NEI Managed Asset Allocation Pool

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

This Fund's investment objectives are to provide long-term capital growth and some income by investing in a combination of securities, which may include ETFs. The Fund's asset mix may be changed over time to reflect the portfolio manager's outlook for each asset class.

Risk

The risks associated with investing in the Fund remain as discussed in the Simplified Prospectus. This Fund is suitable for investors investing for the medium term, with a low to 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 Managed Asset Allocation Pool's Series I units returned 11.2% for the twelve months ended September 30, 2021 compared with a return of 9.0% 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 blended benchmark is composed of 25% FTSE Canada Universe Bond Index, 25% Bloomberg Barclays Global Aggregate Index (C$ hedged) and 50% MSCI ACWI NR Index (C$).

The Fund's net asset value increased by 81.53% during the period, from $104,970,655 as at September 30, 2020 to $190,557,987 as at September 30, 2021. This change in net assets is attributed to net unitholder activity of $70,835,293 and $14,752,039 to investment operations, including market appreciation (depreciation), income and expenses.

Factors That Have Affected Performance

For the 12-month period ending September 30, 2021, global equity markets continued to rally on the back of COVID-19 vaccine developments and fiscal stimulus expansion. Combined with easy policy support, companies delivered some of the strongest earnings growth seen in years as consumers unleashed pent up savings from lockdowns. Vaccination rates continue to improve, with the U.S. FDA fully approving the Pfizer-BioNTech vaccine, which could lead to further increases as employers could mandate vaccines and provide the needed push for those who have been hesitant.

Markets have rallied strongly since the Democratic Party won the Presidential election in November. The additional win of the Georgia run-offs in January would provide President Joe Biden and the Democrats control of a unified House and Senate allowing them to pass policy. In March, President Biden signed a US$1.9T stimulus package providing economic life support to consumer and businesses and has been trying to pass a US$3.5T spending package to rebuild the economy. However, efforts are being constrained by centralist democrats as well as the government nearing its debt ceiling limit. A seven-month rally streak was broken in September, as concerns of the debt ceiling, Federal Reserve moving towards tapering, Chinese regulatory moves, and the possible default of Chinese real estate giant Evergrande have begun weighing on growth. The Fed had revised growth projections downwards to 5.9% for 2021 in September, from 7.0% in June. In the meantime, central banks globally are becoming increasingly concerned about inflation, which are showing more persistence on supply chain disruptions. Nonetheless, the MSCI World (C$) rallied an impressive 22.18% over the period, while the Bloomberg Barclays Global Aggregate (C$ Hedged) fell 0.63% on the back of rising inflation and higher bond yields.

In Canada, Finance Minister Chrystia Freeland announced a plan to spend up to $100B (or 3 to 4% of GDP) over the next three years to stimulate the economy. The Bank of Canada (BoC) also continues to provide extraordinary monetary policy support, which has begun to scale back given the strength of the economy. The BoC recalibrated asset purchases by $1B three times, scaling back purchases from $5B to $2B per week. CPI rose to 4.1% year over year in August, a level not seen since 2003. Meanwhile growth is also expected to pick up as the country saw a broad lifting of restrictions in June and has seen immense progress on vaccines. Canada had seen one of the slowest vaccine rollouts across the G7, but has since surpassed many and is among one of the countries with the highest vaccinated populations. The S&P/TSX Composite rose 28.02% over the period, while the FTSE Canada Universe Bond Index fell 3.35%.

In the U.S., the materialization of the “Blue Wave” in late 2020 saw investors price higher growth and inflation forecasts on higher fiscal spending. Companies reaped rewards of increased fiscal spending and loose monetary policy as S&P 500 Q2 2021 earnings rose 94.3% year over year following the massive decline due to the pandemic. The strong results saw earnings in the first half of the year 27.3% higher than the same period pre-pandemic in 2019. In the meantime, the Fed is seeing substantial improvements in the economy, and hinted to markets it was nearing tapering. The Fed views its inflation target as having been met as CPI rose to a high of 5.4% year over year and has been closely watching the employment recovery. Fed Chairman Jerome Powell expanded that if the test for tapering was deemed to be met, a gradual tapering process ending the middle of next year will likely be appropriate. The S&P 500 (C$) gained 23.30% over the period while the Bloomberg Barclays U.S. Aggregate (C$ Hedged) fell 0.98% on higher yields.

