

## 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 Impact Bond Fund's Series A units returned 3.0% for the six-month period ended March 31, 2023 compared with a return of 3.7% for the benchmark explained below.

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.

The benchmark for this Fund is the Bloomberg Barclays Global Aggregate Index (C\$ hedged).

The Fund's net asset value increased by 20.25% during the period, from \$381,331,804 as at September 30, 2022 to \$458,564,002 as at March 31, 2023. This change in net assets is attributed to net unitholder activity of \$60,173,107 and \$17,059,091 to investment operations, including market appreciation (depreciation), income and expenses.

### Market Overview

Most global fixed income sectors generated positive returns over the six-month period ended 31 March 2023, particularly in the later part of the period, supported by a flight to quality. Global sovereign yields stabilized at a higher level by the end of calendar year 2022 but then fell sharply in the first quarter of 2023 in response to the turmoil in the banking sector in the US and Europe. During the period, inflation showed signs of peaking but remained at levels well above major central bank targets. Global growth weakened across most major economies, and US economic slowdown risks mounted. On an excess return basis, most spread sectors generated positive excess returns as spreads tightened, supported by regulators' swift intervention to boost market liquidity. The US dollar (USD) weakened versus most currencies over the period.

### Factors That Have Affected Performance

The Fund was positioned with a modestly pro-cyclical risk posture relative to the benchmark during the period and posted positive total returns.

Corporate credit was the main contributor to relative outperformance. Within the sector, an allocation to high yield issuers, particularly financials and industrials, benefited results buoyed by fiscal support. An allocation to emerging markets (EM) corporate debt also had a positive impact on relative performance as the sector benefited from improved cash flows and attractive spreads relative to history. Investment grade corporate positioning detracted from results overall; an underweight to US investment grade corporates in the industrials and financial sectors detracted from performance. This negative impact was partially offset by positive results from an overweight to non-USD developed investment grade corporates, particularly financials.

US taxable municipals, the Fund's largest overweight, aided relative results during the period benefiting from conservative financial policies and federal fiscal stimulus. Issuers within select universities supporting the Education & Job Training impact theme, and non-profit hospitals supporting the Health theme contributed the most.

Within the government related sector, the Fund continued to be positioned with an underweight to traditional sovereign debt and overweight to government related issuers such as international development banks and foreign local agencies. Overall, this positioning had a positive impact on relative performance. Shorter duration and yield curve positioning relative to the benchmark was also a modest positive contributor to results over the period.

An allocation to commercial mortgage-backed securities (CMBS), backed by green buildings, detracted from performance as the sector came under pressure amid banking stress and a weaker macroeconomic backdrop. Positioning in agency mortgage-backed securities (MBS) passthroughs, in support of the Affordable Housing theme, had a muted impact on results overall.

Investment grade corporate positioning detracted from results overall, led by an underweight to US investment grade corporates in the industrials and financial sectors. This negative impact was partially offset by positive results from an overweight to non-USD developed investment grade corporates, particularly financials.

### **Portfolio Changes**

The portfolio sub-advisor continues to monitor financial instability, implications of diverging global central bank policies, geopolitical uncertainty, impact of tighter lending standards and job losses on consumer behavior. Credit spreads have widened to more attractive levels but bouts of volatility could create better entry points to add exposure. Bank stress should exacerbate illiquidity during such episodes. The subadvisor maintains an underweight to investment credit due to better observed opportunities in other sectors, including securitized credit, high yield, and select emerging markets. The portfolio sub-advisor expects issuance of green, social, and sustainability bonds will continue to increase in 2023 and may look to add these instruments selectively to the Fund to take advantage of compelling valuations.

