

NEI

NEI Funds

Semi-annual financial statements

March 31, 2024



NEI Long Short Equity Fund

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at

March 31
2024
\$

ASSETS

Current Assets

Margin deposits	19,372,392
Investments at fair value through profit or loss (FVTPL)–long positions	116,187,445
Options at fair value–long positions	438,603
Receivable for investments sold	1,867,855
Interest, dividends and other receivables	171,863
	<u>138,038,158</u>

LIABILITIES

Current Liabilities

Accrued expenses	728
Performance fees payable	1,123,551
Investments at fair value through profit or loss (FVTPL)–short positions	52,729,978
Options at fair value–short positions	405,061
Payable for investments purchased	1,864,537
Interest, dividends and other payables	57,423
	<u>56,181,278</u>

Net Assets Attributable to Holders of Redeemable Units 81,856,880

Data per Series (Note b)

Series A

Net assets attributable to holders of redeemable units	<u>337,203</u>
- per unit	<u>10.50</u>

Series C

Net assets attributable to holders of redeemable units	<u>1,053</u>
- per unit	<u>10.53</u>

Series F

Net assets attributable to holders of redeemable units	<u>191,730</u>
- per unit	<u>10.51</u>

Series I

Net assets attributable to holders of redeemable units	<u>81,325,841</u>
- per unit	<u>10.53</u>

Series O

Net assets attributable to holders of redeemable units	<u>1,053</u>
- per unit	<u>10.53</u>

Approved on behalf of the Board of Directors of
Northwest & Ethical Investments Inc.,
acting as general partner of
Northwest & Ethical Investments L.P. as Manager and Trustee



William Packham,
President and Chief Executive Officer



Rodney Ancrum,
SVP, Chief Financial Officer and Chief Administrative Officer

The accompanying Notes are an integral part of these financial statements.

NEI Long Short Equity Fund

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Period Ended March 31

	2024*
	\$
Income	
Interest for distribution purposes	78,851
Dividends	505,800
Net income (loss) from derivatives	(125,143)
Foreign exchange gain (loss) on cash	52,970
Net realized gain (loss) on investments	(1,179,636)
Changes in fair value:	
Net unrealized gain (loss) on investments	6,252,637
Net unrealized gain (loss) on derivatives	33,542
	<u>5,619,021</u>
Expenses (Note 5)	
Management fees	1,359
Performance fees	994,293
Independent review committee's fees	369
Administration fees	203
Sales taxes	129,494
	<u>1,125,718</u>
Withholding taxes	12,940
Commissions and other portfolio transaction costs	87,799
Interest expense on investments sold short	18,111
Dividends expense on investments sold short	238,534
	<u>1,483,102</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	<u>4,135,919</u>
Data per Series	
Series A	
Increase (decrease) in net assets attributable to holders of redeemable units	<u>15,203</u>
- per unit	<u>0.52</u>
Weighted average units	<u>29,210</u>
Series C	
Increase (decrease) in net assets attributable to holders of redeemable units	<u>53</u>
- per unit	<u>0.53</u>
Weighted average units	<u>100</u>
Series F	
Increase (decrease) in net assets attributable to holders of redeemable units	<u>8,640</u>
- per unit	<u>0.60</u>
Weighted average units	<u>14,430</u>
Series I	
Increase (decrease) in net assets attributable to holders of redeemable units	<u>4,111,970</u>
- per unit	<u>0.54</u>
Weighted average units	<u>7,658,603</u>
Series O	
Increase (decrease) in net assets attributable to holders of redeemable units	<u>53</u>
- per unit	<u>0.53</u>
Weighted average units	<u>100</u>

* Beginning of operations in January 2024

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NEI Long Short Equity Fund

STATEMENT OF CHANGES IN FINANCIAL POSITION (UNAUDITED)

Period Ended March 31	Series A	Series C	Series F	Series I	Series O
	2024*	2024*	2024*	2024*	2024*
	\$	\$	\$	\$	\$
Net Assets Attributable to Holders of Redeemable Units, Beginning of Period	-	-	-	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	15,203	53	8,640	4,111,970	53
Redeemable Unit Transactions					
Proceeds from sale of redeemable units	322,000	1,000	183,090	78,513,871	1,000
Reinvested distributions	-	-	-	-	-
Amounts paid for redeemable units redeemed	-	-	-	(1,300,000)	-
	322,000	1,000	183,090	77,213,871	1,000
Net Assets Attributable to Holders of Redeemable Units, End of Period	337,203	1,053	191,730	81,325,841	1,053

STATEMENT OF CASH FLOWS (UNAUDITED)

Period Ended March 31

	2024*
	\$
Cash Flows from (used in) Operating Activities	
Increase (decrease) in Net Assets Attributable to Holders of Redeemable Units	4,135,919
Adjustments for:	
Foreign exchange (gain) loss on cash	(52,970)
Net realized (gain) loss on investments and derivatives	1,179,636
Net unrealized (gain) loss on investments and derivatives	(6,286,179)
Margin deposits	(19,372,392)
Proceeds from sale/maturity of investments	(7,124,163)
Investments purchased	(51,262,745)
Receivable for investments sold	(1,867,855)
Interest, dividends and other receivables	(171,863)
Accrued expenses	728
Performance fees payable	1,123,551
Interest, dividends and other payables	57,423
Payable for investments purchased	1,864,537
Net Cash Flows from (used in) Operating Activities	(77,776,373)
Cash Flows from (used in) Financing Activities	
Proceeds from sale of redeemable units	79,020,961
Amounts paid for redeemable units redeemed	(1,300,000)
Net Cash Flows from (used in) Financing Activities	77,720,961
Effect of exchange rate changes on foreign cash	55,412
Increase (decrease) in cash/bank overdraft	-
Cash (bank overdraft), beginning of period	-
Cash (Bank Overdraft), End of Period	-
Supplemental Information on Cash Flows from (used in) Operating Activities	
Interest received, net of withholding taxes	78,855
Dividends received, net of withholding taxes	321,918
Interest paid	18,111
Dividends paid on short sales	181,111

* Beginning of operations in January 2024

The accompanying Notes are an integral part of these financial statements.

NEI Long Short Equity Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2024 (UNAUDITED)

	NUMBER OF SHARES	COST \$	FAIR VALUE \$		NUMBER OF SHARES	COST \$	FAIR VALUE \$
LONG POSITIONS *							
Equities (141.9%)							
Canadian Equities (92.2%)							
Energy (16.4%)							
Advantage Energy	26,827	239,252	265,051	Restaurant Brands International	10,126	1,042,474	1,089,254
ARC Resources	27,343	589,207	660,333	Spin Master	10,944	380,621	379,319
Canadian Natural Resources	22,541	1,937,242	2,329,162			2,175,827	2,164,365
Enbridge	33,869	1,621,171	1,657,888	Consumer Staples (2.0%)			
Enerflex	23,388	164,358	184,297	George Weston	7,161	1,233,878	1,310,535
Freehold Royalties	51,837	726,422	756,302	Logan Energy	53,867	45,987	50,096
Gibson Energy	18,084	387,073	417,017	North West Company	5,966	232,758	234,166
Imperial Oil	8,959	675,222	837,039			1,512,623	1,594,797
Mattr	6,918	110,193	122,864	Health Care (0.3%)			
MEG Energy	47,567	1,169,265	1,479,334	kneat.com	54,184	186,974	203,190
North American Construction Group	14,483	459,792	436,228	Financials (24.1%)			
Parkland	16,002	737,267	690,326	Bank of Montreal	22,400	2,906,359	2,962,400
Pembina Pipeline, Restricted	17,534	800,132	837,950	Brookfield, Class A	7,400	412,378	419,432
Precision Drilling	1,874	152,784	170,778	Canaccord Capital	15,400	120,343	137,060
Sprott Physical Uranium Trust	5,844	184,000	163,924	Canadian Imperial Bank of Commerce	18,300	1,229,373	1,256,661
Suncor Energy	37,070	1,690,291	1,853,129	Canadian Western Bank	23,757	714,159	669,947
Tourmaline Oil	8,900	519,345	563,637	Definity Financial	8,600	349,701	371,004
		12,163,016	13,425,259	Dominion Lending Centres	19,633	54,176	58,899
Materials (11.7%)				Fairfax Financial Holdings	1,045	1,399,261	1,525,804
Agnico Eagle Mines	18,724	1,271,955	1,512,337	Manulife Financial	63,469	1,921,606	2,147,156
Capstone Copper	19,000	130,910	163,780	Nuvei	10,000	337,633	428,200
CCL Industries, Class B	15,085	966,670	1,044,335	Power Corporation of Canada	12,298	484,753	467,078
Champion Iron	45,076	320,421	289,388	Royal Bank of Canada	36,650	4,890,176	5,007,123
First Quantum Minerals	41,455	526,104	603,585	Scotiabank	7,200	488,810	504,504
Franco-Nevada	5,581	823,321	900,773	Sun Life Financial	35,300	2,440,340	2,609,023
Frontier Lithium	52,116	36,312	43,256	Toronto-Dominion Bank	13,704	1,125,677	1,120,302
Hudbay Minerals	69,355	529,935	657,485			18,874,745	19,684,593
K92 Mining	18,242	120,704	114,925	Information Technology (7.1%)			
Karora Resources	21,938	92,323	111,445	Celestica	13,300	556,480	809,438
Kinross Gold	23,771	177,564	197,537	Computer Modelling Group	19,044	190,737	193,677
Major Drilling Group International	31,236	276,517	281,124	Constellation Software	445	1,634,343	1,646,500
NGEx Minerals	8,609	69,699	75,329	Descartes Systems Group	7,353	889,173	911,037
Nutrien	6,829	480,368	502,546	Dye & Durham	12,700	153,670	199,644
OceanaGold	115,176	307,556	352,439	Kinaxis	1,908	316,064	293,832
Osisko Mining	18,677	47,829	51,922	Shopify, Class A	17,100	1,873,953	1,786,950
Pan American Silver	23,604	447,692	481,994			5,614,420	5,841,078
Solaris Resources	28,769	116,859	137,516	Communication Services (1.7%)			
Talon Metals	177,162	26,564	23,917	Lumine Group	7,697	251,216	275,630
Teck Resources, Class B	25,146	1,371,982	1,559,052	Rogers Communications, Class B	20,800	1,335,312	1,154,400
West Fraser Timber	4,129	455,636	482,928			1,586,528	1,430,030
		8,596,921	9,587,613	Utilities (5.0%)			
Industrials (18.3%)				AltaGas	60,000	1,697,416	1,795,200
AG Growth International	7,077	415,050	434,245	Boralex, Class A	15,993	521,569	457,720
ATS	4,950	290,184	225,621	Brookfield Infrastructure Partners	12,807	536,132	541,736
Badger Infrastructure Solution	11,506	541,105	577,601	Capital Power	14,210	528,347	542,964
Bombardier, Class B	4,728	233,107	274,933	Hydro One	9,775	383,140	386,112
Boyd Group Services	1,838	543,016	526,403	Innergex Renewable Energy	15,787	136,728	126,138
Brookfield Business Partners	6,900	197,500	207,000	TransAlta	31,916	319,787	277,350
Canadian Pacific Kansas City	32,521	3,432,640	3,883,983			4,123,119	4,127,220
Chorus Aviation	44,533	110,422	91,293	Real Estate (3.0%)			
Element Fleet Management	98,348	2,263,781	2,152,838	Boardwalk Real Estate Investment Trust	7,579	543,983	591,768
SNC-Lavalin Group	3,800	198,475	210,520	BSR Real Estate Investment Trust	9,971	158,867	149,244
TELUS International	11,900	160,282	136,493	Colliers International Group	2,300	372,076	380,811
TFI International	2,300	426,443	496,800	Crombie Real Estate Investment Trust	17,911	247,002	245,202
Thomson Reuters	4,785	968,691	1,008,678	Dream Unlimited, Class A	8,373	206,286	162,352
Toromont Industries	8,300	966,755	1,081,905	First Capital Real Estate Investment Trust	17,388	272,736	273,165
Waste Connections	10,110	2,082,607	2,354,316	InterRent Real Estate Investment Trust	15,400	204,002	208,824
WSP Global	5,800	1,123,959	1,309,408	Minto Apartments	29,465	490,219	467,032
		13,954,017	14,972,037			2,495,171	2,478,398
Consumer Discretionary (2.6%)				Total Canadian Equities - Long			
Dollarama	3,481	349,949	359,204			71,283,361	75,508,580
Park Lawn	20,155	402,783	336,588				

