

NEI

NEI Funds

**SEMI-ANNUAL
FINANCIAL
STATEMENTS**

March 31, 2023

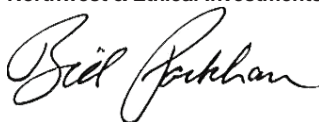
NEI Global Total Return Bond Fund

STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

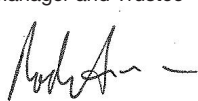
As at

	March 31 2023 \$	September 30 2022 \$
ASSETS		
Current Assets		
Cash	85,955,438	169,375,798
Margin deposited on derivatives	9,971,208	12,247,805
Investments at fair value through profit or loss (FVTPL)	889,571,335	1,058,130,638
Options at fair value—long positions	89,170	9,020,707
Unrealized appreciation on derivatives	17,381,494	20,821,611
Receivable on futures contracts	1,928,988	17,280,074
Subscriptions receivable	315,433	946,875
Receivable for investments sold	13,760,062	-
Interest, dividends and other receivables	7,885,687	6,139,173
	<u>1,026,858,815</u>	<u>1,293,962,681</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	54,872	72,050
Options at fair value—short positions	25,802	1,176,257
Unrealized depreciation on derivatives	13,251,528	45,328,829
Payable on futures contracts	10,955,681	14,797,240
Redemptions payable	554,384	1,875,027
Payable for investments purchased	14,571,191	268,418
	<u>39,413,458</u>	<u>63,517,821</u>
Net Assets Attributable to Holders of Redeemable Units	<u>987,445,357</u>	1,230,444,860
Data per Series (Note b)		
Series A		
Net assets attributable to holders of redeemable units	<u>31,729,670</u>	32,921,013
- per unit	<u>8.32</u>	8.82
Series F		
Net assets attributable to holders of redeemable units	<u>37,616,696</u>	39,904,700
- per unit	<u>8.72</u>	9.32
Series I		
Net assets attributable to holders of redeemable units	<u>834,950,435</u>	1,008,550,696
- per unit	<u>9.57</u>	9.45
Series O		
Net assets attributable to holders of redeemable units	<u>1,340,394</u>	4,285,385
- per unit	<u>9.00</u>	9.68
Series P		
Net assets attributable to holders of redeemable units	<u>15,139,854</u>	13,563,492
- per unit	<u>8.09</u>	8.59
Series PF		
Net assets attributable to holders of redeemable units	<u>66,668,308</u>	131,219,574
- per unit	<u>8.30</u>	8.90

Approved on behalf of the Board of Directors of
Northwest & Ethical Investments Inc.,
 acting as general partner of
Northwest & Ethical Investments L.P. as Manager and Trustee



William Packham,
 President and Chief Executive Officer



Rodney Ancrum,
 SVP, Chief Financial Officer and Chief Administrative Officer

The accompanying Notes are an integral part of these financial statements.

NEI Global Total Return Bond Fund

STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

Six-month Periods Ended March 31

	2023	2022
	\$	\$
Income		
Interest for distribution purposes	15,792,703	19,123,453
Net income (loss) from derivatives	(72,284,971)	100,280,421
Foreign exchange gain (loss) on cash	19,718,455	(8,456,775)
Net realized gain (loss) on investments	(28,140,112)	(41,345,373)
Changes in fair value:		
Net unrealized gain (loss) on investments	74,080,050	(100,119,703)
Net unrealized gain (loss) on derivatives	20,856,101	23,060,086
	<u>30,022,226</u>	<u>(7,457,891)</u>
Expenses (Note 5)		
Management fees	664,439	888,254
Independent review committee's fees	10,125	12,242
Administration fees	196,960	270,739
Sales taxes	99,532	131,819
	<u>971,056</u>	<u>1,303,054</u>
Commissions and other portfolio transaction costs	92,063	315,069
	<u>1,063,119</u>	<u>1,618,123</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>28,959,107</u>	<u>(9,076,014)</u>
Data per Series		
Series A		
Increase (decrease) in net assets attributable to holders of redeemable units	694,758	(674,352)
- per unit	0.18	(0.16)
Weighted average units	<u>3,799,628</u>	<u>4,160,178</u>
Series F		
Increase (decrease) in net assets attributable to holders of redeemable units	993,017	(660,823)
- per unit	0.23	(0.13)
Weighted average units	<u>4,262,800</u>	<u>4,939,713</u>
Series I		
Increase (decrease) in net assets attributable to holders of redeemable units	24,064,794	(6,137,588)
- per unit	0.27	(0.06)
Weighted average units	<u>89,267,980</u>	<u>97,485,361</u>
Series O		
Increase (decrease) in net assets attributable to holders of redeemable units	100,091	(32,091)
- per unit	0.39	(0.10)
Weighted average units	<u>259,339</u>	<u>317,961</u>
Series P		
Increase (decrease) in net assets attributable to holders of redeemable units	288,041	(277,314)
- per unit	0.17	(0.15)
Weighted average units	<u>1,694,764</u>	<u>1,804,574</u>
Series PF		
Increase (decrease) in net assets attributable to holders of redeemable units	2,818,406	(1,293,846)
- per unit	0.27	(0.09)
Weighted average units	<u>10,405,425</u>	<u>13,997,732</u>

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NEI Global Total Return Bond Fund

STATEMENTS OF CHANGES IN FINANCIAL POSITION (UNAUDITED)

Six-month Periods Ended March 31

	Series A		Series F		Series I	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Net Assets Attributable to Holders of Redeemable Units, Beginning of Period	32,921,013	44,462,460	39,904,700	56,306,857	1,008,550,696	1,085,075,046
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	694,758	(674,352)	993,017	(660,823)	24,064,794	(6,137,588)
Redeemable Unit Transactions						
Proceeds from sale of redeemable units	3,305,887	2,924,008	7,921,989	8,982,751	72,990,363	66,156,923
Reinvested distributions	2,279,034	1,149,011	2,194,346	1,368,908	13,442,056	47,930,757
Amounts paid for redeemable units redeemed	(4,926,939)	(10,153,110)	(9,973,571)	(19,379,360)	(270,647,755)	(27,169,621)
	657,982	(6,080,091)	142,764	(9,027,701)	(184,215,336)	86,918,059
Distributions to Holders of Redeemable Units						
Net investment income	(2,221,283)	(1,286,186)	(3,048,989)	(2,095,528)	(13,449,719)	(47,955,372)
Return of capital	(322,800)	-	(374,796)	-	-	-
	(2,544,083)	(1,286,186)	(3,423,785)	(2,095,528)	(13,449,719)	(47,955,372)
Net Assets Attributable to Holders of Redeemable Units, End of Period	31,729,670	36,421,831	37,616,696	44,522,805	834,950,435	1,117,900,145

Six-month Periods Ended March 31

	Series O		Series P		Series PF	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Net Assets Attributable to Holders of Redeemable Units, Beginning of Period	4,285,385	2,890,886	13,563,492	18,467,911	131,219,574	137,963,097
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	100,091	(32,091)	288,041	(277,314)	2,818,406	(1,293,846)
Redeemable Unit Transactions						
Proceeds from sale of redeemable units	400,461	599,999	3,732,769	1,645,201	20,151,846	19,713,165
Reinvested distributions	288,546	161,714	1,064,824	548,220	5,208,873	4,039,240
Amounts paid for redeemable units redeemed	(3,445,543)	(353,012)	(2,406,460)	(4,325,862)	(85,925,325)	(17,376,220)
	(2,756,536)	408,701	2,391,133	(2,132,441)	(60,564,606)	6,376,185
Distributions to Holders of Redeemable Units						
Net investment income	(288,546)	(161,714)	(955,372)	(574,264)	(6,124,802)	(5,344,099)
Return of capital	-	-	(147,440)	-	(680,264)	-
	(288,546)	(161,714)	(1,102,812)	(574,264)	(6,805,066)	(5,344,099)
Net Assets Attributable to Holders of Redeemable Units, End of Period	1,340,394	3,105,782	15,139,854	15,483,892	66,668,308	137,701,337

The accompanying Notes are an integral part of these financial statements.

NEI Global Total Return Bond Fund

STATEMENTS OF CASH FLOWS (UNAUDITED)

Six-month Periods Ended March 31

	2023	2022
	\$	\$
Cash Flows from (used in) Operating Activities		
Increase (decrease) in Net Assets Attributable to Holders of Redeemable Units	28,959,107	(9,076,014)
Adjustments for:		
Foreign exchange (gain) loss on cash	(19,718,455)	8,456,775
Net realized (gain) loss on investments and derivatives	28,140,112	41,345,373
Net unrealized (gain) loss on investments and derivatives	(94,936,151)	77,059,617
Change in margin deposited / overdraft on derivatives	2,276,597	(1,187,875)
Proceeds from sale/maturity of investments	478,693,116	784,105,820
Investments purchased	(260,538,611)	(851,653,290)
Receivable on futures contracts	15,351,086	(18,387,845)
Receivable for investments sold	(13,760,062)	(14,501,085)
Interest, dividends and other receivables	(1,746,514)	(18,311,290)
Accrued expenses	(17,178)	(16,607)
Payable on futures contracts	(3,841,559)	4,702,547
Payable for investments purchased	14,302,773	(6,346,596)
Net Cash Flows from (used in) Operating Activities	173,164,261	(3,810,470)
Cash Flows from (used in) Financing Activities		
Proceeds from sale of redeemable units	109,134,757	99,951,145
Amounts paid for redeemable units redeemed	(378,646,236)	(78,726,136)
Distributions paid to holders of redeemable units, net of reinvested distributions	(3,136,332)	(2,219,313)
Net Cash Flows from (used in) Financing Activities	(272,647,811)	19,005,696
Effect of exchange rate changes on foreign cash	16,063,190	(8,086,351)
Increase (decrease) in cash/bank overdraft	(83,420,360)	7,108,875
Cash (bank overdraft), beginning of period	169,375,798	93,711,865
Cash (Bank Overdraft), End of Period	85,955,438	100,820,740
Supplemental Information on Cash Flows from (used in) Operating Activities		
Interest received	13,083,739	16,436,545
Interest paid	40,506	30,524

The accompanying Notes are an integral part of these financial statements.

