



## 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](http://www.neiinvestments.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

## Management Discussion of Performance

### Results of Operations

The NEI Canadian Dividend Fund's Series A units returned 10.2% for the six months ended March 31, 2022 compared with a return of 8.6% 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 blended benchmark is composed of 80% S&P/TSX Composite TR Index and 20% MSCI World NR Index (C\$).

The Fund's net asset value increased by 4.04% during the period, from \$155,417,490 as at September 30, 2021 to \$161,690,018 as at March 31, 2022. This change in net assets is attributed to net unitholder activity of -\$9,842,663 and \$16,115,191 to investment operations, including market appreciation (depreciation), income and expenses.

### Factors That Have Affected Performance

During the period under review, the Fund posted a strong positive return.

The minimal exposure to the Information Technology segment was a material positive contributor as the sector posted a sharp decline. The sector does not generally meet the Fund's multiple criteria of attractive valuations, quality, and dividends.

The overweight in Communication Services added to the returns with holdings Activision Blizzard, BCE, Rogers, and Telus posting strong returns.

The higher exposure to the Consumer Staples holdings including Empire, Kroger, Metro and North West proved beneficial during these volatile times with the market orienting towards these more defensive high quality businesses. In addition, their attractive valuations combined with quarterly results that came ahead of expectations were catalysts to the appreciation in their share prices.

Having a lower exposure to both Energy and Materials detracted from the performance despite the holdings posting very strong returns. Within the Energy sector Arc Resources, Enbridge, Pembina Pipeline, and Suncor Energy benefited from much higher oil and gas prices during the period. Shares in Materials holding Nutrien rallied given the constructive industry demand and supply fundamentals, specifically the recent removal of key potash suppliers in both Belarus and Russia. However, not owning any of the gold and metals mining companies led to some underperformance as they rallied on the market uncertainties outlined. It should be noted that these companies do not meet the Fund's requirements of providing a sustainable dividend yield, quality, and undervaluation.

Strong stock selection in numerous holdings including Centene, CN Rail, Dollar Tree, and Pfizer added to the performance partly on better than expected financial results.

## Recent Developments

The expected market environment has been volatile with several developments taking place including geopolitical issues in the Ukraine with Russia, global supply chain issues, persistently higher inflation, central bank tightening, and the ongoing threat of the virus and related variants. Given these concerns, the Fund remains conservatively positioned with quality companies at attractive prices, which the portfolio sub-advisor believes will protect capital and provide sustainable returns over the investment horizon. They continue to stick to their strict discipline and investment process by trimming and selling holdings that approach target prices, while selectively adding to a limited number of high quality holdings with stable business characteristics. They expect to continue taking advantage of market conditions to position the Fund to meet multiple criteria of quality, stability, dividends and discount valuations. While heightened market volatility will likely persist, the Fund offers an attractive potential for gains over their investment time horizon along with a compelling and sustainable dividend yield.

The Portfolio Sub-Advisor opportunistically purchased and sold several positions as a result of market and valuation opportunities.

A position was established in dairy processor Saputo Inc. While the shares have been impacted by temporary factors such as higher input costs and difficulty sourcing labour, a normalization of these factors should lead to higher earnings in the future.

New position Primaris REIT is a spinout comprised of secondary shopping centres from H&R REIT and the Hospitals of Ontario Pension Plan. While earnings in the short term may be impacted by COVID and the related variants, the shares are trading at an attractive valuation and discount to its net asset value.

The position in Energy producer Canadian Natural Resources was eliminated as the shares had appreciated considerably last year.

The holding in Sun Life was sold in favour of establishing a position in Manulife, which offered a much better risk/reward profile. Shares in Manulife are trading at an attractive valuation with a compelling dividend yield. The company also has excess capital which can be allocated towards share buy backs and further dividend increases.

The position in Cominar, a leading Quebec based REIT, was sold after the shares appreciated after receiving a bid from a consortium of investors.

On the foreign side, a new position was initiated in Activision based on its attractive valuation and favourable long-term industry trends. Early in the year the shares appreciated considerably after Microsoft made a bid to purchase the company. The transaction is subject to regulatory and anti-trust reviews which they expect to conclude later this year or early the following year. The positions in AMS, Bridgestone, and Royal Dutch Shell were eliminated due to their valuations reaching their target prices.

