and social minimum standards to projects in developed and developing countries unless local standards are demonstrably stronger, an establishment of an effective resolution mechanism, and the strengthening of reporting on human rights due diligence processes.</p>	<p>NEI Global Dividend RS Fund</p> <p>NEI Canadian Dividend Fund</p>
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NEI Corporate Engagement Focus List

Q3 Update: October 2018



<p>Scotiabank</p>	<p>Scotiabank is a leading financial services provider in over 55 countries and is Canada's most international bank.</p> <p>www.scotiabank.com</p>	<ul style="list-style-type: none"> • Governance Matters - ESG-Ready Boards • Governance Matters - Business Ethics • Getting Real About the Energy Transition - Implementing TCFD Recommendations on Climate Disclosures • Responsibility to Respect - Responsible Lending 	<p>In the context of the fourth update of the Equator Principles framework on responsible lending, in August 2018 we reached out to all Canadian signatories to the Equator Principles, including Scotiabank. We shared with the company two collaborative investor communications with the Equator Principles Association that contained recommendations to strengthen the framework - one of the letters was signed by investors representing \$2.6 trillion in assets under management and advisement. We urged Scotiabank to align itself with the investor recommendations during the Equator Principles Association's deliberations. Specifically, the investor letters requested a robust engagement with Indigenous Peoples during the review process, a uniform application of environmental and social minimum standards to projects in developed and developing countries unless local standards are demonstrably stronger, an establishment of an effective resolution mechanism, and the strengthening of reporting on human rights due diligence processes.</p>	<p>NEI Balanced RS Fund</p> <p>NEI Canadian Equity RS Fund</p> <p>NEI Canadian Dividend RS Fund</p> <p>NEI Growth & Income Fund</p> <p>NEI Canadian Equity Fund</p> <p>NEI Canadian Dividend Fund</p>
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NEI Corporate Engagement Focus List

Q3 Update: October 2018



<p>TD Bank</p>	<p>TD Bank Group, headquartered in Toronto with offices around the world, offers a full range of financial products and services.</p> <p>www.td.com</p>	<ul style="list-style-type: none"> • Governance Matters - ESG-Ready Boards • Governance Matters - Business Ethics • Getting Real About the Energy Transition - Implementing TCFD Recommendations on Climate Disclosures • Responsibility to Respect - Responsible Lending 	<p>In the context of the fourth update of the Equator Principles framework on responsible lending, in August 2018 we reached out to all Canadian signatories to the Equator Principles, including TD. We shared with the company two collaborative investor communications with the Equator Principles Association that contained recommendations to strengthen the framework - one of the letters was signed by investors representing \$2.6 trillion in assets under management and advisement. We urged TD to align itself with the investor recommendations during the Equator Principles Association's deliberations. Specifically, the investor letters requested a robust engagement with Indigenous Peoples during the review process, a uniform application of environmental and social minimum standards to projects in developed and developing countries unless local standards are demonstrably stronger, an establishment of an effective resolution mechanism, and the strengthening of reporting on human rights due diligence processes.</p> <p>In September 2018, we participated in TD's stakeholder panel survey to inform its materiality assessment.</p>	<p>NEI Balanced RS Fund</p> <p>NEI Canadian RS Equity Fund</p> <p>NEI Growth & Income Fund</p> <p>NEI Canadian Equity Fund</p> <p>NEI Global Equity Fund</p> <p>NEI Canadian Dividend Fund</p>
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NEI Corporate Engagement Focus List

Q3 Update: October 2018



<p>Wells Fargo</p>	<p>Wells Fargo is an American multinational financial services company. www.wellsfargo.com</p>	<ul style="list-style-type: none"> • Governance Matters - Business Ethics 	<p>In collaboration with ICCR investors, we wrote to Wells Fargo in July 2018 to follow up on an earlier meeting with the bank. We emphasized investor expectations for the bank's Business Standards Review and noted the report should address the company's governance framework, board structure, executive compensation framework, culture and human rights considerations. In particular, we stressed our expectation that the report should take an analytical approach to understanding and disclosing past ethical issues, why they happened and how the bank addressed them.</p> <p>In collaboration with ICCR investors, we met with Wells Fargo in September 2018 to review its progress in the implementation of the Business Standards Review and provide feedback on its first draft report. While we noted that some of our recommendations had been considered, we urged the bank to identify and publish key metrics to enable us to assess the effectiveness of changes made at the bank over time and to integrate such metrics into its executive compensation framework.</p>	<p>NEI Canadian Dividend Fund</p> <p>NEI US Dividend Fund</p> <p>NEI Tactical Yield Fund</p>
<p>Citigroup</p>	<p>Citigroup is an American multinational investment bank and financial services corporation www.citigroup.com</p>	<ul style="list-style-type: none"> • Responsibility to Respect - Responsible Lending 	<p>In the context of the fourth update of the Equator Principles framework and as part of our collaborative outreach to its signatories, we co-led a meeting with Citi together with Boston Common in August 2018. The meeting addressed two collaborative investor communications with the Equator Principles Association that had been shared with the bank - one of the letters was signed by investors representing \$2.6 trillion in assets under management and advisement. We learned about Citi's perspectives on the investor recommendations, including on the distinction between the environmental and social standards applied to developed and developing countries. We also noted Citi's active involvement in the review of the Equator Principles framework and its ongoing efforts to enhance disclosure about its human rights due diligence.</p>	<p>NEI Canadian Equity Fund</p>



