

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 provide investors with long-term capital growth. The Fund invests primarily in common shares of large-capitalization American corporations.

Risk

The risks of 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 U.S. Dividend Fund's Series A units returned 19.4% for the twelve months ended September 30, 2021 compared with a return of 29.6% 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 Russell 3000 Value TR Index (C\$).

The Fund's net asset value decreased by -59.01% during the period, from \$162,160,359 as at September 30, 2020 to \$66,473,663 as at September 30, 2021. This change in net assets is attributed to net unitholder activity of -\$126,651,051 and \$30,964,355 to investment operations, including market appreciation (depreciation), income and expenses.

Factors That Have Affected Performance

The 'blue wave' election result pundits projected did not play out, but the Democratic party made enough headway to capture the White House and Congress by the thinnest of margins. However, in early November, the election results (which were then still uncertain) were quickly eclipsed by the announcement of positive trial results for the Pfizer/BioNTech COVID-19 vaccine. With little doubt the FDA would quickly approve the compound, U.S. equity markets surged.

The economy continued to surge in Q2 2021 as lockdowns eased across the country and the business community continued to rebound from the single worst economic event since the Great Depression. In fact, this dramatic surge in demand strained the global supply chain sufficiently to generate significant inflation pressures which in turn drove concerns the Federal Reserve would be forced to abandon its aggressively easy monetary policy stance.

September marked the worst month for the S&P 500 during this post-pandemic bull market. Large cap stocks finally closed the year-to-date performance gap versus small cap and took a commanding lead in July and held onto it through the end of Q3.

The most significant positive impacts on relative performance were from stock selection in the Utilities sector and the overweight allocation in the Energy sector.

The three holdings with the highest contribution to the Fund return during the period were Truist Financial Corp. (TFC), the sixth-largest commercial bank; U.S. Bancorp (USB), the fifth-largest commercial bank in the United States; and Target Corp. (TGT), the eighth-largest retailer in the United States.

Overall sector allocation and stock selection were both negative. The most significant negative impacts on relative results were from weak stock selection in the Energy and Health Care sectors.

The three holdings with the lowest contribution to Fund return during the period were Amgen Inc. (AMGN), the world's largest independent biotechnology company; Unilever PLC Sponsored ADR (UL), a multinational consumer goods company that owns more than 400 different brands throughout the world; and Kimberly-Clark Corp. (KMB), an American multinational personal care corporation.

Recent Developments

Monetary policy remains very supportive for now, but the Federal Reserve is already pointing toward tapering. In addition, fiscal policy has tightened as pandemic-related stimulus programs come to an end without further stimulus passed out of Congress. To date, Fed officials have stuck to the script that the inflation spike is 'transitory,' but the continued disruptions in the global supply chain and U.S. labor markets are creating shortages which drive up costs throughout the economy and go a long way to drive up inflation expectations for the next couple quarters. Corporate earnings are expected to end the year strong, but there is increased risk that input costs are surging faster than prices, weighing on margins in the near term, and projections could moderate over the next couple months. This sets up well for higher quality, defensive sectors in the months ahead. Given the recovery in earnings and general strength in balance sheets, the portfolio sub-advisor expects that dividend growth will remain robust in 2021 and could accelerate in 2022 if margins remain healthy. With dividends poised to accelerate, value ascendant, and higher quality stocks set to lead as we move out of the early phase of the recovery, they are very positive in the relative outlook for the Fund.

During the period, the Fund established 9 new positions, eliminated 10, and two small positions were spun-off and ultimately eliminated, ending the period with 51 positions, near the low end of expected range of 50 to 70 holdings.

The three largest changes in relative sector weights during the period included Health Care which became an underweight, primarily due to reductions of positions in Amgen Inc. (AMGN) and Bristol-Myers Squibb Co. (BMY). The Consumer Discretionary sector went from an underweight to an overweight, primarily due to the establishment of the positions in Magna International Inc. (MGA) and Advance Auto Parts Inc. (AAP). New positions in J.M. Smucker Co. (SJM) and Sysco Corp. (SY) were added to the Consumer Staples sector.