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NEI Long Short Equity Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2024 (UNAUDITED) (continued)

	NUMBER OF SHARES	COST \$	FAIR VALUE \$		NUMBER OF SHARES	COST \$	FAIR VALUE \$
U.S. Equities (47.5%)							
Energy (0.8%)							
Chesapeake Energy	700	79,975	84,227	Capital One Financial	950	171,405	191,595
Patterson-UTI Energy	5,852	82,534	94,646	Charles Schwab	3,750	335,888	367,456
Targa Resources	1,917	217,069	290,801	Citigroup	7,060	515,098	604,772
Weatherford International	1,200	152,617	187,611	Corebridge Financial	10,672	354,964	415,314
		532,195	657,285	Fidelity National Information Services	1,400	125,558	140,673
				Goldman Sachs Group	1,025	529,673	579,927
Industrials (5.4%)				Intercontinental Exchange Group	3,357	577,996	624,925
Builders FirstSource	2,461	559,024	695,211	JPMorgan Chase & Co.	1,604	369,013	435,191
Copart	9,168	609,534	719,218	KeyCorp	14,859	290,442	318,212
Fastenal Company	4,339	406,187	453,382	KKR	3,349	380,007	456,270
Generac Holdings	975	156,471	166,591	LPL Financial Holdings	600	209,278	214,723
Old Dominion Freight Line	900	240,425	267,360	Mastercard, Class A	754	444,660	491,842
Quanta Services	1,738	459,430	611,623	Moody's	400	209,233	212,952
Siteone Landscape Supply	670	142,262	158,413	Palomar Holdings	1,000	95,047	113,552
TransUnion	1,300	131,370	140,521	PennyMac Financial Services	1,257	148,197	155,096
Union Pacific	1,340	439,349	446,387	Progressive	1,825	434,672	511,270
United Rentals	597	478,867	583,137	Reinsurance Group of America	2,782	633,957	726,841
Universal Forest Products	1,000	164,866	166,623	Truist Financial	6,225	313,870	328,682
		3,787,785	4,408,466			7,578,129	8,494,486
Consumer Discretionary (4.8%)				Information Technology (11.1%)			
Amazon.com	4,480	975,500	1,094,615	Advanced Micro Devices	1,740	411,609	425,400
Carvana	1,350	116,333	160,756	AppFolio	625	158,672	208,889
D.R. Horton	2,000	384,117	445,782	Bentley Systems, Class B	2,200	151,607	155,616
Domino's Pizza	670	387,779	450,943	Broadcom	355	603,598	637,344
DoorDash, Class A	2,330	337,907	434,785	CCC Intelligent Solutions Holdings	14,207	216,498	229,967
General Motors	5,800	321,590	356,287	CrowdStrike Holdings, Class A	280	125,340	121,576
Home Depot	534	253,443	277,469	Dell Technologies	2,780	368,349	429,698
Marriott Vacations Worldwide	1,200	154,152	175,111	Gartner	500	315,261	322,837
Stride	1,500	133,069	128,107	Intuit	287	248,724	252,691
TJX Companies	2,709	348,142	372,158	Lam Research	225	268,088	296,109
		3,412,032	3,896,013	Micron Technology	3,680	443,042	587,651
				Microsoft	2,090	1,136,747	1,191,062
Consumer Staples (3.1%)				Motorola Solutions	547	242,932	263,018
BellRing Brands	3,402	257,459	272,021	Nutanix	912	69,640	76,246
BJ's Wholesale Club	1,000	104,640	102,472	NVIDIA	990	847,241	1,211,678
Hormel Foods	4,800	225,440	226,849	Onto Innovation	974	222,458	238,905
Kellanova	2,200	166,324	170,725	Oracle	1,450	250,735	246,710
Kenvue	3,408	95,401	99,066	Pure Storage, Class A	2,055	125,706	144,719
Lamb Weston Holdings	1,367	199,083	197,258	Q2 Holdings	2,700	184,215	192,227
Mondelez International	3,938	395,014	373,395	Roper Technologies	532	396,412	404,153
Monster Beverage	4,597	347,641	369,129	ServiceNow	516	535,794	532,878
Procter & Gamble	952	197,167	209,226	Snowflake, Class A	450	116,007	98,503
Walmart	6,280	465,910	511,841	Sprout Social, Class A	500	43,496	40,440
		2,454,079	2,531,982	Synopsys	650	483,686	503,181
				Tyler Technologies	448	268,181	257,912
				Verato	500	54,945	60,047
						8,288,983	9,129,457
Health Care (5.2%)				Communication Services (2.6%)			
Adverum Biotechnologies	3,390	92,695	64,930	Alphabet, Class A	3,400	655,591	695,104
Boston Scientific	5,396	439,541	500,604	Angi	10,793	35,091	38,304
DexCom	2,200	382,122	413,327	MediaAlpha, Class A	7	168	193
Elanco Animal Health	6,920	137,680	152,600	Meta Platforms, Class A	740	393,343	486,729
Eli Lilly and Company	579	491,300	610,142	Pinterest, Class A	3,400	168,505	159,672
GoodRx Holdings, Class A	13,202	120,032	126,968	Take-Two Interactive Software	533	119,643	107,206
Intuitive Surgical	655	334,184	354,085	Trade Desk, Class A	3,000	296,359	355,244
Masimo	1,000	168,352	198,916	Verizon Communications	5,261	291,334	299,019
Medpace Holdings	200	82,981	109,488	ZipRecruiter	1,532	30,887	23,844
Merck & Co.	2,350	381,970	420,022			1,990,921	2,165,315
Neogen	3,790	85,984	81,010	Utilities (0.5%)			
Option Care Health	4,798	209,573	217,981	NiSource	4,148	143,576	155,413
Quanterix	2,294	70,439	73,209	PPL	6,743	237,387	251,452
Radnet	4,561	251,588	300,626			380,963	406,865
Vertex Pharmaceuticals	330	193,048	186,851	Index-Based Investments (3.4%)			
Zoetis	1,597	403,523	366,038	Invesco S&P 500 Low Volatility ETF	5,204	441,367	464,323
Zymeworks	7,371	102,338	105,036	iShares Russell 2000 Value ETF	10,685	2,197,964	2,298,515
		3,947,350	4,281,833			2,639,331	2,762,838
Financials (10.4%)							
Apollo Global Management	4,131	542,366	629,230				
Arch Capital Group	1,325	153,667	165,909				
Arthur J. Gallagher & Co.	1,360	440,225	460,621				
Bank of America	6,803	302,913	349,433				

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NEI Long Short Equity Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2024 (UNAUDITED) (continued)

	NUMBER OF SHARES	COST \$	FAIR VALUE \$		NUMBER OF SHARES	COST \$	FAIR VALUE \$
U.S. Equities (continued)				Consumer Staples (-1.0%)			
Real Estate (0.2%)				Empire Company, Class A	(4,146)	(146,889)	(137,150)
Ventas	3,114	193,052	183,655	Loblaw Companies	(2,297)	(307,835)	(344,780)
				Metro	(3,370)	(238,086)	(245,066)
Total U.S. Equities - Long		35,204,820	38,918,195	Premium Brands Holdings	(1,100)	(95,873)	(97,350)
						(788,683)	(824,346)
Foreign Equities (2.2%)				Financials (-3.4%)			
Ireland (0.8%)				Brookfield Asset Management, Class A	(7,396)	(397,007)	(420,832)
Eaton	585	192,180	247,771	Great-West Lifeco	(15,146)	(663,400)	(656,125)
ICON	860	321,195	391,353	iA Financial Group	(3,913)	(353,247)	(329,279)
		513,375	639,124	IGM Financial	(6,146)	(221,220)	(214,680)
Israel (0.6%)				Intact Financial Corporation	(1,973)	(418,858)	(434,139)
CyberArk	1,225	391,894	440,766	National Bank of Canada	(4,800)	(492,006)	(547,488)
Luxembourg (0.5%)				Onex	(800)	(79,972)	(81,176)
Spotify Technology	1,225	349,946	437,896	Propel Holdings	(605)	(10,098)	(9,982)
United Kingdom (0.3%)				StorageVault Canada	(16,916)	(91,480)	(87,287)
ReNew Energy Global, Class A	29,885	268,875	242,884			(2,727,288)	(2,780,988)
Total Foreign Equities - Long		1,524,090	1,760,670	Information Technology (-0.6%)			
				Dye & Durham	(6,200)	(79,812)	(97,464)
Total Long Positions	108,012,271		116,187,445	Enghouse Systems	(6,991)	(254,873)	(213,435)
				Open Text	(3,881)	(215,836)	(203,985)
						(550,521)	(514,884)
SHORT POSITIONS				Communication Services (-0.4%)			
Equities (-64.4%)				BCE	(2,999)	(165,277)	(138,044)
Canadian Equities (-16.5%)				Cogeco Communications	(2,599)	(161,317)	(156,148)
Energy (-2.3%)						(326,594)	(294,192)
Baytex Energy	(63,639)	(269,651)	(311,195)	Utilities (-0.9%)			
Crescent Point Energy	(9,500)	(99,145)	(105,260)	Brookfield Infrastructure Partners, Class A	(4,413)	(206,626)	(215,354)
Ensign Resource Service Group	(51,883)	(113,057)	(134,377)	Brookfield Renewable, Class A	(6,537)	(247,578)	(217,290)
Nuvista Energy	(7,559)	(83,073)	(89,801)	Fortis	(6,176)	(330,051)	(330,540)
Paramount Resources	(8,046)	(213,269)	(221,185)			(784,255)	(763,184)
Parex Resources	(13,839)	(310,374)	(299,476)	Index-Based Investments (-5.3%)			
PrairieSky Royalty	(4,312)	(97,795)	(114,397)	iShares Core S&P/TSX Capped Composite Index ETF	(123,768)	(4,150,645)	(4,370,248)
Topaz Energy	(13,965)	(274,987)	(311,420)	Real Estate (-0.1%)			
Whitecap Resources	(29,489)	(264,728)	(302,262)	SmartCentres Real Estate Investment Trust	(2,331)	(57,722)	(54,149)
		(1,726,079)	(1,889,373)	Total Canadian Equities - Short		(12,935,076)	(13,558,689)
Materials (-1.2%)				U.S. Equities (-45.2%)			
Artemis Gold	(13,150)	(77,681)	(106,778)	Energy (-0.4%)			
Equinox Gold	(10,003)	(58,896)	(81,725)	EQT	(1,800)	(83,292)	(90,384)
Ero Copper	(5,310)	(110,206)	(138,697)	Halliburton Company	(3,400)	(161,610)	(181,548)
First Majestic Silver	(12,828)	(84,290)	(101,983)	Propetro Holding	(3,796)	(41,789)	(41,546)
Lundin Mining	(13,258)	(146,246)	(183,756)			(286,691)	(313,478)
New Found Gold	(15,714)	(64,322)	(78,413)	Materials (-1.0%)			
Sandstorm Gold	(12,422)	(78,818)	(88,196)	Newmont Goldcorp	(4,363)	(202,963)	(211,811)
SilverCrest Metal	(5,425)	(40,863)	(48,988)	Rio Tinto	(3,647)	(339,464)	(314,878)
Wesdome Gold Mines	(9,540)	(75,610)	(96,259)	Southern Copper	(900)	(127,518)	(129,858)
Wheaton Precious Metals	(1,500)	(81,212)	(95,700)	Steel Dynamics	(650)	(102,799)	(130,510)
		(818,144)	(1,020,495)			(772,744)	(787,057)
Industrials (-0.6%)				Industrials (-4.9%)			
Aecon Group	(14,769)	(205,048)	(251,221)	3M	(1,099)	(138,671)	(157,901)
Ballard Power Systems	(3,976)	(18,470)	(14,990)	AGCO	(949)	(156,249)	(158,138)
Finning International	(5,714)	(214,087)	(227,474)	American Airlines Group	(3,463)	(68,028)	(72,004)
		(437,605)	(493,685)	Barnes Group	(1,300)	(63,550)	(65,418)
Consumer Discretionary (-0.7%)				Beacon Roofing Supply	(1,965)	(220,217)	(260,899)
Canadian Tire Corporation, Class A	(2,205)	(319,744)	(297,896)	Bloom Energy	(1,337)	(22,067)	(20,356)
Magna International, Class A	(1,700)	(124,328)	(125,443)	C.H. Robinson Worldwide	(2,087)	(239,539)	(215,244)
Pet Valu Holdings	(4,100)	(123,468)	(129,806)	Caterpillar	(400)	(191,237)	(198,539)
		(567,540)	(553,145)	CSG Systems International	(1,399)	(98,224)	(97,669)
				Cummins	(293)	(94,213)	(116,942)
				Energypac Tool Group	(2,849)	(122,885)	(137,616)

