

Annual Management Report of Fund Performance

As at September 30, 2023

This Annual Management Report of Fund Performance contains financial highlights but does not contain either semi-annual or annual financial statements of the investment fund. You can obtain a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 1-888-809-3333, by writing us at Northwest & Ethical Investments L.P., 151 Yonge Street Suite 1200, Toronto, ON M5C 2W7 or by visiting our website at www.neiinvestments.com or SEDAR at www.sedarplus.ca.

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

Management Discussion of Performance

Investment Objective and Strategies

The Fund's investment objective is to provide long-term capital growth and preservation of capital through exposure to foreign and Canadian equity securities and exposure to foreign and Canadian fixed income securities and money market securities.

To achieve its objective, the Fund will invest in underlying mutual funds, which may be managed by NEI Investments.

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

Risk

The risks associated with investing in the Fund remain as discussed in the Simplified Prospectus. This Fund is suitable for investors investing for the medium term, with a low to medium tolerance for risk. Any changes in the Fund have not affected the overall level of risk of the Fund.

Results of Operations

The NEI Select Balanced RS Portfolio's Series A units returned 5.6% for the twelve-month period ended September 30, 2023 compared with a return of 9.1% for the benchmark explained below.

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

The blended benchmark is composed of 40% FTSE Canada Universe Bond Index, 15% S&P/TSX Composite TR Index and 45% MSCI ACWI NR Index (C\$).

The Fund's net asset value increased by 3.77% during the period, from \$1,766,024,804 as at September 30, 2022 to \$1,832,532,001 as at September 30, 2023. This change in net assets is attributed to net unitholder activity of -\$37,037,121 and \$103,544,318 to investment operations, including market appreciation (depreciation), income and expenses.

Market Overview

After bottoming in October 2022, equity markets were mostly on an upward trajectory during the period. Performance was driven by better-than-expected economic indicators, slowing inflation and interest rate hikes, and the narrative around artificial intelligence (AI) and its potential benefits.

Equity markets had some volatility during the first half of the period, each month driven by unique and divergent narratives. In January, falling yields drove markets towards a strong risk-on posture, which led to low-quality and high-beta stocks outperforming. However, risk sentiment changed rapidly in February, as concerns around persistent inflation and the U.S. Federal Reserve Board remaining hawkish for longer, began to take hold. In March, yields fell materially due to increased concerns about credit and liquidity risks stemming from negative developments at financial institutions such as SVB Financial Group, Signature Bank and Credit Suisse Group AG.

The quick recovery from the regional banking crisis brought skeptics off the sidelines, and in the second quarter of 2023, the equity rally that was mostly driven by the handful of mega-capitalization stocks extended further, delivering one of the best S&P 500 Index first-half returns on record. So far, the market has been focused on the first order beneficiaries of AI, including the mega-cap Information Technology companies Microsoft Corp., Apple Inc., NVIDIA Corp., Tesla Inc., Meta Platforms Inc., Amazon.com Inc., and Alphabet Inc. U.S. equity markets marched into bull market territory in July as economic data showed resilience with strong growth and key inflation indicators easing. However, the steady upward market trend that began in mid-March ended in August, when the markets started seeing some volatility and negative returns as rising yields and uncertainty surrounding the path of global economies were the main concerns among investors.

More recently the focus has shifted from whether there will be another interest rate hike, to how long central banks will hold rates at restrictive levels, with “higher for longer” increasingly viewed as the necessary scenario. Fiscal sustainability was another area of concern for bond investors in the U.S., with the U.S. Treasury market being hit by concerns over the amount of issuance that will be required to sustain a large fiscal deficit, coupled with decreased demand from foreign investors.

While the U.S. has greater prospects of making a soft landing, recession risk in Canada is rising. The economy entered a period of weaker growth, with a marked weakening in consumption and a contraction in manufacturing activity. This weakening in consumption indicated that Canadian consumers are starting to feel the weight of tighter monetary policies.

Economic data coming from Europe continued to surprise negatively, as tighter monetary policy weighed on consumers and businesses. Both the manufacturing and the service indices were in contractionary territory and forward-looking indicators pointed to further declines in output ahead.

Japan was the best-performing equity market this year with recent months seeing a chorus of bullish calls on Japanese equities and a surge in overseas investor interest, pushing the main indices back to levels not seen since 1989. This growth was attributed to confidence in corporate earnings and attractive stock valuations. Additionally, the Tokyo Stock Exchange's call for companies to focus on sustainable growth and raising their price-to-book ratios has also played a role. These factors led to increased foreign investments, but a weakening of the yen limited gains for overseas investors.