### **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.

A green bond issued by Greenko Energy Holdings, a renewable energy company, was added in the period, as its proceeds are intended to be allocated toward the development and construction of generation and transmission facilities for solar, wind, and hydroelectricity, in line with the portfolio sub-advisor's alternative energy and resource efficiency impact themes. A bond issued by Trane Technologies was also added in the period, as the company's products are designed to enhance the quality and efficiency of air in homes, buildings, and refrigerated cargo transport, thereby helping to mitigate greenhouse gas emissions, facilitate adaptation to a warmer climate, and contribute to the portfolio sub-advisor's resource efficiency impact theme.

A green bond issued by Adani Green Energy Limited was divested in the period, following reports of governance issues present at the Adani Group. Though Adani Green Energy Limited, the issuing entity, is ringfenced from Adani Group, the portfolio sub-advisor believed that the market undervalued the downside risks associated with the Adani Group's governance profile and exited the position once bond pricing volatility subsided and valuations more closely reflected the related risks.

NEI's Responsible Investing & ESG Services team (RI team) engaged two companies, Credit Agricole and Whitbread group, on topics such as deforestation and animal welfare.

## Recent Developments

The portfolio sub-advisor believes the US economy will likely enter recession later this year, and that central banks have room to cut rates if a significant recession occurs. The Fund maintains a modest overweight to credit risk and around or above benchmark duration, while preserving significant liquid, high-quality assets to take advantage of future dislocations.

The Fund holds green, social, and sustainable bonds supporting environmental and social projects aligned with the Fund's impact themes. The Fund is positioned with an underweight to investment grade credit rated A and higher, focusing on better opportunities in other sectors. The Fund is tilted toward higher-yielding credit sectors with allocations to select below investment grade and emerging markets corporates and underweights to government and government related issuers.

The portfolio sub-advisor believes that taxable municipal bonds offer diversification benefits, and positioning within this sector remains the Fund's largest active overweight.

The Fund is positioned with an overweight to agency MBS supporting housing affordability and owns select single-asset single borrower CMBS backed by LEED certified buildings.

## 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 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.



# NEI Global Impact Bond Fund

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	7.82	0.18	-0.06	-0.39	0.50	0.23	0.12	0.00	0.00	0.00	0.05	0.17	7.88
	Sept. 2022	9.55	0.32	-0.13	-0.12	-1.49	-1.42	0.19	0.00	0.00	0.03	0.16	0.38	7.82
	Sept. 2021	9.96	0.12	-0.14	0.17	-0.19	-0.04	0.00	0.00	0.00	0.07	0.37	0.44	9.55
	Sept. 2020	10.00	0.01	-0.03	0.10	-0.09	-0.01	0.00	0.00	0.00	0.00	0.10	0.10	9.96
F	Mar. 2023	7.91	0.18	-0.04	-0.39	0.51	0.26	0.15	0.00	0.00	0.00	0.02	0.17	7.99
	Sept. 2022	9.61	0.32	-0.08	-0.12	-1.51	-1.39	0.24	0.00	0.00	0.02	0.12	0.38	7.91
	Sept. 2021	9.97	0.12	-0.09	0.17	-0.18	0.02	0.03	0.00	0.00	0.06	0.35	0.44	9.61
	Sept. 2020	10.00	0.01	-0.02	0.10	-0.11	-0.02	0.00	0.00	0.00	0.00	0.10	0.10	9.97
I	Mar. 2023	8.52	0.20	0.00	-0.43	0.57	0.34	0.23	0.00	0.00	0.00	0.00	0.23	8.61
	Sept. 2022	9.94	0.34	0.00	-0.12	-1.60	-1.38	0.11	0.00	0.00	0.00	0.00	0.11	8.52
	Sept. 2021	10.05	0.12	0.00	0.18	-0.12	0.18	0.15	0.00	0.00	0.13	0.00	0.28	9.94
	Sept. 2020	10.00	0.01	0.00	0.10	-0.03	0.08	0.03	0.00	0.00	0.00	0.00	0.03	10.05
O	Mar. 2023	8.58	0.20	0.00	-0.43	0.54	0.31	0.17	0.00	0.00	0.00	0.00	0.17	8.73
	Sept. 2022	9.98	0.37	-0.01	-0.12	-3.05	-2.81	0.07	0.00	0.00	0.00	0.00	0.07	8.58
	Sept. 2021	10.04	0.13	-0.01	0.18	-0.61	-0.31	0.11	0.00	0.00	0.13	0.00	0.24	9.98
	Sept. 2020	10.00	0.00	0.00	0.10	-0.06	0.04	0.00	0.00	0.00	0.00	0.00	0.00	10.04
P	Mar. 2023	7.84	0.18	-0.05	-0.39	0.51	0.25	0.13	0.00	0.00	0.00	0.04	0.17	7.91
	Sept. 2022	9.55	0.32	-0.11	-0.12	-1.47	-1.38	0.21	0.00	0.00	0.03	0.14	0.38	7.84
	Sept. 2021	9.95	0.12	-0.12	0.17	-0.16	0.01	0.00	0.00	0.00	0.06	0.38	0.44	9.55
	Sept. 2020	10.00	0.01	-0.03	0.10	-0.06	0.02	0.00	0.00	0.00	0.00	0.10	0.10	9.95
PF	Mar. 2023	7.94	0.18	-0.03	-0.40	0.53	0.28	0.16	0.00	0.00	0.00	0.01	0.17	8.04
	Sept. 2022	9.63	0.33	-0.06	-0.12	-1.56	-1.41	0.27	0.00	0.00	0.03	0.09	0.39	7.94
	Sept. 2021	9.96	0.12	-0.07	0.17	-0.17	0.05	0.05	0.00	0.00	0.08	0.31	0.44	9.63
	Sept. 2020	10.00	0.02	-0.02	0.10	-0.09	0.01	0.00	0.00	0.00	0.00	0.10	0.10	9.96