The accompanying Notes are an integral part of these financial statements.

NEI Long Short Equity Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2024 (UNAUDITED) (continued)

	NUMBER OF SHARES	COST \$	FAIR VALUE \$		NUMBER OF SHARES	COST \$	FAIR VALUE \$
U.S. Equities (continued)							
GATX	(568)	(96,775)	(103,121)	Bank OZK	(4,840)	(303,425)	(298,037)
Hawaiian Holdings	(3,291)	(63,807)	(59,423)	Blackstone	(1,250)	(210,162)	(222,434)
HNI	(2,292)	(126,839)	(140,112)	Blue Owl Capital	(2,842)	(60,003)	(72,604)
Illinois Tool Works	(711)	(249,991)	(258,425)	BRP Group, Class A	(6,763)	(235,456)	(265,114)
J.B. Hunt Transport Services	(508)	(141,210)	(137,106)	Cadence Bank	(2,642)	(105,004)	(103,783)
Kennametal	(5,125)	(169,933)	(173,135)	CME Group	(425)	(117,449)	(123,939)
Lindsay	(525)	(85,738)	(83,673)	Euronet Worldwide	(400)	(57,872)	(59,562)
ManpowerGroup	(1,600)	(163,992)	(168,268)	FactSet Research Systems	(283)	(178,830)	(174,185)
MSC Industrial Direct Co., Class A	(838)	(107,951)	(110,151)	Federated Hermes	(3,600)	(172,873)	(176,135)
Paycom Software	(470)	(120,584)	(126,697)	Globe Life	(900)	(147,417)	(141,866)
Plug Power	(3,000)	(18,682)	(13,979)	Goosehead Insurance, Class A	(1,740)	(180,579)	(157,018)
Robert Half	(2,551)	(277,677)	(273,949)	Jack Henry & Associates	(650)	(146,145)	(152,962)
Sunrun	(3,145)	(59,373)	(56,126)	Morgan Stanley	(2,000)	(237,888)	(255,089)
Terex Corporation	(2,719)	(217,355)	(237,187)	MSCI, Class A	(200)	(150,548)	(151,832)
Uber Technologies	(1,200)	(116,122)	(125,144)	Nasdaq	(832)	(64,925)	(71,113)
Valmont Industries	(450)	(137,511)	(139,148)	PNC Financial Services Group	(1,182)	(242,070)	(258,734)
Verisk Analytics, Class A	(500)	(162,622)	(159,654)	Raymond James Financial	(783)	(123,946)	(136,204)
Werner Enterprises	(3,147)	(174,114)	(166,760)	Regions Financial	(4,600)	(117,357)	(131,099)
		(3,905,156)	(4,032,784)	Synchrony Financial	(3,452)	(176,990)	(201,625)
				T. Rowe Price Group	(877)	(131,113)	(144,834)
				Terreno Realty	(1,907)	(155,341)	(171,520)
				Travelers Companies	(628)	(179,203)	(195,770)
				Wells Fargo & Company	(2,897)	(194,578)	(227,443)
				Western Union	(3,100)	(56,882)	(58,703)
						(4,429,440)	(4,685,158)
Consumer Discretionary (-2.6%)							
1-800-flowers.com	(4,415)	(59,169)	(64,767)	Information Technology (-2.6%)			
Abercrombie & Fitch, Class A	(300)	(55,805)	(50,930)	Adobe Systems	(100)	(69,610)	(68,351)
Airbnb, Class A	(550)	(108,756)	(122,896)	BILL Holdings	(949)	(94,772)	(88,337)
Booking Holdings	(30)	(146,253)	(147,424)	Cadence Design Systems	(200)	(81,450)	(84,329)
Chegg	(1,532)	(20,745)	(15,709)	Calix	(1,648)	(98,646)	(74,023)
Dick's Sporting Goods	(236)	(48,326)	(71,882)	Ciena	(766)	(53,975)	(51,309)
eBay	(999)	(56,398)	(71,422)	DoubleVerify Holdings	(1,200)	(59,505)	(57,151)
Etsy	(380)	(35,246)	(35,372)	Dynatrace	(1,018)	(80,842)	(64,038)
Floor & Decor Holdings	(1,000)	(146,544)	(175,577)	Extreme Networks	(2,897)	(66,356)	(45,284)
Harley-Davidson	(1,300)	(59,450)	(77,022)	Fortinet	(950)	(84,394)	(87,903)
LGI Homes	(790)	(127,291)	(124,527)	Globalfoundries	(1,981)	(163,215)	(139,849)
Murphy USA	(225)	(123,561)	(127,761)	GoDaddy, Class A	(250)	(36,631)	(40,190)
Papa John's International	(716)	(72,882)	(64,593)	HP	(1,165)	(46,556)	(47,689)
Pebblebrook Hotel Trust	(4,287)	(91,656)	(89,485)	Intel	(1,700)	(100,135)	(101,712)
Peloton Interactive	(2,146)	(16,539)	(12,456)	KLA	(140)	(122,098)	(132,475)
Polaris	(1,572)	(195,628)	(213,191)	Marvell Technology	(700)	(68,061)	(67,207)
Rivian Automotive, Class A	(1,932)	(35,906)	(28,656)	ON Semiconductor	(632)	(64,614)	(62,964)
Tesla	(383)	(97,858)	(91,199)	Palantir Technologies	(1,600)	(50,670)	(49,869)
Tractor Supply Company	(450)	(137,197)	(159,531)	Procore Technologies	(966)	(93,607)	(107,519)
Ulta Salon Cosmetics & Fragrance	(100)	(69,466)	(70,827)	Qualys	(710)	(182,435)	(160,484)
Williams-Sonoma	(250)	(70,261)	(107,528)	Silicon Laboratories	(400)	(71,996)	(77,870)
Yeti Holdings	(750)	(42,334)	(39,163)	SolarEdge Technologies	(600)	(53,060)	(67,688)
Yum! Brands	(733)	(127,228)	(137,664)	Texas Instruments	(1,249)	(287,867)	(294,734)
		(1,944,499)	(2,099,582)	UiPath, Class A	(1,100)	(34,073)	(33,778)
				Unity Software	(1,800)	(80,421)	(65,100)
				Zebra Technologies, Class A	(174)	(60,481)	(71,047)
						(2,205,470)	(2,130,900)
Consumer Staples (-0.5%)							
Celsius	(300)	(35,387)	(33,696)	Communication Services (-1.0%)			
Costco Wholesale	(80)	(78,642)	(79,391)	Charter Communications, Class A	(121)	(60,308)	(47,634)
Dollar Tree	(325)	(55,924)	(58,616)	Electronic Arts	(400)	(72,242)	(71,883)
Hershey Company	(146)	(37,147)	(38,465)	FuboTV	(4,975)	(18,500)	(10,647)
Maplebear	(2,000)	(100,326)	(101,022)	IAC	(316)	(21,671)	(22,832)
PepsiCo	(400)	(89,768)	(94,824)	Magnite	(2,800)	(42,366)	(40,772)
Utz Brands	(900)	(22,581)	(22,480)	Match Group	(1,000)	(48,053)	(49,143)
		(419,775)	(428,494)	New York Times, Class A	(600)	(35,021)	(35,126)
				Perion Network	(566)	(23,206)	(17,246)
				Pubmatic	(1,099)	(21,885)	(35,311)
				Roku	(849)	(102,043)	(74,946)
				Snap	(3,600)	(57,354)	(55,981)
				Sphere Entertainment	(1,066)	(47,569)	(70,797)
				TripAdvisor	(2,097)	(60,492)	(78,937)
				Warner Music Group, Class A	(2,138)	(104,697)	(95,627)
				Yelp	(400)	(23,433)	(21,348)
				Ziff Davis	(750)	(66,452)	(64,043)
				Zillow Group, Class C	(850)	(57,765)	(56,164)
						(863,057)	(848,437)
Financials (-5.7%)							
Ally Financial	(2,449)	(120,212)	(134,649)				
American Express	(1,300)	(385,576)	(400,943)				
Ares Management, Class A	(1,099)	(177,596)	(197,961)				

The accompanying Notes are an integral part of these financial statements.

