



## **Semi-annual Management Report of Fund Performance**

### **As at March 31, 2023**

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

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

## **Management Discussion of Performance**

### **Results of Operations**

The NEI Global Growth Fund's Series A units returned 16.0% for the six-month period ended March 31, 2023 compared with a return of 16.0% for the benchmark explained below.

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

The benchmark for this Fund is the MSCI ACWI NR Index (C\$).

The Fund's net asset value increased by 25.70% during the period, from \$239,228,254 as at September 30, 2022 to \$300,713,986 as at March 31, 2023. This change in net assets is attributed to net unitholder activity of \$15,978,751 and \$45,506,981 to investment operations, including market appreciation (depreciation), income and expenses.

### **Market Overview**

This was a better period of performance, with strong returns in absolute and relative terms. 2022 closed with markets buoyed by mounting evidence that some of the year's headwinds were abating. This represented a much more positive environment for long-term growth investors and a degree of rationality returned to markets, with fundamentally strong companies again coming to the fore. 2023 started in a similarly positive vein only to be derailed by a banking crisis in March following the sudden implosion of Silicon Valley Bank and Signature Bank (neither of which were held in the Fund). The portfolio sub-advisor's exposure to this turmoil came primarily through First Republic Bank in California, which was the largest detractor from performance during the period.

### Factors That Have Affected Performance

Until recently, First Republic was viewed as a fundamentally sound business with an excellent credit risk record and extremely deep customer relationships. However, a deposit base concentrated on the west coast of the US and a degree of interest rate exposure on the balance sheet drew comparisons with Silicon Valley Bank. That many of these deposits emanated from wealthy individuals and exceeded the limit for federal insurance coverage prompted fears of a run, and a sharp fall in the share price resulted, the two factors forming a nasty downward spiral. The situation was compounded by the decisions of credit rating agencies to downgrade the bank's rating to sub-investment grade. This further eroded the confidence of counterparties and looks likely to have a long-term effect on the cost and availability of funding, depressing margins for the foreseeable future. The portfolio sub-advisor decided to sell out of the position it has held for clients since 2016. Ultimately, banks are confidence machines – even with sound fundamentals, the business model breaks down once trust is eroded.

Electric vehicle maker Tesla's stock also weakened, in part due to issues unrelated to its core business. Investors are concerned by the takeover of Twitter by Elon Musk, Tesla's Chief Executive and majority shareholder. This is due to the risk that he is distracted from his stewardship of Tesla at a time when economic conditions are deteriorating. The portfolio sub-advisor has engaged with the company on this issue. In addition, there is further pressure on the share price as Musk is forced to sell down his Tesla stake to provide funding for the Twitter acquisition. The investment case for Tesla continues to play out however, with a recent price reduction resulting in strong order flow, which is currently exceeding production by about 2-to-1. While the portfolio sub-advisor remains enthusiastic about Tesla's long-run potential to decarbonise personal transport, it has reduced the holding as trust in the management team has diminished somewhat.

More positively, electronic bond trading platform MarketAxess was a bright spot within financials, following the company's update that highlighted the ongoing shift to electronic solutions within the US high-grade bond market. Management sees this going from 40% penetration to greater than 80% with the help of a new user interface and algorithmic trading. This will be a key driver of double-digit revenue growth from here.

Perhaps the stock most illustrative of the recent shift in market sentiment is Canadian e-commerce platform Shopify. The shares remain around a third of their 2021 peak and close to pre-pandemic levels despite continued operating progress, significant investment in the business and the launch of a host of new features. The company's confidence in the strength of its offering for merchants is evidenced by its recent decision to raise prices for the first time in 12 years, which it expects to result in very little customer churn.

### Portfolio Changes

During the period, the sub-advisor took new holdings in companies as diverse as Japanese HR tech business Recruit, machine vision pioneer Cognex, and cosmetics firm L'Oreal.

### ESG Activities

The following environmental, social, and governance (ESG) activities are some of those undertaken during the period related to the Fund's ESG-related investment objectives and strategies.

The portfolio sub-advisor also took two new positions in fundamentally resilient businesses, Advanced Drainage Systems (ADS) and Wabtec. Each is distinct, both from each other and the portfolio sub-advisor's existing holdings, adding to the portfolio's diversity. However, each operates in an area plagued by a long period of underinvestment that looks set for a climate change-induced turning point. ADS supplies recycled plastic piping for storm drains, replacing the emissions-intensive concrete alternatives. These products limit the pollution caused by wastewater overflow, thus supplying necessary protections for the environment and biodiversity more broadly. Wabtec, meanwhile, supplies essential components to the rail industry, where its locomotives make up more than three-quarters of the US freight fleet. Again, underinvestment in this hard-to-abate sector has left the industry behind. Wabtec should play an essential role in helping lower emissions over the next 20+ years as ageing diesel fleets are replaced with hybrid, or possibly even hydrogen-powered alternatives.

