

## **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](http://www.neiinvestments.com) or SEDAR at [www.sedar.com](http://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 aims for long-term growth by investing primarily in foreign equity securities across all market capitalizations. The Fund is usually invested in large and medium sized well-capitalized foreign (including the United States) companies, which are listed on principal global stock exchanges. The balance of the Fund's assets is short-term fixed income securities.

### **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 Global Equity Fund's Series A units returned 18.9% for the twelve months ended September 30, 2021 compared with a return of 20.9% 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 ACWI NR Index (C\$).

The Fund's net asset value decreased by -44.75% during the period, from \$276,337,109 as at September 30, 2020 to \$152,684,882 as at September 30, 2021. This change in net assets is attributed to net unitholder activity of -\$176,193,147 and \$52,540,920 to investment operations, including market appreciation (depreciation), income and expenses.

## Factors That Have Affected Performance

The past year has been highlighted by the following: Broadening opportunities due to re-openings, vaccination rollouts and ongoing stimulus measures which led investors to more economically sensitive areas of the market, especially natural resource sectors. Supply constraints due to robust demand and clogged ports, coupled with labor and material shortages, are driving an uneven recovery and elevated inflation. Continuing support due to government stimulus and highly accommodative monetary conditions globally have provided key supports to economic recovery and market stability.

Equity markets advanced sharply higher over the period with many areas advancing by healthy double-digit returns. The onset of resolution of uncertainties and improving growth prospects broadened equity return strength led by the more cyclical areas of emerging markets and smaller companies.

The promising path toward recovery was fueled primarily by the accelerated pace of vaccine rollouts, abating lockdowns, and the continuing extraordinary fiscal stimulus and monetary support by governments around the world. In sync with global economies healing, pro-cyclical areas of financial markets began to recover highlighted by a sharp rise in bond yields, especially in the US, steepening yield curves, and rising industrial commodity prices.

Underscoring the shift in investor sentiment, the top performing equity sectors for the period were Energy and Financials, contrasting with their challenges throughout the first half of 2020. In similar fashion, smaller company shares handily outpaced their large cap brethren globally, and by a particularly wide margin in US markets.

Conversely, popular high-quality growth stocks in the Consumer Discretionary and Health Care lagged in aggregate. Simply put, the “value-led” rally that commenced in November 2020 continued.

The Fund posted very strong double-digit returns in Canadian dollar terms. Relative sector performance was strong in consumer discretionary and financials. Re-opening opportunities drove the outperformance led by UK homebuilder Taylor Wimpey, retailer Capri as well as hotel operator Extended Stay America. Within Financials, positions of Blackstone and Ameriprise Financial benefitted from AUM growth as well as upside to fee-related income. Health care was the largest detractor over the past year led by Amedisys. The company is a leading post-acute care provider with home health, hospice, and personal care offerings. In the period, Amedisys lowered 2021 guidance amid Hospice pressure.

## Recent Developments

Earnings growth has surged higher over the past year and is set to moderate amidst a less certain outlook, though it remains notably positive. Global earnings revisions continue to trend favorably with the number of upgrades outnumbering the number of downgrades, signaling we remain on a path of sustained earnings momentum. There will likely be bumps along the way that could have transitory effects to earnings, namely shortages of materials and labor, that are causing an inflationary environment in the near-term.

Semiconductor chip shortages are having a widespread impact and various company management’s commentary and guidance imply near-term unknowns. This backdrop coupled with elevated commodity prices, led by oil, are likely to keep inflation on the back of market’s minds and potentially lead to more Central Banks to reassess their monetary policies.

Growth and innovative companies should continue to benefit from long-term secular tailwinds, including e-commerce, digital payments, cloud computing, energy transition, EV, automation, and digitalization.

Not all cyclicals are created equal, and some cyclicals have witnessed significant valuation improvement and lack sustainable earnings growth. These are the companies the Fund will continue to avoid.