Factors That Have Affected Performance

Over the period, some of the contributors to Fund performance were the NEI Global Total Return Bond Fund (Series I), NEI Canadian Small Cap Equity RS Fund (Series I), NEI Canadian Bond Fund as well as the overweight position in global equities. Some of the detractors over the period included NEI International Equity RS Fund (Series I), NEI Emerging Markets Fund (Series I) and NEI Global Dividend RS (Series I).

ESG Activities

The following environmental, social, and governance (ESG) activities are some of those undertaken during the period related to the Fund's investment objectives and strategies. The activities are presented in connection with the underlying funds that the Fund invests in.

For NEI Canadian Bond Fund, NEI's Responsible Investing & ESG Services team (RI team) engaged 11 companies including Bank of Nova Scotia, The Toronto-Dominion Bank, and Enbridge Inc., on topics such as equitable compensation, biodiversity, and net-zero commitments.

For NEI Global Total Return Bond Fund, the RI team engaged five companies including Citigroup Inc., Vodafone Group PLC, and Telefonica SA, on topics such as net-zero commitments and digital rights.

For NEI U.S. Equity RS Fund, the RI team engaged 23 companies including Alphabet, Microsoft, and Shell PLC, on topics such as equitable compensation, human capital, and digital rights. They voted against management on 58% of the proxy items at 70 annual general meetings. They supported 72% of 130 shareholder resolutions filed on ESG topics such as tax transparency, civil rights audit, and access to COVID-19 products.

Recent Developments

We continue to expect the effects of monetary tightening to weigh on the economy between late 2023 and early 2024. The U.S. is still the most resilient economy but is showing signs of slowdown, while risk of recession in Canada and Europe is rising.

We have a preference for U.S. markets over other regions given the relatively greater resilience in its economy and higher expected earnings growth in 2024 and 2025. Historically speaking, positive economic growth along with falling inflation creates a supportive environment for both bonds and equities. High-growth assets may pullback mildly, given their higher valuation and moderating growth. However, the majority of the market is at reasonable valuation and can provide support.

We believe the market's current belief that interest rates will be "higher for longer" may not hold for long if inflation continues to recede. We believe the market will be in a holding pattern until the end of the year as growth weakens. However, as inflation continues to fall and corporate earnings improve over the next 6-9 months, we believe it will create a positive environment for both equities and fixed income. The recent pullback in equities and rally in yields has created an attractive entry point for long-term investors.

The term of Marie Rounding ended on September 30, 2023. Ms. Rounding has served with distinction on the Independent Review Committee ("IRC") since 2014. After consulting with the Manager, the IRC determined it would replace Ms. Rounding with Caroline Cathcart. Ms. Cathcart was appointed as a new IRC member effective October 01, 2023, for a one-year term. As Ms. Rounding acted as the IRC chair after her term ended, Ms. McCarthy was appointed IRC Chair, effective October 5, 2023, and replaced Ms. Rounding in this role.

Effective March 01, 2023, the blended benchmark was changed from 50% FTSE Canada Universe Bond Index, 15% S&P/TSX Composite TR Index and 35% MSCI World NR Index (C\$) to a blended benchmark of 40% FTSE Canada Universe Bond Index, 15% S&P/TSX Composite TR Index and 45% MSCI ACWI NR Index (C\$).

Related Party Transactions

Northwest & Ethical Investments L.P. ("NEI LP") is the Manager, Trustee, Portfolio Manager and Registrar of the Fund. Northwest & Ethical Investments Inc., the general partner of NEI LP, is a wholly-owned subsidiary of Aviso Wealth Inc. ("Aviso"). Aviso is also the sole limited partner of NEI LP. Aviso is a wholly-owned subsidiary of Aviso Wealth LP, which in turn is owned 50% by Desjardins Financial Holding Inc. and 50% by a limited partnership owned by the five Provincial Credit Union Centrals and The CUMIS Group Limited. Desjardins Financial Holding Inc. is a wholly-owned subsidiary of the Fédération des caisses Desjardins du Québec ("Fédération").

NEI LP charges the Fund a fixed administration fee in place of certain variable expenses. NEI LP in turn, pays all operating expenses of the Fund, other than specified Fund costs (e.g. the fees and expense of the Independent Review Committee ("IRC"), taxes, and brokerage commissions) which include payments to related parties. These services are in the normal course of operations and are measured at an exchange amount that is consistent with other independent parties. Desjardins Trust Inc. ("Desjardins Trust") is the custodian of the Fund. Desjardins Trust is a wholly-owned subsidiary of the Fédération. The Fund may engage in securities lending and repurchase transactions, and Desjardins Trust may act as the Fund's securities lending and repurchase transactions agent ("Agent"). Any revenue earned on such transactions is split 60%—40% between the Fund and the Agent. Desjardins Securities Inc. ("DSI") is a broker responsible for security transactions on behalf of the Fund. DSI is a wholly-owned subsidiary of the Fédération.

