



NEI Canadian Small Cap Equity RS Fund

Semi-annual Management Report of Fund Performance

As at March 31, 2022

This Semi-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

Results of Operations

The NEI Canadian Small Cap Equity RS Fund's Series A units returned 4.5% for the six months ended March 31, 2022 compared with a return of 5.1% for the benchmark explained below.

Unlike the benchmark return, the Fund's returns are after the deduction of fees and expenses paid by the Fund. Performance differences between series of units are mainly attributable to management fees charged to each series. Refer to the Past Performance section for the details of returns by series.

The benchmark for this Fund is the BMO Small Cap Blended Index (Unweighted).

The Fund's net asset value increased by 16.21% during the period, from \$538,220,545 as at September 30, 2021 to \$625,452,198 as at March 31, 2022. This change in net assets is attributed to net unitholder activity of \$58,175,845 and \$29,055,808 to investment operations, including market appreciation (depreciation), income and expenses.

Factors That Have Affected Performance

Energy and materials have dominated benchmark performance so far this year as geopolitical risks have sent commodity prices soaring. This represented narrow leadership with many other non-resource sectors producing negative returns over the period. Notwithstanding strong absolute performance by the Fund's energy holdings, the lag versus the benchmark sector's nearly 47% advance and limited precious metals exposure detracted from relative performance. This was more than offset by strong relative performance within health care, industrials and information technology.

The Fund's top contributing investments were Freehold Royalties Ltd., Pason Systems Inc. and Major Drilling Group International. The largest detractors were Lasseonde Industries Inc., Stella-Jones Inc. and Martinrea International Inc.

Recent Developments

Rising market risks including geopolitical tension and inflation fears contributed to a pronounced and rapid increase in the risk premium that equity investors demanded in the quarter. While the Canadian small cap market quickly recovered, other markets did not. Recent volatility is an important reminder that investors' portfolios should be prepared for the unexpected and various economic conditions across an investment horizon. Near-term earnings growth in corporate Canada should be supported by increased commodity prices, and overall valuation levels look reasonable relative to history and other markets.

Through diversified and sound portfolio construction, the Fund continues to be positioned for various types of terrain the road ahead may bring. The Fund maintains lower balance sheet risk, better longer-term profitability and stronger sector diversity than the resource-tilted and heavily cyclical benchmark, along with comparable or lower valuation risk. While the Fund may lag in a narrow market led by resources, over a full cycle the Fund should provide attractive income (2.4% dividend yield) and, importantly, dividend growth driven by sound and improving compounding by the underlying businesses in the Fund. Over 80% of the Fund's holdings pay a dividend and the current below-average earnings payout ratio of ~30% reflects flexibility for growth.

The portfolio sub-advisor participated in the initial public offering of Definity Financial Corp. (formerly Economical Insurance), which has a 150-year history in the Canadian property & casualty insurance space. Since 2016, under the leadership of a new CEO, the company has accelerated growth and profitability while preparing for its transition to a publicly held corporation. With a more efficient capital structure, they see significant upside to the company's already strong returns on equity. The company has a strong balance sheet and provides fresh diversification within financials.

Other new positions included GDI Integrated Facility Services Inc., the largest janitorial service provider in Canada. The company has a strong record of organic growth and successful tuck-in acquisitions as it consolidates within the highly fragmented janitorial industry. The runway of opportunity for GDI appears abundant as it looks to increase its presence in the US. Over the long term, the company has grown revenue and EBITDA per share above 10% per annum.

IBI Group was also added to the Fund, an architecture, engineering, planning and technology firm operating in 12 countries worldwide, with a top-two position in Canada. Its technology solutions, which are growing faster than the traditional architecture business, are beneficial to margins and enhance the depth of customer relationships. The portfolio sub-advisor doesn't believe the potential value of this segment is fully reflected in the share price today, as the company trades at an attractive absolute and relative valuation with prospects for continued growth in free cash flow.