### 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.

### Investment Objective, Sub-advisor Change and Name Change

Northwest & Ethical Investments L.P., as Manager of the Funds, held a special meeting of unitholders on October 19, 2021 and obtained the requisite unitholder approvals to implement changes to the fundamental investment objectives of the Fund effective at the close of business on November 15, 2021.

On November 15, 2021, the sub-advisor changed from Principal Global Investors, LLC to Baillie Gifford Overseas Limited.

In addition, NEI Global Equity Fund was renamed to NEI Global Growth Fund.

Effective November 15, 2021, the management fee rates were reduced from 2.00% to 1.75% for Series A, from 1.00% to 0.75% for Series F, from 1.75% to 1.60% for Series P, and from 0.75% to 0.60% for Series PF.

Effective November 15, 2021, the administration fee rates were reduced from 0.40% to 0.20% for Series A, from 0.30% to 0.20% for Series F and P, and from 0.25% to 0.20% for Series PF.

### 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 Global Equity Fund

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 (\$)<sup>(1)</sup>

Series	Period	Net Assets, Beginning of Period	Increase (Decrease) from Operations					Distributions					Net Assets, End of Period	
			Total Revenue	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total Increase (Decrease) from Operations <sup>(2)</sup>	From Income (Excluding Dividends)	From Dividends	From Underlying Funds	From Capital Gains	Return of Capital		Total Distributions <sup>(3)(4)</sup>
A	Sept. 2021	22.55	0.43	-0.72	6.97	-2.27	4.41	0.00	0.00	0.00	0.00	0.00	0.00	26.81
	Sept. 2020	20.02	0.38	-0.59	-0.18	2.96	2.57	0.00	0.00	0.00	0.04	0.00	0.04	22.55
	Sept. 2019	22.36	0.50	-0.62	0.63	-2.16	-1.65	0.00	0.00	0.00	0.99	0.00	0.99	20.02
	Sept. 2018	21.22	0.56	-0.66	0.90	1.41	2.21	0.00	0.00	0.00	1.08	0.00	1.08	22.36
	Sept. 2017	20.34	0.46	-0.61	0.88	0.98	1.71	0.00	0.15	0.00	0.66	0.00	0.81	21.22
F	Sept. 2021	23.85	0.53	-0.47	7.43	-2.51	4.98	0.00	0.04	0.00	0.00	0.00	0.04	28.63
	Sept. 2020	21.13	0.41	-0.38	-0.18	3.42	3.27	0.00	0.20	0.00	0.04	0.00	0.24	23.85
	Sept. 2019	23.49	0.48	-0.42	0.66	-3.59	-2.87	0.00	0.12	0.00	1.04	0.00	1.16	21.13
	Sept. 2018	22.16	0.62	-0.44	0.95	1.27	2.40	0.00	0.11	0.00	1.13	0.00	1.24	23.49
	Sept. 2017	21.14	0.46	-0.40	0.91	0.98	1.95	0.00	0.31	0.00	0.67	0.00	0.98	22.16
I	Sept. 2021	15.11	0.26	-0.05	4.37	-0.81	3.77	0.00	0.31	0.00	2.46	0.00	2.77	15.49
	Sept. 2020	13.37	0.25	-0.05	-0.12	2.00	2.08	0.00	0.30	0.00	0.03	0.00	0.33	15.11
	Sept. 2019	14.79	0.35	-0.08	0.41	-1.09	-0.41	0.00	0.21	0.00	0.65	0.00	0.86	13.37
	Sept. 2018	14.03	0.36	-0.07	0.60	0.88	1.77	0.00	0.35	0.00	0.72	0.00	1.07	14.79
	Sept. 2017	12.66	0.31	-0.07	0.57	0.61	1.42	0.00	0.06	0.00	0.00	0.00	0.06	14.03
O	Sept. 2021	10.73	0.21	-0.05	3.34	-1.17	2.33	0.00	0.15	0.00	0.00	0.00	0.15	12.91
	Sept. 2020	9.50	0.18	-0.04	-0.08	1.40	1.46	0.00	0.22	0.00	0.02	0.00	0.24	10.73
	Sept. 2019	10.35	0.25	-0.07	0.29	-0.81	-0.34	0.00	0.00	0.00	0.46	0.00	0.46	9.50
	Sept. 2018	10.00	0.06	-0.03	0.42	-0.10	0.35	0.00	0.00	0.00	0.00	0.00	0.00	10.35
P	Sept. 2021	10.61	0.21	-0.32	3.31	-1.23	1.97	0.00	0.00	0.00	0.00	0.00	0.00	12.64
	Sept. 2020	9.41	0.18	-0.26	-0.08	1.25	1.09	0.00	0.00	0.00	0.02	0.00	0.02	10.61
	Sept. 2019	10.00	0.24	-0.24	0.29	0.13	0.42	0.00	0.00	0.00	0.39	0.00	0.39	9.41
PF	Sept. 2021	10.64	0.21	-0.18	3.34	-1.32	2.05	0.00	0.04	0.00	0.00	0.00	0.04	12.80
	Sept. 2020	9.43	0.18	-0.14	-0.08	0.94	0.90	0.00	0.12	0.00	0.02	0.00	0.14	10.64
	Sept. 2019	10.00	0.24	-0.14	0.29	0.13	0.52	0.00	0.00	0.00	0.46	0.00	0.46	9.43