Where applicable the amounts paid in commission by the Fund to DSI and amounts received from underlying funds managed by NEI LP during the period are presented.

| | September 2023 (\$) | September 2022 (\$) |
|--|---------------------|---------------------|
| Amounts received from underlying funds | 60,337,108 | 90,002,625 |

The Fund's sub-advisors may place a portion of the Fund's portfolio transactions with brokerage firms which are affiliates of NEI LP, provided that the affiliate's trade execution abilities and costs are comparable to those of non-affiliated qualified brokerage firms.

The Fund is distributed through Credential Asset Management Inc., Credential Qtrade Securities Inc., and members of the Fédération and other nonrelated parties by way of shared ownership. NEI LP pays to these parties distribution and servicing fees based on a percentage of the daily values of the units of each held by the dealer's clients and additionally, in some cases, on the amount of initial purchase.

NEI LP has established the IRC for the Fund in accordance with the requirements of National Instrument 81-107 – Independent Review Committee for Investment Funds in order to review conflicts of interest as they relate to investment fund management. The Fund did not rely on an approval, positive recommendation or standing instruction from the Fund's IRC with respect to any related party transactions.

This document contains forward-looking statements. Such statements are generally identifiable by the terminology used, such as "plan", "anticipate", "intend", "expect", "estimate", or other similar wording. These forward-looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Such factors include, but are not limited to: general economic, market and business conditions; fluctuations in securities prices, fluctuation in interest rates and foreign currency exchange rates; and actions by governmental authorities. Future events and their effects on the Fund may not be those anticipated by us. Actual results may differ materially from the results anticipated in these forward-looking statements. We do not undertake, and specifically disclaim, any obligation to update or revise any forward-looking information, whether as a result of new information, future developments or otherwise.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five fiscal years or for the periods since inception, as applicable.