NEI Global Total Return Bond Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2023 (UNAUDITED)

		PAR VALUE	COST \$	FAIR VALUE \$		PAR VALUE	COST \$	FAIR VALUE \$
Bonds (89.6%)								
Canadian Bonds (5.5%)								
Government of Canada (2.4%)								
Canada Housing Trust								
Series 90, 1.800%, 2024-12-15	CAD	10,000,000	9,721,800	9,648,834				
Series 88, 2.100%, 2029-09-15	CAD	15,000,000	14,211,810	13,983,226				
			23,933,610	23,632,060				
Provincial Governments and Crown Corporations (2.3%)								
Province of Ontario								
2.650%, 2025-02-05	CAD	10,000,000	9,888,500	9,773,169				
3.100%, 2027-05-19	USD	10,000,000	13,031,500	13,084,142				
			22,920,000	22,857,311				
Corporations (0.8%)								
Enbridge								
2.500%, 2033-08-01	USD	7,000,000	8,329,482	7,624,879				
Total Canadian Bonds								
			55,183,092	54,114,250				
U.S. Bonds (20.3%)								
Government (11.6%)								
U.S. Treasury Bonds								
3.875%, 2027-12-31	USD	25,000,000	33,775,090	34,146,492				
3.500%, 2028-01-31	USD	35,000,000	46,450,041	47,054,912				
Inflation-Indexed, 0.125%, 2032-01-15	USD	11,332,125	14,058,403	14,005,185				
3.375%, 2042-08-15	USD	12,500,000	15,740,689	15,912,223				
Inflation-Indexed, 0.125%, 2051-02-15	USD	3,906,940	4,253,980	3,651,701				
			114,278,203	114,770,513				
Corporations (8.7%)								
Amgen								
4.875%, 2053-03-01	USD	1,950,000	2,516,314	2,473,768				
AT&T								
4.350%, 2029-03-01	USD	5,000,000	6,594,146	6,610,930				
Citigroup								
4.450%, 2027-09-29	USD	2,000,000	2,553,802	2,614,288				
3.668%, floating rate from 2027-07-24, 2028-07-24	USD	5,000,000	6,197,312	6,398,069				
Dell International / EMC								
5.450%, 2023-06-15	USD	2,427,000	3,259,899	3,281,173				
5.300%, 2029-10-01	USD	3,000,000	4,002,810	4,077,651				
Private Placement, Series 144A,								
3.450%, 2051-12-15	USD	9,260,000	11,812,314	8,206,764				
General Motors								
5.400%, 2029-10-15	USD	2,000,000	2,642,450	2,690,269				
JPMorgan Chase & Co.								
3.960%, floating rate from 2026-01-29, 2027-01-29	USD	5,000,000	6,676,750	6,581,062				
2.182%, floating rate from 2027-06-01, 2028-06-01	USD	4,200,000	5,848,080	5,086,305				
Stellantis								
4.375%, 2030-03-14	EUR	2,000,000	2,898,562	2,962,460				
Stellantis Finance US, Private Placement								
Series 144A, 2.691%, 2031-09-15	USD	7,000,000	7,125,803	7,668,965				
Valero Energy								
4.350%, 2028-06-01	USD	4,782,000	6,493,608	6,348,609				
Verizon Communications								
1.250%, 2030-04-08	EUR	3,000,000	4,452,085	3,736,896				
1.680%, 2030-10-30	USD	9,092,000	12,089,632	9,871,312				
2.850%, 2041-09-03	USD	3,550,000	4,470,675	3,502,652				
U.S. Bonds (continued)								
VF								
2.800%, 2027-04-23	USD	2,700,000	3,823,130	3,373,510				
			93,457,372	85,484,683				
Total U.S. Bonds								
			207,735,575	200,255,196				
Foreign Bonds (61.1%)								
Australia (0.4%)								
State Governments and Crown Corporations								
New South Wales Treasury Bonds								
1.500%, 2032-02-20	AUD	700,000	668,963	514,674				
Western Australian Treasury Bonds								
Series 27, 3.000%, 2027-10-21	AUD	4,000,000	3,862,765	3,548,157				
Total Australia								
			4,531,728	4,062,831				
Austria (0.6%)								
Corporations								
BAWAG Group								
2.375%, floating rate from 2024-03-26, 2029-03-26	EUR	1,300,000	1,963,598	1,790,543				
OMV								
2.500%, floating rate from 2026-09-01, Perpetual	EUR	1,500,000	2,339,446	1,943,507				
2.875%, floating rate from 2029-09-01, Perpetual	EUR	1,700,000	2,651,372	2,044,443				
Total Austria								
			6,954,416	5,778,493				
Bahrain (1.3%)								
Government								
Kingdom of Bahrain								
6.750%, 2029-09-20	USD	4,600,000	6,343,722	6,171,579				
5.250%, 2033-01-25	USD	6,000,000	7,577,239	7,065,534				
Total Bahrain								
			13,920,961	13,237,113				
Belgium (1.1%)								
Government								
Kingdom of Belgium								
Series 88, 1.700%, 2050-06-22	EUR	10,000,000	13,100,877	10,510,885				
Brazil (2.1%)								
Government (1.9%)								
Federative Republic of Brazil								
10.000%, 2027-01-01	BRL	73,470,000	16,972,678	18,883,918				
Corporations (0.2%)								
Itaú Unibanco Holding								
4.625%, 2049-12-31	USD	1,600,000	2,116,480	1,606,014				
Total Brazil								
			19,089,158	20,489,932				
Chile (0.1%)								
State Governments and Crown Corporations								
Codelco								
5.125%, 2033-02-02	USD	600,000	802,782	818,368				

The accompanying Notes are an integral part of these financial statements.

NEI Global Total Return Bond Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2023 (UNAUDITED) (continued)

		PAR VALUE	COST \$	FAIR VALUE \$		PAR VALUE	COST \$	FAIR VALUE \$	
Denmark (0.2%)					TotalEnergies				
State Governments and Crown Corporations					2.000%, floating rate from				
Orsted									
2.250%, 2028-06-14	EUR	1,800,000	2,404,418	2,490,663		500,000	570,858	636,425	
							56,042,840	50,179,937	
					Total France				
					Germany (2.6%)				
					Government (2.3%)				
					Federal Republic of Germany				
					Inflation-Indexed, 0.100%,				
					2033-04-15				
					2.500%, 2046-08-15				
					EUR	9,070,938	13,425,410	13,578,670	
					EUR	6,000,000	16,103,254	8,916,664	
							29,528,664	22,495,334	
					Corporations (0.3%)				
					Allianz				
					3.200%, floating rate from				
					2028-04-30, Perpetual				
					USD	3,000,000	3,520,593	2,863,288	
					Total Germany				
					Ireland (2.5%)				
					Corporations				
					Cloverie				
					5.625%, floating rate from				
					2026-06-24, 2046-06-24				
					USD	4,000,000	5,763,048	5,216,249	
					Hammerson Ireland Finance				
					1.750%, 2027-06-03				
					EUR	6,000,000	8,785,801	7,110,149	
					Trane Technologie Financing				
					5.250%, 2033-03-03				
					USD	1,550,000	2,083,103	2,157,397	
					Zurich Finance				
					3.000%, floating rate from				
					2031-04-19, 2051-04-19				
					USD	9,600,000	12,205,440	9,916,334	
					Total Ireland				
					Italy (10.1%)				
					Government (7.4%)				
					Buoni Poliennali del Tes				
					Series 3Y, 3.500%, 2026-01-15				
					EUR	15,000,000	21,975,631	22,063,449	
					Italy Treasury Bonds				
					0.250%, 2028-03-15				
					EUR	15,000,000	22,202,163	18,743,180	
					3.000%, 2029-08-01				
					EUR	7,500,000	13,266,138	10,583,438	
					3.450%, 2048-03-01				
					EUR	3,800,000	7,683,153	4,834,157	
					1.700%, 2051-09-01				
					EUR	19,100,000	28,320,329	16,550,937	
							93,447,414	72,775,161	
					State Governments and Crown Corporations (0.1%)				
					Autostrade per l'Italia				
					4.750%, 2031-01-24				
					EUR	600,000	865,674	870,631	
					Corporations (2.6%)				
					Enel Finance International				
					0.875%, 2036-06-17				
					EUR	2,000,000	2,892,932	1,922,188	
					ERG				
					0.875%, 2031-09-15				
					EUR	2,600,000	3,888,811	2,906,300	
					Intesa Sanpaolo				
					Private Placement, Series XR,				
					4.700%, 2049-09-23				
					USD	2,000,000	2,787,434	1,977,055	
					5.000%, floating rate from				
					2027-03-08, 2028-03-08				
					EUR	4,960,000	7,116,418	7,290,994	
					7.750%, floating rate from				
					2027-01-11, Perpetual				
					EUR	750,000	1,244,122	1,062,312	
					5.500%, floating rate from				
					2028-03-01, Perpetual				
					EUR	6,000,000	7,228,485	7,114,371	

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NEI Global Total Return Bond Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2023 (UNAUDITED) (continued)