NEI's Responsible Investing & ESG Services team (RI team) engaged 11 companies including Adidas, Netflix, and Tesla, on topics such as equitable compensation, supply chain risks, and digital rights.

The RI team voted against management on 15% of the proxy items at 13 annual general meetings. They supported 40% of five shareholder resolutions filed on ESG topics such as succession planning and collective bargaining rights.

### Recent Developments

Shopify is an example of the resilience and adaptability present within the Fund. The Fund features more price makers than price takers, which is helpful in inflationary times. However, the portfolio sub-advisor continues to build resilience, adaptability, and diversity at the portfolio level with a strong flow of new ideas.

### 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.

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

The Fund is distributed through Credential Asset Management Inc., Credential Qtrade Securities Inc., and members of the 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 Global Growth Fund** **(formerly NEI Global Equity Fund)**

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

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

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the six-month period ended March 31, 2023 and the past five fiscal years or for the periods since inception, as applicable.

### Net Assets per Unit (\$) <sup>(1)</sup>

Series	Period	Net Assets, Beginning of Period	Increase (Decrease) from Operations					Distributions					Net Assets, End of Period	
			Total Revenue	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total Increase (Decrease) from Operations <sup>(2)</sup>	From Income (Excluding Dividends)	From Dividends	From Underlying Funds	From Capital Gains	Return of Capital		Total Distributions <sup>(3)(4)</sup>
A	Mar. 2023	8.45	0.03	-0.11	-1.14	2.58	1.36	0.00	0.00	0.00	0.00	0.00	0.00	9.80
	Sept. 2022	26.81	0.15	-0.32	2.68	-9.19	-6.68	0.00	0.00	0.00	12.13	0.00	12.13	8.45
	Sept. 2021	22.55	0.43	-0.72	6.97	-2.27	4.41	0.00	0.00	0.00	0.00	0.00	0.00	26.81
	Sept. 2020	20.02	0.38	-0.59	-0.18	2.96	2.57	0.00	0.00	0.00	0.04	0.00	0.04	22.55
	Sept. 2019	22.36	0.50	-0.62	0.63	-2.16	-1.65	0.00	0.00	0.00	0.99	0.00	0.99	20.02
	Sept. 2018	21.22	0.56	-0.66	0.90	1.41	2.21	0.00	0.00	0.00	1.08	0.00	1.08	22.36
F	Mar. 2023	9.16	0.04	-0.06	-1.24	2.80	1.54	0.00	0.00	0.00	0.00	0.00	0.00	10.69
	Sept. 2022	28.63	0.13	-0.18	2.72	-9.17	-6.50	0.00	0.07	0.00	12.80	0.00	12.87	9.16
	Sept. 2021	23.85	0.53	-0.47	7.43	-2.51	4.98	0.00	0.04	0.00	0.00	0.00	0.04	28.63
	Sept. 2020	21.13	0.41	-0.38	-0.18	3.42	3.27	0.00	0.20	0.00	0.04	0.00	0.24	23.85
	Sept. 2019	23.49	0.48	-0.42	0.66	-3.59	-2.87	0.00	0.12	0.00	1.04	0.00	1.16	21.13
	Sept. 2018	22.16	0.62	-0.44	0.95	1.27	2.40	0.00	0.11	0.00	1.13	0.00	1.24	23.49
I	Mar. 2023	5.06	0.02	-0.01	-0.68	1.56	0.89	0.00	0.04	0.00	0.00	0.00	0.04	5.89
	Sept. 2022	15.49	0.08	-0.02	1.36	-4.61	-3.19	0.00	0.20	0.00	6.74	0.00	6.94	5.06
	Sept. 2021	15.11	0.26	-0.05	4.37	-0.81	3.77	0.00	0.31	0.00	2.46	0.00	2.77	15.49
	Sept. 2020	13.37	0.25	-0.05	-0.12	2.00	2.08	0.00	0.30	0.00	0.03	0.00	0.33	15.11
	Sept. 2019	14.79	0.35	-0.08	0.41	-1.09	-0.41	0.00	0.21	0.00	0.65	0.00	0.86	13.37
	Sept. 2018	14.03	0.36	-0.07	0.60	0.88	1.77	0.00	0.35	0.00	0.72	0.00	1.07	14.79
O	Mar. 2023	4.05	0.02	-0.01	-0.55	1.24	0.70	0.00	0.03	0.00	0.00	0.00	0.03	4.71
	Sept. 2022	12.91	0.06	-0.01	1.02	-4.70	-3.63	0.00	0.18	0.00	5.86	0.00	6.04	4.05
	Sept. 2021	10.73	0.21	-0.05	3.34	-1.17	2.33	0.00	0.15	0.00	0.00	0.00	0.15	12.91
	Sept. 2020	9.50	0.18	-0.04	-0.08	1.40	1.46	0.00	0.22	0.00	0.02	0.00	0.24	10.73
	Sept. 2019	10.35	0.25	-0.07	0.29	-0.81	-0.34	0.00	0.00	0.00	0.46	0.00	0.46	9.50
	Sept. 2018	10.00	0.06	-0.03	0.42	-0.10	0.35	0.00	0.00	0.00	0.00	0.00	0.00	10.35
P	Mar. 2023	3.96	0.02	-0.05	-0.53	1.19	0.63	0.00	0.00	0.00	0.00	0.00	0.00	4.60
	Sept. 2022	12.64	0.07	-0.14	1.23	-4.31	-3.15	0.00	0.00	0.00	5.77	0.00	5.77	3.96
	Sept. 2021	10.61	0.21	-0.32	3.31	-1.23	1.97	0.00	0.00	0.00	0.00	0.00	0.00	12.64
	Sept. 2020	9.41	0.18	-0.26	-0.08	1.25	1.09	0.00	0.00	0.00	0.02	0.00	0.02	10.61
	Sept. 2019	10.00	0.24	-0.24	0.29	0.13	0.42	0.00	0.00	0.00	0.39	0.00	0.39	9.41
PF	Mar. 2023	4.07	0.02	-0.02	-0.55	1.24	0.69	0.00	0.01	0.00	0.00	0.00	0.01	4.74
	Sept. 2022	12.80	0.08	-0.07	1.21	-4.22	-3.00	0.00	0.05	0.00	5.79	0.00	5.84	4.07
	Sept. 2021	10.64	0.21	-0.18	3.34	-1.32	2.05	0.00	0.04	0.00	0.00	0.00	0.04	12.80
	Sept. 2020	9.43	0.18	-0.14	-0.08	0.94	0.90	0.00	0.12	0.00	0.02	0.00	0.14	10.64
	Sept. 2019	10.00	0.24	-0.14	0.29	0.13	0.52	0.00	0.00	0.00	0.46	0.00	0.46	9.43