Calian provides technology & business services across a number of industry and government categories. The company has generated attractive growth in per share operating metrics while reducing concentration risk and increasing exposure to asset-lite and growth-oriented businesses. Calian provides reasonably priced exposure to organic growth in the health care and technology sectors. The portfolio sub-advisor expects sound returns on incremental capital invested, largely funded through excess cash.

National Research Corp (NRC) supports more than 8,000 health care firms via its digital platform of portfolio solutions to collect, measure and analyze data. Revenue growth has largely been organic, and the business model demonstrates scale benefits which have allowed for double digit earnings per share compounding over time. The portfolio sub-advisor views NRC as an above-average business trading at a reasonable valuation.

Eliminated positions included Westshore Terminals Investment Corp., Element Fleet Management Corp. and Superior Plus Corp. The Fund also exited Enerflex Ltd. following its announcement of a large acquisition that significantly increases complexity and balance sheet risks in the portfolio sub-advisor's view.



NEI Canadian Small Cap Equity RS Fund

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 ("IRC"), 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.

	March 2022 (\$)	March 2021 (\$)
Commissions paid by the Fund to DSI	16,060	749

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 six-month period ending March 31, 2022 and 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	Mar. 2022	32.15	0.45	-0.46	0.85	0.60	1.44	0.00	0.30	0.00	0.75	0.00	1.05	32.49
	Sept. 2021	22.96	1.06	-0.80	1.19	8.18	9.63	0.00	0.13	0.00	0.00	0.00	0.13	32.15
	Sept. 2020	24.85	0.81	-0.65	0.08	-2.07	-1.83	0.00	0.05	0.00	0.00	0.00	0.05	22.96
	Sept. 2019	27.94	0.84	-0.69	0.89	-3.03	-1.99	0.00	0.08	0.00	1.45	0.00	1.53	24.85
	Sept. 2018	27.18	0.79	-0.75	2.90	-1.48	1.46	0.00	0.09	0.00	0.66	0.00	0.75	27.94
	Sept. 2017	26.88	0.78	-0.75	1.05	0.59	1.67	0.00	0.01	0.00	1.43	0.00	1.44	27.18
F	Mar. 2022	20.59	0.29	-0.16	0.54	0.36	1.03	0.00	0.44	0.00	0.48	0.00	0.92	20.68
	Sept. 2021	14.65	0.68	-0.29	0.76	5.20	6.35	0.00	0.23	0.00	0.00	0.00	0.23	20.59
	Sept. 2020	15.79	0.51	-0.23	0.05	-1.23	-0.90	0.00	0.16	0.00	0.00	0.00	0.16	14.65
	Sept. 2019	17.79	0.54	-0.24	0.57	-2.57	-1.70	0.00	0.26	0.00	0.93	0.00	1.19	15.79
	Sept. 2018	17.28	0.50	-0.27	1.84	-0.91	1.16	0.00	0.24	0.00	0.42	0.00	0.66	17.79
	Sept. 2017	17.05	0.52	-0.27	0.66	0.31	1.22	0.00	0.18	0.00	0.91	0.00	1.09	17.28
I	Mar. 2022	30.56	0.45	-0.02	0.80	0.63	1.86	0.00	0.92	0.00	0.71	0.00	1.63	30.61
	Sept. 2021	21.60	1.12	-0.03	1.15	6.21	8.45	0.02	0.52	0.00	0.00	0.00	0.54	30.56
	Sept. 2020	23.07	0.76	-0.02	0.07	-1.95	-1.14	0.02	0.35	0.00	0.00	0.00	0.37	21.60
	Sept. 2019	26.18	0.79	-0.01	0.81	-2.13	-0.54	0.03	0.73	0.00	1.59	0.00	2.35	23.07
	Sept. 2018	26.14	0.69	-0.02	2.71	-1.63	1.75	0.00	1.25	0.00	0.78	0.00	2.03	26.18
	Sept. 2017	25.74	0.79	-0.02	1.00	0.40	2.17	0.02	0.58	0.00	1.38	0.00	1.98	26.14
O	Mar. 2022	12.41	0.17	-0.01	0.33	0.23	0.72	0.00	0.41	0.00	0.29	0.00	0.70	12.40
	Sept. 2021	8.76	0.43	-0.02	0.46	2.86	3.73	0.00	0.20	0.00	0.00	0.00	0.20	12.41
	Sept. 2020	9.24	0.32	-0.01	0.03	-0.74	-0.40	0.00	0.02	0.00	0.00	0.00	0.02	8.76
	Sept. 2019	10.23	0.31	-0.01	0.33	-0.87	-0.24	0.00	0.13	0.00	0.53	0.00	0.66	9.24
	Sept. 2018	10.00	0.08	-0.01	1.09	-0.93	0.23	0.00	0.00	0.00	0.00	0.00	0.00	10.23
	Sept. 2017	10.00	0.08	-0.01	1.09	-0.93	0.23	0.00	0.00	0.00	0.00	0.00	0.00	10.23
P	Mar. 2022	12.89	0.18	-0.16	0.34	0.23	0.59	0.00	0.16	0.00	0.30	0.00	0.46	13.02
	Sept. 2021	9.19	0.44	-0.28	0.48	3.11	3.75	0.00	0.07	0.00	0.00	0.00	0.07	12.89
	Sept. 2020	9.92	0.33	-0.23	0.03	-0.91	-0.78	0.00	0.03	0.00	0.00	0.00	0.03	9.19
	Sept. 2019	10.00	0.28	-0.20	0.35	0.31	0.74	0.00	0.01	0.00	0.46	0.00	0.47	9.92
PF	Mar. 2022	13.25	0.19	-0.09	0.35	0.16	0.61	0.00	0.26	0.00	0.31	0.00	0.57	13.35
	Sept. 2021	9.40	0.46	-0.15	0.49	3.09	3.89	0.00	0.14	0.00	0.00	0.00	0.14	13.25
	Sept. 2020	10.08	0.33	-0.12	0.03	-0.99	-0.75	0.00	0.08	0.00	0.00	0.00	0.08	9.40
	Sept. 2019	10.00	0.28	-0.11	0.35	0.46	0.98	0.00	0.01	0.00	0.41	0.00	0.42	10.08