		PAR VALUE	COST \$	FAIR VALUE \$		PAR VALUE	COST \$	FAIR VALUE \$
Italy (continued)								
UniCredit								
2.731%, floating rate from 2027-01-15, 2032-01-15	EUR	3,000,000	4,345,005	3,734,082				
			29,503,207	26,007,302				
Total Italy			123,816,295	99,653,094				
Japan (3.6%)								
Government (2.9%)								
Japan Government								
Series 66, 0.400%, 2050-03-20	JPY	1,400,000,000	16,925,014	11,584,597				
Series 70, 0.700%, 2051-03-20	JPY	1,860,000,000	20,280,532	16,549,646				
			37,205,546	28,134,243				
Corporations (0.7%)								
Nomura Holdings								
2.648%, 2025-01-16	USD	3,000,000	3,920,250	3,856,762				
1.653%, 2026-07-14	USD	2,800,000	3,489,780	3,311,553				
			7,410,030	7,168,315				
Total Japan			44,615,576	35,302,558				
Luxembourg (0.3%)								
Corporations								
Aroundtown								
5.375%, 2029-03-21	USD	2,750,000	4,156,251	2,768,105				
Mexico (6.2%)								
Government								
United Mexican States								
Series M 20, 7.500%, 2027-06-03	MXN	200,000,000	14,118,526	14,211,600				
4.500%, 2029-04-22	USD	8,000,000	10,700,287	10,543,538				
2.659%, 2031-05-24	USD	6,000,000	7,025,021	6,706,386				
Series M, 7.750%, 2031-05-29	MXN	260,000,000	16,820,099	18,292,950				
4.750%, 2032-04-27	USD	6,000,000	8,130,702	7,731,121				
4.875%, 2033-05-19	USD	3,000,000	3,843,970	3,887,009				
Total Mexico			60,638,605	61,372,604				
Netherlands (6.1%)								
Corporations								
ABN AMRO Bank								
4.375%, floating rate from 2025-09-22, Perpetual	EUR	2,600,000	3,925,335	3,184,643				
AT Securities								
5.250%, floating rate from 2023-07-21, Perpetual	USD	4,000,000	5,422,932	2,072,336				
Coöperatieve Rabobank								
4.655%, floating rate from 2027-08-22, 2028-08-22	USD	10,000,000	12,906,500	13,130,769				
4.375%, floating rate from 2027-06-29, Perpetual	EUR	3,200,000	4,909,064	4,040,054				
De Volksbank								
0.250%, 2026-06-22	EUR	2,700,000	3,967,580	3,503,180				
EDP Finance								
1.710%, 2028-01-24	USD	7,600,000	9,992,281	8,637,528				
1.875%, 2029-09-21	EUR	2,000,000	2,803,701	2,589,085				
Iberdrola International								
Series NC6, 1.450%, floating rate from 2027-02-09, Perpetual	EUR	3,500,000	4,967,170	4,357,403				
ING Groep								
3.000%, floating rate from 2023-04-11, 2028-04-11	EUR	4,000,000	6,136,724	5,857,204				
1.125%, floating rate from 2027-12-07, 2028-12-07	GBP	4,000,000	6,984,668	5,447,947				
Koninklijke Ahold Delhaize								
3.500%, 2028-04-04	EUR	860,000	1,266,295	1,257,093				
NIBC Bank								
0.875%, 2027-06-24	EUR	5,300,000	7,525,727	6,623,290				
Total Netherlands			70,807,977	60,700,532				
New Zealand (5.0%)								
Government								
New Zealand Government								
0.500%, 2024-05-15	NZD	30,000,000	26,436,302	24,174,934				
Series 0425, 2.750%, 2025-04-15	NZD	15,000,000	12,205,278	12,233,372				
1.750%, 2041-05-15	NZD	23,000,000	16,398,453	13,064,692				
Total New Zealand			55,040,033	49,472,998				
Oman (0.6%)								
Government								
Oman Government								
6.250%, 2031-01-25	USD	4,000,000	5,308,439	5,521,418				
Romania (0.3%)								
Government								
Romania Government								
4.625%, 2049-04-03	EUR	2,800,000	5,332,092	3,069,204				
South Africa (1.3%)								
Government								
Republic of South Africa								
Series 2035, 8.875%, 2035-02-28	ZAR	62,640,000	3,974,494	4,056,307				
Series R209, 6.250%, 2036-03-31	ZAR	173,900,000	8,290,943	8,813,898				
Total South Africa			12,265,437	12,870,205				
Spain (3.3%)								
Government (0.7%)								
Kingdom of Spain								
1.000%, 2042-07-30	EUR	8,000,000	7,435,076	7,353,046				
Corporations (2.6%)								
Banco Bilbao Vizcaya Argentaria								
5.875%, floating rate from 2023-09-24, Perpetual	EUR	2,600,000	4,303,616	3,657,835				
6.000%, floating rate from 2024-03-29, Perpetual	EUR	1,800,000	2,919,338	2,369,355				
Banco Santander								
2.746%, 2025-05-28	USD	3,200,000	4,447,360	4,078,200				
4.750%, floating rate from 2025-03-19, Perpetual	EUR	2,400,000	3,652,194	2,826,119				
4.375%, floating rate from 2026-01-14, Perpetual	EUR	2,800,000	4,063,593	3,267,550				
CaixaBank								
5.250%, floating rate from 2026-03-23, Perpetual	EUR	2,600,000	3,352,174	3,254,496				

The accompanying Notes are an integral part of these financial statements.

NEI Global Total Return Bond Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2023 (UNAUDITED) (continued)

TABLE 1

Foreign Currency Forward Contracts	NUMBER OF CONTRACTS	MATURITY	AVERAGE EXCHANGE RATE OF CONTRACTS (CURRENCY/CAD)	CURRENCY AMOUNT	CONTRACTED VALUE \$	UNREALIZED APPRECIATION \$
Unrealized Appreciation on Sale of Foreign Currencies for Brazilian Reals						
U.S. Dollar	1	April 2023	1.3853	14,039,594	19,449,000	900,002
Unrealized Appreciation on Sale of Foreign Currencies for Canadian Dollars						
Euro	1	June 2023	1.4928	240,500,000	359,024,412	5,277,860
U.S. Dollar	3	June 2023	1.3618	421,000,000	573,311,192	5,111,490
						10,389,350
Unrealized Appreciation on Sale of Foreign Currencies for Swiss Francs						
U.S. Dollar	1	April 2023	1.3467	10,148,147	13,666,357	198,425
Unrealized Appreciation on Purchase of Foreign Currencies for Euros						
Brazilian Real	1	April 2023	0.2601	15,812,325	4,112,627	78,819
Unrealized Appreciation on Sale of Foreign Currencies for Pounds Sterling						
U.S. Dollar	1	June 2023	1.3590	6,669,346	9,063,317	3,647
Unrealized Appreciation on Sale of Foreign Currencies for Indonesian Rupiahs						
U.S. Dollar	1	June 2023	1.3742	11,055,524	15,192,115	472,687
Unrealized Appreciation on Sale of Foreign Currencies for Indian Rupees						
U.S. Dollar	2	June 2023	1.3820	8,875,252	12,265,455	9,722
Unrealized Appreciation on Purchase of Foreign Currencies for Japanese Yens						
U.S. Dollar	2	May 2023	1.3773	7,279,860	10,026,841	93,548
Unrealized Appreciation on Purchase of Foreign Currencies for Swedish Kronas						
U.S. Dollar	1	April 2023	1.3386	7,384,636	9,885,073	114,088
Unrealized Appreciation on Sale of Foreign Currencies for Swedish Kronas						
U.S. Dollar	1	April 2023	1.3572	702,856	953,883	1,773
Unrealized Appreciation on Purchase of Foreign Currencies for Thai Bahts						
U.S. Dollar	1	April 2023	1.3305	7,430,441	9,886,573	407,671
Unrealized Appreciation on Sale of Foreign Currencies for Thai Bahts						
U.S. Dollar	1	June 2023	1.3462	7,279,510	9,800,038	149,342
Unrealized Appreciation on Purchase of Foreign Currencies for U.S. Dollars						
Israeli Shekel	1	April 2023	0.3735	26,250,000	9,804,052	61,740
Mexican Peso	2	May 2023	0.0745	216,890,000	16,152,639	383,186
						444,926
Unrealized Appreciation on Sale of Foreign Currencies for U.S. Dollars						
Chinese Yuan Renminbi	1	April 2023	0.1991	229,360,000	45,666,412	980,659
Israeli Shekel	1	April 2023	0.3870	103,140,000	39,912,175	1,528,590
Israeli Shekel	1	June 2023	0.3776	76,890,000	29,032,503	67,122
New Zealand Dollar	3	April 2023	0.8629	67,750,000	58,458,347	1,508,630
South African Rand	1	September 2023	0.0750	8,930,000	669,798	373
South Korean Won	1	April 2023	0.0011	7,452,147,646	7,883,200	32,120
						4,117,494
Unrealized Appreciation on Derivatives						17,381,494

The accompanying Notes are an integral part of these financial statements.

NEI Global Total Return Bond Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2023 (UNAUDITED) (continued)

TABLE 2

Foreign Currency Forward Contracts	NUMBER OF CONTRACTS	MATURITY	AVERAGE EXCHANGE RATE OF CONTRACTS (CURRENCY/CAD)	CURRENCY AMOUNT	CONTRACTED VALUE \$	UNREALIZED DEPRECIATION \$
Unrealized Depreciation on Purchase of Foreign Currencies for Canadian Dollars						
Euro	2	June 2023	1.4803	2,500,000	3,700,866	(23,667)
U.S. Dollar	2	June 2023	1.3759	8,721,674	12,000,000	(228,109)
						(251,776)
Unrealized Depreciation on Purchase of Foreign Currencies for Swiss Francs						
U.S. Dollar	2	April 2023	1.3621	14,303,466	19,482,701	(458,761)
Unrealized Depreciation on Purchase of Foreign Currencies for Pounds Sterling						
U.S. Dollar	1	June 2023	1.3672	84,208,325	115,125,413	(2,745,446)
Unrealized Depreciation on Sale of Foreign Currencies for Indian Rupees						
U.S. Dollar	1	June 2023	1.3880	10,073,741	13,982,653	(16,970)
Unrealized Depreciation on Purchase of Foreign Currencies for Japanese Yens						
U.S. Dollar	1	May 2023	1.3457	31,487,514	42,372,747	(425,353)
Unrealized Depreciation on Sale of Foreign Currencies for South Korean Wons						
U.S. Dollar	1	April 2023	1.3508	5,921,105	7,997,935	(277,221)
Unrealized Depreciation on Purchase of Foreign Currencies for Mexican Pesos						
U.S. Dollar	2	May 2023	1.3678	15,902,382	21,751,489	(465,270)
Unrealized Depreciation on Sale of Foreign Currencies for Norwegian Kronas						
U.S. Dollar	2	April 2023	1.3293	38,382,896	51,021,715	(3,265,744)
Unrealized Depreciation on Purchase of Foreign Currencies for Swedish Kronas						
U.S. Dollar	2	April 2023	1.3567	8,880,576	12,048,233	(288,880)
Unrealized Depreciation on Sale of Foreign Currencies for Swedish Kronas						
U.S. Dollar	1	April 2023	1.3118	9,692,942	12,715,484	(206,605)
Unrealized Depreciation on Sale of Foreign Currencies for Singapore Dollars						
U.S. Dollar	1	April 2023	1.3505	3,632,257	4,905,383	(31,077)
Unrealized Depreciation on Sale of Foreign Currencies for Thai Bahts						
U.S. Dollar	1	April 2023	1.3241	10,974,520	14,531,332	(710,413)
Unrealized Depreciation on Purchase of Foreign Currencies for U.S. Dollars						
Australian Dollar	1	April 2023	0.9416	25,500,000	24,010,143	(1,387,078)
Chinese Yuan Renminbi	1	April 2023	0.1966	48,130,000	9,463,842	(16,713)
Israeli Shekel	1	April 2023	0.3759	76,890,000	28,901,066	(51,765)
Japanese Yen	4	May 2023	0.0105	2,010,000,000	21,113,775	(328,361)
						(1,783,917)
Unrealized Depreciation on Sale of Foreign Currencies for U.S. Dollars						
Brazilian Real	1	December 2023	0.2460	34,251,000	8,426,479	(218,099)
New Zealand Dollar	2	April 2023	0.8509	12,800,000	10,891,554	(91,792)
South African Rand	1	May 2023	0.0732	1,740,000	127,415	(4,688)
South African Rand	2	September 2023	0.0735	159,630,000	11,728,900	(300,127)
Taiwan Dollar	1	April 2023	0.0450	415,970,546	18,713,263	(215,595)
						(830,301)
Credit Default Swaps						
	NUMBER OF CONTRACTS	MATURITY	FIXED RATE %	COUNTERPARTY	NOMINAL VALUE BUY/(SALE) \$	
Referenced Entity						
Markit CDX.NA.HY.39	1	December 2027	5.000	BNP PARIBAS	(20,000,000)	(300,033)
Interest Rate Swaps						
	NUMBER OF CONTRACTS	MATURITY	FIXED RATE %	FLOATING RATE	NOMINAL VALUE BUY/(SALE) \$	
Pay/Receive						
Pay Float/Received Fixed	1	March 2028	2.500	CNY 7-DAY REVERSE REPO	450,000,000	(1,193,761)
Unrealized Depreciation on Derivatives						(13,251,528)

The accompanying Notes are an integral part of these financial statements.