(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	9,166	1,163	1.44	1.44	0.01	16.49	7.88
	Sept. 2022	8,184	1,047	1.44	1.44	0.00	42.66	7.82
	Sept. 2021	6,516	682	1.46	1.46	0.00	32.21	9.55
	Sept. 2020	785	79	1.48	1.48	0.00	18.28	9.96
F	Mar. 2023	15,187	1,900	0.88	0.88	0.01	16.49	7.99
	Sept. 2022	13,875	1,754	0.88	0.88	0.00	42.66	7.91
	Sept. 2021	9,798	1,020	0.89	0.89	0.00	32.21	9.61
	Sept. 2020	1,128	113	0.90	0.90	0.00	18.28	9.97
I	Mar. 2023	386,373	44,857	N/A	N/A	0.01	16.49	8.61
	Sept. 2022	303,165	35,564	N/A	N/A	0.00	42.66	8.52
	Sept. 2021	240,898	24,232	N/A	N/A	0.00	32.21	9.94
	Sept. 2020	121,869	12,131	N/A	N/A	0.00	18.28	10.05
O	Mar. 2023	9,706	1,112	0.05	0.05	0.01	16.49	8.73
	Sept. 2022	8,860	1,032	0.05	0.05	0.00	42.66	8.58
	Sept. 2021	577	58	0.06	0.06	0.00	32.21	9.98
	Sept. 2020	1	-	0.05	0.05	0.00	18.28	10.04
P	Mar. 2023	8,102	1,025	1.26	1.26	0.01	16.49	7.91
	Sept. 2022	7,647	976	1.25	1.25	0.00	42.66	7.84
	Sept. 2021	8,041	842	1.25	1.25	0.00	32.21	9.55
	Sept. 2020	673	68	1.31	1.31	0.00	18.28	9.95
PF	Mar. 2023	30,030	3,737	0.67	0.67	0.01	16.49	8.04
	Sept. 2022	39,600	4,986	0.66	0.66	0.00	42.66	7.94
	Sept. 2021	27,524	2,858	0.67	0.67	0.00	32.21	9.63
	Sept. 2020	6,050	607	0.69	0.69	0.00	18.28	9.96