In Europe, vaccination rates have significantly picked up as Europe pushed on with its reopening. European economic momentum and growth expectations picked up and the IHS Markit Eurozone Composite PMI rose to a 15-year high in June. A strong recovery saw sustained demand outpacing supply, adding further pressures to the already strained supply chain as both input and output prices continued to rise. The Japanese recovery meanwhile had lagged significantly as repeatedly extended restrictions resulted in Japan being unable to capitalize on the Olympics, which could have brought in a renewed wave of spending, as it proceeded in absence of an audience. There was however some optimism from investors, as Japan is going through an election cycle. The initial announcement saw bullishness from markets on potential new stimulus under new leadership. The MSCI Europe (C$) rose 20.69% over the period while the MSCI Japan (C$) gained 15.77%.

China had fared much better following the pandemic as it led the recovery in the fourth quarter and into the new year. However, sentiment quickly shifted as Chinese growth showed signs of slowing in its campaign to reduce financial leverage. In addition, China has made headlines multiple times through its regulatory changes driven by “common prosperity” rhetoric and more recently on the possibility that real estate giant Evergrande Group could default on its debt. At the same time, the Asia-Pacific recovery has continued to lag, driven in part by low vaccination rates in the region as cases in many have prevented any semblance of a widescale reopening. The MSCI EM Index (C$) gained 12.11% in the period.

The portfolio started the period overweight equities, adding more to its equity exposure over the period. The portfolio had a tactical position in gold which was divested in January, on bolstering market confidence in the economic recovery. The portfolio initiated tactical allocations to Asia and Japan equities in December on a strong Asia recovery, which were subsequently divested in March and April on worries of slowing Chinese growth which would impact the region as a whole. The portfolio was repositioned for a cyclical recovery, with the equity overweight concentrated in developed markets and an underweight to China in the emerging markets exposure. A position was opened in U.S. large cap equities in June, and in July the China underweight was subsequently removed. Throughout Q3 2021, the equity overweight was gradually cut as profits were taken, on uncertainty surrounding slowing global growth, as markets continued to rise. By the end of the period, the U.S. large cap position was swapped for U.S. financials to put on a more cyclical tilt and to hedge on a steeper yield curve as central banks started to look towards monetary tightening.

On the fixed income side, on top of being underweight fixed income, the portfolio was also benefitted from being short duration to reduce interest rate exposure as the economy was gaining speed. The portfolio held cash during various periods throughout the year and in Q2 2021 the portfolio bought U.S. high yield bond position, offering lower duration and increased yield to help offset a rise in yields.

Recent Developments

For much of last year, global growth projections have repeatedly been upgraded due to the massive amount of stimulus and the pace of vaccine distributions. Countries have seen broad reopenings. Although variants have wreaked havoc and have slowed the reopenings, high vaccination rates have diminished investors concerns of further impact from the coronavirus. The focus turned to peaking growth and less policy support going forward.

Economic growth is peaking and will decelerate going forward. This dynamic combined with low interest rates is indicative that the economy is entering a new phase of its cycle. The early-cycle recovery phase saw the S&P 500 Index rally over 100% since March 2020 lows as markets price in a synchronized global recovery. Returns so far have been driven by heightening expectations, mainly reflected through higher valuation multiples. As we enter a mid-cycle market, further appreciations will have to come from companies meeting expectations and delivering strong earnings, with more muted returns.

At the same time, central banks are preparing to tighten policy support going forward. High inflation also remains a high point of contention among central bankers. Inflation is still viewed to be transitory, but the persistent higher prices have raised that this transitory phase of high inflation could last significantly longer than previously expected. Supply chain bottlenecks have been pinpointed as a root cause, and the number of container ships looking to enter U.S. ports continue to climb to record numbers. This debate has central bankers split, with some worried about more persistent high inflation while others are watching the lagging labour recovery. Central bankers are well-aware of the number of years it generally takes for the labor market to fully recover and are cautious knowing that tightening policy could further hamper growth in a period of already decelerating growth. Nonetheless, it seems that globally most central banks are looking to taper or hike believing that loose policy has run its course.