NEI Global Total Return Bond Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2023 (UNAUDITED) (continued)

TABLE 3

Options at Fair Value—Long Positions	NOMINAL VALUE BUY/(SALE)	NUMBER OF OPTIONS	MATURITY	PRICE \$	COST \$	FAIR VALUE \$
Foreign Currencies Options						
Call						
EUR/SEK	12,000,000	1	May 2023	11.700 EUR/SEK	22,293	25,802
Put						
EUR/SEK	12,000,000	1	May 2023	11.050 EUR/SEK	96,613	63,368
Options at Fair Value—Long Positions						89,170

TABLE 4

Options at Fair Value—Short Positions	NOMINAL VALUE BUY/(SALE)	NUMBER OF OPTIONS	MATURITY	PRICE \$	COST \$	FAIR VALUE \$
Foreign Currencies Options						
Call						
EUR/SEK	(12,000,000)	1	May 2023	11.700 EUR/SEK	(100,926)	(25,802)
Options at Fair Value—Short Positions						(25,802)

TABLE 5

Futures Contracts	NUMBER OF CONTRACTS BUY/(SALE)	MATURITY	CURRENCY CONTRACTED VALUE	RECEIVABLE AMOUNT \$
Receivable on Futures Contracts				
Australian Treasury Notes – 10 years	76	June 2023	AUD 9,039,514	307,168
EURX EURO-BUND	205	June 2023	EUR 27,315,400	869,605
U.S. Treasury Notes – 5 years	317	June 2023	USD 34,197,024	752,215
Receivable on Futures Contracts				1,928,988

TABLE 6

Futures Contracts	NUMBER OF CONTRACTS BUY/(SALE)	MATURITY	CURRENCY CONTRACTED VALUE	PAYABLE AMOUNT \$
Payable on Futures Contracts				
Australian Treasury Notes – 3 years	(665)	June 2023	AUD (71,305,476)	(1,063,207)
EURO-BOBL	(474)	June 2023	EUR (54,704,340)	(1,834,128)
Euro-BTP	(174)	June 2023	EUR (19,381,860)	(1,009,931)
EURO-OAT	(145)	June 2023	EUR (18,262,750)	(988,254)
EURO-SCHATZ	(30)	June 2023	EUR (3,138,600)	(50,347)
EURX EUR-BULX–30 years	(240)	June 2023	EUR (31,852,800)	(3,130,752)
Government of Canada Bonds – 2 years	(4)	June 2023	CAD (412,160)	(2,940)
Government of Canada Bonds – 10 years	(416)	June 2023	CAD (50,510,720)	(1,930,240)
Japanese Government Bonds – 10 years	(18)	June 2023	JPY (2,639,890,000)	(223,426)
LONG GILT	(53)	June 2023	GBP (5,337,630)	(233,275)
U.S. Bonds – Long Term	25	June 2023	USD 3,322,656	(52,793)
U.S. 10 years Ultra	(74)	June 2023	USD (8,962,812)	(13,093)
U.S. Bonds – Ultra	(12)	June 2023	USD (1,637,719)	(83,497)
U.S. Treasury Notes – 10 years	(167)	June 2023	USD (18,961,406)	(339,798)
Payable on Futures Contracts				(10,955,681)

The accompanying Notes are an integral part of these financial statements.

NEI Global Total Return Bond Fund

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION (UNAUDITED)

a) Establishment of the Fund (Note 1)

The NEI Global Total Return Bond Fund (the "Fund") is an unincorporated mutual fund trust. The establishment date for each series of the Fund is the date set out in Part B of the simplified prospectus as the start date for that series, as listed below:

Series A	Series F	Series I
September 25, 2013	September 27, 2013	March 31, 2014
Series O	Series P	Series PF
June 29, 2018	July 29, 2014	August 13, 2014

b) Units (Note 4)

Issued and Outstanding Units

	Number of Units, Beginning of Period	Units Issued	Reinvested Units	Units Redeemed	Number of Units, End of Period
Series A					
March 31, 2023	3,731,301	387,576	270,366	575,204	3,814,039
March 31, 2022	4,463,249	304,524	119,577	1,053,834	3,833,516
Series F					
March 31, 2023	4,280,342	883,625	248,750	1,100,154	4,312,563
March 31, 2022	5,347,357	882,414	135,371	1,912,009	4,453,133
Series I					
March 31, 2023	106,780,963	7,729,719	1,412,708	28,713,397	87,209,993
March 31, 2022	93,337,512	5,935,928	4,352,633	2,484,883	101,141,190
Series O					
March 31, 2023	442,626	44,523	32,257	370,442	148,964
March 31, 2022	270,222	55,786	16,034	35,159	306,883
Series P					
March 31, 2023	1,579,646	447,611	130,049	285,189	1,872,117
March 31, 2022	1,905,672	175,881	58,702	463,988	1,676,267
Series PF					
March 31, 2023	14,745,719	2,323,401	618,892	9,652,627	8,035,385
March 31, 2022	13,774,281	2,048,299	419,877	1,794,458	14,447,999

c) Distributions

All distributions made by the Fund are automatically reinvested in additional units of the same series that paid the distribution unless notification to the contrary is received in writing at least 5 days in advance to receive a cash payment. All distributions reinvested are made without an acquisition charge.

The schedule of distributions, which may consist of net investment income, net realized capital gains and/or return of capital, is as follows:

Series A	Series F	Series I
Monthly	Monthly	Quarterly
Series O	Series P	Series PF
Quarterly	Monthly	Monthly

In addition, the Fund will, prior to the end of each year, distribute any excess net income and net realized capital gains to its unitholders.

d) Management Fees and Other Expenses (Note 5)

The annual management fee rates, for 2023 and 2022, are as follows:

	Series A %	Series F %	Series P %
March 31, 2023	1.40	0.65	1.25
March 31, 2022	1.40	0.65	1.25
	Series PF %		
March 31, 2023	0.50		
March 31, 2022	0.50		

The annual administration fee rates, for 2023 and 2022, are as follows:

	Series A %	Series F %	Series O %
March 31, 2023	0.25	0.25	0.08
March 31, 2022	0.25	0.25	0.08
	Series P %	Series PF %	
March 31, 2023	0.25	0.20	
March 31, 2022	0.25	0.20	

Series I unitholders negotiate and pay management and administration fees directly to the Manager.

Series O unitholders negotiate and pay management fees directly to the Manager.

e) Related Party Transactions (Note 6)

Accrued expenses payable to related parties presented in the Statement of Financial Position, are as follows:

	March 31, 2023	September 30, 2022
	\$	\$
	54,872	72,050

f) Financial Instruments Disclosures (Note 7)

Strategy in Using Financial Instruments

Investment Objective

The Fund aims to provide high level of current income with the potential for capital gains. The Fund will invest its assets primarily in global fixed income instruments from both developed and emerging markets. The Fund can invest across all sectors and credit qualities but will be primarily invested in investment grade securities rated BBB- and above by Standard & Poor's (or its equivalent by qualified rating agencies).

The Fund follows a responsible approach to investing, as described in Part A of the Simplified Prospectus.

Financial Instruments Fair Value Measurement

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

NEI Global Total Return Bond Fund

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION (UNAUDITED) (continued)

Fair Value Hierarchy (in \$'000)

March 31, 2023	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at FVTPL				
Bonds	529,621	355,545	-	885,166
Options	-	89	-	89
Asset-Backed Securities	-	4,405	-	4,405
Derivative Financial Instruments	-	17,382	-	17,382
Total	529,621	377,421	-	907,042
Financial liabilities at FVTPL				
Options	-	26	-	26
Derivative Financial Instruments	-	13,251	-	13,251
Total	-	13,277	-	13,277
September 30, 2022				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at FVTPL				
Bonds	654,567	399,198	-	1,053,765
Options	7,845	1,176	-	9,021
Mortgage-Backed Securities	-	260	-	260
Asset-Backed Securities	-	4,106	-	4,106
Derivative Financial Instruments	-	20,822	-	20,822
Total	662,412	425,562	-	1,087,974
Financial liabilities at FVTPL				
Options	-	1,176	-	1,176
Derivative Financial Instruments	-	45,329	-	45,329
Total	-	46,505	-	46,505

Transfers between Levels 1 and 2

During the periods ended March 31, 2023 and September 30, 2022, there were no transfers of securities between Levels 1 and 2.

Financial Instruments Risks

Currency Risk (in \$'000)

The Fund's exposure to currency risk is presented in the tables below. Amounts shown represent monetary and non-monetary items (including the notional amount of foreign exchange forward contracts). The tables also illustrate the potential impact on the Net Assets Attributable to Holders of Redeemable Units if the Canadian dollar had strengthened or weakened by 3% in relation to each of the other currencies, with all other variables held constant.

March 31, 2023	Financial Assets	Financial Liabilities	Net Exposure	Impact on Net Assets Attributable to Holders of Redeemable Units
	\$	\$	\$	\$
USD	889,696	825,209	64,487	1,935
EUR	345,066	364,909	(19,843)	595
GBP	59,085	116,637	(57,552)	1,727
JPY	50,177	52,908	(2,731)	82
NZD	49,839	68,047	(18,208)	546
MXN	49,296	21,939	27,357	821
NOK	48,598	-	48,598	1,458
BRL	44,446	8,692	35,754	1,073
ILS	38,771	67,677	(28,906)	867
AUD	31,831	1,063	30,768	923
INR	25,572	-	25,572	767
THB	24,094	9,631	14,463	434
IDR	15,397	-	15,397	462
CHF	13,959	19,785	(5,826)	175
SEK	13,845	22,152	(8,307)	249
ZAR	13,323	12,683	640	19
CNY	9,490	46,310	(36,820)	1,105
KRW	7,723	7,723	-	-
SGD	4,949	-	4,949	148
PLN	6	-	6	-
TRY	1	-	1	-
TWD	-	18,494	(18,494)	555

NEI Global Total Return Bond Fund

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION (UNAUDITED) (continued)

September 30, 2022	Financial Assets \$	Financial Liabilities \$	Net Exposure \$	Impact on Net Assets Attributable to Holders of Redeemable Units \$
USD	1,088,507	1,020,232	68,275	2,048
EUR	684,013	742,057	(58,044)	1,741
GBP	107,132	179,700	(72,568)	2,177
NOK	61,247	17,443	43,804	1,314
CHF	49,512	3,015	46,497	1,395
NZD	33,389	26,391	6,998	210
KRW	31,889	-	31,889	957
SEK	31,531	19,193	12,338	370
MXN	29,400	-	29,400	882
JPY	26,940	42,532	(15,592)	468
BRL	26,517	-	26,517	796
SGD	20,231	-	20,231	607
PLN	10,784	9,706	1,078	32
HUF	9,496	13,132	(3,636)	109
AUD	8,705	2,840	5,865	176
ILS	6	37,197	(37,191)	1,116
CNY	3	53,273	(53,270)	1,598
ZAR	1	16,625	(16,624)	499
THB	1	12,698	(12,697)	381
TRY	1	-	1	-
TWD	-	20,612	(20,612)	618

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Interest Rate Risk (in \$'000)

The following table summarizes the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at fair value, categorized by the earlier of contractual re-pricing or maturity dates. The table also illustrates the impact on the Net Assets Attributable to Holders of Redeemable Units, had prevailing interest rates changed by 1.00%, assuming a parallel shift in the yield curve, with all other variables held constant.

