

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 objectives are to achieve long-term capital growth by investing its assets primarily in equity and equity related securities of Canadian 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 Pool's Series I units returned 33.6% for the twelve months ended September 30, 2021 compared with a return of 28.0% 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 S&P/TSX Composite TR Index.

The Fund's net asset value increased by 82.82% during the period, from \$46,489,602 as at September 30, 2020 to \$84,990,092 as at September 30, 2021. This change in net assets is attributed to net unitholder activity of \$20,207,143 and \$18,293,347 to investment operations, including market appreciation (depreciation), income and expenses.

Factors That Have Affected Performance

All signs point to a global recovery, although it will not be synchronized as re-openings remain highly contingent on each country's ability to reach immunity against COVID-19 and its variants and neutralize the pandemic's negative impact on economic growth. Activity in the service industry is gradually picking up as reopening plans for restaurants and entertainment venues are being implemented.

After a strong summer, global equity markets were more muted in the third quarter, where the business cycle did not generate much that was new to investors. Supply chain disruptions, the Delta variant of COVID-19 and price bulges continue to be the main influences. In any case, the portfolio sub-advisor continues to expect modest upward pressure on interest rates in the near term. Although the level of global economic activity is much more robust than last year, the pace has slowed in recent months, lending a slightly more positive tone to bond markets.

In terms of sectors, the largest contributors to performance was stock selection in the Materials and Industrials sectors. Specific names that added value were Materials (Nutrien, CCL Industries) and Industrials (WSP, CAE). The largest detractors to performance were stock selection in the Information Technology and Energy sectors.

There has been continued appreciation of engineering companies such as SNC, Stantec and WSP. There was good performance from SNC as the company continues to win important new business and progresses well towards reducing the riskier fixed-priced contracts, with only three major ones left. All three engineering companies continue to benefit from the tailwind of infrastructure spending planned for many years to come. Thomson Reuters and Brookfield Asset Management continue to do well.

A key detractor to performance over the period was Saputo. Saputo continues to be impacted by the pandemic due to the ongoing challenging restaurant situation in North America, as well as lower than usual exports because of container issues and closed ports and high inventories.

Recent Developments

As we head into the final quarter of the year, markets remain focused on several factors. First and foremost amongst those, as mentioned, is the prospects for inflation, and notably if it will prove transitory or more permanent. Should it trend toward the latter, this would have ramifications for equity markets as shorter duration equities, often characterized as more "value" oriented, would typically perform better in a rising rate environment. Stagflation, the prospect of rising inflation alongside muted economic activity, is also being considered as a possible future outcome.

The second key debate centers around China, and notably if a single large property developer will have broader contagion effects to other sectors of the Chinese and global economy. Finally, while the ongoing fight against the COVID-19 virus has shown progress as vaccination rates have increased, the potential for new variants and additional waves through the winter months are further cause for concern.

As it pertains to these key issues above, the portfolio sub-advisor's practice is to maintain a balanced approach and ensure their Funds are resilient to a range of outcomes. They focus on selecting industry-leading businesses on a bottom-up basis while maintaining a strict discipline on valuations through a long-term lens helps their Funds be less volatile in a variety of economic environments. And in times of uncertainty and volatility, having done the analysis and due diligence on these businesses enables them to have confidence to take advantage of the opportunities that are sometimes provided by shorter-term sentiment in the marketplace.

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.

Where applicable the amounts paid in commission by the Fund to DSI and amounts received from underlying funds managed by NEI LP during the period are presented.

	September 2021 (\$)	September 2020 (\$)
Commissions paid by the Fund to DSI	36	270

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 currently only distributed by NEI on an exempt-market basis.

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 received standing instructions from the IRC with respect to the following related party transactions: trades in securities (whether debt or equity) of a company related to a sub-advisor.