NEI Long Short Equity Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2024 (UNAUDITED) (continued)

	NUMBER OF SHARES	COST \$	FAIR VALUE \$		NUMBER OF SHARES	COST \$	FAIR VALUE \$			
U.S. Equities (continued)										
Utilities (-0.9%)										
Avangrid	(1,720)	(70,427)	(84,899)							
Dominion Resources	(3,365)	(205,328)	(224,211)							
FirstEnergy	(1,100)	(55,938)	(57,544)							
Ormat Technologies	(1,893)	(168,228)	(169,722)							
Spire	(932)	(75,444)	(77,476)							
WEC Energy Group	(800)	(85,931)	(88,989)							
		(661,296)	(702,841)							
Index-Based Investments (-22.7%)										
Industrial Select Sector SPDR Fund	(7,007)	(1,067,573)	(1,195,528)							
Invesco QQQ Trust Series 1 ETF	(6,820)	(3,973,854)	(4,101,778)							
iShares 20+ Year Treasury Bond ETF	(2,854)	(361,423)	(365,790)							
iShares iBoxx High Yield Corporate Bond ETF	(3,216)	(335,250)	(338,610)							
iShares JPMorgan USD Emerging Markets Bond	(2,354)	(276,505)	(285,891)							
iShares MSCI Emerging Markets ETF	(6,560)	(344,441)	(365,031)							
iShares MSCI USA Momentum Factor ETF	(7,200)	(1,817,946)	(1,827,180)							
iShares Russell 2000 Growth ETF	(5,300)	(1,799,719)	(1,944,104)							
SPDR S&P Metals & Mining ETF	(3,034)	(235,702)	(247,733)							
SPDR S&P Retail ETF	(3,729)	(347,420)	(398,988)							
Vanguard Total Stock Market ETF	(21,500)	(7,533,053)	(7,569,022)							
		(18,092,886)	(18,639,655)							
Real Estate (-1.3%)										
Alexandria Real Estate Equities	(899)	(149,333)	(156,979)							
CubeSmart	(2,174)	(133,364)	(133,163)							
Digital Realty Trust	(999)	(188,022)	(194,914)							
Invitation Homes REIT	(1,700)	(75,664)	(82,000)							
Macerich	(4,622)	(103,591)	(107,872)							
Mid-America Apartment Communities	(583)	(105,121)	(103,909)							
Realty Income	(1,505)	(112,683)	(110,288)							
Vornado Realty Trust	(1,582)	(60,407)	(61,651)							
Weyerhaeuser Company	(1,700)	(82,469)	(82,691)							
		(1,010,654)	(1,033,467)							
Total U.S. Equities - Short		(35,860,487)	(36,991,739)							
Foreign Equities (-2.7%)										
Australia (-0.3%)										
BHP Billiton, ADR	(3,470)	(290,617)	(271,160)							
Bermuda (-0.8%)										
Everest Group	(380)	(193,508)	(204,605)							
Invesco	(4,529)	(98,000)	(101,776)							
Nabors Industries	(383)	(44,142)	(44,684)							
Norwegian Cruise Line Holdings	(3,800)	(89,484)	(107,733)							
RenaissanceRe Holdings	(625)	(190,257)	(198,975)							
		(615,391)	(657,773)							
France (-0.0%)										
Criteo	(666)	(22,939)	(31,638)							
Ireland (-0.3%)										
Aon	(476)	(194,229)	(215,171)							
Israel (-0.3%)										
Check Point Software Technologies	(1,182)	(249,009)	(262,593)							
Netherlands (-0.2%)										
NXP Semiconductors	(400)	(120,815)	(134,245)							
South Africa (-0.3%)										
Gold Fields	(10,744)	(199,781)	(231,252)							
				Switzerland (-0.3%)						
				Chubb						
				(781)	(254,820)	(274,135)				
				United Kingdom (-0.2%)						
				ARM Holdings						
				(600)	(61,835)	(101,583)				
				Total Foreign Equities - Short		(2,009,436)	(2,179,550)			
				Total Short Positions		(50,804,999)	(52,729,978)			
				Total Investments (77.5%)		57,207,272	63,457,467			
				Options at Fair Value - Long Positions (TABLE 1) (0.5%)				438,603		
				Options at Fair Value - Short Positions (TABLE 2) (-0.5%)				(405,061)		
				Other Net Assets (22.5%)				18,365,871		
				Net Assets (100.0%)				81,856,880		
				*All long positions and margin deposits were pledged as collateral to the Fund's prime broker.						

The accompanying Notes are an integral part of these financial statements.

NEI Long Short Equity Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2024 (UNAUDITED) (continued)

TABLE 1

Options at Fair Value—Long Positions	NUMBER OF OPTIONS	NUMBER OF CONTRACTS PER OPTION	MATURITY	STRIKE PRICE \$	COST \$	FAIR VALUE \$
Equity Options						
Call						
ATS	49	100	June 2024	CAD 60.00	7,693	49
ATS	15	100	June 2024	CAD 66.00	675	495
CBOE Volatility Index	122	100	June 2024	USD 19.00	26,986	21,814
International Game Technology	98	100	June 2024	USD 29.00	15,430	1,195
iShares Russel 2000 ETF	93	100	April 2024	USD 207.00	35,380	75,458
iShares Russel 2000 ETF	37	100	April 2024	USD 211.00	-	17,942
iShares 20+ Year Treasury Bond ETF	164	100	April 2024	USD 96.00	-	12,218
Nuvei	44	100	May 2024	CAD 34.00	8,580	29,480
Nuvei	8	100	May 2024	CAD 40.00	680	1,840
Palo Alto Networks	12	100	June 2024	USD 320.00	15,722	16,986
						177,477
Put						
ARM Holdings	3	100	April 2024	USD 75.00	953	8
ARM Holdings	25	100	April 2024	USD 115.00	26,885	10,328
Bank OZK	29	100	May 2024	USD 27.50	1,916	196
Bank OZK	74	100	May 2024	USD 35.00	12,874	2,506
CBO	20	100	April 2024	USD 5,005.00	47,872	271
CBO	7	100	April 2024	USD 5,050.00	1,320	995
CBO	25	100	April 2024	USD 5,140.00	13,164	10,498
CBO	7	100	May 2024	USD 4,840.00	25,669	11,094
CBO	24	100	May 2024	USD 4,960.00	135,255	59,492
Invesco QQQ Trust Series 1	33	100	April 2024	USD 414.00	4,646	358
Invesco QQQ Trust Series 1	148	100	April 2024	USD 430.00	14,678	6,816
Invesco QQQ Trust Series 1	157	100	April 2024	USD 431.00	-	43,596
Invesco QQQ Trust Series 1	37	100	May 2024	USD 405.00	22,072	7,367
Invesco QQQ Trust Series 1	122	100	May 2024	USD 420.00	123,224	49,081
iShares MSCI USA Momentum Factor ETF	195	100	April 2024	USD 182.00	30,878	27,734
iShares Russel 2000 ETF	35	100	April 2024	USD 209.00	-	11,094
National Bank of Canada	148	100	June 2024	CAD 105.00	10,064	9,768
Trump Media & Technology Group	18	100	May 2024	USD 22.50	-	4,072
Trump Media & Technology Group	18	100	May 2024	USD 25.00	-	5,852
						261,126
Options at Fair Value—Long Positions						438,603

TABLE 2

Options at Fair Value—Short Positions	NUMBER OF OPTIONS	NUMBER OF CONTRACTS PER OPTION	MATURITY	STRIKE PRICE \$	COST \$	FAIR VALUE \$
Equity Options						
Written Call						
ATS	(34)	100	June 2024	CAD 62.00	(3,400)	(1,156)
ATS	(34)	100	June 2024	CAD 64.00	(2,210)	(1,122)
Bank OZK	(6)	100	May 2024	USD 50.00	(626)	(610)
CBOE Volatility Index	(18)	100	April 2024	USD 20.00	(1,751)	(585)
CBOE Volatility Index	(98)	100	June 2024	USD 23.00	(14,628)	(12,080)
International Game Technology	(59)	100	June 2024	USD 31.00	(5,366)	(3,756)
International Game Technology	(29)	100	June 2024	USD 32.00	(2,008)	(746)
Invesco QQQ Trust Series 1	(12)	100	April 2024	USD 465.00	(2,753)	(1,170)
iShares MSCI USA Momentum Factor ETF	(7)	100	April 2024	USD 192.00	(2,918)	(1,754)
iShares Russell 2000 ETF	(96)	100	April 2024	USD 209.00	(28,383)	(61,767)
iShares Russell 2000 ETF	(60)	100	April 2024	USD 213.00	(15,471)	(22,106)
iShares 20+ Year Treasury Bond ETF	(98)	100	April 2024	USD 98.00	(2,260)	(2,655)
iShares 20+ Year Treasury Bond ETF	(59)	100	April 2024	USD 102.00	(1,521)	(400)
Nuvei	(34)	100	May 2024	CAD 36.00	(4,760)	(34,340)
Nuvei	(22)	100	May 2024	CAD 38.00	(2,310)	(18,920)
Palo Alto Networks	(15)	100	June 2024	USD 350.00	(10,130)	(10,972)
Trump Media & Technology Group	(2)	100	April 2024	USD 100.00	-	(561)
						(174,700)

The accompanying Notes are an integral part of these financial statements.

NEI Long Short Equity Fund

SCHEDULE OF INVESTMENT PORTFOLIO AS AT MARCH 31, 2024 (UNAUDITED) (continued)

TABLE 2 (continued)

Options at Fair Value—Short Positions	NUMBER OF OPTIONS	NUMBER OF CONTRACTS PER OPTION	MATURITY	STRIKE PRICE \$	COST \$	FAIR VALUE \$
Written Put						
ARM Holdings	(3)	100	April 2024	USD 85.00	(1,946)	(53)
ARM Holdings	(21)	100	April 2024	USD 95.00	(21,910)	(1,052)
ARM Holdings	(6)	100	April 2024	USD 110.00	(4,849)	(1,764)
Bank OZK	(51)	100	May 2024	USD 30.00	(4,952)	(3,109)
Bank OZK	(51)	100	May 2024	USD 32.50	(5,984)	(3,109)
CBO	(22)	100	April 2024	USD 4,935.00	(24,624)	(447)
CBO	(17)	100	April 2024	USD 5,080.00	(3,992)	(3,569)
CBO	(17)	100	April 2024	USD 5,110.00	-	(4,951)
CBO	(17)	100	May 2024	USD 4,880.00	(71,410)	(31,317)
CBO	(17)	100	May 2024	USD 4,920.00	(82,511)	(36,383)
International Game Technology	(24)	100	June 2024	USD 21.00	(2,020)	(3,153)
Invesco QQQ Trust Series 1	(67)	100	April 2024	USD 418.00	(12,699)	(998)
Invesco QQQ Trust Series 1	(170)	100	April 2024	USD 425.00	(43,631)	(31,087)
Invesco QQQ Trust Series 1	(89)	100	April 2024	USD 427.00	(6,166)	(2,773)
Invesco QQQ Trust Series 1	(73)	100	May 2024	USD 410.00	(51,901)	(18,491)
Invesco QQQ Trust Series 1	(92)	100	May 2024	USD 415.00	(77,915)	(29,410)
iShares MSCI USA Momentum Factor ETF	(86)	100	April 2024	USD 168.00	(12,429)	(6,989)
iShares MSCI USA Momentum Factor ETF	(29)	100	April 2024	USD 178.00	(2,826)	(4,517)
iShares MSCI USA Momentum Factor ETF	(117)	100	April 2024	USD 180.00	(13,776)	(20,603)
iShares Russell 2000 ETF	(18)	100	April 2024	USD 188.00	(2,096)	(488)
Manulife Financial	(24)	100	April 2024	CAD 26.00	(240)	(97)
National Bank of Canada	(133)	100	June 2024	CAD 100.00	(4,788)	(6,251)
Nuvei	(10)	100	April 2024	CAD 27.00	(600)	(1,100)
Palo Alto Networks	(2)	100	May 2024	USD 200.00	(378)	(81)
TELUS International	(36)	100	April 2024	CAD 13.00	(1,440)	(5,940)
Trump Media & Technology Group	(22)	100	May 2024	USD 15.00	(3,299)	(2,086)
Trump Media & Technology Group	(37)	100	May 2024	USD 17.50	-	(5,463)
Trump Media & Technology Group	(25)	100	May 2024	USD 20.00	-	(5,080)
						(230,361)
Options at Fair Value—Short Positions						(405,061)

The accompanying Notes are an integral part of these financial statements.