Net Assets per Unit (\$)⁽¹⁾

| Series | Period | Net Assets, Beginning of Period | Increase (Decrease) from Operations | | | | | Distributions | | | | | | Net Assets, End of Period |
|--------|------------|---------------------------------|-------------------------------------|----------------|-------------------------|---------------------------|--|-----------------------------------|----------------|-----------------------|--------------------|-------------------|--|---------------------------|
| | | | Total Revenue | Total Expenses | Realized Gains (Losses) | Unrealized Gains (Losses) | Total Increase (Decrease) from Operations ⁽²⁾ | From Income (Excluding Dividends) | From Dividends | From Underlying Funds | From Capital Gains | Return of Capital | Total of Distributions ⁽³⁾⁽⁴⁾ | |
| A | Sept. 2023 | 7.68 | 0.26 | -0.18 | -0.13 | 0.47 | 0.42 | 0.00 | 0.00 | 0.08 | 0.00 | 0.34 | 0.42 | 7.69 |
| | Sept. 2022 | 9.40 | 0.41 | -0.20 | 0.01 | -1.49 | -1.27 | 0.00 | 0.00 | 0.21 | 0.14 | 0.13 | 0.48 | 7.68 |
| | Sept. 2021 | 9.10 | 0.18 | -0.23 | 0.25 | 0.34 | 0.54 | 0.00 | 0.00 | 0.00 | 0.00 | 0.48 | 0.48 | 9.40 |
| | Sept. 2020 | 9.20 | 0.30 | -0.22 | 0.09 | 0.22 | 0.39 | 0.00 | 0.00 | 0.08 | 0.02 | 0.36 | 0.46 | 9.10 |
| | Sept. 2019 | 9.18 | 0.32 | -0.21 | 0.02 | 0.45 | 0.58 | 0.00 | 0.00 | 0.10 | 0.28 | 0.06 | 0.44 | 9.20 |
| F | Sept. 2023 | 8.98 | 0.31 | -0.11 | -0.15 | 0.60 | 0.65 | 0.00 | 0.00 | 0.20 | 0.00 | 0.28 | 0.48 | 9.11 |
| | Sept. 2022 | 10.87 | 0.48 | -0.13 | 0.01 | -1.75 | -1.39 | 0.00 | 0.00 | 0.35 | 0.15 | 0.05 | 0.55 | 8.98 |
| | Sept. 2021 | 10.40 | 0.24 | -0.14 | 0.29 | 0.47 | 0.86 | 0.00 | 0.00 | 0.09 | 0.00 | 0.45 | 0.54 | 10.87 |
| | Sept. 2020 | 10.38 | 0.35 | -0.13 | 0.11 | 0.20 | 0.53 | 0.00 | 0.00 | 0.22 | 0.03 | 0.27 | 0.52 | 10.40 |
| | Sept. 2019 | 10.24 | 0.65 | -0.12 | 0.02 | -0.63 | -0.08 | 0.00 | 0.00 | 0.01 | 0.48 | 0.00 | 0.49 | 10.38 |
| I | Sept. 2023 | 14.87 | 0.49 | 0.00 | -0.25 | 1.03 | 1.27 | 0.00 | 0.00 | 0.70 | 0.00 | 0.00 | 0.70 | 15.35 |
| | Sept. 2022 | 17.52 | 0.79 | 0.00 | 0.01 | -2.87 | -2.07 | 0.01 | 0.00 | 0.42 | 0.28 | 0.00 | 0.71 | 14.87 |
| | Sept. 2021 | 15.74 | 0.43 | 0.00 | 0.45 | 0.97 | 1.85 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 17.52 |
| | Sept. 2020 | 15.00 | 0.52 | 0.00 | 0.16 | 0.28 | 0.96 | 0.01 | 0.00 | 0.20 | 0.04 | 0.00 | 0.25 | 15.74 |
| | Sept. 2019 | 14.44 | 0.51 | 0.00 | 0.03 | 0.57 | 1.11 | 0.00 | 0.00 | 0.18 | 0.31 | 0.00 | 0.49 | 15.00 |
| O | Sept. 2023 | 10.48 | 0.35 | -0.01 | -0.18 | 0.70 | 0.86 | 0.00 | 0.00 | 0.41 | 0.00 | 0.00 | 0.41 | 10.90 |
| | Sept. 2022 | 12.34 | 0.54 | -0.01 | 0.01 | -1.99 | -1.45 | 0.00 | 0.00 | 0.30 | 0.19 | 0.00 | 0.49 | 10.48 |
| | Sept. 2021 | 11.10 | 0.28 | -0.01 | 0.32 | 0.55 | 1.14 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 12.34 |
| | Sept. 2020 | 10.61 | 0.35 | -0.01 | 0.11 | 0.28 | 0.73 | 0.00 | 0.00 | 0.18 | 0.03 | 0.00 | 0.21 | 11.10 |
| | Sept. 2019 | 10.14 | 0.09 | -0.01 | 0.02 | 1.19 | 1.29 | 0.00 | 0.00 | 0.06 | 0.22 | 0.00 | 0.28 | 10.61 |
| P | Sept. 2023 | 8.70 | 0.29 | -0.17 | -0.15 | 0.53 | 0.50 | 0.00 | 0.00 | 0.12 | 0.00 | 0.35 | 0.47 | 8.75 |
| | Sept. 2022 | 10.61 | 0.46 | -0.19 | 0.01 | -1.69 | -1.41 | 0.00 | 0.00 | 0.27 | 0.16 | 0.11 | 0.54 | 8.70 |
| | Sept. 2021 | 10.22 | 0.21 | -0.21 | 0.28 | 0.38 | 0.66 | 0.00 | 0.00 | 0.00 | 0.00 | 0.53 | 0.53 | 10.61 |
| | Sept. 2020 | 10.28 | 0.34 | -0.21 | 0.10 | 0.19 | 0.42 | 0.00 | 0.00 | 0.13 | 0.03 | 0.35 | 0.51 | 10.22 |
| | Sept. 2019 | 10.00 | 0.08 | -0.18 | 0.02 | 1.15 | 1.07 | 0.00 | 0.00 | 0.00 | 0.02 | 0.48 | 0.50 | 10.28 |
| PF | Sept. 2023 | 9.04 | 0.31 | -0.08 | -0.16 | 0.56 | 0.63 | 0.00 | 0.00 | 0.23 | 0.00 | 0.26 | 0.49 | 9.19 |
| | Sept. 2022 | 10.90 | 0.48 | -0.09 | 0.01 | -1.76 | -1.36 | 0.00 | 0.00 | 0.39 | 0.16 | 0.00 | 0.55 | 9.04 |
| | Sept. 2021 | 10.39 | 0.25 | -0.10 | 0.29 | 0.46 | 0.90 | 0.00 | 0.00 | 0.14 | 0.00 | 0.40 | 0.54 | 10.90 |
| | Sept. 2020 | 10.34 | 0.34 | -0.10 | 0.11 | 0.23 | 0.58 | 0.00 | 0.00 | 0.25 | 0.03 | 0.24 | 0.52 | 10.39 |
| | Sept. 2019 | 10.00 | 0.07 | -0.08 | 0.02 | 1.21 | 1.22 | 0.00 | 0.00 | 0.00 | 0.03 | 0.50 | 0.53 | 10.34 |

(1) All per unit figures presented in 2023 are referenced to net assets determined in accordance with IFRS and are derived from the Fund's audited annual financial statements for the period ended September 30, 2023.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash or reinvested in additional units of the Fund.