	Less than 1 Year \$	1 to 5 Years \$	5 to 10 Years \$	Greater than 10 Years \$	Total \$	Impact on Net Assets Attributable to Holders of Redeemable Units \$
March 31, 2023	120,643	429,088	234,555	200,018	984,304	36,477
September 30, 2022	306,579	404,920	345,124	182,695	1,239,318	44,549

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

NEI Global Total Return Bond Fund

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION (UNAUDITED) (continued)

Concentration Risk

The following table summarizes the concentration risk, as a percentage of the Fund's Net Assets Attributable to Holders of Redeemable Units:

March 31, 2023		September 30, 2022	
Market Segment	%	Market Segment	%
Foreign Bonds		Foreign Bonds	
Italy	10.1	United Kingdom	6.3
United Kingdom	6.5	France	6.2
Mexico	6.2	Netherlands	5.2
Netherlands	6.1	Italy	5.1
France	5.7	Other Countries*	21.0
New Zealand	5.0	U.S. Bonds	
Other Countries*	21.5	Government	17.4
U.S. Bonds		Corporations	9.0
Government	11.6	Canadian Bonds	13.0
Corporations	8.7	Supranational Bonds	2.5
Canadian Bonds	5.5	Options at Fair Value	0.6
Supranational Bonds	2.7	Foreign Asset-Backed Securities	0.3
Foreign Asset-Backed Securities	0.5	Derivative Financial Instruments	(2.0)
Derivative Financial Instruments	0.4	Other Net Assets	15.4
Other Net Assets	9.5		
Total	100.0		100.0

*This category includes all countries representing less than 5% of the Fund's net assets.

Price Risk (in \$'000)

The Manager's estimate of the impact on Net Assets Attributable to Holders of Redeemable Units as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

Benchmarks	Change in Price %	Impact on Net Assets Attributable to Holders of Redeemable Units	
		March 31, 2023 \$	September 30, 2022 \$
Bloomberg Barclays Global Aggregate Index (C\$ hedged)	1.00	6,616	10,705

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

The Fund's credit risk concentration is separated between fixed-income securities and derivative financial instruments. Their fair values include consideration of the issuers' creditworthiness and accordingly, represent the Fund's maximum exposure to credit risk.

Portfolio's Fixed-Income Securities by Credit Rating Category

Credit Rating	Percentage of Fixed-Income Securities	
	March 31, 2023 %	September 30, 2022 %
AAA	26	40
AA	7	10
A	13	12
BBB	44	33
BB	8	4
B	2	1
Total	100	100

As at March 31, 2023, the counterparties to derivative financial instruments have a credit rating of at least "A-1" from *Standard & Poor's* ("A-1" as at September 30, 2022).

Liquidity Risk

For further information on the maturity of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

g) Income Taxes – Loss Carry Forward (Note 2)

Capital and non-capital losses determined for tax purposes as at December 15, 2022, which is the taxation year-end, are as follows:

Capital Losses	Non-Capital Losses	Year of Expiry
Amount \$	Amount \$	
100,084,681	-	

NEI Global Total Return Bond Fund

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION (UNAUDITED) (continued)

h) Offsetting Financial Assets and Financial Liabilities (Note 2)

In the normal course of business, the Fund enters into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position (Section 1 table), however the agreements still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts (Section 2 table). The section 2 table shows financial instruments that may be eligible for offset, if such conditions were to arise, as at March 31, 2023 and September 30, 2022. The "Net Impact" column displays what the impact would be on the Fund's Statement of Financial Position if all amounts were set-off. Only significant amounts (above 0.10% of the Fund's Net Assets Attributable to Holders of Redeemable Units) have been disclosed.

	Section 1		Section 2			Net Impact \$
	Gross Amount Presented in the Statement of Financial Position \$	Set Off Amount \$	Net Amount Presented in the Statement of Financial Position \$	Associated Amounts not Set Off		
				Financial Instruments \$	Financial Collateral Held/Pledged \$	
March 31, 2023						
Financial Assets						
Unrealized appreciation on derivatives	13,893,048	-	13,893,048	7,034,800	-	6,858,248
Financial Liabilities						
Unrealized depreciation on derivatives	9,125,664	-	9,125,664	7,034,800	-	2,090,864

	Section 1		Section 2			Net Impact \$
	Gross Amount Presented in the Statement of Financial Position \$	Set Off Amount \$	Net Amount Presented in the Statement of Financial Position \$	Associated Amounts not Set Off		
				Financial Instruments \$	Financial Collateral Held/Pledged \$	
September 30, 2022						
Financial Assets						
Unrealized appreciation on derivatives	9,198,142	-	9,198,142	6,346,768	-	2,851,374
Financial Liabilities						
Unrealized depreciation on derivatives	34,078,533	-	34,078,533	6,346,768	-	27,731,765

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023 and 2022

Throughout the Notes to the Financial Statements, “we”, “NEI LP” or “NEI” refers to Northwest & Ethical Investments L.P., the Manager of the Funds.

Throughout the Notes to the Financial Statements, “Unitholders” refers to Holders of redeemable units.

1. ESTABLISHMENT OF THE FUNDS

NEI LP acts as the Manager of the NEI Funds, collectively called “the Funds”. Its head office is located at 151 Yonge Street, Suite 1200, Toronto, ON, M5C 2W7.

The Funds are all mutual fund trusts or unit trusts subject to the laws of Ontario

The information provided in these financial statements and notes thereto is as at March 31, 2023 and September 30, 2022, and for the 6-month periods ended March 31, 2023 and 2022, except for the Fund established during either period, in which case the information provided relates to the period from inception to March 31, 2023 and 2022, as applicable.

Funds	Inception date
NEI Clean Infrastructure Fund	March 1, 2022

For the Fund established in either year, the “period” represents the period from the establishment date to March 31 of that financial year. The establishment date is described in Note a) of the Notes to the Financial Statements – Specific Information of the Fund.

The main activities of the Funds are disclosed in the section “Notes to the Financial Statements – Specific Information” pertaining to each Fund.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

Statement of Compliance

The policies applied in the preparation of these financial statements are in accordance with International Financial Reporting Standards (“IFRS”). These financial statements have been authorized for issue by the NEI LP Board of Directors on May 16, 2023.

SIGNIFICANT ACCOUNTING POLICIES

The significant measurement and presentation policies applied to prepare these financial statements are described below.

Financial Instruments

The Funds’ financial instruments include, where applicable, cash and equivalents, investments, derivatives, interest, dividends and other receivables, receivable for investments sold, subscriptions receivable, cash guarantee received for repurchase transactions, payable for investments purchased, distributions payable to unitholders, accrued expenses, liabilities, redemptions payable and commitments related to repurchase transactions. Financial instruments are recognized on the date that the Funds become a party to the contractual provisions of the instrument, namely the trade date of the financial instrument.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all the risks and rewards of ownership.

Classification and Measurement

The Funds classify and measure financial instruments in accordance with IFRS 9, *Financial Instruments*. Under IFRS 9, financial assets are measured at amortized cost or at Fair value through profit or loss (“FVTPL”) depending on the contractual cash flow characteristics and the business model for managing the financial assets.

The portfolios of financial assets are managed, and performance is evaluated on a fair value basis. The Funds are primarily focused on fair value information and use that information to assess the assets’ performance and to make decisions. The contractual cash flows of the Funds’ debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds’ business model’s objective. Consequently, all investments are measured at FVTPL.

The Funds’ obligation concerning net assets attributable to holders of redeemable units is recorded at the redemption amount which approximates fair value. The accounting policies used to measure the fair value of investments and derivative financial instruments are identical to those used in measuring the net asset value for transactions with holders of redeemable units, except when the closing price for financial assets and liabilities is not within the bid-ask spread.

As at March 31, 2023 and September 30, 2022, there are no differences between the Funds’ net asset value per unit for transactions and their net assets per unit attributable to holders of redeemable units in accordance with IFRS.

Classification of Units Issued by the Funds

The Funds’ outstanding units qualify as “puttable instruments” as required by the IAS 32: *Financial Instruments: Presentation* (“IAS 32”). The Funds’ outstanding units are classified as financial liabilities in these financial statements as they do not meet the definition of puttable instruments to be classified as equity.

Impairment of Financial Assets

The impairment model is applicable to financial assets except for financial instruments at FVTPL or designated at fair value through other comprehensive income.

With respect to other financial assets measured at amortized cost, the Funds consider both historical analysis and forward-looking information in determining any expected credit loss. As at the financial statements date, all financial assets measured at amortized cost are due to be settled within the short term. The Funds consider that the risk of default on these financial assets is low, and that the counterparties have a strong capacity to meet their contractual obligation in the near term. Given the limited exposure of the Funds to credit risk from financial assets recorded at amortized cost, no loss allowance has been recognized as no such impairment will have a significant impact on the financial statements.

Determination of the Fair Value of Financial Instruments

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the valuation date. The Funds use the closing price for both financial assets and financial liabilities when this price falls within the bid-ask spread. In circumstances when the closing price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of financial assets and liabilities that are not traded in an active market, including over-the-counter derivative financial instruments, is determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each valuation date.

Valuation techniques include the use of comparable recent arm’s length transactions, the fair value of other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other techniques commonly used by market participants and which use observable inputs. Refer to Note 7 “Financial Instruments Disclosures” for further information about the Funds’ fair value measurements.

Cash

Cash (bank overdraft) is measured at cost, which closely approximates fair value.

Money Market Securities

Money market securities are recorded at cost including accrued interest, which closely approximates fair value.

Equities, Index-Based Investments and Exchange Traded Funds

Equities, index-based investments and exchange traded funds are recorded at the closing price of the stock exchange on which the corresponding security is principally traded. Unlisted warrants are valued with a recognized valuation model such as Black-Scholes.

Bonds, Mortgage-Backed Securities and Asset-Backed Securities

Bonds, mortgage-backed securities and asset-backed securities are valued based on closing prices obtained from recognized securities dealers.