(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 semi-annual financial statements for the period ended March 31, 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 (%) <sup>(1)</sup>	Management Expense Ratio before Waivers and Absorptions (%)	Trading Expense Ratio (%) <sup>(2)</sup>	Portfolio Turnover Rate (%) <sup>(3)</sup>	Net Asset Value per Unit (\$)
A	Mar. 2023	9,377	956	2.18	2.18	0.10	27.32	9.80
	Sept. 2022	8,826	1,044	2.20	2.22	0.13	80.49	8.45
	Sept. 2021	16,852	629	2.47	2.69	0.14	54.59	26.81
	Sept. 2020	17,039	756	2.48	2.71	0.11	61.38	22.55
	Sept. 2019	18,818	940	2.46	2.69	0.31	147.77	20.02
	Sept. 2018	28,130	1,258	2.48	2.78	0.22	102.47	22.36
F	Mar. 2023	1,000	94	1.06	1.06	0.10	27.32	10.69
	Sept. 2022	984	107	1.10	1.11	0.13	80.49	9.16
	Sept. 2021	1,143	40	1.37	1.46	0.14	54.59	28.63
	Sept. 2020	1,059	44	1.38	1.47	0.11	61.38	23.85
	Sept. 2019	891	42	1.38	1.47	0.31	147.77	21.13
	Sept. 2018	2,339	100	1.39	1.60	0.22	102.47	23.49
I	Mar. 2023	284,521	48,280	N/A	N/A	0.10	27.32	5.89
	Sept. 2022	224,185	44,314	N/A	N/A	0.13	80.49	5.06
	Sept. 2021	127,556	8,233	N/A	N/A	0.14	54.59	15.49
	Sept. 2020	253,417	16,774	N/A	N/A	0.11	61.38	15.11
	Sept. 2019	292,724	21,896	N/A	N/A	0.31	147.77	13.37
	Sept. 2018	262,181	17,725	N/A	N/A	0.22	102.47	14.79
O	Mar. 2023	991	210	0.06	0.06	0.10	27.32	4.71
	Sept. 2022	846	209	0.06	0.06	0.13	80.49	4.05
	Sept. 2021	1	-	0.06	0.06	0.14	54.59	12.91
	Sept. 2020	1	-	0.06	0.06	0.11	61.38	10.73
	Sept. 2019	1	-	0.06	0.06	0.31	147.77	9.50
	Sept. 2018	1	-	0.06	0.06	0.22	102.47	10.35
P	Mar. 2023	3,662	796	2.01	2.01	0.10	27.32	4.60
	Sept. 2022	3,264	824	2.05	2.05	0.13	80.49	3.96
	Sept. 2021	5,431	430	2.30	2.30	0.14	54.59	12.64
	Sept. 2020	3,786	357	2.33	2.33	0.11	61.38	10.61
	Sept. 2019	4,200	446	2.35	2.35	0.31	147.77	9.41
PF	Mar. 2023	1,163	246	0.89	0.89	0.10	27.32	4.74
	Sept. 2022	1,122	276	0.93	0.93	0.13	80.49	4.07
	Sept. 2021	1,701	133	1.13	1.13	0.14	54.59	12.80
	Sept. 2020	1,034	97	1.14	1.14	0.11	61.38	10.64
	Sept. 2019	1,236	131	1.15	1.15	0.31	147.77	9.43