(4) Distributions (if any) that may have been made that included return of capital in excess of short term earnings were made to minimize disruption and provide stability to investors who have elected to take their distributions in the form of cash, and as disclosed in the Simplified Prospectus. These amounts are reviewed at each calendar year-end and management engages in discussions with the sub-advisor to determine the most applicable strategy on a go forward basis and will take any action(s) as needed for the long term stability of the Fund.

Ratios and Supplemental Data

| Series | Period | Total Net Asset Value (000's of \$) | Number of Units Outstanding (000's) | Management Expense Ratio (%) ⁽¹⁾ | Management Expense Ratio before Waivers and Absorptions (%) | Trading Expense Ratio (%) ⁽²⁾ | Portfolio Turnover Rate (%) ⁽³⁾⁽⁴⁾⁽⁵⁾ | Net Asset Value per Unit (\$) |
|--------|------------|-------------------------------------|-------------------------------------|---|---|--|--|-------------------------------|
| A | Sept. 2023 | 1,020,126 | 132,599 | 2.30 | 2.30 | 0.03 | 13.39 | 7.69 |
| | Sept. 2022 | 980,492 | 127,711 | 2.35 | 2.35 | 0.02 | 11.79 | 7.68 |
| | Sept. 2021 | 1,055,275 | 112,216 | 2.37 | 2.37 | 0.02 | 18.71 | 9.40 |
| | Sept. 2020 | 362,457 | 39,809 | 2.39 | 2.39 | 0.05 | 15.60 | 9.10 |
| | Sept. 2019 | 303,400 | 32,984 | 2.37 | 2.37 | 0.04 | 57.59 | 9.20 |
| F | Sept. 2023 | 27,192 | 2,986 | 1.20 | 1.20 | 0.03 | 13.39 | 9.11 |
| | Sept. 2022 | 28,045 | 3,123 | 1.25 | 1.25 | 0.02 | 11.79 | 8.98 |
| | Sept. 2021 | 25,025 | 2,302 | 1.27 | 1.27 | 0.02 | 18.71 | 10.87 |
| | Sept. 2020 | 13,351 | 1,284 | 1.27 | 1.27 | 0.05 | 15.60 | 10.40 |
| | Sept. 2019 | 11,986 | 1,154 | 1.26 | 1.26 | 0.04 | 57.59 | 10.38 |
| I | Sept. 2023 | 31,599 | 2,059 | N/A | N/A | 0.03 | 13.39 | 15.35 |
| | Sept. 2022 | 33,169 | 2,231 | N/A | N/A | 0.02 | 11.79 | 14.87 |
| | Sept. 2021 | 20,943 | 1,196 | N/A | N/A | 0.02 | 18.71 | 17.52 |
| | Sept. 2020 | 22,570 | 1,434 | N/A | N/A | 0.05 | 15.60 | 15.74 |
| | Sept. 2019 | 20,597 | 1,373 | N/A | N/A | 0.04 | 57.59 | 15.00 |
| O | Sept. 2023 | 5,775 | 530 | 0.05 | 0.05 | 0.03 | 13.39 | 10.90 |
| | Sept. 2022 | 4,889 | 467 | 0.06 | 0.06 | 0.02 | 11.79 | 10.48 |
| | Sept. 2021 | 4,730 | 383 | 0.06 | 0.06 | 0.02 | 18.71 | 12.34 |
| | Sept. 2020 | 2,867 | 258 | 0.06 | 0.06 | 0.05 | 15.60 | 11.10 |
| | Sept. 2019 | 1,980 | 187 | 0.06 | 0.06 | 0.04 | 57.59 | 10.61 |
| P | Sept. 2023 | 690,229 | 78,844 | 1.93 | 1.93 | 0.03 | 13.39 | 8.75 |
| | Sept. 2022 | 662,323 | 76,143 | 1.97 | 1.97 | 0.02 | 11.79 | 8.70 |
| | Sept. 2021 | 729,696 | 68,779 | 2.00 | 2.00 | 0.02 | 18.71 | 10.61 |
| | Sept. 2020 | 260,039 | 25,439 | 2.04 | 2.04 | 0.05 | 15.60 | 10.22 |
| | Sept. 2019 | 223,742 | 21,757 | 2.12 | 2.12 | 0.04 | 57.59 | 10.28 |
| PF | Sept. 2023 | 57,610 | 6,266 | 0.88 | 0.88 | 0.03 | 13.39 | 9.19 |
| | Sept. 2022 | 57,107 | 6,317 | 0.92 | 0.92 | 0.02 | 11.79 | 9.04 |
| | Sept. 2021 | 60,935 | 5,590 | 0.93 | 0.93 | 0.02 | 18.71 | 10.90 |
| | Sept. 2020 | 33,026 | 3,178 | 0.95 | 0.95 | 0.05 | 15.60 | 10.39 |
| | Sept. 2019 | 28,227 | 2,729 | 0.97 | 0.97 | 0.04 | 57.59 | 10.34 |