(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 (%)	Investment Advisory and Other Fees (%)	Trailer Fee (%)
Series A	1.05	52.38	47.62
Series F	0.55	100.00	N/A
Series P	0.90	44.45	55.55
Series PF	0.40	100.00	N/A

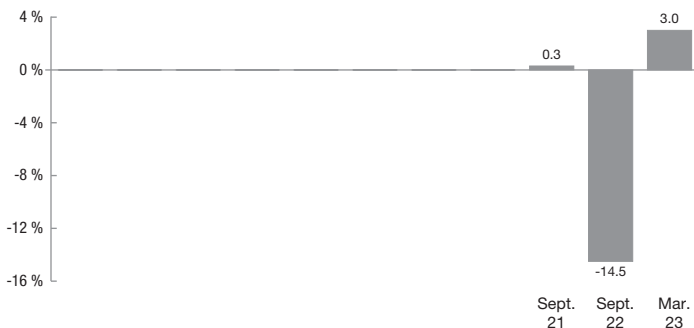
## Past Performance

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.

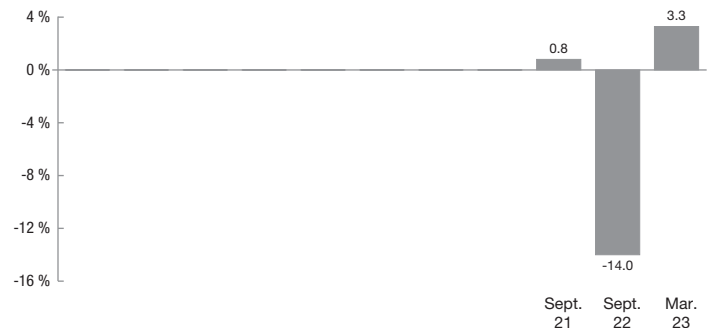
### Year-by-Year Returns

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 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.

