

NEI

*Portfolio values should rise. Oceans shouldn't.*

**DEMAND MORE.**

**WE DO.**







»» AT NEI  
INVESTMENTS,  
RESPONSIBILITY  
MEETS  
PROFITABILITY.



**AT NEI, OUR PRIORITY IS GROWING  
AND PROTECTING YOUR WEALTH OVER THE  
LONG TERM. WITH A DIFFERENCE.**

We believe that a disciplined investment process must consider more than just a company's balance sheet, but also its impact on the environment and society.

Not only is it responsible investing, at NEI we believe companies that perform better on environmental, social and governance (ESG) issues are more likely to perform better in your portfolio over the long term, with lower risk and higher returns.

*Helping you achieve your investment goals*

# WHILE MAKING A WORLD OF DIFFERENCE.

## THE NEI ADVANTAGE

1

### A PROACTIVE, DISCIPLINED INVESTMENT PROCESS

Seeks positive returns and positive impact while reducing risk.

2

### INVESTMENT MANAGERS FROM AROUND THE WORLD

Access to exceptional expertise, unique mandates and powerful alliances managing \$7 trillion globally.

3

### A 35-YEAR HISTORY IN RESPONSIBLE INVESTING

We offer investors all the benefits of our experience and insight as one of the first responsible investment asset managers in Canada.





**MORE GREEN  
DOESN'T  
MEAN**



**LESS GREEN.**

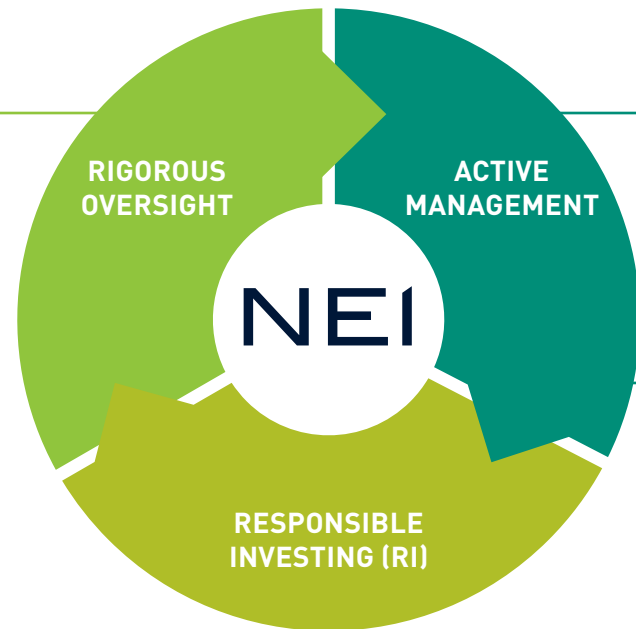


# A PROACTIVE, DISCIPLINED INVESTMENT PROCESS.

*We combine our in-house expertise in manager due diligence, active asset allocation and ESG analysis with the expertise of independent, external portfolio managers.*

| | |

**NEI INVESTMENTS TEAM** uses a disciplined process for sourcing top managers worldwide and monitoring their performance.



**EXTERNAL MANAGERS** actively manage NEI funds. Each manager is chosen for its asset class specialty and proven performance.

**NEI ASSET ALLOCATION COMMITTEE** provides strategic and tactical asset allocation for multi-asset funds.

**NEI ESG TEAM** monitors the fund holdings for environmental, social and governance (ESG) issues, and takes action which may include corporate dialogue, public advocacy, shareholder resolutions and proxy voting.



# IT'S NOT JUST WHAT YOU DO, IT'S **HOW** YOU DO IT.

Most asset management firms have an investment process that includes multiple steps. But our execution is different. Our process is interconnected, so we look at every element in the context of all the other elements. This integrated approach helps us make better decisions.

Our rigorous ESG research and manager selection/monitoring adds a higher level of due diligence. In this way, NEI's investment approach has more in common with institutional investing than with traditional investment funds.

We integrate top-down and bottom-up strategies for the best results.