(1) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs, as well as withholding taxes) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

(2) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

(3) The portfolio turnover rate indicates how actively the Fund's sub-advisor manages its investment holdings. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

(4) At the close of business on October 29, 2018, the Meritas Balanced Portfolio was merged into the NEI Select Balanced RS Portfolio. The portfolio turnover rates exclude the value of securities acquired and sold to realign the Fund's holdings.

(5) At the close of business on April 23, 2021, the NEI Select Balanced Portfolio was merged into the NEI Select Balanced RS Portfolio. The portfolio turnover rates exclude the value of securities acquired and sold to realign the Fund's holdings.

Management Fees

The Manager is responsible for the management, supervision and administration of the Fund. The Manager receives from the Fund management fees, before HST, calculated daily on the net asset value of the Fund at an annual rate shown below. The Fund does not pay management fees for Series I and O units. Series I and O unitholders pay a negotiated fee directly to NEI Investments.

The management fee covers the cost of investment advisory fees, sales, marketing, and distribution expenses of the Fund. In addition, the Manager may pay a trailer fee to dealers out of this management fee. The trailer fee is a percentage of the average daily value of the units of the Fund held by the dealer’s clients. No trailer fees are paid in respect of any Series F and PF units of the Fund.

The following table shows the major services paid for out of management fees as a percentage of the management fee for all applicable series of the Fund:

| | Management Fee (%) | Investment Advisory and Other Fees (%) | Trailer Fee (%) |
|-----------|--------------------|--|-----------------|
| Series A | 1.90 | 47.72 | 52.28 |
| Series F | 0.90 | 100.00 | N/A |
| Series P | 1.65 | 39.39 | 60.61 |
| Series PF | 0.65 | 100.00 | N/A |

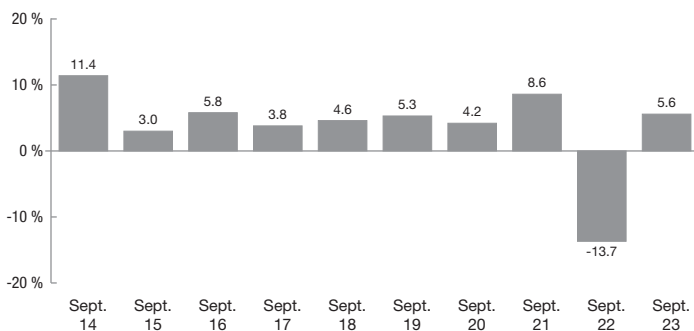
Past Performance

The performance information provided will not necessarily indicate how the Fund will perform in the future. The information shown assumes that distributions made by the Fund in the periods shown were reinvested in additional units of the relevant series of the Fund. In addition, the information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

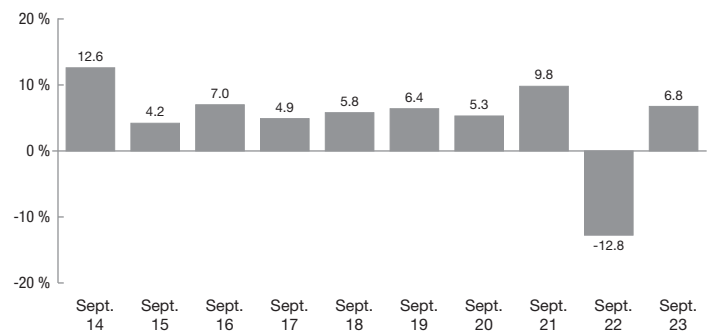
Year-by-Year Returns

The following charts show the annual performance for each series of units of the Fund for each period shown and illustrate how the Fund's performance has varied from period to period. The charts indicate how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.