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	10.41	0.40	-0.33	2.39	-0.31	2.15	0.00	0.07	0.00	0.00	0.61	0.68	11.71
	Sept. 2020	12.37	0.46	-0.34	-0.33	-1.05	-1.26	0.00	0.12	0.00	0.18	0.44	0.74	10.41
	Sept. 2019	12.52	0.47	-0.36	0.49	-0.09	0.51	0.00	0.11	0.00	0.20	0.40	0.71	12.37
	Sept. 2018	11.67	0.45	-0.37	0.80	0.32	1.20	0.00	0.09	0.00	0.00	0.20	0.29	12.52
	Sept. 2017	11.27	0.42	-0.35	0.67	-0.24	0.50	0.00	0.09	0.00	0.00	0.00	0.09	11.67
F	Sept. 2021	17.87	0.69	-0.36	4.09	0.04	4.46	0.00	0.34	0.00	0.00	0.84	1.18	20.31
	Sept. 2020	21.00	0.80	-0.38	-0.56	-1.48	-1.62	0.00	0.42	0.00	0.27	0.56	1.25	17.87
	Sept. 2019	21.03	0.80	-0.40	0.82	-0.06	1.16	0.00	0.41	0.00	0.32	0.45	1.18	21.00
	Sept. 2018	19.52	0.76	-0.40	1.34	0.50	2.20	0.00	0.37	0.00	0.00	0.23	0.60	21.03
	Sept. 2017	18.85	0.72	-0.37	1.13	-0.54	0.94	0.00	0.36	0.00	0.00	0.00	0.36	19.52
I	Sept. 2021	18.50	0.73	-0.11	4.20	1.02	5.84	0.00	0.57	0.00	1.46	0.00	2.03	20.52
	Sept. 2020	21.07	0.83	-0.13	-0.56	-1.39	-1.25	0.00	0.66	0.00	0.28	0.00	0.94	18.50
	Sept. 2019	20.67	0.79	-0.13	0.81	-0.16	1.31	0.00	0.68	0.00	0.32	0.00	1.00	21.07
	Sept. 2018	18.97	0.73	-0.13	1.31	0.36	2.27	0.00	0.62	0.00	0.00	0.00	0.62	20.67
	Sept. 2017	18.30	0.70	-0.11	1.10	-0.40	1.29	0.00	0.59	0.00	0.00	0.00	0.59	18.97
O	Sept. 2021	9.16	0.36	-0.06	2.18	-0.48	2.00	0.00	0.30	0.00	0.00	0.00	0.30	10.88
	Sept. 2020	10.44	0.40	-0.07	-0.28	-0.84	-0.79	0.00	0.33	0.00	0.14	0.00	0.47	9.16
	Sept. 2019	10.25	0.40	-0.07	0.40	-0.02	0.71	0.00	0.33	0.00	0.16	0.00	0.49	10.44
	Sept. 2018	10.00	0.12	-0.02	0.68	-0.46	0.32	0.00	0.08	0.00	0.00	0.00	0.08	10.25
P	Sept. 2021	12.14	0.46	-0.36	2.80	-0.58	2.32	0.00	0.09	0.00	0.00	0.71	0.80	13.67
	Sept. 2020	14.39	0.54	-0.37	-0.38	-1.56	-1.77	0.00	0.17	0.00	0.21	0.48	0.86	12.14
	Sept. 2019	14.54	0.55	-0.40	0.57	-0.05	0.67	0.00	0.16	0.00	0.22	0.44	0.82	14.39
	Sept. 2018	13.55	0.54	-0.40	0.95	0.37	1.46	0.00	0.08	0.00	0.00	0.27	0.35	14.54
	Sept. 2017	13.07	0.52	-0.39	0.78	-0.78	0.13	0.00	0.11	0.00	0.00	0.00	0.11	13.55
PF	Sept. 2021	12.48	0.47	-0.21	2.92	-1.08	2.10	0.00	0.26	0.00	0.00	0.57	0.83	14.22
	Sept. 2020	14.61	0.57	-0.22	-0.39	-1.41	-1.45	0.00	0.34	0.00	0.17	0.36	0.87	12.48
	Sept. 2019	14.59	0.56	-0.23	0.57	-0.04	0.86	0.00	0.33	0.00	0.22	0.26	0.81	14.61
	Sept. 2018	13.53	0.54	-0.24	0.95	0.33	1.58	0.00	0.22	0.00	0.00	0.22	0.44	14.59
	Sept. 2017	13.05	0.63	-0.23	0.78	-1.32	-0.14	0.00	0.27	0.00	0.00	0.00	0.27	13.53