## 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	1,960	454

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

Series	Period	Net Assets, Beginning of Period	Increase (Decrease) from Operations					Distributions					Net Assets, End of Period	
			Total Revenue	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total Increase (Decrease) from Operations <sup>(2)</sup>	From Income (Excluding Dividends)	From Dividends	From Underlying Funds	From Capital Gains	Return of Capital		Total Distributions <sup>(3)(4)</sup>
A	Mar. 2022	14.50	0.24	-0.18	0.60	0.81	1.47	0.00	0.07	0.00	0.00	0.34	0.41	15.54
	Sept. 2021	11.61	0.42	-0.32	0.81	2.89	3.80	0.00	0.10	0.00	0.00	0.67	0.77	14.50
	Sept. 2020	14.37	0.51	-0.30	-0.97	-1.23	-1.99	0.00	0.21	0.00	0.26	0.38	0.85	11.61
	Sept. 2019	14.67	0.56	-0.33	0.34	-0.26	0.31	0.00	0.23	0.00	0.20	0.39	0.82	14.37
	Sept. 2018	16.50	0.53	-0.35	0.26	0.18	0.62	0.00	0.17	0.00	2.02	0.22	2.41	14.67
	Sept. 2017	15.88	0.53	-0.41	2.34	-1.67	0.79	0.00	0.18	0.00	0.00	0.00	0.18	16.50
F	Mar. 2022	16.93	0.29	-0.11	0.70	0.94	1.82	0.00	0.18	0.00	0.00	0.30	0.48	18.26
	Sept. 2021	13.40	0.48	-0.18	0.92	3.75	4.97	0.00	0.30	0.00	0.00	0.60	0.90	16.93
	Sept. 2020	16.39	0.59	-0.17	-1.10	-1.10	-1.78	0.00	0.42	0.00	0.28	0.27	0.97	13.40
	Sept. 2019	16.54	0.64	-0.19	0.38	-0.71	0.12	0.00	0.45	0.00	0.27	0.20	0.92	16.39
	Sept. 2018	18.43	0.60	-0.20	0.29	0.22	0.91	0.00	0.45	0.00	2.10	0.19	2.74	16.54
	Sept. 2017	18.03	0.60	-0.24	2.63	-1.76	1.23	0.00	0.35	0.00	0.00	0.37	0.72	18.43
I	Mar. 2022	18.21	0.31	-0.01	0.76	1.03	2.09	0.00	0.22	0.00	0.00	0.00	0.22	20.05
	Sept. 2021	13.93	0.49	-0.02	0.96	4.66	6.09	0.00	0.57	0.00	0.00	0.00	0.57	18.21
	Sept. 2020	16.70	0.60	-0.02	-1.13	-1.84	-2.39	0.00	0.59	0.00	0.29	0.00	0.88	13.93
	Sept. 2019	16.53	0.64	-0.02	0.39	0.01	1.02	0.00	0.57	0.00	0.21	0.00	0.78	16.70
	Sept. 2018	18.34	0.59	-0.02	0.29	0.08	0.94	0.01	0.56	0.00	2.26	0.00	2.83	16.53
	Sept. 2017	17.66	0.62	-0.03	2.61	-2.06	1.14	0.00	0.64	0.00	0.00	0.00	0.64	18.34
O	Mar. 2022	11.16	0.19	-0.01	0.47	0.60	1.25	0.00	0.17	0.00	0.00	0.00	0.17	12.26
	Sept. 2021	8.50	0.31	-0.02	0.61	2.04	2.94	0.00	0.29	0.00	0.00	0.00	0.29	11.16
	Sept. 2020	10.16	0.36	-0.02	-0.69	-0.78	-1.13	0.00	0.34	0.00	0.18	0.00	0.52	8.50
	Sept. 2019	10.06	0.39	-0.02	0.24	-0.02	0.59	0.00	0.34	0.00	0.13	0.00	0.47	10.16
	Sept. 2018	10.00	0.09	-0.01	0.17	-0.12	0.13	0.00	0.07	0.00	0.00	0.00	0.07	10.06
	Sept. 2017	10.00	0.09	-0.01	0.17	-0.12	0.13	0.00	0.07	0.00	0.00	0.00	0.07	10.06
T <sup>(5)</sup>	Mar. 2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Sept. 2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Sept. 2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Sept. 2019	11.60	0.13	-0.08	0.11	-0.72	-0.56	0.00	0.18	0.00	0.00	0.00	0.18	0.00
	Sept. 2018	12.81	0.42	-0.28	0.21	0.10	0.45	0.00	0.14	0.00	0.00	1.52	1.66	11.60
	Sept. 2017	12.83	0.42	-0.32	1.85	-1.31	0.64	0.00	0.10	0.00	0.00	0.56	0.66	12.81
P	Mar. 2022	10.39	0.18	-0.12	0.43	0.56	1.05	0.00	0.06	0.00	0.00	0.24	0.30	11.14
	Sept. 2021	8.31	0.30	-0.21	0.58	1.93	2.60	0.00	0.09	0.00	0.00	0.47	0.56	10.39
	Sept. 2020	10.27	0.37	-0.20	-0.69	-1.03	-1.55	0.00	0.17	0.00	0.19	0.25	0.61	8.31
	Sept. 2019	10.00	0.34	-0.19	0.24	0.96	1.35	0.00	0.18	0.00	0.01	0.37	0.56	10.27
PF	Mar. 2022	10.80	0.18	-0.06	0.45	0.59	1.16	0.00	0.13	0.00	0.00	0.18	0.31	11.66
	Sept. 2021	8.54	0.31	-0.10	0.61	1.75	2.57	0.00	0.21	0.00	0.00	0.36	0.57	10.80
	Sept. 2020	10.42	0.37	-0.10	-0.70	-1.05	-1.48	0.00	0.29	0.00	0.19	0.14	0.62	8.54
	Sept. 2019	10.00	0.34	-0.09	0.25	0.98	1.48	0.00	0.27	0.00	0.01	0.22	0.50	10.42