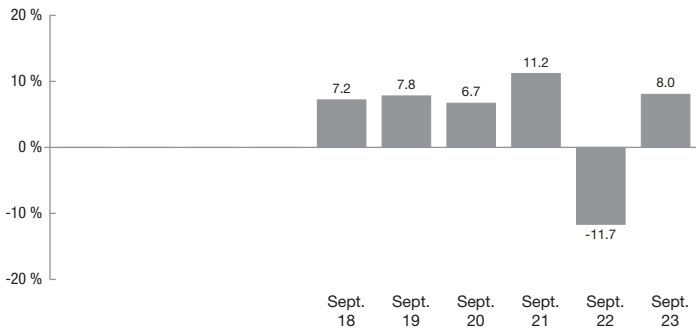
Series A



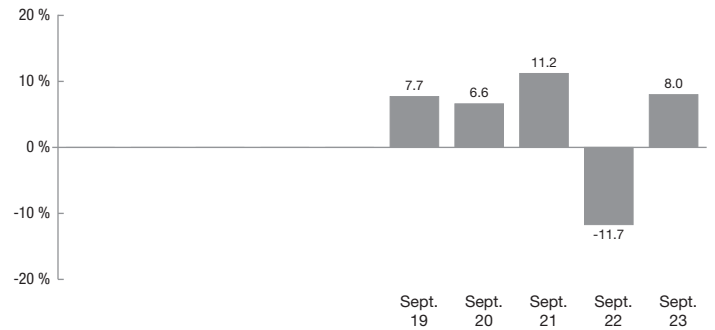
Series F



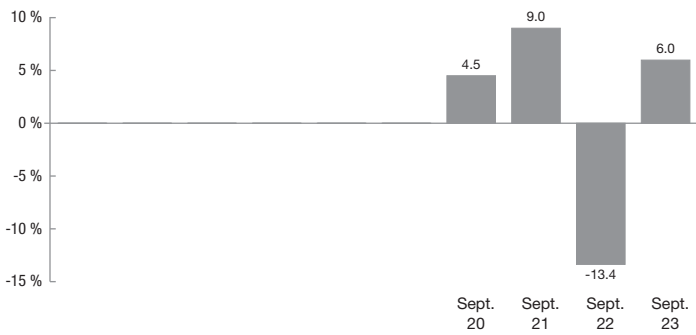
Series I



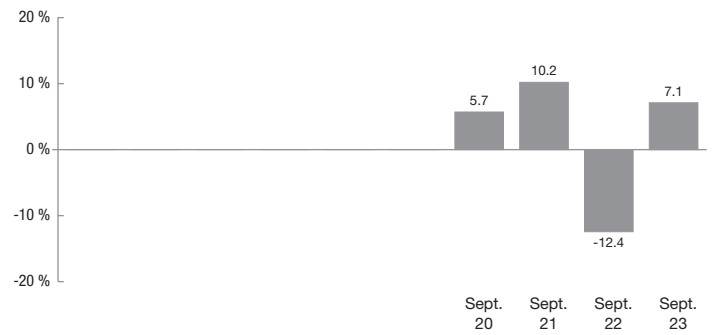
Series O



Series P



Series PF



Annualized Compound Returns

The following table shows the annual compound returns for all series of the Fund. All returns are in Canadian dollars, on a total return basis, net of fees. For comparison, the returns for the benchmark are included. A discussion regarding the relative performance of the Fund is found in the Results of Operations section of this report and a description of indexes can be found in the Annualized Compound Returns section of this report.

The blended benchmark is composed of 40% FTSE Canada Universe Bond Index, 15% S&P/TSX Composite TR Index and 45% MSCI ACWI NR Index (C\$).

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

The S&P/TSX Composite is the headline index for the Canadian equity market. It consists of the largest companies on the Toronto Stock Exchange (TSX). The Index is comprised of the S&P/TSX 60 Index and the S&P/TSX Completion Index.

The MSCI ACWI Index is designed to represent performance of the full opportunity set of large- and mid-cap stocks across developed and emerging markets. It is a free float-adjusted market capitalization weighted Index.

While the Fund uses this benchmark for long-term performance comparisons, it is not managed relative to the composition of the Index. As a result, the Fund may experience periods when its performance is not aligned with the Index, either positively or negatively. Please see the "Results of Operations" section of this report for a discussion of recent performance results.