Investment Funds

The underlying funds’ units are generally valued based on the net asset value per unit provided by the underlying fund’s manager at each valuation day, except for private equity funds which are discussed under section “Valuation of Unlisted Securities and Other Investments”.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023 and 2022 (continued)

Derivative Financial Instruments

Certain Funds may use an array of derivative financial instruments such as foreign currency forward contracts, forward contracts, interest rate swaps, credit default swaps, to-be-announced (“TBA”), futures contracts and options for hedging purposes or purposes other than hedging, or both.

Foreign Currency Forward Contracts, Forward Contracts, Interest Rate Swaps, Credit Default Swaps and TBA

The fair value of these instruments corresponds to the gains or losses that would result upon contract settlement on the valuation date; this value is recorded in “Unrealized appreciation (depreciation) on derivatives” in the Statements of Financial Position.

Futures Contracts

Futures contracts are valued at fair value and are settled daily through brokers. Any amounts receivable (payable) from the settlement of futures contracts are recorded in “Receivable (Payable) on futures contracts” in the Statements of Financial Position.

Options

Options listed on a stock exchange are valued according to fair value based on the closing price of the principal stock exchange on which the option is being traded for long positions and the ask price for short positions. Unlisted options are valued with a recognized valuation model such as Black-Scholes.

Valuation of Unlisted Securities and Other Investments

When the above-mentioned valuation principles of the investments are not applicable, fair value is determined according to the Manager’s best estimates, based on established valuation procedures and on prevailing market conditions on each valuation date. These procedures cover, among others, securities no longer traded, securities issued by private corporations and illiquid securities. For further information, refer to Note 3 “Critical Accounting Judgments, Estimates and Assumptions”.

Investment Transactions

Investment transactions are accounted for on the trade date. Cost is determined on an average cost basis except for money market securities, for which the cost is determined using the First-In, First-Out method. The average cost does not include amortization of premiums or discounts on fixed-income securities except for stripped bonds. Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Funds are recognized in the Statements of Comprehensive Income. The difference between the unrealized appreciation (depreciation) of investments at the beginning and at the end of the period is included in “Net unrealized gain (loss) on investments” in the Statements of Comprehensive Income. On disposal of an investment, the difference between the fair value and the cost of the investment is included in “Net realized gain (loss) on investments” in the Statements of Comprehensive Income.

Securities Lending Activities and Repurchase Agreements

Since June 2020, certain Funds may enter into securities lending and repurchase agreements through the securities lending program of the Funds’ custodian, Desjardins Trust Inc. (“Desjardins Trust”).

Securities Lending

The securities on loan are included in the Schedule of Investment Portfolio and are included in the total value in the Statements of Financial Position, as substantially all the risks and rewards of ownership of these securities are retained by the Funds.

To limit the risk that the counterparty fails to fulfill its obligations, the Funds obtain collateral, representing at least 102% of the contract amount, determined daily based on the fair value of the previous business day’s securities loaned. Securities received as collateral in securities lending are not included in the Statements of Financial Position, as substantially all the risks and rewards of ownership of these securities have not been transferred to the Funds. Any cash collateral received is included in the Statements of Financial Position in “cash collateral received for securities on loan”, as applicable.

For those Funds engaged in securities lending, the amount of securities loaned and the value of collateral received is disclosed in the “Schedule of Investment Portfolio”, where applicable.

Revenue generated through Desjardins Trust’s securities lending is shared by the Fund and Desjardins Trust at the rate presented in the section “Notes to the Financial Statements – Specific Information” pertaining to each Fund. This revenue is included in “Revenue from securities lending activities” in the Statements of Comprehensive Income.

Repurchase Agreements

In a repurchase agreement, a Fund sells a security to a third party and agrees to buy the same, or substantially the same, security back from the third party at a predetermined price and date.

To limit the risk that the counterparty fails to fulfill its obligations, the Funds obtain collateral, combination of cash and securities, representing at least 102% of the contract amount, determined daily based on the fair value of the previous business day’s repurchase transactions. Securities received as collateral in repurchase transactions are not included in the Statements of Financial Position, as substantially all the risks and rewards of ownership of these securities have not been transferred to the Funds.

Cash guarantees received for repurchase transactions are recognized as financial assets in the Statements of Financial Position, in “Cash guarantee received for repurchase transactions”. A liability representing the obligation to repurchase the securities is recognized in “Commitments related to repurchase transactions”. Desjardins Trust, as the Funds’ custodian, may use the cash guarantees to buy investments to generate revenue, which is shared by the Fund and Desjardins Trust at the rate presented in the section “Notes to the Financial Statements – Specific Information” pertaining to each Fund. This revenue is included in “Revenue from securities lending activities” in the Statements of Comprehensive Income.

Offsetting Financial Assets and Financial Liabilities

A financial asset and a financial liability offset in the Fund’s Statement of financial position when, and only when, the Fund has a legally enforceable and unconditional right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The Fund has a legally enforceable and unconditional right to set off a financial asset and a financial liability when such right is enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

Over-the-counter derivative financial instruments, securities lending and repurchase agreements, receivable for investments sold and payable for investments purchased are subject to master netting or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position, as they give a right to an offset that is enforceable only in the event of default, insolvency or bankruptcy.

The table presenting financial assets and liabilities that are subject to a master netting agreement or similar agreement is presented in the section “Notes to the Financial Statements – Specific Information” pertaining to each Fund, if applicable.

Other Assets and Liabilities

Margin deposited on derivatives, receivable on futures contracts, subscriptions receivable, receivable for investments sold, cash guarantee received for repurchase transactions as well as interest, dividends and other receivables are measured at amortized cost.

Similarly, accrued expenses, payable on futures contracts, redemptions payable, payable for investments purchased, commitments related to repurchase transactions, interest, dividends and other payables, as well as distributions payable, are measured at amortized cost.

Given the short-term nature of other assets and liabilities, their carrying amount closely approximates their fair value.

Income

Interest for distribution purposes from investments in debt securities presented in the Statements of Comprehensive Income is recognized as it is earned. The Funds do not amortize premiums paid or discounts received on the purchase of debt securities except for stripped bonds. Dividends are recognized as income on the ex-dividend date. Income received from exchange traded funds (ETFs) and income trusts are included in “Dividends”. Notional distributions received from ETFs are considered non-cash transactions and increase the average costs for those ETFs. Amounts from investments that are treated as a return of capital for income tax purposes reduce the average cost of those investments. Foreign interest and dividend income are accounted for on a gross basis and are included in the “Income” section of the Statements of Comprehensive Income.

The net income from Limited Partnership includes income attributed for tax purposes and are presented in “Distributions from underlying funds”. Distributions received from underlying funds are recorded at the date of distribution. They are included in “Distributions from underlying funds” in the Statements of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023 and 2022 (continued)

Distributions received in the form of units from underlying funds are presented as “Non-cash distribution from investments” in the Statements of Cash Flows.

Upon settlement of derivative financial instruments contract, the gains and losses from derivative financial instruments held for hedging purposes are included in “Net realized gain (loss) on derivatives” in the Statements of Comprehensive Income. Gains and losses from derivative financial instruments held for purposes other than hedging are included in “Net income (loss) from derivatives” in the Statements of Comprehensive Income.

Foreign Currency Translation

The Funds’ financial statements, subscriptions and redemptions are denominated in Canadian dollars, which is the Funds’ functional and presentation currency. Foreign currency assets and liabilities denominated in a foreign currency are translated into the functional currency at the exchange rate on each valuation date. Purchases and sales of securities, as well as income and expenses denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing on the transaction dates.

Foreign exchange gains and losses relating to cash are presented as “Foreign exchange gain (loss) on cash” and those relating to other financial assets and liabilities are presented within “Net realized gain (loss) on investments” and “Net unrealized gain (loss) on investments” in the Statements of Comprehensive Income.

Amount in currencies are presented using the following abbreviations:

Abbreviation	Currency	Abbreviation	Currency
AUD	Australian Dollar	JPY	Japanese Yen
BRL	Brazilian Real	KRW	South Korean Won
CAD	Canadian Dollar	MXN	Mexican Peso
CHF	Swiss Franc	NOK	Norwegian Krone
CNY	Chinese Yuan Renminbi	NZD	New Zealand Dollar
CZK	Czech Republic Koruna	PLN	Polish Zloty
DKK	Danish Krone	SEK	Swedish Krona
EUR	Euro	SGD	Singapore Dollar
GBP	Pound Sterling	THB	Thai Baht
HKD	Hong Kong Dollar	TRY	Turkish Lira
HUF	Hungarian Forint	TWD	Taiwan Dollar
IDR	Indonesian Rupiah	USD	United States Dollar
ILS	Israeli Shekel	ZAR	South African Rand
INR	Indian Rupee		

Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit

The increase (decrease) in net assets attributable to holders of redeemable units per unit, presented in the Statements of Comprehensive Income, is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units by the average number of units outstanding during the period.

Income Taxes

Under the *Income Tax Act* (Canada), each Fund, except the Funds below, is defined as a mutual fund trust.

The following Funds are considered unincorporated unit trusts:

- NEI Fixed Income Pool
- NEI Canadian Equity Pool
- NEI Global Equity Pool
- NEI Managed Asset Allocation Pool

Each Fund’s taxation year-end is December 15 except for the NEI Money Market Fund and the unincorporated unit trusts, which have a taxation year-end of December 31.

The Funds are taxable on net income and net capital gains not distributed to unitholders. All the Funds’ investment income and sufficient net capital gains realized in any year are required to be distributed to unitholders to ensure that the Funds will not be subject to income taxes. As a result, the Funds do not record income taxes. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset. In some special cases the Pools, which are unincorporated unit trusts, may become liable for alternative minimum tax, and may be subject to a special tax under Part XII.2 of the Tax Act. The Manager expects that the Pools will not be subject to tax under Part XII.2, although no assurance can be given that this will not occur.

Capital losses can be carried forward indefinitely to reduce future capital gains. Non-capital losses incurred in a financial year may be carried forward 20 years to reduce future investment income and capital gains.

Distributions are classified as a return of capital, net investment income or capital gain. The Manager reserves the right to make additional distributions in any year, if determined to be appropriate.

The Funds currently incur withholding taxes imposed by certain countries on foreign investment income and capital gains. Such income and gains are recorded on a gross basis, and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income.

Refer to the section “Notes to the Financial Statements – Specific Information” pertaining to each Fund for more information on income taxes.

Investments in Other Investment Entities

The Funds meet the definition in IFRS 10, *Consolidated Financial Statements*, of investment entities and account for their investments in underlying funds at FVTPL.

In accordance with IFRS 12, *Disclosure of Interests in Other Entities*, specific information on the Funds’ investments in other entities, such as subsidiaries, associates and structured entities has been disclosed, as applicable, in “Notes to the Financial Statements – Specific Information” pertaining to each Fund.

Subsidiaries

An entity is considered as a subsidiary when it is controlled by another entity. The Fund controls an entity when it has the right to variable returns from its involvement with the entity and through its power over the entity.