(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.

(5) Effective January 18, 2019 Series T has been discontinued and all assets have been merged into Series A.

## Ratios and Supplemental Data

Series	Period	Total Net Asset Value (000's of \$)	Number of Units Outstanding (000's)	Management Expense Ratio (%) <sup>(1)</sup>	Management Expense Ratio before Waivers and Absorptions (%)	Trading Expense Ratio (%) <sup>(2)</sup>	Portfolio Turnover Rate (%) <sup>(3)</sup>	Net Asset Value per Unit (\$)
A	Mar. 2022	68,567.99	4,412.21	2.26	2.56	0.03	8.59	15.54
	Sept. 2021	67,590.55	4,662.49	2.23	2.56	0.05	18.27	14.50
	Sept. 2020	68,581.47	5,905.82	2.24	2.57	0.06	33.09	11.61
	Sept. 2019	104,705.44	7,288.64	2.23	2.56	0.04	26.90	14.37
	Sept. 2018	126,964.14	8,651.76	2.23	2.56	0.05	60.25	14.67
	Sept. 2017	120,043.32	7,275.30	2.35	2.60	0.14	92.21	16.50
F	Mar. 2022	6,600.01	361.51	1.10	1.35	0.03	8.59	18.26
	Sept. 2021	6,932.99	409.53	1.07	1.35	0.05	18.27	16.93
	Sept. 2020	12,796.35	954.68	1.08	1.36	0.06	33.09	13.40
	Sept. 2019	17,525.08	1,069.35	1.07	1.35	0.04	26.90	16.39
	Sept. 2018	26,911.51	1,627.07	1.07	1.35	0.05	60.25	16.54
	Sept. 2017	21,127.22	1,146.57	1.15	1.38	0.14	92.21	18.43
I	Mar. 2022	48,220.12	2,404.96	N/A	N/A	0.03	8.59	20.05
	Sept. 2021	47,584.10	2,613.63	N/A	N/A	0.05	18.27	18.21
	Sept. 2020	132,638.16	9,520.47	N/A	N/A	0.06	33.09	13.93
	Sept. 2019	211,409.40	12,657.50	N/A	N/A	0.04	26.90	16.70
	Sept. 2018	196,073.11	11,858.38	N/A	N/A	0.05	60.25	16.53
	Sept. 2017	193,906.33	10,572.77	N/A	N/A	0.14	92.21	18.34
O	Mar. 2022	1.43	0.12	0.05	0.05	0.03	8.59	12.26
	Sept. 2021	1.29	0.12	0.05	0.05	0.05	18.27	11.16
	Sept. 2020	0.95	0.11	0.05	0.05	0.06	33.09	8.50
	Sept. 2019	1.07	0.11	0.05	0.05	0.04	26.90	10.16
	Sept. 2018	1.01	0.10	0.05	0.05	0.05	60.25	10.06
T <sup>(4)</sup>	Mar. 2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Sept. 2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Sept. 2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Sept. 2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Sept. 2018	16,333.63	1,408.37	2.21	2.54	0.14	60.25	11.60
	Sept. 2017	21,793.13	1,701.77	2.32	2.56	0.14	92.21	12.81
P	Mar. 2022	24,962.41	2,239.99	2.05	2.15	0.03	8.59	11.14
	Sept. 2021	21,727.73	2,091.48	2.04	2.15	0.05	18.27	10.39
	Sept. 2020	17,604.88	2,117.78	2.09	2.20	0.06	33.09	8.31
	Sept. 2019	23,095.52	2,248.11	2.12	2.23	0.04	26.90	10.27
PF	Mar. 2022	13,338.05	1,144.21	0.90	1.00	0.03	8.59	11.66
	Sept. 2021	11,580.83	1,072.19	0.89	1.00	0.05	18.27	10.80
	Sept. 2020	5,815.01	681.17	0.91	1.02	0.06	33.09	8.54
	Sept. 2019	8,354.98	801.64	0.92	1.03	0.04	26.90	10.42

