

Annual Management Report of Fund Performance

As at September 30, 2021

This 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.sedar.com.

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

Investment Objective and Strategies

The Fund's investment objective is to achieve long-term capital appreciation by investing primarily in equity securities of Canadian companies. The Fund may invest in both large and small capitalization companies.

Risk

The risks associated with investing in the Fund remain as discussed in the Simplified Prospectus. The Fund is suitable for investors investing for the long term, with a medium tolerance for risk. Any changes in the Fund have not affected the overall level of risk of the Fund.

Results of Operations

The NEI Canadian Equity Fund's Series A units returned 39.1% for the twelve months ended September 30, 2021 compared with a return of 27.1% 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 blended benchmark is composed of 80% S&P/TSX Composite TR Index and 20% S&P 500 Index (C\$).

The Fund's net asset value decreased by -23.98% during the period, from \$230,607,655 as at September 30, 2020 to \$175,301,300 as at September 30, 2021. This change in net assets is attributed to net unitholder activity of -\$141,909,983 and \$86,603,628 to investment operations, including market appreciation (depreciation), income and expenses.

Factors That Have Affected Performance

A larger than expected fiscal stimulus, thanks to the Biden election win, combined with the economic re-opening following the successful vaccine rollout increased investor sentiment during the twelve-month period ending September 30, 2021. Improved investor expectations drove both Canadian and US equity markets higher.

Over the last few months, the North American economy enjoyed rapid growth as COVID-19 driven shutdowns and restrictions were lifted. Interest rates continue to be extremely accommodating which further supports broad economic growth.

The largest positive contributor to performance during the reporting period was the Fund's investment in copper miner First Quantum Minerals. Investor sentiment improved considerably due to higher commodity prices while the company continued to execute very well. Other significant contributors were real estate service provider Colliers International, Magna International, TD Bank and GFL Environmental.

The largest detractors of performance during the reporting period were Fund holdings that did not keep pace with the market, not necessarily absolute decliners. This includes holdings such as Las Vegas Sands, Quebecor, Superior Plus, Fiserv and AT&T.

Recent Developments

In Canada new positions included Brookfield Asset Management and Superior Plus. Alternative asset manager, Brookfield, was acquired at a discount to comparable US operators while the sub-advisor expects tailwinds will continue to drive new fund growth. Additionally, internal developments within Brookfield's private equity segment, opportunities to realize value from its real estate division and management's expansion into technology and insurance verticals should drive free cash flow. Following the divestiture of its chemicals segment, Superior Plus is now a focused distributor of propane in both Canada and the US. The company has a strong foundation, thanks to long customer relationships, from which management will continue to execute its proven acquisition program.

New US-listed holdings include cable and broadband provider Comcast, cell phone tower landlord Crown Castle, financial service technology provider Fiserv and wireless carrier T-Mobile. The portfolio sub-advisor believes that cable operators like Comcast are structurally advantaged due to their local monopolies. This advantage should continue to translate into low customer churn and wireless subscriber growth. Additionally, Comcast's theme parks are extremely valuable assets that will experience heightened demand over the coming years. Lastly, media assets, such as Comcast's NBCUniversal, offer compelling near term cash flow and long-term optionality should they successfully transition to an over-the-top, Netflix like subscription service. Crown Castle, Fiserv and T-Mobile enjoy enduring competitive advantages where management teams should accelerate shareholder value over the coming years from internal developments. These recent purchases were executed at prices where the share prices did not reflect the positive as-is business value, nor the future developments.

During the period, the portfolio sub-advisor exited investments in Abbott Labs, Onex Corporation and AT&T as the underlying thesis changed and the discount to fair value no longer offered adequate returns. Brookfield Property Partners was eliminated after a successful takeover from parent company Brookfield Asset Management. Additional divestitures included Newell Brands and Lazard as the share prices reached the sub-advisor's appraisal value.

Independent Review Committee

The term of William Woods ended on September 30, 2021. Mr. Woods had served with distinction on the Independent Review Committee ("IRC") since October 2015. After consulting with the Manager and obtaining the Manager's consent, the IRC re-appointed Mr. Woods for a further period of three years.

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, 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 wholly-owned subsidiary of the Fédération.