Associates

Associates are investments in entities over which the Fund exercises significant influence without, however, exercising control.

Structured Entities

Structured entities are conceived in a way that the right to vote and other similar rights are not determining factors in exercising control. The Manager has determined that its investments in underlying funds (including limited partnerships), index-based investments and exchange traded funds, income trusts, mortgage-backed securities and asset-backed securities are structured entities, unless the specified relationship is different. Total values of those investments in the table “Fair Value Hierarchy” also represent the fair value of investments in structured entities.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. Actual results may differ from these estimates. The following paragraphs discuss the most significant accounting judgments and estimates that the Funds have made when preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023 and 2022 (continued)

Fair Value Measurement of Derivative Financial Instruments and Securities not Quoted in an Active Market

The Funds may hold financial instruments that are not quoted in active markets, including derivative financial instruments. Fair value is determined based on models that make maximum use of observable inputs and rely as little as possible on unobservable inputs. The Funds consider the data observable if the market data is readily available, distributed or updated on a regular basis, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager.

When no quoted prices are available, the fair value is estimated using present value or other valuation methods, which are influenced by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates, which reflect varying degrees of risk, including liquidity risk, credit risk, risks related to interest rates, exchange rates, and price and rate volatility.

The calculation of the fair values may differ given the role that judgment plays in applying the valuation techniques and the acceptable estimation. Fair value reflects market conditions at a given date and, for this reason, it may not be representative of future fair values. Refer to Note 7 “Financial Instruments Disclosures” for further information on fair value measurement of financial instruments.

4. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

Structure of Redeemable Units

Each Fund is authorized to issue an unlimited number of series of units and an unlimited number of redeemable units (the units) of each series. Each series unit entitles the holder thereof to participate equally in the distributions of the Fund made to that series. Fractions of units may be issued.

The units of a Fund are of the same series and confer the same rights and privileges except that, in respect of a Fund with more than one series of units, each series of units may have different management fees, dealer compensation structure or distribution structure. As a result, each unit entitles its holder to one vote and to participate equally in distributions made in respect to the series of units by the subject Fund and, upon liquidation, in the net assets attributable of the series of units remaining after satisfaction of outstanding liabilities. A fraction of a unit will entitle the unitholder to proportionate participation but will not entitle them to vote.

The Funds only issue fully paid units and fractions of units. Unitholders may redeem their units in the manner described in the Declaration of Trust.

The Manager manages the capital of the Funds in accordance with their investment objectives (Refer to Note 7). Also, in accordance with securities regulations, the Funds seek to invest subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

Authorized Units

The authorized units of the Fund are comprised of the following series of units:

An unlimited number of Series A units, principally targeted at individual investors purchasing units on a front-end sales charge option basis.

An unlimited number of Series F units, intended for investors participating in programs that do not require them to pay sales charges or service fees to investment professionals or dealers.

An unlimited number of Series I units, offered to institutional or other high net worth investors who negotiate and pay management fees directly to the Manager. The Series I management fee will in no circumstances be higher than the management fee payable on Series A units of the Fund.

An unlimited number of Series O units, intended for investors who make large investments in a Fund. Those investors must enter an agreement which identifies the management fee negotiated and pay management fees directly to the Manager. The Series O management fee will in no circumstances be higher than the management fee payable on Series A units of the Fund.

An unlimited number of Series P units, intended for investors who make large investments in a single Fund. Series P units may only be purchased on a front-end sales charge option basis.

An unlimited number of Series PF units, intended for investors who make large investments in a single Fund and investors participating in programs that do not require them to pay sales charges or service fees to investment professionals or dealers.

An unlimited number of Series W units, intended for investors who make an initial investment of at least \$100,000 in an NEI Private Portfolio. Series W units may only be purchased on a front-end sales charge option basis. The initial investment criteria may vary from time to time.

An unlimited number of Series WF units, intended for investors who make an initial investment of at least \$100,000 in an NEI Private Portfolio and investors participating in programs that do not require them to pay sales charges or service fees to investment professionals or dealers. The initial investment criteria may vary from time to time.

NEI LP has decided to discontinue its deferred sales charge (“DSC”), low load, low load 2 and low load 3 (together “LL”) sales charge purchase options for those NEI funds that offered DSC or LL. On August 10, 2020, DSC and LL sales charge purchase options across the Funds’ lineup have been closed to new investors. For investors with existing DSC and/or LL units as of that date, subsequent investments subject to DSC and/or LL sales charges were available until October 2020. On October 5, 2020, DSC and LL sales charge purchase options were closed to new investments. Investors with existing DSC and/or LL units will remain invested based on the redemption fee schedule applicable to those units.

Valuation of Units

On each business day and for each series of units of each Fund, the Manager calculates the net asset value per unit by dividing the net assets attributable to holders of redeemable units by the number of units outstanding.

The net asset value of each series in a Fund corresponds to the proportion of the assets of the Fund attributable to the series, net of the proportion of the Fund’s total liabilities attributable to the series and the liabilities of the series. Expenses directly related to a series are applied against this series. Other income and expenses, as well as realized and unrealized capital gains and losses are applied against each series in proportion to their respective net asset value.

Management of Risks Associated with Units

Units issued and outstanding are considered as the Funds’ capital. The Funds are not subject to specific capital requirements concerning subscription and redemption of units, other than certain minimum subscription requirements. Unitholders are entitled to require payment of the net asset value per unit for all or any of the units they hold by giving written redemption request to the Manager within the prescribed time period. Units are redeemable for cash equal to a pro rata share of the Funds’ net asset value.

Redemptions

Unitholders may at any time elect to redeem all or part of their units on the valuation date at the current closing net asset value per unit. Payment for any unit redeemed will be made by the applicable Fund.

5. MANAGEMENT FEES AND OTHER EXPENSES

Management Fees

As the Manager, Trustee, Portfolio Manager and Registrar, NEI LP receives from each Fund, management fees, before taxes, calculated on the net asset value of each unit series on each valuation date. Management fees are calculated daily with the net asset value of the Funds according to the annual rates presented in “Notes to the Financial Statements – Specific Information” pertaining to each Fund. NEI LP is responsible for the payment of investment fees to Portfolio sub-advisors retained by the Funds.

The management fee varies between Funds and series. Series I and Series O units of the Funds are not subject to management fees, as the unitholders of these series negotiate and pay those fees directly to the Manager.

Certain Funds may invest in other mutual funds (“underlying funds”), including other NEI Funds in order to achieve their investment objectives. There are fees payable by the underlying funds in addition to the fees payable by the investing Fund. No management fees are payable by the Fund that, to a reasonable person, would duplicate a fee payable by the underlying fund for the same service.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023 and 2022 (continued)

Other Expenses

The Manager pays all of the operating expenses of the Funds, except for:

- costs and expenses associated with taxes (including, but not limited to, GST/HST), borrowing, and the costs associated with the independent review committee (“IRC”). IRC expenses include annual dues, meeting fees and other related expenses such as travel relating to the operation of the IRC.
- costs associated with portfolio transactions, including brokerage commissions and research and execution costs.

The operating expenses include, but are not limited to, audit fees, fund accounting costs, transfer agency and recordkeeping costs, custodian costs, administration costs and trustee services relating to registered tax plans, costs of printing and disseminating prospectuses, annual information forms, fund facts and continuous disclosure materials, legal fees, bank charges, investor communication costs and regulatory filing fees.

In return for assuming the obligation to pay the Funds’ operating expenses, each Fund pays to the Manager a fixed annual administration fee (“administration fee”), which is subject to applicable taxes, including HST. The administration fee varies between Funds and series. Administration fees correspond to a specified percentage of the net asset value of the series, calculated and accrued daily. No administration fee is charged to Series I units of the Funds because of the fee structures associated with this series.

The annual management fee rate and the annual administration fee rate shown in the “Notes to the Financial Statements – Specific Information” pertaining to each Fund may be lower than the rates presented in the prospectus, as the Manager can absorb a portion of those expenses.

For more information regarding the management fees and other expenses each Fund incurs, please refer to the “Notes to the Financial Statements – Specific Information” pertaining to each Fund.

6. RELATED PARTY TRANSACTIONS

NEI LP is the Manager, Trustee, Portfolio Manager and Registrar of the Funds. Northwest & Ethical Investments Inc., the general partner of NEI LP, is a wholly-owned subsidiary of Aviso Wealth Inc. (“Aviso”). Aviso is the sole limited partner of the Manager. 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 is the Manager of the Funds pursuant to the Management Agreement and ensures the daily administration of the Funds. NEI LP provides or ensures the Funds are provided with all services (accounting, custody, portfolio management, record maintenance, transfer agent) required. The Funds pay management and administration fees to NEI LP. Trustee fees and portfolio management fees are entirely at NEI LP’s expense.

Desjardins Trust is the custodian of the Funds. Desjardins Trust is a wholly-owned subsidiary of the Fédération. The Funds may engage in securities lending transactions, and Desjardins Trust may act as the Funds’ securities lending agent (“Agent”). Any revenue earned on such securities lending is split between the Funds and the Agent.

Underlying Funds

In accordance with their investment objectives, certain Funds invest in Series I units of other NEI Funds. All the underlying funds identified as “Related” in the table “Fair Value Hierarchy” are considered related parties. All transactions in those investments are executed based on the fair value of those investments as described in the significant accounting policies. No commissions or other fees were paid by the Fund in relation to these transactions.

For more information regarding the related parties for each Fund, please refer to the “Notes to the Financial Statements – Specific Information” pertaining to each Fund.

7. FINANCIAL INSTRUMENTS DISCLOSURES

Hierarchy of Financial Instruments Measured at Fair Value

The fair value measurement of financial instruments is determined using the following three levels of the fair value hierarchy:

- Level 1—Measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2—Valuation techniques based primarily on observable market data.
- Level 3—Valuation techniques not based primarily on observable market data.

If inputs of different levels are used to measure the fair value of an asset or liability, the classification within the hierarchy is based on the lowest level input that is significant to the measurement of fair value.

Measurement Monitoring

The Manager is responsible for establishing the fair value measurements included in the Funds’ financial statements, including Level 3 measurements. The Manager obtains prices from a pricing agency and monitors and analyzes these prices daily. A Measurement Monitoring Committee ensures that appropriate operating procedures and a proper monitoring structure are in place and followed. This Committee meets on a quarterly basis to review fair value situations. Reports are produced monthly and given quarterly to the Committee members. It also examines specific processes carried out by the Investment Fund Portfolio Department. Moreover, the Measurement Monitoring Committee establishes Measurement Policy orientation. On a quarterly basis, this Committee examines and approves the Level 3 measurements after obtaining confirmation of the measurements from each portfolio manager, as needed. The Committee signs off on any adjustments made to prices or estimates provided by the pricing agency.

Establishment of Levels

A change in the fair value measurement method could result in a transfer between levels. The Funds’ policy is to record the implications of the transfers between levels on the date of the event or change in circumstances behind the transfer.