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

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

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

## Management Fees

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

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

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

	Management Fee (%) <sup>(1)</sup>	Investment Advisory and Other Fees (%)	Trailer Fee (%)
Series A	1.75	52.76	47.24
Series F	0.75	100.00	N/A
Series P	1.60	37.46	62.54
Series PF	0.60	100.00	N/A

(1) Effective November 15, 2021, the management fee rates were reduced from 2.00% to 1.75% for Series A, from 1.00% to 0.75% for Series F, from 1.75% to 1.60% for Series P and from 0.75% to 0.60% for Series PF.

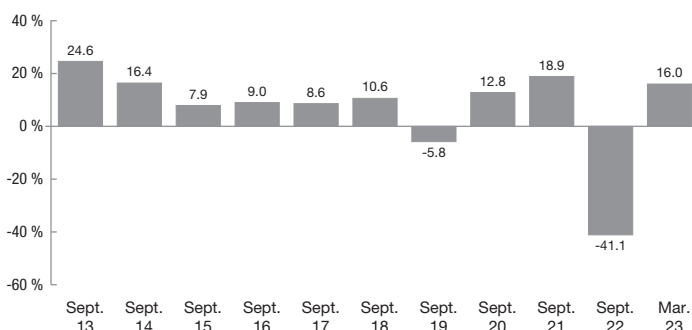
## Past Performance

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

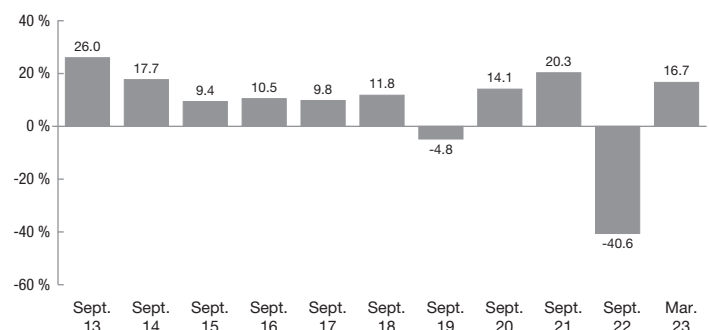
### Year-by-Year Returns

The following charts show the annual performance for each series of units of the Fund for each period shown and illustrate how the Fund's performance has varied from period to period with the exception of 2023, which shows the six-month return for the period ended March 31, 2023. 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.