The Bank of Canada is currently buying bonds at a pace of $2B per week and has started to look forward towards the reinvestment phase, where the central bank will only use the proceeds of maturing bonds to purchase new bonds and will no longer add more to its holdings. The BoC estimates that it would be required to purchase approximately $1B per week on average, indicating that this phase is not far off. This phase would no longer be considered quantitative easing and would remain in place until rate hikes begin.

In the U.S., the Federal Reserve is being closely watched by markets. Chairman Jerome Powell has signaled that in his eyes the “substantial further progress” required for tapering is all been met, and it would take just a decent employment reading for the Fed to take its next steps. Pandemic unemployment benefits have rolled off, and markets are expecting some pick-up in employment in coming months. Powell outlined that tapering could begin as soon as the next meeting, ending sometime mid-2022 in the case the economy continues at its current pace. Markets are widely expecting the Fed to start tapering this year, which would also open the opportunity for the Fed to implement its first hike next year. However, consumer confidence has significantly dropped in recent months, painting an image of a softer economy, weaker income prospects, and declining appetite to spend.

In Europe, the European Central Bank recently announced it would slow the pace of asset purchases in Q4, from the accelerated pace starting Q2, with further tapering announcements which could come later this year. The Bank of England is also seeing a stronger case to start hiking on higher inflation expectations. In Japan, Prime Minister Yoshihide Suga announced he would not seek re-election and would step down as President of the Liberal Democratic Party of Japan. Investors are watching the ongoing elections given the prospects of new economic stimulus under a new leader, and restrictions that have been in place for months are finally being lifted.

Markets are still watching the potential real estate fallout in China, stemming from Evergrande. There are concerns about the downstream effects and contagion on the Chinese economy, but there are also more widespread concerns that global financial conditions could tighten. Evergrande’s debts are owned by domestic and foreign banks, and large losses could see banks rein in lending. Current expectations are for a “controlled demolition,” or soft bailout, of Evergrande to avoid a harder landing. Even prior to the potential default, slowing growth in China saw the People’s Bank of China hinting towards easing monetary policy, and this real estate shock could see some acceleration towards that policy shift. Combined with the regulatory moves, we remain cautious in emerging markets holding a slight underweight.

We remain bullish on equities, despite the worries of slowing growth. Growth levels remain well above pre-pandemic levels, and although equity valuations are high on an absolute basis, compared to bonds we believe they are relatively attractive. Europe and Asia are also facing a potential energy crunch, with low inventories just before the winter. Energy prices have been rising and could take a further toll on the already high inflation readings. Yields could see further upside pressure as a result just as central banks are tightening policy, providing headwinds for growth stocks. We favor cyclical and value stocks given this backdrop but remain cautious given the excessive bullish sentiment in the current market.

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 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 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.

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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: Total Revenue	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total Increase (Decrease) from Operations(2)	Distributions: From Income (Excluding Dividends)	From Dividends	From Underlying Funds	From Capital Gains	Return of Capital	Total Distributions (3)(4)	Net Assets, End of Period
I	Sept. 2021	10.52	0.24	-0.02	0.58	0.28	1.08	0.00	0.19	0.00	0.02	0.00	0.21	11.48
	Sept. 2020	10.03	0.20	-0.03	-0.24	0.69	0.62	0.00	0.17	0.00	0.00	0.00	0.17	10.52
	Sept. 2019	10.00	0.07	-0.01	-0.04	0.03	0.05	0.00	0.03	0.00	0.00	0.00	0.03	10.03

(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 $)	Number of Units Outstanding (000's)	Management Expense Ratio (%)(1)	Management Expense Ratio before Waivers and Absorptions (%)	Trading Expense Ratio (%)(2)	Portfolio Turnover Rate (%)(3)	Net Asset Value per Unit ($)
I	Sept. 2021	190,557.99	16,604.92	N/A	N/A	0.02	87.81	11.48
	Sept. 2020	104,970.66	9,981.68	N/A	N/A	0.03	84.29	10.52
	Sept. 2019	14,127.99	1,408.33	N/A	N/A	0.07	28.47	10.03

(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.

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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.