(1) All per unit figures presented in 2022 are referenced to net assets determined in accordance with IFRS and are derived from the Fund's semi-annual financial statements for the period ended March 31, 2022.

(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	Mar. 2022	195,053.51	6,004.05	2.70	2.70	0.09	8.43	32.49
	Sept. 2021	203,815.42	6,339.85	2.70	2.70	0.08	32.76	32.15
	Sept. 2020	182,035.37	7,929.63	2.72	2.72	0.07	16.53	22.96
	Sept. 2019	244,076.08	9,821.09	2.70	2.70	0.06	25.22	24.85
	Sept. 2018	374,945.80	13,421.52	2.70	2.70	0.07	35.74	27.94
	Sept. 2017	408,229.45	15,019.09	2.73	2.73	0.11	89.35	27.18
F	Mar. 2022	23,039.44	1,114.33	1.47	1.52	0.09	8.43	20.68
	Sept. 2021	21,728.89	1,055.28	1.47	1.52	0.08	32.76	20.59
	Sept. 2020	20,094.12	1,371.26	1.48	1.54	0.07	16.53	14.65
	Sept. 2019	31,865.72	2,018.33	1.47	1.52	0.06	25.22	15.79
	Sept. 2018	65,910.33	3,705.37	1.47	1.52	0.07	35.74	17.79
	Sept. 2017	57,152.19	3,306.74	1.49	1.55	0.11	89.35	17.28
I	Mar. 2022	280,606.18	9,166.29	N/A	N/A	0.09	8.43	30.61
	Sept. 2021	199,768.71	6,537.91	N/A	N/A	0.08	32.76	30.56
	Sept. 2020	88,245.13	4,086.10	N/A	N/A	0.07	16.53	21.60
	Sept. 2019	95,457.67	4,137.68	N/A	N/A	0.06	25.22	23.07
	Sept. 2018	57,600.49	2,200.34	N/A	N/A	0.07	35.74	26.18
	Sept. 2017	131,635.09	5,035.33	N/A	N/A	0.11	89.35	26.14
O	Mar. 2022	2,101.79	169.56	0.05	0.05	0.09	8.43	12.40
	Sept. 2021	1,923.38	154.97	0.05	0.05	0.08	32.76	12.41
	Sept. 2020	1,194.04	136.26	0.06	0.06	0.07	16.53	8.76
	Sept. 2019	1.00	0.11	0.06	0.06	0.06	25.22	9.24
	Sept. 2018	1.02	0.10	0.06	0.06	0.07	35.74	10.23
P	Mar. 2022	83,647.85	6,426.79	2.32	2.32	0.09	8.43	13.02
	Sept. 2021	78,488.70	6,086.94	2.32	2.32	0.08	32.76	12.89
	Sept. 2020	54,097.13	5,886.04	2.38	2.38	0.07	16.53	9.19
	Sept. 2019	62,012.67	6,249.67	2.46	2.46	0.06	25.22	9.92
PF	Mar. 2022	41,003.43	3,072.45	1.21	1.21	0.09	8.43	13.35
	Sept. 2021	32,495.44	2,451.59	1.20	1.20	0.08	32.76	13.25
	Sept. 2020	19,930.84	2,119.79	1.22	1.22	0.07	16.53	9.40
	Sept. 2019	22,257.67	2,207.14	1.26	1.26	0.06	25.22	10.08