The Fund's sub-advisors may place a portion of their fund 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 distributed through Credential Asset Management Inc., Credential Qtrade Securities Inc., and members of the Desjardins group and other nonrelated parties by way of shared ownership. NEI LP pays to these parties distribution and servicing fees based on a percentage of the daily values of the units of each held by the dealer's clients and additionally, in some cases, on the amount of initial purchase.

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 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⁾
A	Sept. 2021	21.78	0.62	-0.75	8.13	1.04	9.04	0.00	0.37	0.00	0.00	0.00	0.37	29.87
	Sept. 2020	25.06	0.72	-0.64	0.09	-3.49	-3.32	0.00	0.00	0.00	0.00	0.00	0.00	21.78
	Sept. 2019	25.09	0.30	-0.34	-0.08	-6.18	-6.30	0.00	0.00	0.00	0.00	0.00	0.00	25.06
	Sept. 2018	23.18	0.30	-0.34	-0.08	-6.18	-6.30	0.00	0.00	0.00	0.00	0.00	0.00	25.09
	Sept. 2017	20.24	0.30	-0.34	-0.08	-6.18	-6.30	0.00	0.00	0.00	0.00	0.00	0.00	23.18
F	Sept. 2021	24.58	0.70	-0.43	9.16	1.22	10.65	0.00	0.75	0.00	0.00	0.00	0.75	33.78
	Sept. 2020	28.17	0.82	-0.37	0.11	-3.87	-3.31	0.00	0.28	0.00	0.00	0.00	0.28	24.58
	Sept. 2019	27.95	0.85	-0.35	0.89	-2.51	-1.12	0.00	0.11	0.00	0.00	0.00	0.11	28.17
	Sept. 2018	25.70	0.69	-0.38	1.44	0.60	2.35	0.00	0.21	0.00	0.00	0.00	0.21	27.95
	Sept. 2017	22.25	0.62	-0.36	1.06	2.01	3.33	0.00	0.10	0.00	0.00	0.00	0.10	25.70
I	Sept. 2021	26.37	0.72	-0.04	9.06	9.70	19.44	0.00	1.32	0.00	6.16	0.00	7.48	29.75
	Sept. 2020	30.09	0.84	-0.05	0.11	-3.00	-2.10	0.00	0.54	0.00	0.00	0.00	0.54	26.37
	Sept. 2019	29.59	0.89	-0.03	0.95	-0.58	1.23	0.00	0.20	0.00	0.00	0.00	0.20	30.09
	Sept. 2018	27.21	0.73	-0.03	1.52	0.60	2.82	0.02	0.59	0.00	0.00	0.00	0.61	29.59
	Sept. 2017	23.33	0.64	-0.03	1.11	2.22	3.94	0.00	0.18	0.00	0.00	0.00	0.18	27.21
O	Sept. 2021	9.02	0.25	-0.02	3.37	0.29	3.89	0.00	0.37	0.00	0.00	0.00	0.37	12.43
	Sept. 2020	10.28	0.29	-0.02	0.04	-1.27	-0.96	0.00	0.18	0.00	0.00	0.00	0.18	9.02
	Sept. 2019	10.08	0.30	-0.01	0.33	1.43	2.05	0.00	0.04	0.00	0.00	0.00	0.04	10.28
	Sept. 2018	10.00	0.07	-0.01	0.54	-0.52	0.08	0.00	0.00	0.00	0.00	0.00	0.00	10.08
P	Sept. 2021	9.29	0.26	-0.27	3.50	0.10	3.59	0.00	0.21	0.00	0.00	0.00	0.21	12.73
	Sept. 2020	10.67	0.31	-0.24	0.04	-1.84	-1.73	0.00	0.02	0.00	0.00	0.00	0.02	9.29
	Sept. 2019	10.00	0.26	-0.20	0.34	1.13	1.53	0.00	0.00	0.00	0.00	0.00	0.00	10.67
PF	Sept. 2021	9.43	0.27	-0.14	3.58	-0.23	3.48	0.00	0.28	0.00	0.00	0.00	0.28	13.00
	Sept. 2020	10.77	0.31	-0.12	0.04	-1.76	-1.53	0.00	0.09	0.00	0.00	0.00	0.09	9.43
	Sept. 2019	10.00	0.25	-0.10	0.35	0.98	1.48	0.00	0.00	0.00	0.00	0.00	0.00	10.77

(1) All per unit figures presented in 2021 are referenced to net assets determined in accordance with IFRS and are derived from the Fund's audited annual financial statements for the period ended September 30, 2021.

