



NEI ETHICAL FUNDS TURNS UP THE HEAT ON EXCESSIVE EXECUTIVE PAY WITH 2013 CORPORATE ENGAGEMENT FOCUS LIST

NEI Ethical Funds to target 47 companies for dialogue on environmental, social and governance issues

[Toronto, October 25, 2012] – NEI Ethical Funds has released its 2013 Corporate Engagement Focus List, outlining plans to engage in intensive dialogue with 47 companies worldwide over the coming year on sustainability and corporate governance risks and opportunities – including the challenges of excessive pay and income polarization.

On behalf of the NEI Ethical Funds family of socially responsible mutual funds, the ESG Services team at NEI Investments will focus engagement on the following key themes: reasonable executive compensation based on pay for sustainable performance; water and forest risk management; and environmental and social responsibility in the extractive industries.

The Focus List, which targets at least 25% of Ethical Funds assets annually, is the centrepiece of a comprehensive corporate engagement program. “We use the ownership rights that come with shareholder status to influence companies,” said Robert Walker, Vice President of ESG Services and NEI Ethical Funds. “The Focus List is the heart of our effort to create positive change.” The corporate engagement program also incorporates proxy voting based on sustainability guidelines, and public policy engagement to advance sustainability sector-and economy-wide.

In a recent white paper titled *Crisis, What Crisis?*, NEI Ethical Funds highlighted the risks of an approach to executive compensation focused solely on shareholder value maximization – an approach which has contributed to the global financial crisis by encouraging excessive risk-taking. It called for a repositioning towards a stakeholder theory of the firm - the idea that the corporation should provide a positive return to all company stakeholders, including customers, employees, communities and investors. Based on this analysis, NEI Ethical Funds will continue encouraging companies to include strategic sustainability objectives alongside financial metrics in compensation frameworks – and will also challenge the vast and increasing gap between the pay of top executives and other workers.

NEI Ethical Funds publishes quarterly and annual updates on the progress of the corporate engagement program. “It’s not enough just to say that we will be engaging on our investors behalf: we believe in transparency about who we are engaging, what we are discussing, and what the results have been,” said Walker. The NEI Ethical Funds Corporate Engagement Focus List 2013 is available on the NEI website at: <http://www.ethicalfunds.com/Pages/focuslist2.aspx>

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ABOUT NEI INVESTMENTS

NEI Investments is a national investment firm with approximately \$5 billion in assets under management. It offers Canadian retail investors unique access to top independent money managers through high quality investment solutions in two fund families, NEI Northwest Funds and NEI Ethical Funds. Its products provide investors with a full range of investment management styles as well as conventional and socially responsible investment choices.

NEI Investments is owned 50% by the Provincial Credit Union Centrals and 50% by Desjardins Group, united in their focus to strengthen and serve the cooperative financial movement across Canada. This backing of experience and resources allows NEI Investments to actively support business growth in these networks as well as independent advisor channels.

NEI Investments has offices in Toronto, Vancouver and Montreal.

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