- PROPRIETARY MANAGER RESEARCH, SELECTION AND MONITORING
- INDUSTRY LEADING INVESTMENT MANAGERS
- STRATEGIC ASSET ALLOCATION
- ONGOING MARKET AND ECONOMIC ANALYSIS
- TACTICAL ASSET ALLOCATION
- ESG EVALUATION AND CORPORATE ENGAGEMENT

*Integration = Responsibility + Profitability*



# OUR OBJECTIVE IS TO ALIGN WITH INVESTMENT MANAGERS WHO SHARE OUR RESPONSIBLE INVESTMENT PHILOSOPHY,

*incorporate ESG factors in the investment decision-making process  
and are signatories of the Principles for Responsible Investment (PRI).*





# WE CALL IT OPEN ARCHITECTURE. YOU COULD SIMPLY CALL IT **SMART.**

At NEI, we source top investment managers worldwide bringing unique mandates, exceptional talent and powerful alliances that amplify our impact as responsible investors.



**OUR CLIENTS HAVE ACCESS TO NOT JUST IN-HOUSE INVESTMENT PROFESSIONALS BUT TO GLOBAL MANAGERS AND SPECIALISTS IN EACH OF THE ASSET CLASSES THAT WE WANT TO PURSUE.”**

*—John Bai, Senior Vice President  
and Chief Investment Officer, NEI Investments*



**19**  
EXTERNAL  
INVESTMENT  
MANAGERS

**\$7** TRILLION  
OF AUM

**100+**  
OFFICES WORLDWIDE

Our innovative structure allows us to operate with the clout of a \$7 trillion company.



»» DEMAND  
MORE.  
WE DO.



**TRUE  
RESPONSIBLE  
INVESTING  
TAKES  
COMMITMENT,  
EXPERIENCE  
AND LEADERSHIP.**



NEI's ESG team has earned a reputation on the global stage for successfully driving change through corporate engagement.

*Signatory of:*



NEI was one of the first signatories to the PRI and has consistently earned an A+ rating for Active Ownership (corporate engagement and proxy voting).



# WE ARE **ACTIVE** SHAREHOLDERS.

At NEI, your investment has more impact because we dig deeper, we demand more and we **do more**.

We believe the best way to change a company is to own it. Not only does the team monitor the companies we hold in our funds for environmental, social and governance risks, we propose solutions to help companies change for the better, whether it's reducing their environmental footprint, improving working conditions or fairer executive compensation.



10 20 **30**



# OUR RI PROGRAM HAS GROWN IN INFLUENCE AND IMPACT FOR 35 YEARS.

# OUR RESPONSIBLE INVESTING MODEL.

## Depth and Integrity

NEI works with individual companies as well as international bodies to help drive the evolution of responsible investing and improve outcomes for clients.

### COMPANY EVALUATIONS

We research and analyse quantitative and qualitative data related to ESG factors that can influence a company's value.

### CORPORATE ENGAGEMENT

We use our position as shareholders to effect change through comprehensive discussions with the management of companies in our funds, thoughtful proxy voting and, if necessary, filing shareholder proposals.

### POLICY ADVOCACY

We engage with government and industry regulators to set new standards and drive key policy initiatives.

### THOUGHT LEADERSHIP

We help guide investors on emerging trends and issues, such as diversity and inclusion, and progress toward a low-carbon future.

YEARS

30

20

10

#### PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

NEI is a signatory and leads various dialogues at the PRI.

#### INVESTOR ALLIANCE FOR HUMAN RIGHTS

NEI is a signatory and sits on the steering committee.

#### CLIMATE ACTION 100+

NEI is an active member and dialogue co-leader.

#### UN SUSTAINABLE DEVELOPMENT GOALS

NEI is working to align our engagement efforts with SDGs.

#### FINANCIAL STABILITY BOARD (FSB)

NEI helped to develop the FSB's climate-related financial disclosure framework and engaged with 60 companies held in NEI funds.

#### OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES

NEI consulted in the development of international standards for responsible business conduct.



# CHANGE

0 10 20 30 40

## HOW DO YOU CONVINC AN ENERGY COMPANY TO USE LESS ENERGY? OWN PART OF THE COMPANY.

*After more than a decade of dialogue with NEI's ESG team, in 2018, Suncor set a new bar with a goal of reducing emissions intensity 30% by 2030.*

While there are reasons why investors may choose a fossil-fuel free portfolio, changing corporate behaviour isn't one of them. We believe that being a shareholder of Suncor, one of Canada's largest oil companies, has allowed us to drive a real understanding of the company's place in a low carbon future.