The following types of investments may be classified as Level 3 if their prices are no longer based on observable inputs.

a) Money Market Securities

Money market securities primarily include public sector and corporate securities. The inputs that are significant to valuation are generally observable. Public sector money market securities guaranteed by the federal or provincial government have been classified as Level 1. Other money market securities have been classified as Level 2.

b) Equities

Equities are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data and the fair value is classified as Level 2. If the determination of fair value uses significant unobservable data, then the fair value is classified as Level 3. Unlisted warrants are generally classified as Level 2.

c) Index-Based Investments and Exchange Traded Funds

Index-based investments and exchange traded funds are classified as Level 1 when the security is actively traded and a reliable price is observable.

d) Bonds

Public sector bonds guaranteed by the federal or provincial government are classified as Level 1. Corporate bonds, which are valued using models with inputs including interest rate curves, credit spreads and volatilities are usually classified as Level 2.

e) Mortgage-Backed Securities and Asset-Backed Securities

Mortgage-backed securities and asset-backed securities consist primarily of corporate securities, which are valued using models with inputs including interest rate curves, credit spreads and volatilities. Since the inputs that are significant to valuation are generally observable, mortgage-backed securities and asset-backed securities are usually classified as Level 2.

f) Investment Funds

Public investment funds are classified as Level 1 when their prospectus is unrestricted and their price is reliable and observable. Since some investment funds are not public, their price is determined using observable market data and their fair value is classified as Level 2. If the measurement of fair value requires the use of significant unobservable inputs, then it is classified as Level 3.

g) Options

Options are classified as Level 1 when the option is actively traded and a reliable price is observable. Unlisted options are generally classified as Level 2.

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h) Derivative Financial Instruments

Derivative financial instruments consist of foreign currency forward contracts, forward contracts, interest rate swaps, credit default swaps and TBA, for which counterparty credit spreads are observable and reliable or for which the credit-related inputs are determined to be significant to fair value, are classified as Level 2 except for the TBA which are classified as Level 1 when the underlying mortgage-backed securities are classified as Level 1.

Detailed information concerning the fair value hierarchy of each Fund is available in their respective "Notes to the Financial Statements – Specific Information". For securities classified as Level 3, the valuation techniques and assumptions are also presented in their respective notes.

Management of Risks Arising from Financial Instruments

Throughout their activities, the Funds are exposed to a variety of risks associated with financial instruments such as market risk (including currency risk, interest rate risk and price risk), concentration risk, credit risk and liquidity risk. The overall risk management strategy of the Funds focuses on the unpredictability of financial markets and optimizes the Funds' financial performance. Most investments involve a risk of loss.

The Manager is responsible for the Funds' risk management and for selecting and monitoring portfolio sub-advisors.

The Manager compares the performance of the Funds with benchmark indexes on a monthly basis. This analysis is reviewed quarterly by the Investment Committee. The Manager also ensures that the Funds' investment policies are followed and writes a compliance report, which is also reviewed on a quarterly basis by the Investment Committee.

The Manager organizes annual meetings with the sub-advisors in order to keep abreast of any changes in their investment practices.

Market Risk

Market risk is the risk that the fair value or future cash flows associated with a financial instrument will fluctuate because of a change in the relevant risk variables, such as interest rates, exchange rates, equity prices, political changes, and catastrophic events, such as pandemics or disasters. The Funds' market risk is managed through diversification of the investment portfolios' exposure ratios.

As a result of the COVID-19 global pandemic, global equity and capital markets have experienced significant disruptions and volatility globally due to emergency measures taken in response to the spread of COVID-19, which have resulted in economic uncertainty. Governments have reacted with monetary and fiscal interventions designed to stabilize economic conditions. While the situation has stabilized, uncertainty remains in the global market regarding the long-term impact of the COVID-19 pandemic on financial markets and performance of the Funds, and there continues to be a potential for unexpected changes in the development and progression of COVID-19. The Manager continues to closely monitor the impact of COVID-19 on the Funds' risk exposures from the portfolio holdings.

Since February 2022, the conflict between Ukraine and the Russian Federation has resulted in significant volatility and uncertainty in financial markets. NATO, the EU and G7 member countries, including Canada, have imposed severe and coordinated sanctions against Russia. Price volatility, trading restrictions on Russian market trading and general default risk related to Russian securities have increased substantially. It is uncertain how long the conflict, economic sanctions and market instability will continue. The Funds' Manager is actively monitoring the situation and the impact it may have on the Funds.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk is composed of monetary items (usually including cash, receivable amounts in foreign currencies, investments in fixed-income and money market securities) and non-monetary items (usually including investments in equities and investment funds). The non-monetary assets are classified according to the currency in which the security was purchased.

The Funds are exposed to currency risk by holding assets and liabilities denominated in currencies other than the Canadian dollar, the Funds' functional currency, as the value of the securities denominated in other currencies will fluctuate according to the prevailing exchange rates.

The Funds' exposure to currency risk is shown based on the carrying value of financial assets and financial liabilities (including derivative financial instruments and the notional amount of foreign currency forward contracts and foreign currency futures, if any).

When the Canadian dollar decreases in relation to foreign currencies, the value of foreign investments increases. Conversely, when the value of the Canadian dollar increases, the value of foreign investments decreases.

Currency risk is disclosed when the Funds' foreign currencies exposure is above 5% of Net Assets.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk occurs when an investment fund invests in interest-bearing financial instruments. Generally, the value of these securities increases if interest rates decrease and decreases if interest rates increase. The interest rate risk is managed by calculating and monitoring the average portfolio duration on these securities. The Funds also hold a limited amount of cash subject to variable interest rates, which exposes them to cash flow interest rate risk.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price, other than those arising from currency risk or interest rate risk.

The portfolio manager plans to manage this risk by carefully selecting securities and other financial instruments, in accordance with defined limits. The maximum risk resulting from financial instruments is determined by the fair value or contract value of the financial instruments. The Funds' financial instruments are exposed to price risk arising from uncertainties about the future prices of instruments.

Concentration Risk

Concentration risk arises because of the concentration of exposure within the same category, whether it is geographical location or industry sector. For Funds with an international investment strategy, the concentration by geographic location is presented according to, among other things, the country of incorporation or region. For Funds with a domestic investment strategy, the concentration by industry sector is presented according to their investments in the different sectors. The concentration risk is managed through portfolio diversification within the framework of the Funds' objective and strategy.

Credit Risk

Credit risk is the risk that the financial instrument counterparty will be unable to pay the full amount at maturity. The Funds' credit risk is managed through an independent credit analysis from the Manager/sub-advisor, in addition to credit rating agencies' analysis.

Financial Instrument Transactions

The Funds are exposed to credit risk. The Funds' and the counterparty's respective credit risk are considered when determining the fair value of financial assets and liabilities, including derivative financial instruments. Transactions are settled or paid on delivery using approved brokers. The risk of default is considered limited as delivery of the securities sold is made once the broker has received payment.

Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

However, there are risks involved in dealing with custodians or prime brokers who settle trades and, in rare circumstances, the securities and other assets deposited with the custodian or broker may be exposed to credit risk with regard to such parties. In addition, there may be practical problems or time delays associated with enforcing the Funds' rights to their assets in the case of an insolvency of any such party.

The credit rating for fixed-income securities and money market securities is rated by credit rating agencies, which generally includes the *Dominion Bond Rating Service ("DBRS")*, *Standard & Poor's* and *Moody's*. In cases where the credit rating agencies do not agree on a credit rating for fixed-income securities and money market securities, they will be classified following these rules:

- If two credit ratings are available, but the ratings are different, the lowest rating is used;
- If three credit ratings are available, the most common credit rating is used;
- If all three credit rating agencies have different ratings, the middle credit rating is used.

The credit rating is then converted to *DBRS* format. Generally, the greater the credit rating of a security, the lower the probability of it defaulting on its obligations.

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Derivative financial instruments are financial contracts whose value depends on underlying assets and other external factors, such as interest rates and foreign exchange rates. The vast majority of derivative financial instruments are negotiated by mutual agreement between the Funds and their counterparties, and include, among others, foreign currency forward contracts. Other transactions are carried out as part of trades and mainly consist of futures contracts.

Securities Lending and Repurchase Transactions

Securities lending and repurchase transactions expose the Funds to credit risk. These transactions are governed by the Investment Industry Regulatory Organization of Canada participation agreements. The Funds also use netting agreements with counterparties to mitigate credit risk and require a percentage of collateralization (a pledge) on these transactions. The Funds only accept pledges from counterparties that comply with the eligibility criteria defined in their policies. These criteria promote quick realization, if necessary, of collateral in case of default. The collateral received and given by the Funds are mainly cash and government securities. Further information on assets pledged and received as collateral is presented in the "Notes to the Financial Statements – Specific Information" pertaining to each Fund.

Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities.

The Funds are exposed to daily cash redemptions of units. Most of their assets are therefore invested in liquid investments (i.e. investments that are traded in an active market and that can be readily disposed of).

Some Funds may invest in derivative financial instruments, debt securities and unlisted equity investments which are not traded in an active market. As a result, some Funds may not be able to quickly liquidate their investments at amounts approximating their fair values or be able to respond to specific effects such as deterioration in the creditworthiness of any particular issuer. In addition, the Funds can borrow up to 5% of their net asset value for the purposes of funding redemptions.

Each Fund may be exposed to indirect liquidity risk in the event that the underlying fund(s) suspends redemptions resulting in the Funds being unable to redeem their investments.

The majority of the remaining liabilities are due within the next three months. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

In March 2021, the ICE Benchmark Administration (the administrator of LIBOR) in conjunction with the UK's Financial Conduct Authority (FCA) officially announced the cessation of LIBOR benchmarks across various tenors and currencies by December 31, 2021. All remaining LIBOR rate settings (overnight, 1-, 3-, 6-, and 12-month) will cease to be published after June 30, 2023. All instruments whose rates are tied to LIBOR will continue to have their rates published until June 30, 2023. This lessens the immediate impact risk and allows time for NEI Funds to move away from these instruments over the next year. The Manager does not expect any significant impact on the Funds (Liquidity or Valuation) from the upcoming transition to NEI's positions as NEI's portfolio references LIBOR settings will continue to be published until 2023.

Additional Information

For further information on the risks associated with financial instruments to which each Fund is exposed, refer to the section "Notes to the Financial Statements – Specific Information" pertaining to each Fund.

8. OTHER INFORMATION

Unitholders of the Funds can obtain, without charge, the Simplified Prospectus, the Annual Information Form, the Fund Facts sheets as well as the Financial Statements by contacting:

Northwest & Ethical Investments L.P.

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These documents may also be obtained at the following Internet address: www.sedar.com

Northwest & Ethical Investments L.P.

[1-888-809-3333](tel:1-888-809-3333)

NEIinvestments.com

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