NEI Long Short Equity Fund

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION (UNAUDITED)

a) Establishment of the Fund (Note 1)

The NEI Long Short Equity Fund (the "Fund") intends to qualify as a mutual fund trust. The establishment date for each series of the Fund is the date set out in the simplified prospectus as the start date for that series, as listed below:

Series A	Series C	Series F
January 11, 2024	January 11, 2024	January 11, 2024
Series I	Series O	
January 11, 2024	January 11, 2024	

b) Units (Note 4)

Issued and Outstanding Units

	Number of Units, Beginning of Period	Units Issued	Reinvested Units	Units Redeemed	Number of Units, End of Period
Series A					
March 31, 2024	-	32,125	-	-	32,125
Series C					
March 31, 2024	-	100	-	-	100
Series F					
March 31, 2024	-	18,235	-	-	18,235
Series I					
March 31, 2024	-	7,846,077	-	126,187	7,719,890
Series O					
March 31, 2024	-	100	-	-	100

c) Distributions

All distributions made by the Fund are automatically reinvested in additional units of the same series that paid the distribution unless notification to the contrary is received in writing at least 5 days in advance to receive a cash payment. All distributions reinvested are made without an acquisition charge.

The schedule of distributions, which may consist of net investment income, net realized capital gains and/or return of capital, is as follows:

Series A	Series C	Series F
Annually	Annually	Annually
Series I	Series O	
Annually	Annually	

In addition, the Fund will, prior to the end of each year, distribute any excess net income and net realized capital gains to its unitholders.

d) Management Fees and Other Expenses (Note 5)

The annual management fee rates, for 2024, are as follows:

	Series A	Series F
	%	%
March 31, 2024	2.00	1.00

The annual administration fee rates, for 2024, are as follows:

	Series A	Series C	Series F
	%	%	%
March 31, 2024	0.25	0.08	0.25
	Series O		
	%		
March 31, 2024	0.08		

For the period ended March 31, 2024, the Fund incurred performance fees of \$994,293.

Series C unitholders negotiate directly with the dealer and pay management fees directly by the dealer to the Manager.

Series I unitholders negotiate and pay management and administration fees directly to the Manager.

Series O unitholders negotiate and pay management fees directly to the Manager.

e) Related Party Transactions (Note 6)

Accrued expenses payable to related parties, presented in the Statement of Financial Position, are as follows:

March 31, 2024	\$
	728

f) Financial Instruments Disclosures (Note 7)

Strategy in Using Financial Instruments

Investment Objective

The investment objective of the Fund is to generate long-term capital appreciation primarily through a portfolio comprised of long and short equity securities. The Fund may also invest in fixed income securities, derivative instruments, securities of investment funds, and cash and cash equivalents.

The Fund may engage in physical short sales and/ or borrowing for investment purposes.

The Fund follows a responsible approach to investing, as described in the simplified prospectus of the Fund.

As an "alternative mutual fund", the Fund is not subject to certain investment restrictions set out in National Instrument 81-102 – Investment Funds ("NI 81-102") that restrict the ability of a conventional mutual fund (other than an alternative mutual fund) to leverage its assets through borrowing, short sales and/or specified derivatives. On average, over time, the Fund generally expects to utilize a leverage of 2.5 to 3 times its net assets, or, as may be permitted by securities regulations.

Financial Instruments Fair Value Measurement

Hierarchy of Financial Instruments Measured at Fair Value

The following table categorizes the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Material Accounting Policy Information" section of Note 2.

NEI Long Short Equity Fund

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION (UNAUDITED) (continued)

Fair Value Hierarchy (in \$'000)

March 31, 2024	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at FVTPL				
Equities - Long Non Related Index-Based Investments - Long	113,424	-	-	113,424
Options - Long	439	-	-	439
Total	116,626	-	-	116,626
Financial liabilities at FVTPL				
Equities - Short Non Related Index-Based Investments - Short	29,720	-	-	29,720
Options - Short	405	-	-	405
Total	53,135	-	-	53,135

Transfers between Levels 1 and 2

During the period ended March 31, 2024, there were no transfers of securities between Levels 1 and 2.

Financial Instruments Risks

Currency Risk (in \$'000)

The Fund's exposure to currency risk is presented in the table below. Amounts shown represent monetary and non-monetary items (including the notional amount of foreign currency forward contracts). The table also illustrates the potential impact on the Net Assets Attributable to Holders of Redeemable Units if the Canadian dollar had strengthened or weakened by 3% in relation to each of the other currencies, with all other variables held constant.

March 31, 2024

	Financial Assets	Financial Liabilities	Net Exposure	Impact on Net Assets Attributable to Holders of Redeemable Units
	\$	\$	\$	\$
USD	43,905	39,542	4,363	131

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Interest Rate Risk

As at March 31, 2024, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not significantly exposed to interest rate risk.

Concentration Risk

The following table summarizes the concentration risk, as a percentage of the Fund's Net Assets Attributable to Holders of Redeemable Units:

March 31, 2024	%
Market Segment	
LONG POSITIONS	
Canadian Equities	
Financials	24.1
Industrials	18.3
Energy	16.4
Materials	11.7
Information Technology	7.1
Utilities	5.0
Real Estate	3.0
Consumer Discretionary	2.6
Consumer Staples	2.0
Communication Services	1.7
Health Care	0.3
U.S. Equities	
Information Technology	11.1
Financials	10.4
Industrials	5.4
Health Care	5.2
Consumer Discretionary	4.8
Index-Based Investments	3.4
Consumer Staples	3.1
Communication Services	2.6
Energy	0.8
Utilities	0.5
Real Estate	0.2
Foreign Equities	2.2
SHORT POSITIONS	
U.S. Equities	
Index-Based Investments	(22.7)
Financials	(5.7)
Industrials	(4.9)
Information Technology	(2.6)
Consumer Discretionary	(2.6)
Health Care	(1.6)
Real Estate	(1.3)
Communication Services	(1.0)
Materials	(1.0)
Utilities	(0.9)
Consumer Staples	(0.5)
Energy	(0.4)
Canadian Equities	(16.5)
Foreign Equities	(2.7)
Other Net Assets	22.5
Total	100.0

Price Risk (in \$'000)

The Manager's best estimate of the impact on Net Assets Attributable to Holders of Redeemable Units as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

Benchmarks	Change in Price	Impact on Net Assets Attributable to Holders of Redeemable Units
	%	March 31, 2024
		\$
75% S&P/TSX Composite TR Index	3.00	1,842
25% FTSE Canada 30 Day Treasury Bill Index	0.25	51

NEI Long Short Equity Fund

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION (UNAUDITED) (continued)

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at March 31, 2024, the Fund had no significant investments in either fixed-income securities, money market securities and derivative financial instruments. As a result, the Fund is not significantly exposed to credit risk.

Liquidity Risk

For further information on the maturity of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 “Financial Instruments Disclosures”.

Leverage

From the commencement of operations on January 22, 2024 to March 31, 2024, the Fund's aggregate exposure reached a low of 0.00% and a high of 79.63% of the Fund's NAV. As at March 31, 2024, the Fund's aggregate exposure was 75.01% of the Fund's NAV. The primary source of leverage was short positions in equity securities.

As at March 31, 2024, NEI Long Short Equity Fund had pledged cash as collateral to the prime broker equal to \$19,372,392.

g) Seed Capital

The Manager had the following seed capital investments:

	Seed Capital	Percentage Ownership
	\$	%
March 31, 2024	161,660	0.2

h) Other Commissions Paid to Brokers

The brokerage commissions paid on securities transactions may include "soft dollar" amounts, such as the value of research and other services provided by the the broker. Although the Manager uses best efforts to determine the soft dollar portion of commissions paid on portfolio transactions of the Fund, the soft dollar portion, in some instances, is not ascertainable. The soft dollar amounts are listed below:

	March 31, 2024
	\$
Soft dollars	76,138

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024, and 2023

Throughout the Notes to the Financial Statements, “we”, “NEI LP”, “NEI” or “Manager” refers to Northwest & Ethical Investments L.P., the Manager of the Funds.

Throughout the Notes to the Financial Statements, “Unitholders” refers to Holders of redeemable units.

1. ESTABLISHMENT OF THE FUNDS

NEI LP acts as the Manager of the NEI Funds, collectively called “the Funds”. Its head office is located at 151 Yonge Street, Suite 1200, Toronto, ON, M5C 2W7.

The Funds are all mutual fund trusts or unit trusts subject to the laws of Ontario.

The information provided in these financial statements and notes thereto is as at March 31, 2024 and September 30, 2023, and for the 6-month periods ended March 31, 2024 and 2023, except for the Funds established during either period, in which case the information provided relates to the period from inception to March 31, 2024 and 2023, as applicable.

Funds	Inception date
NEI Canadian Impact Bond Fund	June 29, 2023
NEI Impact Conservative Portfolio	June 29, 2023
NEI Impact Balanced Portfolio	June 29, 2023
NEI Impact Growth Portfolio	June 29, 2023
NEI Long Short Equity Fund	January 11, 2024

For the Funds established in either year, the “period” represents the period from the beginning of operations to March 31 of that financial year. The establishment date is described in Note a) of the Notes to the Financial Statements – Specific Information of the applicable Funds.

The main activities of the Funds are disclosed in the section “Notes to the Financial Statements – Specific Information” pertaining to each Fund.

2. BASIS OF PRESENTATION AND MATERIAL ACCOUNTING POLICY INFORMATION

BASIS OF PRESENTATION

Statement of Compliance

The policies applied in the preparation of these financial statements are in accordance with International Financial Reporting Standards (“IFRS”). These financial statements have been authorized for issue by the NEI LP Board of Directors on May 14, 2024.

MATERIAL ACCOUNTING POLICY INFORMATION

The significant measurement and presentation policies applied to prepare these financial statements are described below.

Financial Instruments

The Funds’ financial instruments include, where applicable, cash and equivalents, investments, derivatives, interest, dividends and other receivables, receivable for investments sold, subscriptions receivable, cash guarantee received for repurchase transactions, payable for investments purchased, distributions payable to unitholders, accrued expenses, liabilities, redemptions payable and commitments related to repurchase transactions. Financial instruments are recognized on the date that the Funds become a party to the contractual provisions of the instrument, namely the trade date of the financial instrument.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all the risks and rewards of ownership.