NEI Corporate Engagement Focus List

Q3 Update: October 2018



<p>Manulife Financial</p>	<p>Manulife Financial Corporation is a Canadian multinational insurance company and financial services provider headquartered in Toronto.</p> <p>www.manulife.com</p>	<ul style="list-style-type: none"> • Responsibility to Respect - Responsible Lending 	<p>In the context of the fourth update of the Equator Principles framework on responsible lending, we reached out in August 2018 to all Canadian signatories to the Equator Principles including Manulife Financial. We shared with the company two collaborative investor communications with the Equator Principles Association that contained recommendations to strengthen the framework - one of the letters was signed by investors representing \$2.6 trillion in assets under management and advisement. We urged Manulife to align itself with the investor recommendations during the Equator Principles Association's deliberations. Specifically, the investor letters requested a robust engagement with Indigenous Peoples during the review process, a uniform application of environmental and social minimum standards to projects in developed and developing countries unless local standards are demonstrably stronger, an establishment of an effective resolution mechanism, and the strengthening of reporting on human rights due diligence processes.</p>	<p>NEI Growth & Income Fund</p> <p>NEI Canadian Equity Fund</p> <p>NEI Canadian Dividend Fund</p> <p>NEI Generational Leaders Fund</p>
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NEI Corporate Engagement Focus List Q3 Update: October 2018



Collaborative Engagement

Business ethics

We continued to collaborate alongside ICCR investors, as part of a leadership team to review Wells Fargo's progress on the Business Standards Review and Report, which it had agreed to conduct as a condition of the withdrawal of the shareholder proposal that was filed at the bank following its widespread consumer and ethical issues. In July 2018, we participated in a letter sent to Wells Fargo to emphasize investor expectations on the review process and the report content. In September 2018, we also met with the bank to provide feedback on its first draft report. While we noted that some of our recommendations had been considered, we urged Wells Fargo to identify and publish key metrics to enable us to assess the effectiveness of changes made at the bank over time and to integrate such metrics into its executive compensation framework.

Farm to Fork - Advancing Animal Welfare

In August, 2018, FAIRR (Farm Animal Investment Risk and Return), an investor network that raises awareness of the risks in intensive livestock production, launched the second round of the engagement on Antibiotics Stewardship in livestock. We signed FAIRR's investor statement on antibiotics in livestock in 2017. In the second round of the engagement, we, along with other signatories of the investor statement, sent letters to 20 companies urging them to consider adopting and implementing policies and guidelines on antibiotics in livestock.

Farm to Fork - Business Benchmark on Farm Animal Welfare

In July 2018, as part of our continuing support for the Business Benchmark on Farm Animal Welfare, which compares the policies, practices and performance of consumer sector companies on farm animal welfare issues, we provided comments on the methodology for the next iteration of the benchmark.

Getting Real About the Energy Transition - Advancing the Canadian Energy Transition

- We continued to be a lead investor in the PRI collaborative engagement on methane, where we are co-leading engagements with Canadian Natural Resources and Vermilion Energy on company strategy to measure, report and reduce their methane emissions footprint. We are also a lead investor in the PRI Oil & Gas engagement collaboration, which is focused on encouraging companies to develop and disclose company strategies to remain resilient in the energy transition.
- We continued to lead a collaboration with other Canadian investors on engagement with Canadian Tire Corporation on issues such as responsible sourcing, enhancing supply chain disclosure and the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). As part of this collaboration's efforts to engage retail companies on the TCFD framework and its impact for the consumer sector, we are leading efforts to organize an investor-led webinar on TCFD for members of the Retail Council of Canada.