(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 (%) <sup>(1)</sup>	Management Expense Ratio before Waivers and Absorptions (%)	Trading Expense Ratio (%) <sup>(2)</sup>	Portfolio Turnover Rate (%) <sup>(3)</sup>	Net Asset Value per Unit (\$)
A	Sept. 2021	16,852.26	628.52	2.47	2.69	0.14	54.59	26.81
	Sept. 2020	17,039.11	755.70	2.48	2.71	0.11	61.38	22.55
	Sept. 2019	18,817.91	939.85	2.46	2.69	0.31	147.77	20.02
	Sept. 2018	28,130.03	1,257.99	2.48	2.78	0.22	102.47	22.36
	Sept. 2017	25,803.75	1,215.89	2.48	2.82	0.24	84.53	21.22
F	Sept. 2021	1,143.15	39.93	1.37	1.46	0.14	54.59	28.63
	Sept. 2020	1,059.32	44.43	1.38	1.47	0.11	61.38	23.85
	Sept. 2019	890.84	42.16	1.38	1.47	0.31	147.77	21.13
	Sept. 2018	2,339.03	99.59	1.39	1.60	0.22	102.47	23.49
	Sept. 2017	1,051.71	47.46	1.39	1.65	0.24	84.53	22.16
I	Sept. 2021	127,556.11	8,233.18	N/A	N/A	0.14	54.59	15.49
	Sept. 2020	253,417.03	16,773.85	N/A	N/A	0.11	61.38	15.11
	Sept. 2019	292,724.33	21,895.53	N/A	N/A	0.31	147.77	13.37
	Sept. 2018	262,181.46	17,724.59	N/A	N/A	0.22	102.47	14.79
	Sept. 2017	219,129.15	15,617.11	N/A	N/A	0.24	84.53	14.03
O	Sept. 2021	1.41	0.11	0.06	0.06	0.14	54.59	12.91
	Sept. 2020	1.16	0.11	0.06	0.06	0.11	61.38	10.73
	Sept. 2019	1.00	0.11	0.06	0.06	0.31	147.77	9.50
	Sept. 2018	1.04	0.10	0.06	0.06	0.22	102.47	10.35
P	Sept. 2021	5,430.63	429.50	2.30	2.30	0.14	54.59	12.64
	Sept. 2020	3,786.15	356.76	2.33	2.33	0.11	61.38	10.61
	Sept. 2019	4,200.03	446.13	2.35	2.35	0.31	147.77	9.41
PF	Sept. 2021	1,701.33	132.95	1.13	1.13	0.14	54.59	12.80
	Sept. 2020	1,034.35	97.24	1.14	1.14	0.11	61.38	10.64
	Sept. 2019	1,236.31	131.08	1.15	1.15	0.31	147.77	9.43

(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.