(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.

(4) Effective January 18, 2019 Series T has been discontinued and all assets have been merged into Series A.

## 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	56.00	44.00
Series F	0.90	100.00	N/A
Series P	1.65	40.36	59.64
Series PF	0.65	100.00	N/A

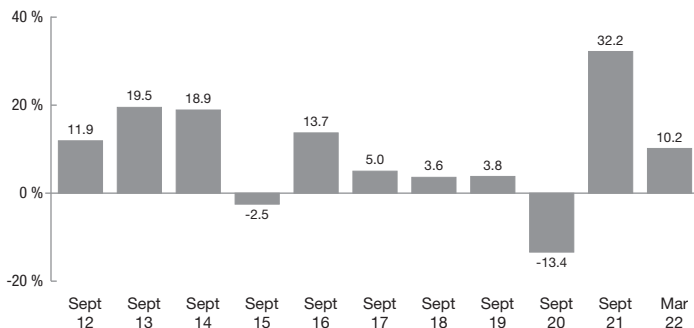
## Past Performance

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.

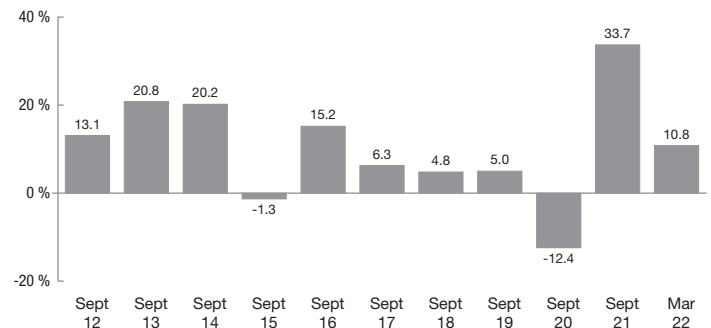
### Year-by-Year Returns

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 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.