Classification and Measurement

The Funds classify and measure financial instruments in accordance with IFRS 9, *Financial Instruments*. Under IFRS 9, financial assets are measured at amortized cost or at Fair value through profit or loss (“FVTPL”) depending on the contractual cash flow characteristics and the business model for managing the financial assets.

The portfolios of financial assets are managed, and performance is evaluated on a fair value basis. The Funds are primarily focused on fair value information and use that information to assess the assets’ performance and to make decisions. The contractual cash flows of the Funds’ debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds’ business model’s objective. Consequently, all investments are measured at FVTPL.

The Funds’ obligation concerning net assets attributable to holders of redeemable units is recorded at the redemption amount which approximates fair value. The accounting policies used to measure the fair value of investments and derivative financial instruments are identical to those used in measuring the net asset value (“NAV”) for transactions with holders of redeemable units, except when the closing price for financial assets and liabilities is not within the bid-ask spread.

NEI Long Short Equity Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at FVTPL.

As at March 31, 2024 and September 30, 2023 there are no differences between the Funds’ NAV per unit for transactions and their net assets per unit attributable to holders of redeemable units in accordance with IFRS.

Classification of Units Issued by the Funds

The Funds’ outstanding units qualify as “puttable instruments” as required by IAS 32: *Financial Instruments: Presentation* (“IAS 32”). The Funds’ outstanding units are classified as financial liabilities in these financial statements as they do not meet the definition of puttable instruments to be classified as equity.

Impairment of Financial Assets

The impairment model is applicable to financial assets except for financial instruments at FVTPL or designated at fair value through other comprehensive income.

With respect to other financial assets measured at amortized cost, the Funds consider both historical analysis and forward-looking information in determining any expected credit loss. As at the financial statements date, all financial assets measured at amortized cost are due to be settled within the short term. The Funds consider that the risk of default on these financial assets is low, and that the counterparties have a strong capacity to meet their contractual obligation in the near term. Given the limited exposure of the Funds to credit risk from financial assets recorded at amortized cost, no loss allowance has been recognized as no such impairment will have a significant impact on the financial statements.

Determination of the Fair Value of Financial Instruments

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the valuation date. The Funds use the closing price for both financial assets and financial liabilities when this price falls within the bid-ask spread. In circumstances when the closing price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of financial assets and liabilities that are not traded in an active market, including over-the-counter derivative financial instruments, is determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each valuation date.

Valuation techniques include the use of comparable recent arm’s length transactions, the fair value of other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other techniques commonly used by market participants and which use observable inputs. Refer to Note 7 “Financial Instruments Disclosures” for further information about the Funds’ fair value measurements.

Cash

Cash (bank overdraft) is measured at cost, which closely approximates fair value.

Money Market Securities

Money market securities are recorded at cost including accrued interest, which closely approximates fair value.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024, and 2023 (continued)

Equities, Index-Based Investments and Exchange Traded Funds

Equities, index-based investments and exchange traded funds (“ETFs”) are recorded at the closing price of the stock exchange on which the corresponding security is principally traded. ETFs that are thinly traded are valued at the average of the closing bid and ask prices. Unlisted warrants are valued with a recognized valuation model such as Black-Scholes.

Bonds, Mortgage-Backed Securities and Asset-Backed Securities

Bonds, mortgage-backed securities and asset-backed securities are valued based on closing prices obtained from recognized securities dealers.

Investment Funds

The underlying funds’ units are generally valued based on the NAV per unit provided by the underlying fund’s manager at each valuation day, except for private equity funds which are discussed under section “Valuation of Unlisted Securities and Other Investments”.

Derivative Financial Instruments

Certain Funds may use an array of derivative financial instruments such as foreign currency forward contracts, forward contracts, interest rate swaps, credit default swaps, to-be-announced (“TBA”), futures contracts and options for hedging purposes or purposes other than hedging, or both.

Foreign Currency Forward Contracts, Forward Contracts, Interest Rate Swaps, Credit Default Swaps and TBA

The fair value of these instruments corresponds to the gains or losses that would result upon contract settlement on the valuation date; this value is recorded in “Unrealized appreciation (depreciation) on derivatives” in the Statements of Financial Position.

Futures Contracts

Futures contracts are valued at fair value and are settled daily through brokers. Any amounts receivable (payable) from the settlement of futures contracts are recorded in “Receivable (Payable) on futures contracts” in the Statements of Financial Position.

Options

Options listed on a stock exchange are valued according to fair value based on the closing price of the principal stock exchange on which the option is being traded for long positions and the ask price for short positions. Unlisted options are valued with a recognized valuation model such as Black-Scholes.

Valuation of Unlisted Securities and Other Investments

When the above-mentioned valuation principles of the investments are not applicable, fair value is determined according to the Manager’s best estimates, based on established valuation procedures and on prevailing market conditions on each valuation date. These procedures cover, among others, securities no longer traded, securities issued by private corporations and illiquid securities. For further information, refer to Note 3 “Critical Accounting Judgments, Estimates and Assumptions”.

Investment Transactions

Investment transactions are accounted for on the trade date. Cost is determined on an average cost basis except for money market securities, for which the cost is determined using the First-In, First-Out method. The average cost does not include amortization of premiums or discounts on fixed-income securities except for stripped bonds. Portfolio transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Funds are recognized in the Statements of Comprehensive Income. The difference between the unrealized appreciation (depreciation) of investments at the beginning and at the end of the period is included in “Net unrealized gain (loss) on investments” in the Statements of Comprehensive Income. On disposal of an investment, the difference between the fair value and the cost of the investment is included in “Net realized gain (loss) on investments” in the Statements of Comprehensive Income.

Securities Lending Activities and Repurchase Agreements

Effective June 1, 2020, certain Funds may enter into securities lending and repurchase transactions through the securities lending program of the Funds’ custodian, Desjardins Trust Inc. (“Desjardins Trust”).

Securities Lending

The securities on loan are included in the Schedule of Investment Portfolio and are included in the total value in the Statements of Financial Position, as substantially all the risks and rewards of ownership of these securities are retained by the Funds.

To limit the risk that the counterparty fails to fulfill its obligations, the Funds obtain collateral, representing at least 102% of the contract amount, determined daily based on the fair value of the previous business day’s securities loaned. Securities received as collateral in securities lending are not included in the Statements of Financial Position, as substantially all the risks and rewards of ownership of these securities have not been transferred to the Funds. Any cash collateral received is included in the Statements of Financial Position in “cash collateral received for securities on loan”, as applicable.

For those Funds engaged in securities lending, the amount of securities loaned and the value of collateral received is disclosed in the “Schedule of Investment Portfolio”, where applicable.

Revenue generated through Desjardins Trust’s securities lending is shared by the Fund and Desjardins Trust at the rate presented in the section “Notes to the Financial Statements – Specific Information” pertaining to each Fund. This revenue is included in “Revenue from securities lending activities” in the Statements of Comprehensive Income.

Repurchase Agreements

In a repurchase agreement, a Fund sells a security to a third party and agrees to buy the same, or substantially the same, security back from the third party at a predetermined price and date.

To limit the risk that the counterparty fails to fulfill its obligations, the Funds obtain collateral, combination of cash and securities, representing at least 102% of the contract amount, determined daily based on the fair value of the previous business day’s repurchase transactions. Securities received as collateral in repurchase transactions are not included in the Statements of Financial Position, as substantially all the risks and rewards of ownership of these securities have not been transferred to the Funds.

Cash guarantees received for repurchase transactions are recognized as financial assets in the Statements of Financial Position, in “Cash guarantee received for repurchase transactions”. A liability representing the obligation to repurchase the securities is recognized in “Commitments related to repurchase transactions”. Desjardins Trust, as the Funds’ custodian, may use the cash guarantees to buy investments to generate revenue, which is shared by the Fund and Desjardins Trust at the rate presented in the section “Notes to the Financial Statements – Specific Information” pertaining to each Fund. This revenue is included in “Revenue from securities lending activities” in the Statements of Comprehensive Income.

Offsetting Financial Assets and Financial Liabilities

A financial asset and a financial liability offset in the Fund’s Statement of financial position when, and only when, the Fund has a legally enforceable and unconditional right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The Fund has a legally enforceable and unconditional right to set off a financial asset and a financial liability when such right is enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

Over-the-counter derivative financial instruments, securities lending and repurchase agreements, receivable for investments sold and payable for investments purchased are subject to master netting or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position, as they give a right to an offset that is enforceable only in the event of default, insolvency or bankruptcy.

The table presenting financial assets and liabilities that are subject to a master netting agreement or similar agreement is presented in the section “Notes to the Financial Statements – Specific Information” pertaining to each Fund, if applicable.

Other Assets and Liabilities

Margin deposits, margin deposited on derivatives, receivable on futures contracts, subscriptions receivable, receivable for investments sold, cash guarantee received for repurchase transactions as well as interest, dividends and other receivables are measured at amortized cost.

Similarly, accrued expenses, performance fees payable, payable on futures contracts, redemptions payable, payable for investments purchased, commitments related to repurchase transactions, interest, dividends and other payables, as well as distributions payable, are measured at amortized cost.

Given the short-term nature of other assets and liabilities, their carrying amount closely approximates their fair value.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024, and 2023 (continued)

Income

Interest for distribution purposes from investments in debt securities presented in the Statements of Comprehensive Income is recognized as it is earned. The Funds do not amortize premiums paid or discounts received on the purchase of debt securities except for stripped bonds. Dividends are recognized as income on the ex-dividend date. Income received from ETFs and income trusts are included in "Dividends" in the Statements of Comprehensive Income. Notional distributions received from ETFs are considered non-cash transactions and increase the average costs for those ETFs. Amounts from investments that are treated as a return of capital for income tax purposes reduce the average cost of those investments. Foreign interest and dividend income are accounted for on a gross basis and are included in the "Income" section of the Statements of Comprehensive Income.

The net income from the Limited Partnership includes income attributed for tax purposes and are presented in "Distributions from underlying funds". Distributions received from underlying funds are recorded at the date of distribution. They are included in "Distributions from underlying funds" in the Statements of Comprehensive Income.

Distributions received in the form of units from underlying funds are presented as "Non-cash distribution from investments" in the Statements of Cash Flows.

Upon settlement of derivative financial instruments contracts, the gains and losses from derivative financial instruments held for hedging purposes are included in "Net realized gain (loss) on derivatives" in the Statements of Comprehensive Income. Gains and losses from derivative financial instruments held for purposes other than hedging are included in "Net income (loss) from derivatives" in the Statements of Comprehensive Income.

Foreign Currency Translation

The Funds' financial statements, subscriptions and redemptions are denominated in Canadian dollars, which is the Funds' functional and presentation currency. Foreign currency assets and liabilities denominated in a foreign currency are translated into the functional currency at the exchange rate on each valuation date. Purchases and sales of securities, as well as income and expenses denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing on the transaction dates.

Foreign exchange gains and losses relating to cash are presented as "Foreign exchange gain (loss) on cash" in the Statements of Comprehensive Income and those relating to other financial assets and liabilities are presented within "Net realized gain (loss) on investments" and "Net unrealized gain (loss) on investments" in the Statements of Comprehensive Income.