In 2006, we began talking to Suncor management about climate change and the inevitable transition to a lower-carbon world. Since then, we have worked with the company to implement numerous changes, including:

- using and disclosing an internal price on carbon to assess the long-term viability of all new projects
- strengthening the link between environmental performance and executive pay, and
- setting targets for energy and water use reductions

In 2016, we asked Suncor management to support our shareholder resolution that would require them to issue a report showing investors how their company will address climate change and remain viable to investors in a future low-carbon scenario. After a long and intensive dialogue, the company eventually agreed, and the resolution passed with over 98% support—an almost unheard-of level of support for an environmental resolution anywhere in the world.

Suncor published its first resiliency report in 2017.

Other energy companies such as Exxon, Cenovus, Occidental and Teck Resources have since followed Suncor's lead, publishing reports addressing climate-related financial disclosure.

**Emissions intensity** is the amount of carbon emitted to perform a certain task. Therefore, a 30% reduction in emissions intensity means performing the same task while generating 30% less carbon.

INVESTMENT GOAL: RISK MITIGATION AND VALUE CREATION



UN GOAL #13: CLIMATE ACTION

50 60 70 80 90



# WE KNOW AND WE SHOW.

In 2021, NEI engaged 131 companies in dialogue on ESG topics, representing 29% of our equity holdings. **We voted on 11,634 proxy items, at 970 annual shareholder meetings and took 30 policy actions.**

*Visit us online to see the impact of your investments in our quarterly reports and annual Focus List, which detail all our ESG engagements.*



IN ADDITION TO SEEKING TO DELIVER POSITIVE INVESTMENT RETURNS, WE HELP ENABLE THE PURPOSE OF INVESTORS BY GIVING THEM A VOICE AT THE TABLE OF THE COMPANIES THEY OWN.”

—Jamie Bonham, Director, Corporate Engagement, ESG Services, NEI Investments





» CASE STUDY FOR CHANGE #22:  
MITEL, DOLLARAMA, PARKLAND, WINPAK,  
LUMENPULSE, BOYD GROUP, BLACK DIAMOND,  
MULLEN GROUP

# DIVERSITY

0 10 20 30 40

## WHEN WOMEN GET ON BOARD, WE ALL WIN.

*Companies with two or more women on the board of directors earned 4% higher returns annually.*

[Versus companies with all-male boards, based on 5-year average annual return, S&P/TSX Composite Index, 2012-2016]\*

You may think that Canada has an enviable record with respect to gender equality. After all, women make up 50% of our federal cabinet members, 62% of university graduates and 47% of the workforce.

But these achievements have not been mirrored in our corporate boardrooms. In 2017, only 14% of Canadian board seats were occupied by women and only 4% of Canadian companies had a female chair.

For more than 15 years, NEI has worked to advance board gender diversity in Canada by using our voting rights and engaging with corporate boards.

For example, in 2014, NEI voted against all board directors on Dollarama's nominating committee because there were no female board directors at the time. In response to further discussions with us, Dollarama appointed their first female director in 2015 and a second one in 2019.

Many of the companies we have engaged with have gone on to increase their diversity and/or set goals for improvement, including Boyd Group, Black Diamond, Lumenpulse, Mitel, Mullen Group, Parkland and Winpak.

In February 2019, NEI and our sub-advisor Addenda Capital launched Canada's first investor statement whereby signatories clearly commit to using their voting power to hold directors on boards accountable where there is no board diversity. To date, Canadian and international signatories representing \$400 billion of assets under management have signed on.

As investors, we have unique leverage—and a responsibility—to change corporate boards. We firmly believe that a diverse board is a superior board.

\*NEI Investments: All Aboard: Increasing Corporate Board Diversity, 2018

INVESTMENT GOAL: VALUE CREATION



UN GOAL #10: REDUCED INEQUALITIES

# THE INVESTMENT INDUSTRY IS CHANGING FOR THE BETTER. FINALLY.

Thirty-five years ago, NEI recognized that investing in the right companies meant looking beyond the balance sheet. We have always believed that ESG analysis was a critical factor in the investment process to meet investors' goals.