(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⁾⁽⁴⁾	Net Asset Value per Unit (\$)
A	Sept. 2021	84,187.17	2,818.60	2.59	2.59	0.05	18.77	29.87
	Sept. 2020	79,176.63	3,635.91	2.60	2.60	0.06	24.13	21.78
	Sept. 2019	106,310.86	4,242.86	2.58	2.58	0.02	13.83	25.06
	Sept. 2018	148,016.74	5,900.38	2.59	2.59	0.02	9.64	25.09
	Sept. 2017	142,316.97	6,140.60	2.62	2.62	0.13	87.26	23.18
F	Sept. 2021	25,495.68	754.82	1.24	1.24	0.05	18.77	33.78
	Sept. 2020	24,007.42	976.54	1.25	1.25	0.06	24.13	24.58
	Sept. 2019	26,580.45	943.50	1.24	1.24	0.02	13.83	28.17
	Sept. 2018	38,136.91	1,364.26	1.28	1.32	0.02	9.64	27.95
	Sept. 2017	26,305.87	1,023.72	1.34	1.39	0.13	87.26	25.70
I	Sept. 2021	1.06	0.04	N/A	N/A	0.05	18.77	29.75
	Sept. 2020	86,244.48	3,270.06	N/A	N/A	0.06	24.13	26.37
	Sept. 2019	84,529.57	2,809.20	N/A	N/A	0.02	13.83	30.09
	Sept. 2018	67,324.49	2,275.60	N/A	N/A	0.02	9.64	29.59
	Sept. 2017	77,682.28	2,854.70	N/A	N/A	0.13	87.26	27.21
O	Sept. 2021	3,283.51	264.27	0.05	0.05	0.05	18.77	12.43
	Sept. 2020	2,642.69	293.10	0.05	0.05	0.06	24.13	9.02
	Sept. 2019	3,070.96	298.67	0.05	0.05	0.02	13.83	10.28
	Sept. 2018	205.01	20.33	0.05	0.05	0.02	9.64	10.08
P	Sept. 2021	26,254.04	2,062.39	2.19	2.19	0.05	18.77	12.73
	Sept. 2020	18,503.46	1,991.78	2.22	2.22	0.06	24.13	9.29
	Sept. 2019	27,556.53	2,582.89	2.23	2.23	0.02	13.83	10.67
PF	Sept. 2021	36,079.84	2,776.19	1.02	1.02	0.05	18.77	13.00
	Sept. 2020	20,032.98	2,123.30	1.03	1.03	0.06	24.13	9.43
	Sept. 2019	19,718.41	1,830.40	1.03	1.03	0.02	13.83	10.77

(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 Fund transaction costs expressed as an annualized percentage of daily average net asset value during the period.

(3) The portfolio turnover rate indicates how actively the Fund's sub-advisor manages its investment holdings. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

(4) At the close of business on October 29, 2018, the OceanRock Canadian Equity Fund was merged into the NEI Canadian Equity Fund. The portfolio turnover rates exclude the value of securities acquired and sold to realign the Fund's holdings.

Management Fees

The Manager is responsible for the management, supervision and administration of the Fund. The Manager receives from the Fund management fees, before HST, calculated daily on the net asset value of the Fund at an annual rate shown below. The Fund does not pay management fees for Series I and O units. Series I and O unitholders pay a negotiated fee directly to NEI Investments.

The management fee covers the cost of investment advisory fees, sales, marketing, and distribution expenses of the Fund. In addition, the Manager may pay a trailer fee to dealers out of this management fee. The trailer fee is a percentage of the average daily value of the units of the Fund held by the dealer's clients. No trailer fees are paid in respect of any Series F and PF units of the Fund.