Amount in currencies are presented using the following abbreviations:

Abbreviation	Currency
AUD	Australian Dollar
BRL	Brazilian Real
CAD	Canadian Dollar
CHF	Swiss Franc
CLP	Chilean Peso
CNY	Chinese Yuan Renminbi
CZK	Czech Republic Koruna
DKK	Danish Krone
EUR	Euro
GBP	Pound Sterling
HKD	Hong Kong Dollar
HUF	Hungarian Forint
IDR	Indonesian Rupiah
ILS	Israeli Shekel
INR	Indian Rupee
JPY	Japanese Yen

Abbreviation	Currency
KRW	South Korean Won
MXN	Mexican Peso
NOK	Norwegian Krone
NZD	New Zealand Dollar
PHP	Philippine Peso
PLN	Polish Zloty
RUB	Russian Ruble
SAR	Saudi Riyal
SEK	Swedish Krona
SGD	Singapore Dollar
THB	Thai Baht
TRY	Turkish Lira
TWD	Taiwan Dollar
USD	United States Dollar
ZAR	South African Rand

Short Selling

The unrealized gains or losses arising from short positions are reflected in the Statement of Comprehensive Income as part of "Net unrealized gain (loss) on Investments" and the fair value of short positions is reflected in the Statement of Financial Position as "Investments at fair value through profit or loss—short positions". When the short position is closed out, gains or losses are realized and included in "Net realized gain (loss) on Investments" in the Statement of Comprehensive Income.

There can be no assurance that a fund will be able to close out a short position at an acceptable time or price. Until the Fund replaces a borrowed security, it will maintain adequate margin with the broker consisting of cash and liquid securities. As at March 31, 2024, the margin maintained with the broker is noted in the Statements of Financial Position in "Margin deposits", if applicable.

Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit

The increase (decrease) in net assets attributable to holders of redeemable units per unit, presented in the Statements of Comprehensive Income, is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units by the average number of units outstanding during the period.

Income Taxes

Under the *Income Tax Act* (Canada) (the "Tax Act"), each Fund, except the Funds below, qualifies, or intends to qualify, as a mutual fund trust.

The following Funds are considered unincorporated unit trusts:

- NEI Fixed Income Pool
- NEI Canadian Equity Pool
- NEI Global Equity Pool
- NEI Managed Asset Allocation Pool

Each Fund's taxation year-end is December 15 except for NEI Money Market Fund and the unincorporated unit trusts, which have a taxation year-end of December 31.

The Funds are taxable on net income and net capital gains not distributed to unitholders. All the Funds' investment income and sufficient net capital gains realized in any year are required to be distributed to unitholders to ensure that the Funds will not be subject to income taxes. As a result, the Funds do not record income taxes. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset. In some special cases the Pools, which are unincorporated unit trusts, may become liable for alternative minimum tax, and may be subject to a special tax under Part XII.2 of the Tax Act. The Manager expects that the Pools will not be subject to tax under Part XII.2, although no assurance can be given that this will not occur.

Capital losses can be carried forward indefinitely to reduce future capital gains. Non-capital losses incurred in a financial year may be carried forward 20 years to reduce future investment income and capital gains.

Distributions are classified as a return of capital, net investment income or capital gain. The Manager reserves the right to make additional distributions in any year, if determined to be appropriate.

The Funds currently incur withholding taxes imposed by certain countries on foreign investment income and capital gains. Such income and gains are recorded on a gross basis, and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income.

Each Fund will elect under section 39(4) of the Tax Act so that all gains or losses realized on the disposition of securities that are "Canadian securities" (as defined in the Tax Act), including Canadian securities acquired in connection with short sales, will be deemed to be capital gains or losses to the Fund.

Refer to the section "Notes to the Financial Statements – Specific Information" pertaining to each Fund for more information on income taxes.

Investments in Other Investment Entities

The Funds meet the definition in IFRS 10, *Consolidated Financial Statements*, of investment entities and account for their investments in underlying funds at FVTPL.

In accordance with IFRS 12, *Disclosure of Interests in Other Entities*, specific information on the Funds' investments in other entities, such as subsidiaries, associates and structured entities has been disclosed, as applicable, in "Notes to the Financial Statements – Specific Information" pertaining to each Fund.

Subsidiaries

An entity is considered as a subsidiary when it is controlled by another entity. The Fund controls an entity when it has the right to variable returns from its involvement with the entity and through its power over the entity.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024, and 2023 (continued)

Leverage

Leverage occurs when the Fund borrows money or securities, or uses derivatives, to generate investment exposure that would otherwise not be possible.

The aggregate gross exposure of an “alternative mutual fund” under National Instrument 81-102 – Investment Funds (“NI 81-102”) calculated as the sum of the following, must not exceed three times an alternative mutual fund’s NAV: (i) the aggregate value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; and (iii) the aggregate notional value of the alternative mutual fund’s specified derivatives positions, excluding any specified derivatives used for hedging purposes. If an alternative mutual fund’s aggregate gross exposure exceeds three times that fund’s NAV, the alternative mutual fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to three times the alternative mutual fund’s NAV or less.

As an “alternative mutual fund”, NEI Long Short Equity Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of conventional mutual funds (other than alternative mutual funds) to leverage their assets through borrowing, short sales and/or derivatives. Investment decisions may be made for the assets of NEI Long Short Equity Fund that exceed the NAV of the Fund. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase a fund’s turnover, transaction and market impact costs, interest and other costs and expenses.

The Manager, on behalf of NEI Long Short Equity Fund, has received exemptive relief from Canadian securities regulatory authorities permitting NEI Long Short Equity Fund to engage in short selling transactions and cash borrowing up to a combined maximum of 100% of its NAV, which is in excess of the short sale and cash borrowing limits of 50% of a fund’s NAV provided for both conventional mutual funds and alternative mutual funds in NI 81-102.

Associates

Associates are investments in entities over which the Fund exercises significant influence without, however, exercising control.

Structured Entities

Structured entities are conceived in a way that the right to vote and other similar rights are not determining factors in exercising control. The Manager has determined that its investments in underlying funds (including limited partnerships), index-based investments and exchange traded funds, income trusts, mortgage-backed securities and asset-backed securities are structured entities, unless the specified relationship is different. Total values of those investments in the table “Fair Value Hierarchy” also represent the fair value of investments in structured entities.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the Manager to use judgment in applying its accounting policies and to make estimates and assumptions about the future. Actual results may differ from these estimates. The following paragraphs discuss the most significant accounting judgments and estimates that the Funds have made when preparing the financial statements.

Fair Value Measurement of Derivative Financial Instruments and Securities not Quoted in an Active Market

The Funds may hold financial instruments that are not quoted in active markets, including derivative financial instruments. Fair value is determined based on models that make maximum use of observable inputs and rely as little as possible on unobservable inputs. The Funds consider the data observable if the market data is readily available, distributed or updated on a regular basis, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager.

When no quoted prices are available, the fair value is estimated using present value or other valuation methods, which are influenced by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates, which reflect varying degrees of risk, including liquidity risk, credit risk, risks related to interest rates, exchange rates, and price and rate volatility.

The calculation of the fair values may differ given the role that judgment plays in applying the valuation techniques and the acceptable estimation. Fair value reflects market conditions at a given date and, for this reason, it may not be representative of future fair values. Refer to Note 7 “Financial Instruments Disclosures” for further information on fair value measurement of financial instruments.

4. NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

Structure of Redeemable Units

Each Fund is authorized to issue an unlimited number of series of units and an unlimited number of redeemable units (the units) of each series. Each series unit entitles the holder thereof to participate equally in the distributions of the Fund made to that series. Fractions of units may be issued.

The units of a Fund are of the same series and confer the same rights and privileges except that, in respect of a Fund with more than one series of units, each series of units may have different management fees, dealer compensation structure or distribution structure. As a result, each unit entitles its holder to one vote and to participate equally in distributions made in respect to the series of units by the subject Fund and, upon liquidation, in the net assets attributable of the series of units remaining after satisfaction of outstanding liabilities. A fraction of a unit will entitle the unitholder to proportionate participation but will not entitle them to vote.

The Funds only issue fully paid units and fractions of units. Unitholders may redeem their units in the manner described in the Declaration of Trust.

The Manager manages the capital of the Funds in accordance with their investment objectives (Refer to Note 7). Also, in accordance with securities regulations, the Funds seek to invest subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions with such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

Authorized Units

The authorized units of the Fund are comprised of the following series of units:

An unlimited number of Series A units, principally targeted at individual investors purchasing units on a front-end sales charge option basis.

An unlimited number of Series C units, intended for investors who have granted their dealer discretionary investment authority to invest through the use of proprietary model portfolios.

An unlimited number of Series F units, intended for investors participating in programs that do not require them to pay sales charges or service fees to investment professionals or dealers.

An unlimited number of Series I units, offered to institutional or other high net worth investors who negotiate and pay management fees directly to the Manager. The Series I management fee will in no circumstances be higher than the management fee payable on Series A units of the Fund.

An unlimited number of Series O units, intended for investors who make large investments in a Fund. Those investors must enter an agreement which identifies the management fee negotiated and pay management fees directly to the Manager. The Series O management fee will in no circumstances be higher than the management fee payable on Series A units of the Fund.

An unlimited number of Series P units, intended for investors who make large investments in a single Fund. Series P units may only be purchased on a front-end sales charge option basis.

An unlimited number of Series PF units, intended for investors who make large investments in a single Fund and investors participating in programs that do not require them to pay sales charges or service fees to investment professionals or dealers.

An unlimited number of Series W units, intended for investors who make an initial investment of at least \$100,000 in an NEI Private Portfolio. Series W units may only be purchased on a front-end sales charge option basis. The initial investment criteria may vary from time to time.

An unlimited number of Series WF units, intended for investors who make an initial investment of at least \$100,000 in an NEI Private Portfolio and investors participating in programs that do not require them to pay sales charges or service fees to investment professionals or dealers. The initial investment criteria may vary from time to time.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024, and 2023 (continued)

NEI LP has decided to discontinue its deferred sales charge (“DSC”), low load, low load 2 and low load 3 (together “LL”) sales charge purchase options for those NEI Funds that offered DSC or LL. On August 10, 2020, DSC and LL sales charge purchase options across the Funds’ lineup have been closed to new investors. For investors with existing DSC and/or LL units as of that date, subsequent investments subject to DSC and/or LL sales charges were available until October 2020. On October 5, 2020, DSC and LL sales charge purchase options were closed to new investments. Investors with existing DSC and/or LL units will remain invested based on the redemption fee schedule applicable to those units.

Valuation of Units

On each business day and for each series of units of each Fund, the Manager calculates the NAV per unit by dividing the net assets attributable to holders of redeemable units by the number of units outstanding.

The NAV of each series in a Fund corresponds to the proportion of the assets of the Fund attributable to the series, net of the proportion of the Fund’s total liabilities attributable to the series and the liabilities of the series. Expenses directly related to a series are applied against this series. Other income and expenses, as well as realized and unrealized capital gains and losses are applied against each series in proportion to their respective NAV.

Management of Risks Associated with Units

Units issued and outstanding are considered as the Funds’ capital. The Funds are not subject to specific capital requirements concerning subscription and redemption of units, other than certain minimum subscription requirements. Unitholders are entitled to require payment of the NAV per unit for all or any of the units they hold by giving written redemption request to the Manager within the prescribed time period. Units are redeemable for cash equal to a pro rata share of the Funds’ NAV.