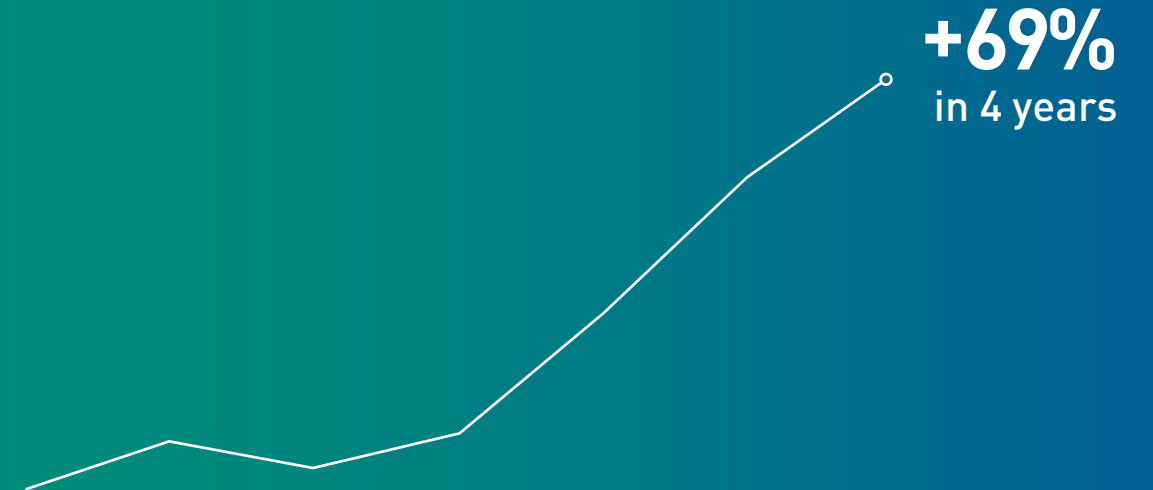
Today, asset managers large and small are beginning to invest responsibly.



## CANADA PENSION PLAN:

**"AT CPPIB, WE CONSIDER RESPONSIBLE INVESTING SIMPLY AS INTELLIGENT LONG-TERM INVESTING. ...ESG FACTORS HAVE THE POTENTIAL TO BE SIGNIFICANT DRIVERS—OR BARRIERS—TO PROFITABILITY AND SHAREHOLDER VALUE."**

*Source: CPP Investment Board website*



Canadian pension funds increased their investment in RI assets by

# \$563 billion

in just 4 years, a 69% increase.

*Source: RIA 2018 Canadian Responsible Investment Trends Report*



» CASE STUDY FOR CHANGE #12:  
CN RAIL, CANADIAN NATURAL RESOURCES  
LIMITED, ENCANA, CENOVUS, BARRICK GOLD,  
GOLDCORP, TECK RESOURCES, ENBRIDGE

# SAFETY

0 10 20 30 40 50 60 70 80 90

## WHEN CEO COMPENSATION IS LINKED TO ESG, IT PAYS TO DO THE RIGHT THING.

In 2005, a CN Rail train derailed, dumping over 196,000 litres of heavy oil directly into Lake Wabamun, Alberta. This environmental disaster alerted us to a clear governance gap: there was no link between the company's safety performance and executive pay.

After the Wabamun incident, we filed a shareholder resolution and continued to engage with CN Rail until they did implement a link between CEO pay and a safety metric. Since 2007, the company's safety performance has improved by 31% in Canada, and 26% in the US.

We also turned our focus to the Canadian energy and mining sectors. At the time, few companies had links between executive compensation and environmental and safety performance. Those that did were very inconsequential—often only 5-10% of bonus pay.

As shareholders, we began voting against CEO compensation packages that were not adequately linked to ESG factors, and also voted against the board committee members responsible for setting executive compensation. We followed up with every company we voted against to explain our concerns and push for better linkages, including companies such as Encana, Cenovus, Barrick Gold, Goldcorp, Teck Resources, Enbridge and Canadian Natural Resources Limited.