In addition to the fees and expenses directly payable by the Fund, certain fees and expenses may be payable by some underlying third party funds. The Fund indirectly bears its proportionate share of such fees and expenses. However, the Fund does not pay any management fees or similar expenses that, in the view of the Manager, a reasonable person would consider duplicate a fee payable by an underlying fund for the same service.

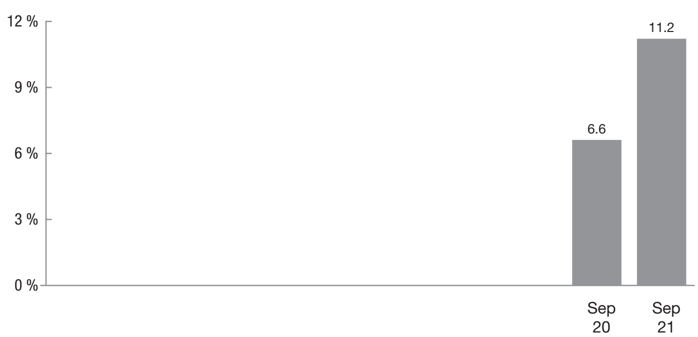
Past Performance

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



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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 25% FTSE Canada Universe Bond Index, 25% Bloomberg Barclays Global Aggregate Index (C$ hedged) and 50% MSCI ACWI NR Index (C$).

The FTSE Canada Universe Bond Index is designed to be a broad measure of the Canadian investment grade fixed income market. Returns are calculated daily, and are weighted by market capitalization, so that the return on a bond influences the return on the index in proportion to the bond's market value. There are four main credit or borrower categories: bonds issued by the Government of Canada (including Crown Corporations), provincial bonds (including provincially guaranteed securities), municipal bonds, and corporate bonds.

The Bloomberg Barclays Global Aggregate Index is a measure of global investment grade debt from local currency markets. This multi-currency benchmark includes treasury, government-related, corporate, and securitized fixed-rate bonds from both developed and emerging markets issuers. This is a Canadian dollar hedged index.

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(*) (%)
25% FTSE Canada Universe Bond Index, 25% Bloomberg Barclays Global Aggregate Index (C$ hedged), 50% MSCI ACWI NR Index (C$)	9.0	N/A	N/A	N/A	**
NEI Managed Asset Allocation Pool, Series I	11.2	N/A	N/A	N/A	8.3

*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: 8.4%.

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The blended returns are calculated by NEI Investments using end of day index level values licenses from MSCI (“MSCI Data”). For the avoidance of doubt, MSCI is not the benchmark “administrator” for, or a “contributor”, “submitter” or “supervised contributor” to, the blended returns, and the MSCI Data is not considered a “contribution” or “submission” in relation to the blended returns, as those terms may be defined in any rules, laws, regulations, legislation or international standards. MSCI Data is provided “AS IS” without warranty or liability and no copying or distribution is permitted. MSCI does not make any representation regarding the advisability of any investment or strategy and does not sponsor, promote, issue, sell or otherwise recommend or endorse any investment or strategy, including any financial products or strategies based on, tracking or otherwise utilizing any MSCI Data, models, analytics or other materials or information.

NEI Managed Asset Allocation Pool

Summary of Investment Portfolio as at September 30, 2021

Total Net Asset Value: $190,557,987

Top Holdings		%
1	SPDR S&P 500 ETF Trust	27.5
2	BMO Aggregate Bond Index ETF	19.0
3	iShares Core MSCI EAFE ETF	12.9
4	Vanguard Total International Bond ETF	10.4
5	Vanguard Total Bond Market ETF	7.5
6	SPDR® Bloomberg Barclays High Yield Bond ETF	6.9
7	Cash and Equivalents	4.7
8	iShares Core MSCI Emerging Markets ETF	4.0
9	Financial Select Sector SPDR Fund	2.9
10	iShares Core S&P/TSX Capped Composite Index ETF	2.0
11	iShares U.S. Treasury Bond ETF	1.9
	Total	99.7

Net Asset Value Mix	%
Unit Trust	95.0
Cash and Equivalents	4.7
Other	0.3
Total	100.0

Sector Allocation	%
Index-Based Investments	95.0
Cash and Equivalents	4.7
Other	0.3
Total	100.0

Geographic Distribution	%
United States	74.0
Canada	21.0
Cash and Equivalents	4.7
Other	0.3
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.