(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⁾	Net Asset Value per Unit (\$)
A	Sept. 2021	13,450.19	1,148.71	2.33	2.55	0.03	16.16	11.71
	Sept. 2020	16,872.15	1,620.46	2.34	2.56	0.04	37.28	10.41
	Sept. 2019	24,870.23	2,011.31	2.32	2.54	0.04	35.49	12.37
	Sept. 2018	29,294.61	2,340.76	2.34	2.64	0.04	39.71	12.52
	Sept. 2017	38,383.07	3,288.09	2.35	2.68	0.05	88.35	11.67
F	Sept. 2021	5,283.38	260.12	1.31	1.37	0.03	16.16	20.31
	Sept. 2020	12,844.39	718.58	1.32	1.38	0.04	37.28	17.87
	Sept. 2019	16,118.45	767.58	1.30	1.36	0.04	35.49	21.00
	Sept. 2018	16,781.98	798.07	1.30	1.44	0.04	39.71	21.03
	Sept. 2017	19,346.22	990.86	1.32	1.49	0.05	88.35	19.52
I	Sept. 2021	30,829.13	1,502.29	N/A	N/A	0.03	16.16	20.52
	Sept. 2020	122,326.02	6,611.70	N/A	N/A	0.04	37.28	18.50
	Sept. 2019	110,216.61	5,231.43	N/A	N/A	0.04	35.49	21.07
	Sept. 2018	135,837.24	6,572.29	N/A	N/A	0.04	39.71	20.67
	Sept. 2017	134,800.50	7,105.02	N/A	N/A	0.05	88.35	18.97
O	Sept. 2021	1.25	0.11	0.05	0.05	0.03	16.16	10.88
	Sept. 2020	1.02	0.11	0.05	0.05	0.04	37.28	9.16
	Sept. 2019	1.11	0.11	0.05	0.05	0.04	35.49	10.44
	Sept. 2018	1.03	0.10	0.05	0.05	0.04	39.71	10.25
P	Sept. 2021	4,995.81	365.36	2.17	2.17	0.03	16.16	13.67
	Sept. 2020	4,149.02	341.65	2.18	2.18	0.04	37.28	12.14
	Sept. 2019	6,660.17	462.77	2.17	2.17	0.04	35.49	14.39
	Sept. 2018	6,190.43	425.70	2.18	2.34	0.04	39.71	14.54
	Sept. 2017	1,400.24	103.35	2.27	2.44	0.05	88.35	13.55
PF	Sept. 2021	11,913.92	837.64	1.02	1.02	0.03	16.16	14.22
	Sept. 2020	5,967.77	478.09	1.03	1.03	0.04	37.28	12.48
	Sept. 2019	5,087.63	348.14	1.02	1.02	0.04	35.49	14.61
	Sept. 2018	4,469.63	306.44	1.05	1.13	0.04	39.71	14.59
	Sept. 2017	1,204.64	89.06	1.08	1.19	0.05	88.35	13.53

(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	1.90	55.77	44.23
Series F	0.90	100.00	N/A
Series P	1.65	39.43	60.57
Series PF	0.65	100.00	N/A

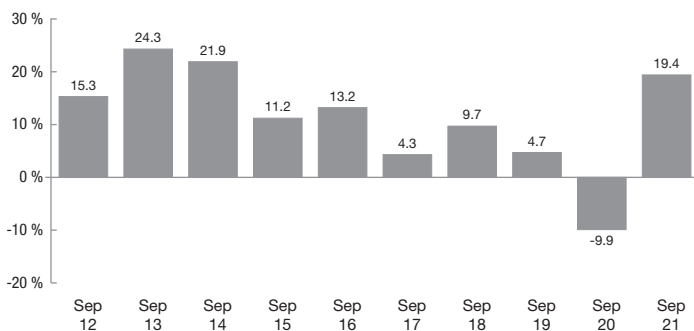
Past Performance

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.

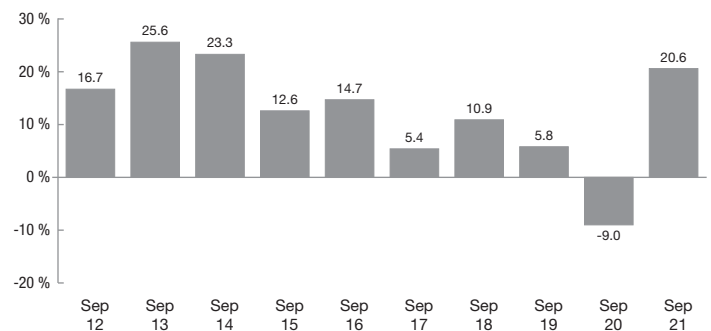
Year-by-Year Returns

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.

