



PRESS RELEASE

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## NEI Proposes Further Streamlining, Enhancements to RI Fund Lineup

TORONTO, August 5, 2021 – NEI Investments (“NEI”) today announced several proposed changes intended to further streamline and enhance its responsible investment fund lineup, following an earlier series of enhancements implemented in April 2021. Among other activities, NEI is proposing to merge NEI Growth & Income Fund (also referred to below as the “terminating fund”) into NEI Select Growth & Income RS Portfolio (also referred to below as the “continuing fund”), and to change the investment objectives, investment strategies, name, and sub-advisor, in addition to other changes, to NEI Global Equity Fund. Further details on these changes are contained in this announcement.

“The proposed changes reaffirm our commitment to becoming a destination of choice for Canadians who are looking for responsible investment solutions,” said Frederick M. Pinto, Senior Vice President and Head of Asset Management for NEI Investments. “We want to make it easy for investors to achieve their financial goals while making a difference.”

Certain changes, as outlined below, are subject to unitholder approvals at special virtual meetings of unitholders (each, a “Meeting,” and collectively, the “Meetings”), of each applicable fund, which are expected to be held concurrently, with separate votes for each fund, on October 19, 2021. The additional announced changes are contingent upon the results of the Meetings and will be more fully described in the management information circular described below.

In advance of the Meetings, a notice-and-access document will be mailed on September 17, 2021, to unitholders of record as at August 30, 2021. The notice-and-access document will describe the various ways in which unitholders can obtain a copy of the management information circular that contains full details of the proposed changes. The notice-and-access document and management information circular will also be available on SEDAR at [www.sedar.com](http://www.sedar.com) and at [www.neiinvestments.com](http://www.neiinvestments.com).

Subject to regulatory and unitholder approval, implementation of the changes is targeted for November 2021, with details to follow at a later date.

### **Proposed Fund Merger**

| <b>Terminating Fund</b>  | <b>Continuing Fund</b>                  |
|--------------------------|---|
| NEI Growth & Income Fund | NEI Select Growth & Income RS Portfolio |

Subject to regulatory and unitholder approval of the proposed merger, the management and administration fees of the continuing fund will be the same as or lower than the terminating fund. For the continuing fund, there will be no change to sub-advisor, prospectus risk ratings, distribution policies, or series availability as a result of the proposed merger.



“RS” in the continuing fund name stands for “Responsible Screens.” For all funds designated “RS,” NEI Investments automatically excludes companies with specific types of involvement in the following industries: tobacco, weapons, nuclear power, gambling, and pornography.

### **Change to Investment Objectives for NEI Global Equity Fund**

Subject to unitholder approval, NEI Global Equity Fund will change its investment objectives as indicated by the italicized wording. The purpose of the change is to enhance the environmental, social, and governance characteristics of the fund, with a greater focus on growth opportunities. For the full text of NEI’s responsible approach to investing as set out in its prospectus, see the Appendix to this document.

### **NEI Global Equity Fund**

| <b>Current Investment Objectives</b>   | <b>Proposed Investment Objectives</b>   |
|--|---|
| The Fund aims for long-term growth by investing primarily in foreign equity securities across all market capitalizations. The Fund is usually invested in large- and medium-sized well-capitalized foreign (including the United States) companies, which are listed on principal global stock exchanges. The balance of the Fund’s assets is in short-term fixed income securities. | <i>The Fund seeks to achieve long-term growth by investing in a global portfolio of equities, which include common stock and other equity securities of issuers located in countries throughout developed and emerging markets.</i> |
| Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.  | <i>The Fund follows a responsible approach to investing.</i>  |
|  | <i>Unitholder approval (by a majority of votes cast at a meeting of unitholders) is required prior to a fundamental change of investment objectives.</i>  |

### **Change to Sub-Advisor and fund name for NEI Global Equity Fund**

Subject to unitholder approval to change the investment objective, NEI is proposing to change the sub-advisor of the fund to Baillie Gifford Overseas Limited, a world-renowned RI manager. NEI is also proposing to change the name of the fund to NEI Global Growth Fund.

### **Change to Management Expense Ratios across certain series of NEI Global Equity Fund**

Subject to unitholder approval to change the investment objective, NEI Global Equity Fund proposes to lower pre-tax Management Expense Ratios (MERs) across certain series of the fund.

### **Appendix: Responsible Investing**

The following wording is taken from pages 32 and 33 of [NEI's prospectus \(PDF\)](#):

The Manager defines “Responsible Investing” as an investment approach that incorporates ESG (environmental, social, and governance) analysis of company performance into the investment decision-making process, and seeks to generate sustainable value for investors, shareholders, other company stakeholders and society as a whole. The Manager executes this approach through a Responsible Investment program that encompasses the following range of activities:

The following activities apply only to certain Funds:



**Exclusionary screening:** For certain Funds, companies that derive a material portion of their revenue (as defined by the Manager) from any of the specific industries designated by the Manager such as: cluster munitions, tobacco, weapons, nuclear power, gambling, pornography, and/or thermal coal, are automatically excluded from those Funds. The precise exclusionary screening process utilized may vary from Fund to Fund.