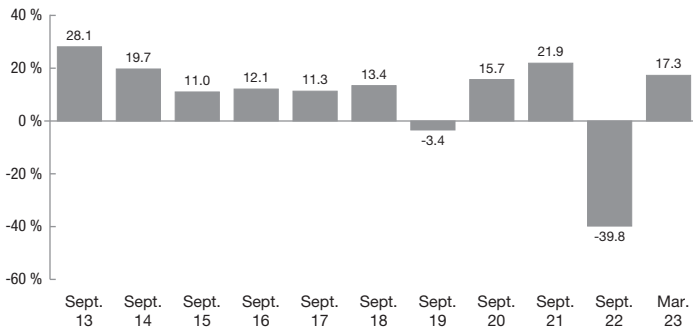
**Series A**



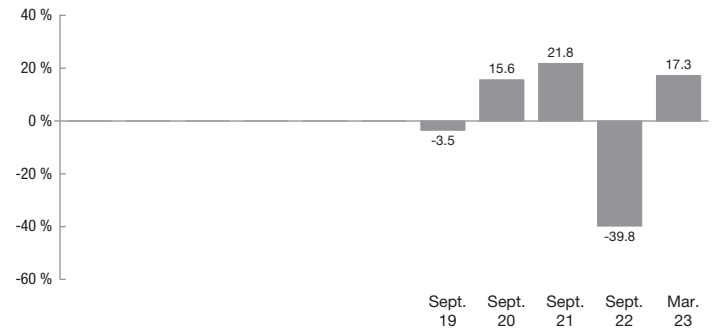
**Series F**



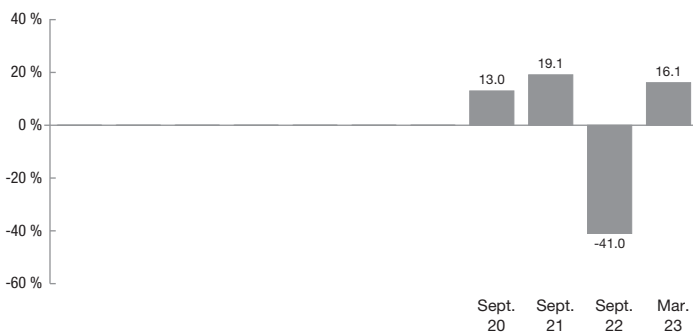
**Series I**



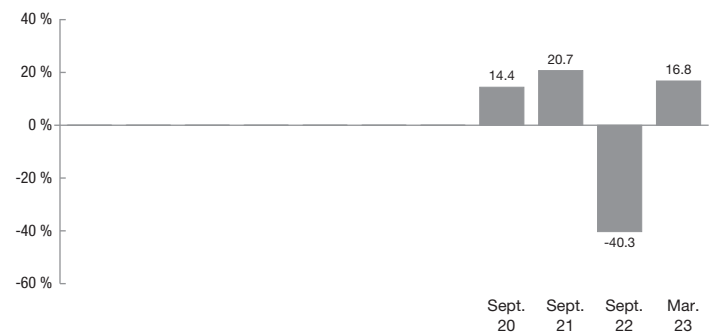
**Series O**



**Series P**



**Series PF**



On November 15, 2021, the Fund changed its sub-advisor and its fundamental investment objectives. The purpose of the change is to enhance the environmental, social, and governance characteristics of the Fund, with a focus on growth-style equity opportunities. The performance of this Fund for the period prior to this date may have been different had the current investment objectives and strategies been in place during that period.



### Summary of Investment Portfolio as at March 31, 2023

Total Net Asset Value: \$300,713,986

Top Holdings			Net Asset Value Mix	
		%		%
1	MarketAxess Holdings	3.4	Equity	99.0
2	NVIDIA	3.1	Cash and Equivalents	1.0
3	MercadoLibre	3.1	Total	100.0
4	Shopify, Class A	3.0		
5	Workday, Class A	3.0		
6	IMCD Group	3.0		
7	Taiwan Semiconductor Manufacturing Company	2.7		
8	AIA Group	2.5		
9	Trade Desk, Class A	2.5		
10	L'Oréal	2.3		
11	Tesla	2.2		
12	Atlas Copco, Class B	2.1		
13	Watsco	2.1		
14	Texas Instruments	2.0		
15	FANUC	1.9		
16	Pacira BioSciences	1.9		
17	Samsung SDI	1.8		
18	Beijer Ref, Class B	1.8		
19	DSV	1.8		
20	Recruit Holdings	1.8		
21	Kubota	1.8		
22	NIBE Industrier	1.7		
23	Staar Surgical	1.7		
24	Illumina	1.7		
25	Prudential	1.7		
	Total	56.6		

Sector Allocation		%
Industrials		28.3
Information Technology		19.3
Consumer Discretionary		15.4
Health Care		14.0
Financials		10.7
Communication Services		8.6
Consumer Staples		2.7
Cash and Equivalents		1.0
Total		100.0

Geographic Distribution		%
United States		51.3
Other Countries		24.3
Japan		11.5
United Kingdom		6.2
Sweden		5.7
Cash and Equivalents		1.0
Total		100.0

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

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