The Manager is required to advise the IRC of any material breach of a condition of the standing instructions. The standing instructions require, among other things, that the investment decision in respect to related party transactions (a) are aligned with the investment objectives, investment strategies, risk profile and other important details of the Fund for which the investment is being proposed; (b) are made by the Manager free from any influence by any entities related to the Manager; (c) represent the business judgment of the Manager uninfluenced by considerations other than the best interests of the Fund; and (d) are made in compliance with the Manager’s policies and procedures.

Transactions made by the Manager under the standing instructions are subsequently reviewed by the IRC to monitor compliance. The Fund relied on the IRC’s standing instructions regarding related party transactions during this reporting period.

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⁾		
I	Sept. 2021	9.60	0.26	0.00	0.16	2.68	3.10	0.00	0.20	0.00	0.00	0.00	0.00	0.20	12.58
	Sept. 2020	10.04	0.28	-0.01	-0.12	-0.59	-0.44	0.00	0.05	0.00	0.00	0.00	0.00	0.05	9.60
	Sept. 2019	10.00	0.08	-0.01	0.00	0.22	0.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.04

(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 (\$)
	Sept. 2020	46,489.60	4,844.73	N/A	N/A	0.08	21.33	9.60
	Sept. 2019	8,148.37	811.97	N/A	N/A	0.09	1.15	10.04

(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 Fund does not pay management fees for Series I. Series I unitholders pay a negotiated fee directly to NEI Investments.

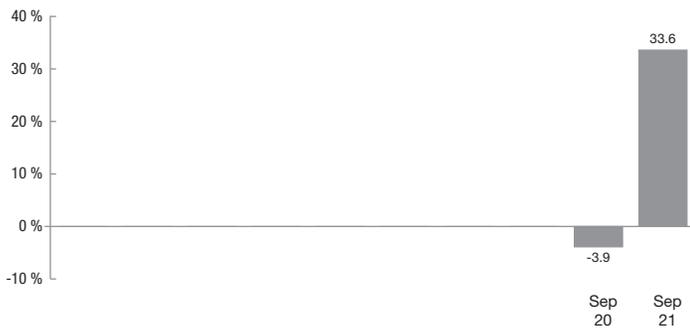
Past Performance

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 chart shows 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 chart indicates 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 I



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 S&P/TSX Composite TR Index.

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.

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 ^(*) (%)
S&P/TSX Composite TR Index	28.0	N/A	N/A	N/A	**
NEI Canadian Equity Pool, Series I	33.6	N/A	N/A	N/A	12.1

*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 I: 12.6%.

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Summary of Investment Portfolio as at September 30, 2021

Total Net Asset Value: \$84,990,092

Top Holdings		%
1	Canadian National Railway Company	7.1
2	Brookfield Asset Management, Class A	6.6
3	Scotiabank	5.6
4	Nutrien	4.4
5	Shopify, Class A	4.3
6	WSP Global	4.3
7	Thomson Reuters	4.3
8	Manulife Financial	4.2
9	Open Text	4.0
10	Restaurant Brands International	3.6
11	CCL Industries, Class B	3.3
12	Intact Financial Corporation	3.3
13	Gildan Activewear	3.3
14	CGI, Class A	3.3
15	Magna International, Class A	3.2
16	SNC-Lavalin Group	3.2
17	Metro	3.0
18	Premium Brands Holdings	3.0
19	Stantec	2.9
20	CAE	2.4
21	Empire Company, Class A	2.3
22	National Bank of Canada	2.0
23	Cash and Equivalents	2.0
24	Saputo Group	2.0
25	iA Financial Group	2.0
	Total	89.6

Net Asset Value Mix		%
Equity		98.0
Cash and Equivalents		2.0
Total		100.0

Sector Allocation		%
Industrials		26.8
Financials		23.7
Information Technology		15.5
Materials		10.6
Consumer Staples		10.3
Consumer Discretionary		10.1
Cash and Equivalents		2.0
Real Estate		1.0
Total		100.0

Geographic Distribution		%
Canada		98.0
Cash and Equivalents		2.0
Total		100.0

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment fund. Updates are available quarterly.