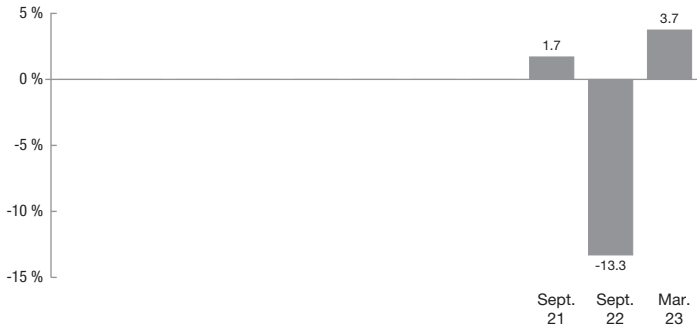
**Series A**



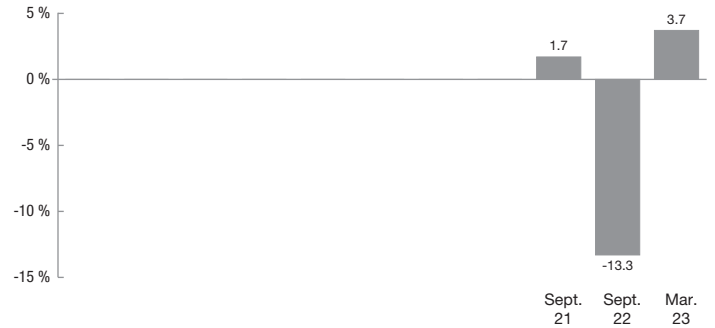
**Series F**



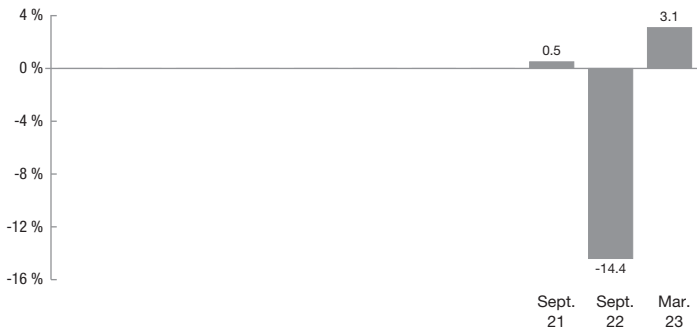
**Series I**



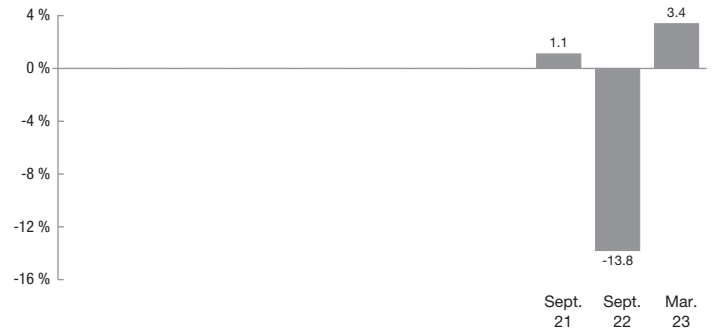
**Series O**



**Series P**



**Series PF**





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

Total Net Asset Value: \$458,564,002

Top Holdings		%
1	Cash and Equivalents	18.9
2	Fannie Mae, 2.500%, 2051-12-01	2.6
3	Federal Republic of Germany, Series G, 0.000%, 2030-08-15	1.8
4	Inter-American Development Bank, 3.200%, 2042-08-07	1.7
5	Inter-American Development Bank, 1.125%, 2031-01-13	1.6
6	United Kingdom Government, 0.875%, 2033-07-31	1.4
7	Federal Republic of Germany, Series G, 0.000%, 2031-08-15	1.4
8	KfW, Stripped, 2037-06-29	1.2
9	Fannie Mae, 3.000%, 2052-02-01	1.1
10	Fannie Mae, 2.000%, 2051-12-25	1.1
11	Fannie Mae, 2.000%, 2052-12-01	1.0
12	Unédic, 1.750%, 2032-11-25	1.0
13	Freddie Mac, 4.500%, 2052-12-01	1.0
14	Freddie Mac, 4.500%, 2053-01-01	1.0
15	Ginnie Mae II, 2.500%, 2051-04-20	0.9
16	Cassa Depositi e Prestiti, 1.000%, 2030-02-11	0.9
17	KfW, 0.000%, 2026-09-30	0.8
18	Santander Holdings USA, 5.807%, floating rate from 2025-09-09, 2026-09-09	0.8
19	Fannie Mae, 3.000%, 2052-06-01	0.8
20	Asian Development Bank, 3.300%, 2028-08-08	0.8
21	Unédic, 0.010%, 2031-05-25	0.8
22	Freddie Mac, 2.500%, 2052-03-01	0.7
23	Asian Development Bank, 1.875%, 2030-01-24	0.7
24	Fannie Mae, 3.000%, 2052-01-01	0.7
25	Commonwealth of Massachusetts, Series B, 4.110%, 2031-07-15	0.6
	Total	45.3

Net Asset Value Mix		%
Fixed Income	58.6	
Mortgage-Backed Securities	20.1	
Cash and Equivalents	18.9	
Asset-Backed Securities	2.5	
Equity	0.2	
Other	-0.3	
Total	100.0	

Sector Allocation		%
Corporate Bonds	30.9	
Mortgage-Backed Securities	20.1	
Cash and Equivalents	18.9	
Foreign Government Bonds	13.4	
Supranational Bonds	8.7	
Municipal Bonds	4.8	
Asset-Backed Securities	2.5	
U.S. Government Bonds	0.8	
Health Care	0.2	
Other	-0.3	
Total	100.0	

Geographic Distribution		%
United States	38.3	
Other Countries	22.1	
Cash and Equivalents	18.9	
Supra National	7.4	
Germany	6.9	
France	6.4	
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.