**ESG evaluations:** The Manager and/or the Portfolio Manager(s) or Portfolio Sub-Advisor(s) of the Funds consider company efforts on ESG issues by conducting proprietary ESG evaluations of companies to determine permissible holdings for inclusion in certain Funds, and to ensure those companies are taking meaningful steps to manage the ESG risks they face. In undertaking these evaluations, the Manager strives to work closely with Portfolio Sub-Advisors of the Funds to advance integration of ESG considerations with their respective investment processes.

**ESG integration:** For certain Funds, environmental, social and governance factors are integrated in investment decision making. These ESG factors are identified and assessed along with traditional financial analysis to inform investment decisions, including the eligibility of a company for investment by the Manager or Portfolio Sub-advisors of the Funds.

**Thematic (Sustainability-themed) Investing and Impact Investing:** Certain Funds may also employ thematic investing or impact investing strategies. Thematic investing strategies focus on specific themes related to structural shifts and long-term trends. Given the Manager's commitment to Responsible Investing, thematic investing strategies as employed by the Manager will be focused on sustainable long-term value creation and can include impact investing strategies. Impact Investing is intended to provide positive and measurable environmental or social impacts, in addition to investment returns. Thematic and/or Impact Investments may be made in a wide variety of securities including, but not limited to, GICs, term deposits, purchases of individual equities and debt instruments, and purchases of units of other mutual funds or pooled investment vehicles.

The following activities are generally applicable to the entire family of NEI mutual funds (though each ESG activity may vary in its applicability to certain Funds, for example Funds that hold exclusively non-voting investments such as money market and debt instruments would generally not be subject to our ESG-focussed proxy voting strategies):

**Corporate dialogue:** The Manager uses the special rights that come with shareholder status to engage in dialogues with companies held in the Manager's Funds, to alert those companies to ESG risks, propose solutions to ESG challenges they face and encourage them to improve their ESG performance. When dialogue is not advancing a specific issue facing a company, the Manager may seek the views of other shareholders by filing a shareholder proposal to be included in the management proxy circular and submitted to a vote at the company's Annual General Meeting (AGM).

**ESG-focused proxy voting:** The Manager takes seriously its responsibility as an investor to vote at AGMs and special meetings of companies held in the Manager's Funds. The Manager has staff responsible for overseeing the execution of its proxy voting and decisions are guided by the manager's ESG-based Proxy Voting Guidelines.

**Public Policy and Standards:** Public policies and standards affect the rules by which all companies must operate. The Manager may undertake activities in this area to promote change on a broader scale, beyond individual companies, to remove barriers to sustainability disclosure and performance on an industry-wide basis.

**Research:** The Manager conducts research into a range of Responsible Investment issues to support and enhance company evaluations, corporate engagement and policy work. This research may be shared publicly to facilitate understanding of Responsible Investing among companies, investors and other stakeholders and to help build collaborative efforts in the advancement of Responsible Investing.



The approaches above are applied in whole or in part across all Funds in the Manager's lineup. Exclusionary screening is applied to all Funds that either contain the designation "RS" in the Fund name or that note expressly in their investment objectives or strategies found in Part B of NEI's prospectus that they will apply components of the Manager's responsible approach to investing.

For further information, see the NEI Responsible Investment Policy, the NEI annual Focus List of company engagements, NEI Proxy Voting Guidelines and NEI Policy Submissions, all of which are available on the NEI website.

### **About NEI Investments**

"NEI Investments" and "NEI" refer to Northwest & Ethical Investments L.P., an Ontario limited partnership. With over \$10 billion in assets under management, NEI Investments is a Canadian asset manager committed to providing focused investment solutions, advised by independent portfolio managers from around the globe. NEI delivers disciplined, active asset management with a longstanding focus on environmental, social, and governance factors, with a well-defined corporate engagement process designed to create sustainable long-term value. NEI is a wholly owned subsidiary of Aviso Wealth.

### **About Aviso Wealth**

Aviso Wealth is one of Canada's largest independent wealth management firms, with approximately \$100 billion in assets under administration and management. Aviso Wealth is backed by the collective strength of our owners, the credit union Centrals, The Co-operators/CUMIS, and Desjardins. Our MFDA-regulated dealer, full-service IIROC-regulated dealer, and insurance agencies support thousands of financial advisors at credit unions across Canada. Our asset manager, NEI Investments, is a Canadian leader in responsible investment funds and portfolios, which are available through a national network of financial advisors. Our award-winning online brokerage, Qtrade Direct Investing, and our automated investing platform, VirtualWealth, empower self-directed investors to build their wealth with confidence. Aviso Correspondent Partners provides custodial services and carrying broker services to independent financial organizations, including portfolio managers, investment dealers, insurance and trust companies, and introducing brokers.

For more information, visit [aviso.ca](http://aviso.ca), or contact NEI Investments at 1-888-809-3333 or [NEIclientservices@NEIinvestments.com](mailto:NEIclientservices@NEIinvestments.com).

Commissions, management fees and expenses all may be associated with investments in mutual funds. Trailing commissions may be associated with investments in certain series of securities of mutual funds. Please read the fund facts or prospectus of the relevant mutual fund before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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