The following table shows the major services paid for out of management fees as a percentage of the management fee for all applicable series of the Fund:

	Management Fee (%)	Investment Advisory and Other Fees (%)	Trailer Fee (%)
Series A	1.90	57.44	42.56
Series F	0.85	100.00	N/A
Series P	1.65	39.43	60.57
Series PF	0.65	100.00	N/A

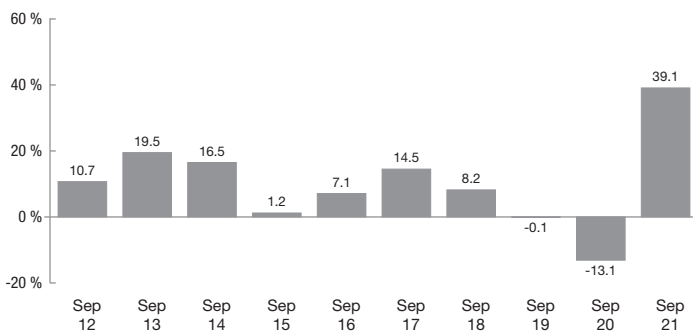
Past Performance

The performance information provided will not necessarily indicate how the Fund will perform in the future. The information shown assumes that distributions made by the Fund in the periods shown were reinvested in additional units of the relevant series of the Fund. In addition, the information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

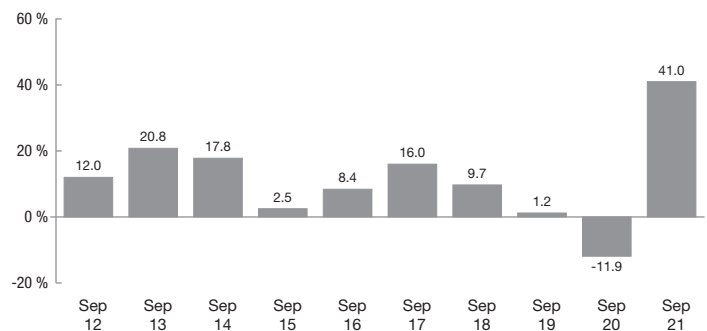
Year-by-Year Returns

The following charts show the annual performance for each series of units of the Fund for each period shown and illustrate how the Fund's performance has varied from period to period. 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.

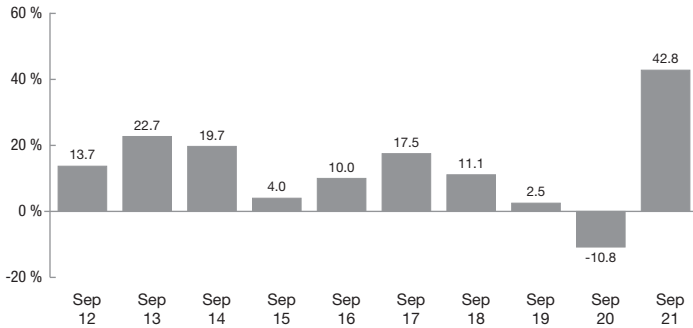
Series A



Series F



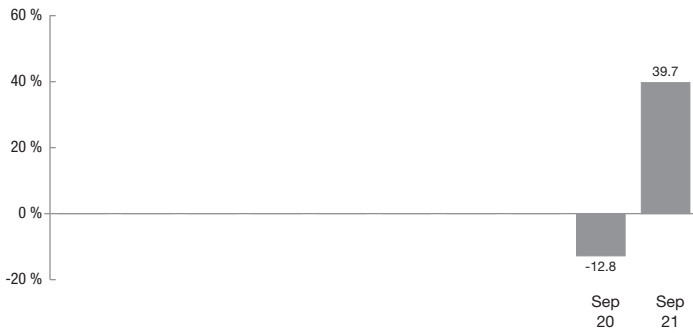
Series I



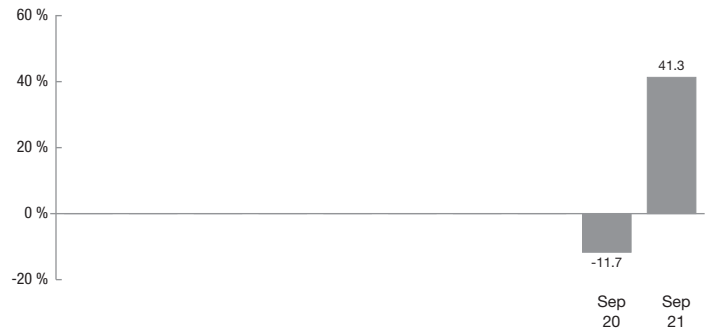
Series O



Series P



Series PF



Annualized Compound Returns

The following table shows the annual compound returns for all series of the Fund. All returns are in Canadian dollars, on a total return basis, net of fees. For comparison, the returns for the benchmark are included. A discussion regarding the relative performance of the Fund is found in the Results of Operations section of this report and a description of indexes can be found in the Annualized Compound Returns section of this report.