Getting Real About the Energy Transition - Climate Action 100+

Climate Action 100+ is a global coalition of investors working together to engage the world's largest greenhouse gas (GHG) emitting companies on their strategies to mitigate climate change-related risks and reduce their carbon footprint. The collaboration has a shared set of priorities that include enhancing board-level governance of climate risks, providing disclosure in line with the Task Force on Climate-Related Financial Disclosures, and reducing GHG emissions. We are co-leads for the engagements with Canadian Natural Resources Ltd (CNRL) and Suncor Energy, and supporting investors with Exxon, Chevron, Valero, Ford, GM, and Marathon. Introductory letters were sent to Suncor, GM and Valero in Q3.



NEI Corporate Engagement Focus List

Q3 Update: October 2018



Getting Real About the Energy Transition - Investor Decarbonisation Initiative

We continued to participate in the Investor Decarbonisation Initiative (IDI), which we are signatory to, and sent letters to Denso, LendLease and Home Depot. The Investor Decarbonisation Initiative engages companies to commit to one or more key commitments, such as sourcing 100% of electricity use from renewable sources, converting 100% of corporate vehicles to electric models, and setting science-based GHG reduction targets that align with the Paris Agreement climate goals.

Governance Matters

We sit on the Canadian Coalition for Good Governance Environmental & Social Committee, where we are working to integrate the Coalition's new guidance on investor expectations for governance of E&S; issues to its dialogue program.

Governance Matters - Responsible Tax

We continued to participate in the global PRI collaboration on responsible corporate tax, focusing on multinational IT and pharmaceutical companies, which are particularly exposed to tax-related controversies. We continued to pursue dialogue with Alphabet (Google) and Apple, and participated in meetings with Microsoft and SAP.

Making Pharma Better - Access to Medicine Index, Advancing US Health Care

We are a member of the ICCR Health Leadership team which sets strategies for ICCR engagements with pharmaceutical companies. We continued to participate in collaborative ICCR engagements on global and U.S. health issues such as access to medicine and drug pricing with pharmaceutical companies. In this context we co-wrote a letter to Pfizer on board oversight of issues that could affect its social license to operate, such as rising drug prices, and participated in a meeting with Amgen on its drug pricing strategy.

Making Pharma Better - Opioid Crisis

We strengthened our participation in the Investors for Opioid Accountability (IOA) by chairing its newly established International committee, focused on opioid-related business risks in markets other than the U.S. In that light we led part of the engagement agenda with Johnson & Johnson focused on its exposure to risks in the Canadian market through its sale of Nucynta. The IOA has broadened its engagement focus to include pharmacy retailers, and we signed letters sent to Walgreens and CVS Health asking for a dialogue on enhanced governance oversight on opioid business risk.

Responsibility to Respect Human Rights

- In the context of the fourth update of the Equator Principles (EP) framework, known as the EP4 update, and in collaboration with Boston Common, we participated in an outreach to the EP signatories by asking them to support investor recommendations presented in two investor communications with the Equator Principles Association during the latter's deliberations; noting that one of the statements was signed by investors representing \$2.6 trillion in assets under management and advisement. In this context, we shared the investor statements with all Canadian signatories including Manulife Financial and Canada's largest banks BMO, CIBC, RBC, Scotiabank and TD. We also led a follow-up meeting with CIBC and joined another meeting with Citigroup.
- We sit on the steering committee activities for the Investor Alliance for Human Rights, a new global collaborative platform connecting institutional investors with tools and strategies to promote corporate respect for human rights, which was launched in May 2018. Working with Boston Common Asset Management, we lead work on the promotion of human rights due diligence in responsible lending.



NEI Corporate Engagement Focus List Q3 Update: October 2018



Policy Actions

Farm to Fork

In July 2018 we were signatory to a letter organized by Ceres to the Roundtable on Sustainable Palm Oil (RSPO), asking for additional environmental and social criteria to be integrated to the RSPO Principles and Criteria, including enhanced protection of forests that are most significant for conservation and climate protection, and greater focus on human rights and labour rights issues.