| Group/Investment | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Since Inception ^(*) (%) |
|--|----------|-----------|-----------|------------|------------------------------------|
| 40% FTSE Canada Universe Bond Index, 15% S&P/TSX Composite TR Index, 45% MSCI ACWI NR Index (C\$) | 9.1 | 2.7 | 4.6 | 6.6 | ** |
| 50% FTSE Canada Universe Bond Index, 15% S&P/TSX Composite TR Index, 35% MSCI World NR Index (C\$) | 7.5 | 1.8 | 4.2 | 6.0 | *** |
| NEI Select Balanced RS Portfolio, Series A | 5.6 | -0.3 | 1.7 | 3.6 | N/A |
| NEI Select Balanced RS Portfolio, Series F | 6.8 | 0.8 | 2.8 | 4.8 | N/A |
| NEI Select Balanced RS Portfolio, Series I | 8.0 | 2.0 | 4.1 | N/A | 4.7 |
| NEI Select Balanced RS Portfolio, Series O | 8.0 | 2.0 | 4.0 | N/A | 4.1 |
| NEI Select Balanced RS Portfolio, Series P | 6.0 | 0.0 | N/A | N/A | 2.6 |
| NEI Select Balanced RS Portfolio, Series PF | 7.1 | 1.1 | N/A | N/A | 3.7 |

^{*}Since inception returns are not provided for series that have been in existence for more than 10 years.

^{**}The return of the benchmark since inception for each applicable series is as follows: Series I: 5.2%, Series O: 4.5%, Series P: 5.2%, Series PF: 5.2%.

^{***}The return of the benchmark since inception for each applicable series is as follows: Series I: 4.6%, Series O: 4.1%, Series P: 4.6%, Series PF: 4.6%.

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Summary of Investment Portfolio as at September 30, 2023

Total Net Asset Value: \$1,832,532,001

| Top Holdings | | % |
|--------------|---|-------|
| 1 | NEI Canadian Bond Fund, Series I | 17.7 |
| 2 | NEI Global Total Return Bond Fund, Series I | 14.3 |
| 3 | NEI U.S. Equity RS Fund, Series I | 11.1 |
| 4 | NEI Global Equity RS Fund, Series I | 6.9 |
| 5 | NEI Canadian Equity RS Fund, Series I | 6.1 |
| 6 | NEI International Equity RS Fund, Series I | 5.3 |
| 7 | NEI Canadian Small Cap Equity RS Fund, Series I | 4.6 |
| 8 | NEI Emerging Markets Fund, Series I | 4.5 |
| 9 | NEI ESG Canadian Enhanced Index Fund, Series I | 4.4 |
| 10 | NEI Global Value Fund, Series I | 4.1 |
| 11 | NEI Global High Yield Bond Fund, Series I | 4.1 |
| 12 | NEI Global Impact Bond Fund, Series I | 4.1 |
| 13 | NEI Global Growth Fund, Series I | 4.0 |
| 14 | NEI Global Dividend RS Fund, Series I | 4.0 |
| 15 | NEI Clean Infrastructure Fund, Series I | 2.5 |
| 16 | NEI Environmental Leaders Fund, Series I | 2.3 |
| | Total | 100.0 |

| Net Asset Value Mix ⁽¹⁾ | | % |
|------------------------------------|--|-------|
| Equity | | 57.6 |
| Fixed Income | | 36.9 |
| Cash and Equivalents | | 3.8 |
| Mortgage-Backed Securities | | 0.9 |
| Unit Trust | | 0.6 |
| Asset-Backed Securities | | 0.2 |
| Total | | 100.0 |

| Sector Allocation ⁽¹⁾ | | % |
|---|--|-------|
| Corporate Bonds | | 19.3 |
| Information Technology | | 9.7 |
| Financials | | 9.2 |
| Industrials | | 8.3 |
| Health Care | | 6.7 |
| Foreign Government Bonds | | 6.2 |
| Provincial and Crown Corporations Bonds | | 5.6 |
| Consumer Discretionary | | 5.2 |
| Communication Services | | 4.2 |
| Cash and Equivalents | | 3.8 |
| Consumer Staples | | 3.8 |
| Utilities | | 3.8 |
| Materials | | 3.5 |
| Federal Bonds | | 3.4 |
| Energy | | 2.8 |
| U.S. Government Bonds | | 1.2 |
| Mortgage-Backed Securities | | 0.9 |
| Supranational Bonds | | 0.9 |
| Real Estate | | 0.8 |
| Municipal Bonds | | 0.4 |
| Asset-Backed Securities | | 0.2 |
| Index-Based Investments | | 0.1 |
| Total | | 100.0 |

| Geographic Distribution ⁽¹⁾ | % |
|--|-------|
| Canada | 33.0 |
| Other Countries | 32.1 |
| United States | 31.1 |
| Cash and Equivalents | 3.8 |
| Total | 100.0 |

(1) Table represents an aggregated "look-through" of the top positions and category summaries that are held in the top and underlying fund(s).

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

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

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment fund. Updates are available quarterly. For the prospectus and other information about the underlying investment fund(s) held in the portfolio, visit www.neiinvestments.com or www.sedarplus.ca.