(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	2.10	55.52	44.48
Series F	1.10	100.00	N/A
Series P	1.85	45.94	54.06
Series PF	0.85	100.00	N/A

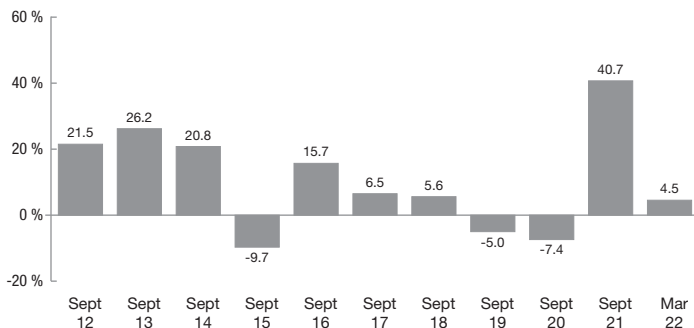
Past Performance

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.

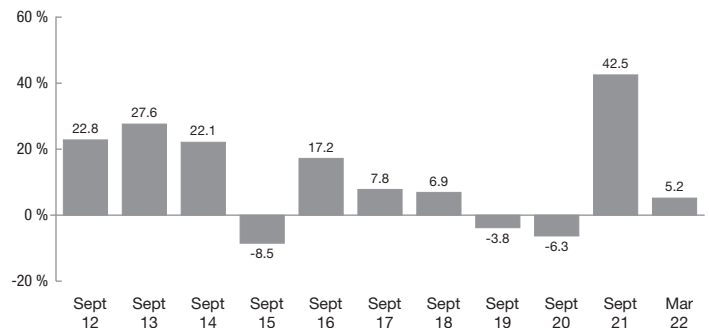
Year-by-Year Returns

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 with the exception of 2022, which shows the six-month return for the period ended March 31, 2022. 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.