Getting Real About the Energy Transition

- In September 2018 we provided comments to Environment Canada's consultation on the Mid-Term Evaluation of the Passenger Automobile and Light Truck Greenhouse Gas Emission Regulations for model years 2022-2025. Canada and the US had previously agreed to harmonize their respective regulations in regard to increasing the fuel efficiency of all passenger vehicles made in the two countries. However, the US has recently proposed a regulatory rollback that would freeze the requirement for US car manufacturers to increase the efficiency of their vehicles after 2021, meaning the existing Canadian regulations would no longer align with the US standards. In our submission, we urged to the government of Canada to maintain the existing (higher) standards and to align itself with California and the 13 other states that have adopted similar standards. We believe the long-term competitiveness of the industry is best served by the higher standards, as the standards will drive innovation but will also allow Canadian companies to access international markets like China and Europe where more stringent regulations are in place. As well, there are clear climate and health-related benefits to the existing standards that are important to all stakeholders, and the added costs of new technologies to meet the regulations are more than offset by long-term savings for consumers.
- In July 2018 we met with CPA Canada to share how we use climate-related information in our processes and to explain what kind of improvements in disclosure would be helpful. CPA Canada was conducting research on the state of climate-related disclosure in Canada, and the degree to which investors are using the data. We noted a clear need to improve the quality and quantity of climate-related disclosure in order for investors to be able to assess their own exposure to climate-related risks.
- In September 2018 we followed up on earlier discussions with Retail Council of Canada (RCC) in regard to sharing investor expectations related to climate change and the recommendations of the Task Force on Climate-related Financial Disclosures. As an outcome of this discussion, we organized an investor-led webinar on TCFD for RCC members.

Making Pharma Better - Opioid Crisis

In August 2018 we provided feedback to Health Canada's consultation on its plans to restrict the marketing and promotion of prescription opioids. We brought attention to the Investors for Opioid Accountability (IOA) of which we are a member, and discussed specific governance and risk mitigation measures on which IOA investors have been seeking disclosure from pharmaceutical companies, including changes in salesforce levels and promotional programs, and transparency around opioid sales incentives for relevant staff.

Responsibility to Respect

- As part of our efforts to promote responsible lending practices among banks, in July 2018 we were signatory to a collaborative investor letter to the Equator Principles Secretariat calling for enhanced integration of indigenous rights concerns in the project finance sustainability framework.
- In September 2018 we were signatory to an investor statement led by ICCR, in support of continuing the Bangladesh Accord for Fire and Building Safety. While the initiative was originally extended to allow additional time for factory remediation and building effective worker safety committees, the High Court of the Supreme Court of Bangladesh ruled in June, 2018 that the Accord's approval to operate will expire at the end of November 2018.



NEI Corporate Engagement Focus List Q3 Update: October 2018



Fund Name Change Guide:

New name

NEI Canadian Small Cap Equity Fund
NEI Canadian Dividend Fund
NEI Canadian Equity Fund
NEI Emerging Markets Fund
NEI Global Equity Fund
NEI Growth & Income Fund
NEI U.S. Dividend Fund
NEI Global High Yield Bond Fund
NEI Balanced RS Fund
NEI Canadian Equity RS Fund
NEI Canadian Small Cap Equity RS Fund
NEI Global Dividend RS Fund
NEI Global Equity RS Fund
NEI US Equity RS Fund
NEI International Equity RS Fund
NEI Balanced Yield Portfolio
NEI Tactical Yield Portfolio
NEI Select Income & Growth Portfolio
NEI Select Maximum Growth Portfolio
NEI Select Income RS Portfolio
NEI Select Income & Growth RS Portfolio
NEI Select Balanced RS Portfolio
NEI Select Growth RS Portfolio

Former name

(Formerly NEI Northwest Specialty Equity Fund)
(Formerly NEI Northwest Canadian Dividend Fund)
(Formerly NEI Northwest Canadian Equity Fund)
(Formerly NEI Northwest Emerging Markets Fund)
(Formerly NEI Northwest Global Equity Fund)
(Formerly NEI Northwest Growth and Income Fund)
(Formerly NEI Northwest U.S. Dividend Fund)
(Formerly NEI Northwest Specialty Global High Yield Bond Fund)
(Formerly NEI Ethical Balanced Fund)
(Formerly NEI Ethical Canadian Equity Fund)
(Formerly NEI Ethical Special Equity Fund)
(Formerly NEI Ethical Global Dividend Fund)
(Formerly NEI Ethical Global Equity Fund)
(Formerly NEI Ethical US Equity Fund)
(Formerly NEI Ethical International Equity Fund)
(Formerly NEI Global Strategic Yield Fund)
(Formerly NEI Northwest Tactical Yield Fund)
(Formerly NEI Select Conservative Portfolio)
(Formerly NEI Select Global Maximum Growth Portfolio)
(Formerly NEI Ethical Select Income Portfolio)
(Formerly NEI Ethical Select Conservative Portfolio)
(Formerly NEI Ethical Select Balanced Portfolio)
(Formerly NEI Ethical Select Growth Portfolio)