## 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	2.00	60.13	39.87
Series F	1.00	100.00	N/A
Series P	1.75	42.89	57.11
Series PF	0.75	100.00	N/A

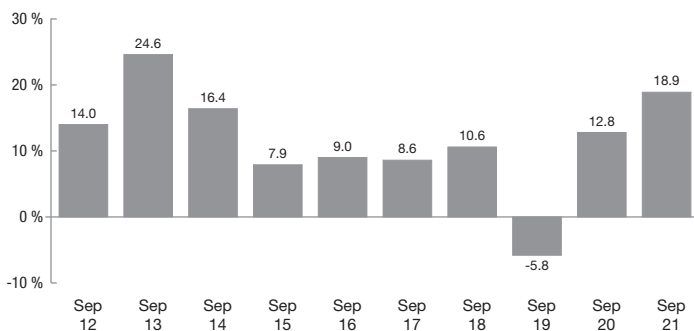
## Past Performance

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.

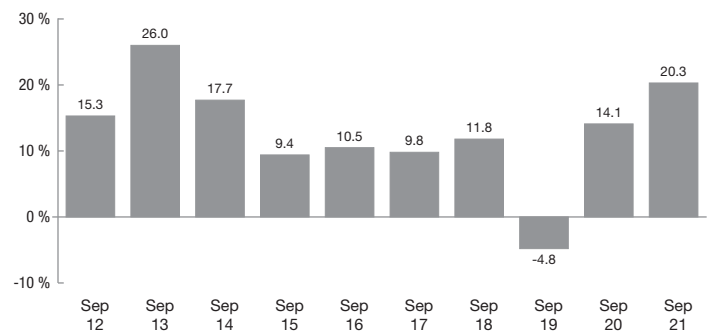
### Year-by-Year Returns

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.