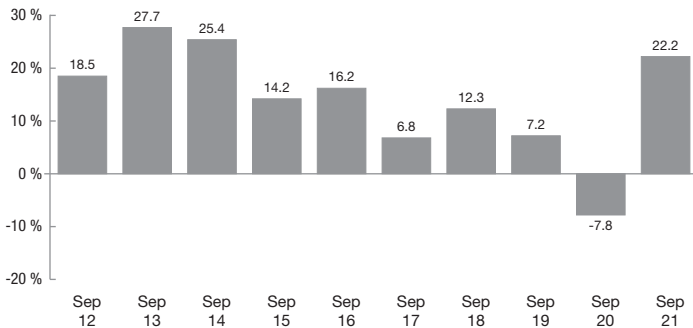
Series A



Series F



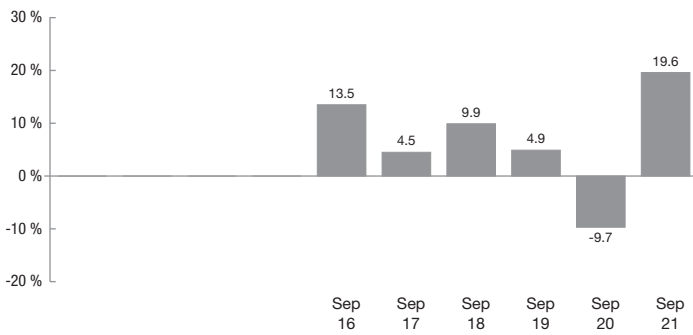
Series I



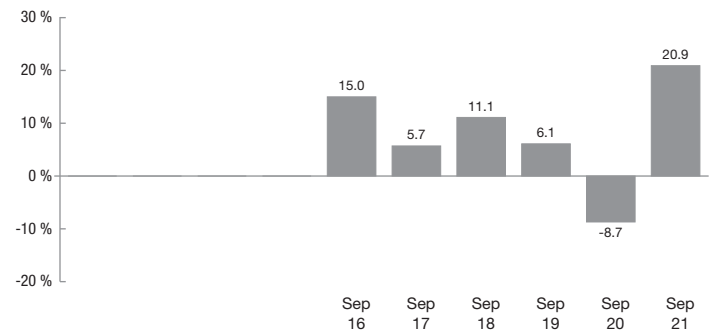
Series O



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 benchmark for this Fund is the Russell 3000 Value TR Index (C\$).

The Russell 3000 Value Index measures the performance of the broad value segment of U.S. equity value universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values. 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 ^(*) (%)
Russell 3000 Value TR Index (C\$)	29.6	9.2	10.1	15.7	**
NEI U.S. Dividend Fund, Series A	19.4	4.0	5.2	11.0	N/A
NEI U.S. Dividend Fund, Series F	20.6	5.1	6.3	12.2	N/A
NEI U.S. Dividend Fund, Series I	22.2	6.5	7.7	13.8	N/A
NEI U.S. Dividend Fund, Series O	22.1	6.5	N/A	N/A	7.0
NEI U.S. Dividend Fund, Series P	19.6	4.2	5.4	N/A	5.3
NEI U.S. Dividend Fund, Series PF	20.9	5.4	6.6	N/A	6.6

*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: 9.3%, Series P: 9.2%, Series PF: 9.2%.

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Summary of Investment Portfolio as at September 30, 2021

Total Net Asset Value: \$66,473,663

Top Holdings		%	Net Asset Value Mix		%
1	Comcast, Class A	3.7	Equity		99.4
2	United Parcel Service, Class B	3.5	Cash and Equivalents		0.6
3	Corning	3.4	Total		100.0
4	Truist Financial	3.4			
5	AES	3.2	Sector Allocation		%
6	Verizon Communications	3.1	Financials		19.0
7	U.S. Bancorp	3.0	Health Care		14.1
8	Cisco Systems	2.9	Information Technology		12.7
9	Target	2.8	Consumer Staples		10.8
10	Bristol-Myers Squibb	2.7	Utilities		9.4
11	Unilever, ADR	2.6	Energy		9.2
12	Kinder Morgan	2.5	Communication Services		8.8
13	FNF Group	2.4	Consumer Discretionary		8.7
14	Kimberly-Clark	2.3	Industrials		6.7
15	AbbVie	2.3	Cash and Equivalents		0.6
16	Premier, Class A	2.3	Total		100.0
17	Genuine Parts Company	2.3	Geographic Distribution		%
18	Sysco	2.3	United States		91.2
19	Marathon Petroleum	2.2	Other		8.2
20	Pfizer	2.1	Cash and Equivalents		0.6
21	Chubb	2.1	Total		100.0
22	Oracle	2.0			
23	Enterprise Products Partners	2.0			
24	Interpublic Group of Companies	2.0			
25	Progressive	2.0			
	Total	65.1			

"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.