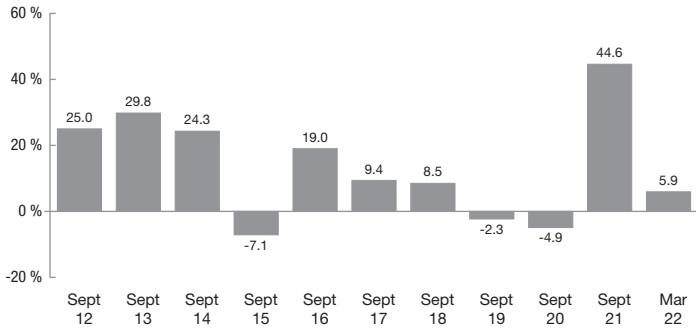
Series A



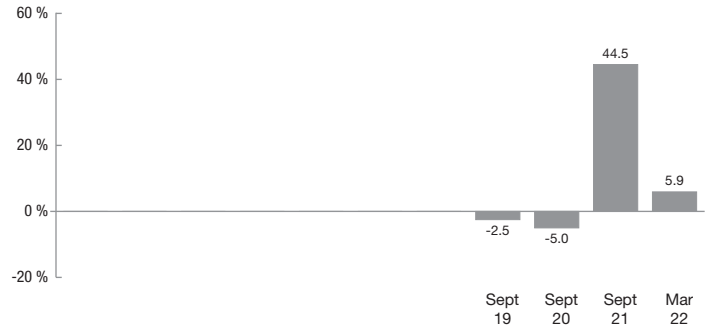
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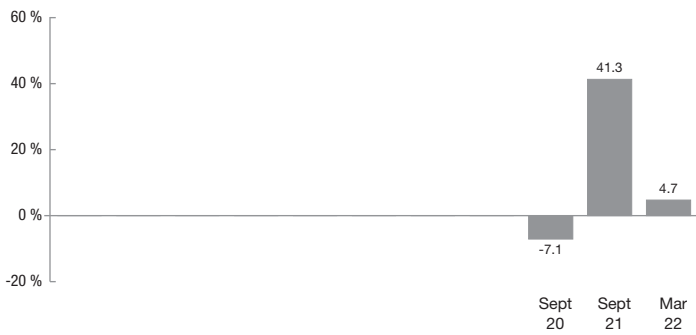
Series I



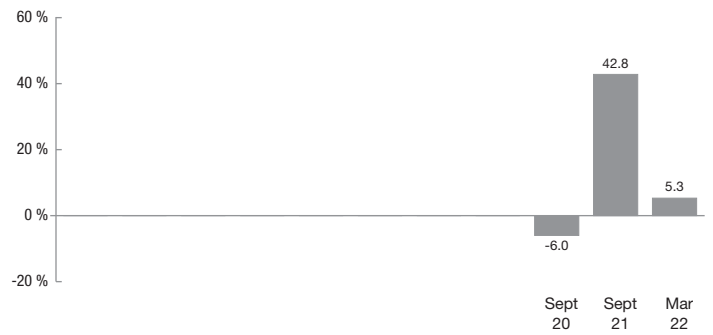
Series O



Series P



Series PF



Summary of Investment Portfolio as at March 31, 2022

Total Net Asset Value: \$625,452,198

Top Holdings		%
1	Canadian Western Bank	5.5
2	iA Financial Group	5.3
3	AltaGas	4.8
4	Stella-Jones	4.7
5	Winpak	4.7
6	E-L Financial	4.3
7	Parkland	4.2
8	Mullen Group	3.6
9	Freehold Royalties	3.4
10	Major Drilling Group International	3.1
11	Guardian Capital Group, Class A	3.0
12	Pason Systems	2.9
13	Secure Energy Services	2.8
14	Melcor Developments	2.8
15	Information Services, Class A	2.7
16	Winmark	2.6
17	Aritzia	2.5
18	Lassonde Industries, Class A	2.5
19	Evertz Technologies	2.5
20	Leon's Furniture	2.1
21	Transcontinental, Class A	2.1
22	Cogeco	1.9
23	GDI Integrated Facility Services	1.9
24	Cash and Equivalents	1.9
25	Knight Therapeutics	1.8
	Total	79.6

Net Asset Value Mix		%
Equity	96.8	
Cash and Equivalents	1.9	
Unit Trust	1.3	
Total	100.0	

Sector Allocation		%
Financials	19.5	
Energy	15.1	
Materials	14.6	
Industrials	12.8	
Consumer Discretionary	10.0	
Real Estate	6.9	
Utilities	6.2	
Health Care	4.1	
Consumer Staples	3.9	
Information Technology	3.1	
Communication Services	1.9	
Cash and Equivalents	1.9	
Total	100.0	

Geographic Distribution		%
Canada	94.0	
Other Countries	4.1	
Cash and Equivalents	1.9	
Total	100.0	

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

"Other Countries" geographic category includes all countries individually representing less than 5% of the Portfolio's net asset value.

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