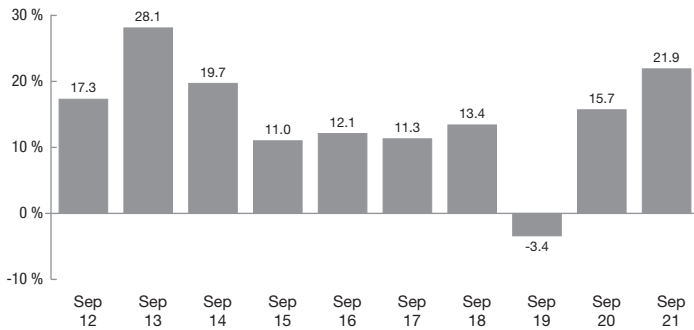
**Series A**



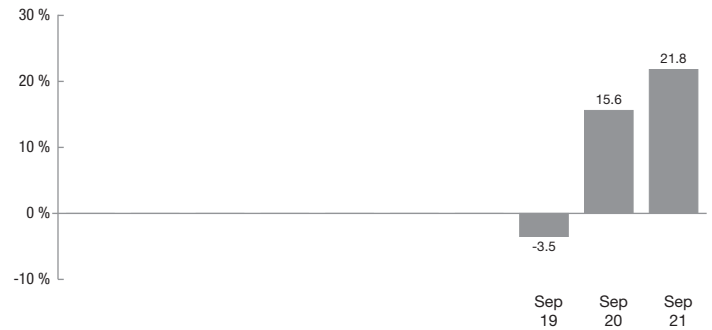
**Series F**



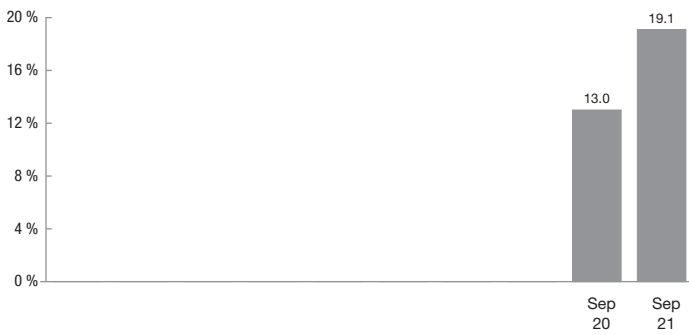
**Series I**



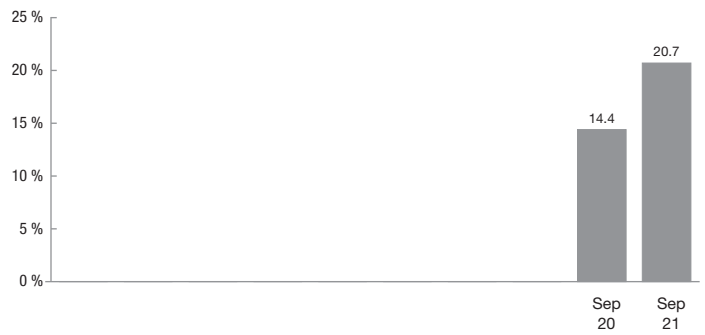
**Series O**



**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 benchmark for this Fund is the MSCI ACWI NR Index (C\$).

The MSCI ACWI Index is designed to represent performance of the full opportunity set of large- and mid-cap stocks across developed and emerging markets. It is a free float-adjusted market 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 <sup>(*)</sup> (%)
MSCI ACWI NR Index (C\$)	20.9	11.8	12.4	14.1	**
NEI Global Equity Fund, Series A	18.9	8.1	8.7	11.4	N/A
NEI Global Equity Fund, Series F	20.3	9.3	9.9	12.7	N/A
NEI Global Equity Fund, Series I	21.9	10.8	11.4	14.4	N/A
NEI Global Equity Fund, Series O	21.8	10.8	N/A	N/A	11.1
NEI Global Equity Fund, Series P	19.1	N/A	N/A	N/A	10.4
NEI Global Equity Fund, Series PF	20.7	N/A	N/A	N/A	11.8

\*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: 11.6%, Series P: 14.0%, Series PF: 14.0%.

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## Summary of Investment Portfolio as at September 30, 2021

Total Net Asset Value: \$152,684,882

Top Holdings		%
1	Microsoft	4.5
2	Alphabet Inc.	3.5
3	Apple	2.9
4	Facebook, Class A	2.5
5	Taiwan Semiconductor Manufacturing Company, ADR	2.1
6	ASML Holding	2.0
7	NVIDIA	2.0
8	UnitedHealth Group	1.9
9	Cash and Equivalents	1.8
10	JPMorgan Chase & Co.	1.7
11	PayPal Holdings	1.7
12	Thermo Fisher Scientific	1.6
13	Blackstone	1.6
14	Adobe Systems	1.5
15	Hoya	1.5
16	EBARA	1.5
17	Eli Lilly and Company	1.5
18	Mastercard, Class A	1.4
19	Sony Group	1.4
20	Amazon.com	1.4
21	Shimano	1.4
22	ICICI Bank, ADR	1.4
23	Synopsys	1.4
24	AstraZeneca	1.4
25	ICON	1.3
	Total	46.9

Net Asset Value Mix		%
Equity	98.2	
Cash and Equivalents	1.8	
Total	100.0	

Sector Allocation		%
Information Technology	23.9	
Financials	15.5	
Consumer Discretionary	15.2	
Health Care	14.0	
Industrials	8.1	
Communication Services	7.1	
Consumer Staples	5.2	
Materials	4.9	
Cash and Equivalents	1.8	
Utilities	1.8	
Real Estate	0.9	
Mortgage-Backed Securities	0.9	
Energy	0.7	
Total	100.0	

Geographic Distribution		%
United States	52.2	
Other	23.2	
Japan	11.2	
United Kingdom	6.1	
Canada	5.5	
Cash and Equivalents	1.8	
Total	100.0	

"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.