Despite early resistance, linking CEO pay to non-financial metrics is now standard in the extractives industry, and companies regularly have up to 25% of the CEO's annual bonus explicitly linked to ESG performance.



**WE PROPOSE SOLUTIONS TO HELP COMPANIES OVERCOME TOUGH CHALLENGES AND IMPROVE THEIR ESG PERFORMANCE, WITH THE GOAL OF PROTECTING AND GROWING VALUE FOR SHAREHOLDERS.”**

*—Jamie Bonham, Director,  
Corporate Engagement, ESG Services, NEI Investments*

INVESTMENT GOAL: RISK MITIGATION



UN GOAL #12: RESPONSIBLE CONSUMPTION AND PRODUCTION





**WE  
TRADE  
IN  
DOLLARS**

**AND SENSE.**



# A FULL RANGE OF UNIQUE FUNDS AND MANAGED PORTFOLIOS

*that integrate responsible investing principles.*

## NEI FUNDS

A broad choice of major asset classes, investment styles and geographic regions to meet your investment needs.

## NEI PORTFOLIO SOLUTIONS

A suite of portfolios with advanced portfolio construction, active asset allocation strategies and industry leading investment managers from around the world.



**OUR MULTI-ASSET SOLUTIONS ARE BASED ON A STRATEGIC ASSET ALLOCATION VIEW; THEN WE LOOK AT ECONOMIC, SENTIMENT AND VALUATION FACTORS, DYNAMICALLY ADJUSTING THE ASSET MIX WHERE WE SEE THERE IS OPPORTUNITY IN A PARTICULAR ASSET CLASS OR GEOGRAPHY.”**

*—John Bai, Senior Vice President and  
Chief Investment Officer, NEI Investments*





EVER HEARD THE PHRASE “IF YOU CAN’T BEAT ‘EM, JOIN ‘EM?”

»» **WE’RE  
THE ‘EM.**



**Over thirty years ago, NEI Investments recognized the significance of and led the way in responsible investing.**

And today, while seemingly every other investment firm is jumping on the RI bandwagon, we’re going further still.

Because we push. Because we demand more.

From the companies in which we invest, we insist on—and achieve—better practices that not only benefit society and the environment, but improve those companies’ bottom lines as well.

Responsible investing isn’t just about feeling good; it’s about making things happen.

And to make things happen, we demand even more from ourselves.

Whatever today’s best practices may be, we’re always looking for better.

Thus, our open architecture model that delivers unique mandates and the best fund managers the world has to offer.

Thus, our due diligence process that has more in common with pension funds and institutional investing than with the conventional retail market.

NEI is leading the industry and redefining what responsible investing means.

Everything we’re doing today is—dare we say—everything the other investment firms will be doing tomorrow.

**DEMAND MORE.**

**WE DO.**

## THE STRENGTH OF ONE OF CANADA'S LARGEST INDEPENDENT WEALTH MANAGEMENT FIRMS.

NEI is a subsidiary of Aviso Wealth, a national, integrated financial services company serving the wealth management needs of virtually all of Canada's credit unions as well as a range of independent financial organizations, with over \$100 billion of assets under administration and management.

Aviso was formed in April 2018, uniting the talents and resources of three successful, industry-leading firms to provide Canadians with a comprehensive range of integrated wealth management services and solutions.

aviso wealth 

NEI

QTRADE 

Credential

## TO LEARN MORE, SPEAK TO YOUR FINANCIAL ADVISOR.

*Financial advice is a key component of your investment success. A financial advisor helps you define your goals, advises you of the investments best suited to your personal situation and guides you through all types of market conditions.*

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated.

NEI Investments is a registered trademark of Northwest & Ethical Investments L.P. ("NEI LP"). Northwest & Ethical Investments Inc. is the general partner of NEI LP and a wholly-owned subsidiary of Aviso Wealth Inc. ("Aviso"). Aviso is 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.

Demand more. We do.™ is a trademark of Northwest & Ethical Investments L.P.

| | |



# NEI

» DEMAND MORE. WE DO.

[neiinvestments.com](http://neiinvestments.com)

2200067E 02/22 AODA