The blended benchmark is composed of 80% S&P/TSX Composite TR Index and 20% S&P 500 Index (C\$).

The S&P/TSX Composite is the headline index for the Canadian equity market. It consists of the largest companies on the Toronto Stock Exchange (TSX). The Index is comprised of the S&P/TSX 60 Index and the S&P/TSX Completion Index.

The S&P 500 is widely regarded as the best single gauge of large-cap U.S. equities. The index includes leading companies across stock exchanges in the US. The Index is a capitalization-weighted Index.

While the Fund uses this benchmark for long-term performance comparisons, it is not managed relative to the composition of the Index. As a result, the Fund may experience periods when its performance is not aligned with the Index, either positively or negatively. Please see the "Results of Operations" section of this report for a discussion of recent performance results.

Group/Investment	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception ^(*) (%)
80% S&P/TSX Composite TR Index, 20% S&P 500 Index (C\$)	27.1	12.0	11.0	10.9	**
NEI Canadian Equity Fund, Series A	39.1	6.5	8.4	9.6	N/A
NEI Canadian Equity Fund, Series F	41.0	7.9	9.8	11.0	N/A
NEI Canadian Equity Fund, Series I	42.8	9.3	11.3	12.5	N/A
NEI Canadian Equity Fund, Series O	42.7	9.2	N/A	N/A	8.8
NEI Canadian Equity Fund, Series P	39.7	N/A	N/A	N/A	9.7
NEI Canadian Equity Fund, Series PF	41.3	N/A	N/A	N/A	11.1

^{*}Since inception returns are not provided for series that have been in existence for more than 10 years.

^{**}The return of the benchmark since inception for each applicable series is as follows: Series O: 11.3%, Series P: 14.6%, Series PF: 14.6%.

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Summary of Investment Portfolio as at September 30, 2021

Total Net Asset Value: \$175,301,300

Top Holdings		%
1	Toronto-Dominion Bank	6.3
2	Colliers International Group	5.8
3	FirstService	4.3
4	GFL Environmental	4.2
5	Magna International, Class A	4.0
6	Brookfield Asset Management, Class A	3.7
7	Scotiabank	3.3
8	Sun Life Financial	3.1
9	Blackstone	2.9
10	Canadian Imperial Bank of Commerce	2.9
11	Manulife Financial	2.8
12	SmartCentres Real Estate Investment Trust	2.8
13	TELUS	2.8
14	KKR & Co.	2.6
15	Empire Company, Class A	2.5
16	Equitable Group	2.5
17	TMX Group	2.5
18	Québecor, Class B	2.4
19	Citigroup	2.2
20	Air Canada	2.1
21	Trane Technologies	2.1
22	Allegion	2.0
23	First Quantum Minerals	2.0
24	NorthWest Healthcare Properties Real Estate Investment Trust	1.9
25	Skyworks Solutions	1.8
	Total	75.5

Net Asset Value Mix		%
Equity	93.8	
Unit Trust	5.9	
Cash and Equivalents	0.2	
Other	0.1	
Total	100.0	

Sector Allocation		%
Financials	41.8	
Industrials	13.3	
Communication Services	13.1	
Real Estate	12.8	
Consumer Discretionary	6.2	
Information Technology	3.7	
Consumer Staples	2.5	
Materials	2.0	
Health Care	1.6	
Energy	1.5	
Utilities	1.2	
Cash and Equivalents	0.2	
Other	0.1	
Total	100.0	

Geographic Distribution		%
Canada	66.3	
United States	29.5	
Other	4.0	
Cash and Equivalents	0.2	
Total	100.0	

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

"Other" geographic category includes all countries 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.