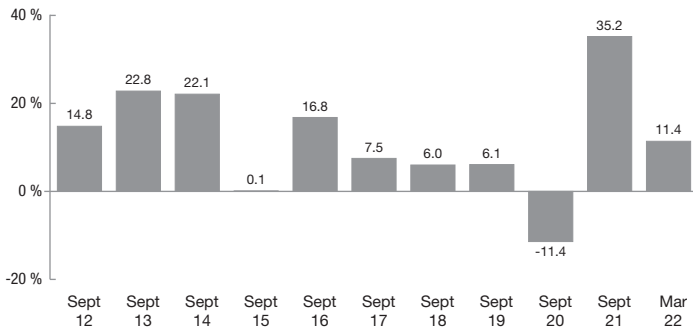
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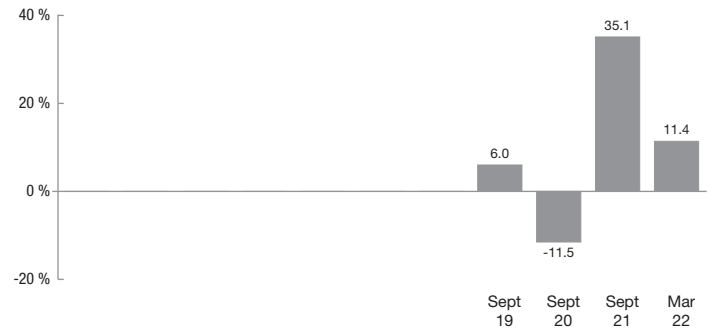
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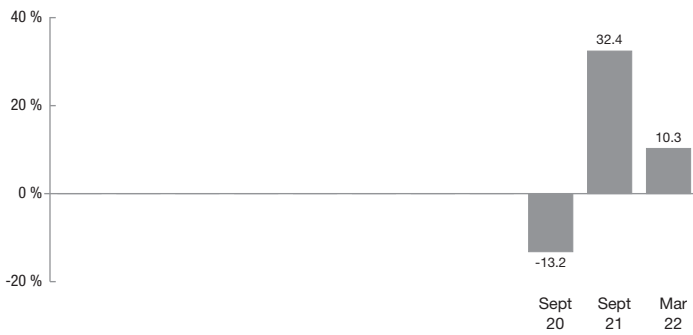
**Series I**



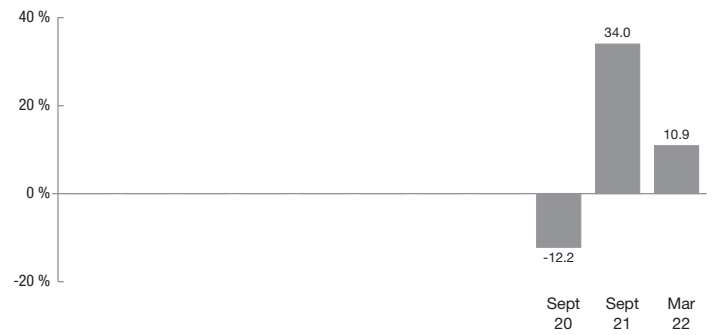
**Series O**



**Series P**



**Series PF**



## Summary of Investment Portfolio as at March 31, 2022

Total Net Asset Value: \$161,690,018

Top Holdings		%
1	Toronto-Dominion Bank	5.3
2	Cash and Equivalents	4.9
3	Royal Bank of Canada	4.7
4	Power Corporation of Canada	3.4
5	Hydro One	3.4
6	Rogers Communications, Class B	3.0
7	Canadian Imperial Bank of Commerce	3.0
8	Nutrien	2.8
9	BCE	2.8
10	Scotiabank	2.7
11	Alimentation Couche-Tard	2.6
12	Metro	2.6
13	Empire Company, Class A	2.6
14	Pembina Pipeline	2.4
15	Quebecor, Class B	2.3
16	Canadian Tire Corporation, Class A	2.3
17	Shaw Communications, Class B	2.3
18	Intact Financial Corporation	2.2
19	Magna International, Class A	2.1
20	Brookfield Asset Management, Class A	2.1
21	Allied Properties Real Estate Investment Trust	2.1
22	Enbridge	2.0
23	TELUS	2.0
24	Saputo Group	1.9
25	Suncor Energy	1.9
	Total	69.4

Net Asset Value Mix		%
Equity		88.2
Unit Trust		6.9
Cash and Equivalents		4.9
Total		100.0

Sector Allocation		%
Financials		30.2
Communication Services		14.9
Consumer Staples		13.6
Energy		7.8
Consumer Discretionary		6.1
Real Estate		5.4
Cash and Equivalents		4.9
Utilities		4.7
Health Care		4.0
Information Technology		3.0
Materials		2.8
Industrials		2.6
Total		100.0

Geographic Distribution		%
Canada		77.4
United States		12.6
Other Countries		5.1
Cash and Equivalents		4.9
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.