Redemptions

Unitholders may at any time elect to redeem all or part of their units on the valuation date at the current closing NAV per unit. Payment for any unit redeemed will be made by the applicable Fund.

5. MANAGEMENT FEES AND OTHER EXPENSES

Management Fees

As the Manager, Trustee, Portfolio Manager and Registrar, NEI LP receives from each Fund, management fees, before taxes, calculated on the NAV of each unit series on each valuation date. Management fees are calculated daily with the NAV of the Funds according to the annual rates presented in “Notes to the Financial Statements – Specific Information” pertaining to each Fund. NEI LP is responsible for the payment of investment fees to Portfolio sub-advisors retained by the Funds.

The management fee varies between Funds and series. Series I and Series O units of the Funds are not subject to management fees, as the unitholders of these series negotiate and pay those fees directly to the Manager.

Certain Funds may invest in other mutual funds (“underlying funds”), including other NEI Funds in order to achieve their investment objectives. There are fees payable by the underlying funds in addition to the fees payable by the investing Fund. No management fees are payable by the Fund that, to a reasonable person, would duplicate a fee payable by the underlying fund for the same service.

Performance Fees

Subject to the attainment of the high-water mark (described below), the Manager charges a performance fee, payable to the Portfolio Sub-Advisor in respect of NEI Long Short Equity Fund. The performance fees for each series shall be calculated, earned and accrued daily and become a liability of NEI Long Short Equity Fund on each valuation day and shall be paid by the Fund at the end of each calendar quarter.

NEI Long Short Equity Fund pays the Manager a daily performance fee equal to 20% of, the positive difference between the unit price on each valuation day and high-water mark less the hurdle amount per unit on the valuation day, multiplied by the number of units outstanding on the applicable valuation day on which the performance fees is determined. The high-water mark is the greatest unit price on any previous valuation day since the units of the series were first issued. The hurdle amount per unit for each applicable series on a valuation day is the product of (a) 2% for each calendar year (pro-rated for the number of days in the calendar year); (b) the unit price of each applicable series on the valuation day; and (c) the number of days since the most recently determined high-water mark or the beginning of the current calendar year, whichever is most recent. Once a high-water mark is attained, a performance fee is earned by the sub-advisor and will not be reduced if there is subsequent negative performance by NEI Long Short Equity Fund.

The Manager reserves the right, in its discretion, to discontinue, decrease or waive the performance fees at any time. Performance fees are subject to applicable taxes, including GST/HST.

Other Expenses

The Manager pays all of the operating expenses of the Funds, except for:

- costs and expenses associated with taxes (including, but not limited to, GST/HST), borrowing, and the costs associated with the independent review committee (“IRC”). IRC expenses include annual dues, meeting fees and other related expenses such as travel relating to the operation of the IRC.
- costs associated with portfolio transactions, including brokerage commissions and research and execution costs.

The operating expenses include, but are not limited to, audit fees, fund accounting costs, transfer agency and recordkeeping costs, custodian costs, administration costs and trustee services relating to registered tax plans, costs of printing and disseminating prospectuses, fund facts and continuous disclosure materials, legal fees, bank charges, investor communication costs and regulatory filing fees.

In return for assuming the obligation to pay the Funds’ operating expenses, each Fund pays to the Manager a fixed annual administration fee (“administration fee”), which is subject to applicable taxes, including HST. The administration fee varies between Funds and series. Administration fees correspond to a specified percentage of the NAV of the series, calculated and accrued daily. No administration fee is charged to Series I units of the Funds because of the fee structures associated with this series.

The annual management fee rate and the annual administration fee rate shown in the “Notes to the Financial Statements – Specific Information” pertaining to each Fund may be lower than the rates presented in the prospectus, as the Manager can absorb a portion of those expenses.

For more information regarding the management fees and other expenses each Fund incurs, please refer to the “Notes to the Financial Statements – Specific Information” pertaining to each Fund.

6. RELATED PARTY TRANSACTIONS

NEI LP is the Manager, Trustee, Portfolio Manager and Registrar of the Funds. Northwest & Ethical Investments Inc., the general partner of NEI LP, is a wholly-owned subsidiary of Aviso Wealth Inc. (“Aviso”). Aviso is the sole limited partner of the Manager. 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 is the Manager of the Funds pursuant to the Management Agreement and ensures the daily administration of the Funds. NEI LP provides or ensures the Funds are provided with all services (accounting, custody, portfolio management, record maintenance, transfer agent) required. The Funds pay management and administration fees to NEI LP. Trustee fees and portfolio management fees are entirely at NEI LP’s expense.

Desjardins Trust is the custodian of the Funds. Desjardins Trust is a wholly-owned subsidiary of the Fédération. The Funds may engage in securities lending, and Desjardins Trust may act as the Funds’ securities lending and repurchase transactions agent (“Agent”). Any revenue earned on such securities lending is split between the Funds and the Agent.

Underlying Funds

In accordance with their investment objectives, certain Funds invest in Series I units of other NEI Funds. All the underlying funds identified as “Related” in the table “Fair Value Hierarchy” are considered related parties. Refer to Note 7 “Financial Instruments Disclosures” for further information on fair value hierarchy and fair value measurement of financial instruments. All transactions in those investments are executed based on the fair value of those investments as described in the material accounting policy information. No commissions or other fees were paid by the Fund in relation to these transactions.

For more information regarding the related parties for each Fund, please refer to the “Notes to the Financial Statements – Specific Information” pertaining to each Fund.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024, and 2023 (continued)

7. FINANCIAL INSTRUMENTS DISCLOSURES

Hierarchy of Financial Instruments Measured at Fair Value

The fair value measurement of financial instruments is determined using the following three levels of the fair value hierarchy:

- Level 1—Measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2—Valuation techniques based primarily on observable market data.
- Level 3—Valuation techniques not based primarily on observable market data.

If inputs of different levels are used to measure the fair value of an asset or liability, the classification within the hierarchy is based on the lowest level input that is significant to the measurement of fair value.

Measurement Monitoring

The Manager is responsible for establishing the fair value measurements included in the Funds' financial statements, including Level 3 measurements. The Manager obtains prices from a pricing agency and monitors and analyzes these prices daily. A Measurement Monitoring Committee (the "Committee") ensures that appropriate operating procedures and a proper monitoring structure are in place and followed. This Committee meets on a quarterly basis to review fair value situations. Reports are produced monthly and given quarterly to the Committee members. It also examines specific processes carried out by the Investment Fund Portfolio Department. Moreover, the Measurement Monitoring Committee establishes Measurement Policy orientation. On a quarterly basis, this Committee examines and approves the Level 3 measurements after obtaining confirmation of the measurements from each portfolio manager, as needed. The Committee signs off on any adjustments made to prices or estimates provided by the pricing agency.

Establishment of Levels

A change in the fair value measurement method could result in a transfer between levels. The Funds' policy is to record the implications of the transfers between levels on the date of the event or change in circumstances behind the transfer.

The following types of investments may be classified as Level 3 if their prices are no longer based on observable inputs.

a) Money Market Securities

Money market securities primarily include public sector and corporate securities. The inputs that are significant to valuation are generally observable. Public sector money market securities guaranteed by the federal or provincial government have been classified as Level 1. Other money market securities have been classified as Level 2.

b) Equities

Equities are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data and the fair value is classified as Level 2. If the determination of fair value uses significant unobservable data, then the fair value is classified as Level 3. Unlisted warrants are generally classified as Level 2.

c) Index-Based Investments and Exchange Traded Funds

Index-based investments and ETFs are classified as Level 1 when the security is actively traded and a reliable price is observable. ETFs are classified as Level 2 when the security is thinly traded and based primarily on observable market data.

d) Bonds

Public sector bonds guaranteed by the federal or provincial government are classified as Level 1. Corporate bonds, which are valued using models with inputs including interest rate curves, credit spreads and volatilities are usually classified as Level 2.

e) Mortgage-Backed Securities and Asset-Backed Securities

Mortgage-backed securities and asset-backed securities consist primarily of corporate securities, which are valued using models with inputs including interest rate curves, credit spreads and volatilities. Since the inputs that are significant to valuation are generally observable, mortgage-backed securities and asset-backed securities are usually classified as Level 2.

f) Investment Funds

Public investment funds are classified as Level 1 when their prospectus is unrestricted and their price is reliable and observable. Since some investment funds are not public, their price is determined using observable market data and their fair value is classified as Level 2. If the measurement of fair value requires the use of significant unobservable inputs, then it is classified as Level 3.

g) Derivative Financial Instruments

Derivative financial instruments, which consist of foreign currency forward contracts, forward contracts, interest rate swaps, and credit default swaps, for which counterparty credit spreads are observable and reliable or for which the credit-related inputs are determined to be significant to fair value, are classified as Level 2. Options are classified as Level 1 when the option is actively traded and a reliable price is observable. Unlisted options are generally classified as Level 2.

Detailed information concerning the fair value hierarchy of each Fund is available in their respective "Notes to the Financial Statements – Specific Information". For securities classified as Level 3, the valuation techniques and assumptions are also presented in their respective notes.

Management of Risks Arising from Financial Instruments

Throughout their activities, the Funds are exposed to a variety of risks associated with financial instruments such as market risk (including currency risk, interest rate risk and price risk), concentration risk, credit risk and liquidity risk. The overall risk management strategy of the Funds focuses on the unpredictability of financial markets and optimizes the Funds' financial performance. Most investments involve a risk of loss.

The Manager is responsible for the Funds' risk management and for selecting and monitoring portfolio sub-advisors.

The Manager compares the performance of the Funds with benchmark indexes on a monthly basis. This analysis is reviewed quarterly by the Investment Committee. The Manager also ensures that the Funds' investment policies are followed and writes a compliance report, which is also reviewed on a quarterly basis by the Investment Committee.

The Manager organizes annual meetings with the sub-advisors in order to keep abreast of any changes in their investment practices.

Market Risk

Market risk is the risk that the fair value or future cash flows associated with a financial instrument will fluctuate because of a change in the relevant risk variables, such as interest rates, exchange rates, equity prices, political changes, and catastrophic events, such as pandemics or disasters. The Funds' market risk is managed through diversification of the investment portfolios' exposure ratios.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk is composed of monetary items (usually including cash, receivable amounts in foreign currencies, investments in fixed-income and money market securities) and non-monetary items (usually including investments in equities and investment funds). The non-monetary assets are classified according to the currency in which the security was purchased.

The Funds are exposed to currency risk by holding assets and liabilities denominated in currencies other than the Canadian dollar, the Funds' functional currency, as the value of the securities denominated in other currencies will fluctuate according to the prevailing exchange rates.

The Funds' exposure to currency risk is shown based on the carrying value of financial assets and financial liabilities (including derivative financial instruments and the notional amount of foreign currency forward contracts and foreign currency futures, if any).

When the Canadian dollar decreases in relation to foreign currencies, the value of foreign investments increases. Conversely, when the value of the Canadian dollar increases, the value of foreign investments decreases.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024, and 2023 (continued)

Currency risk is disclosed when the Funds' foreign currencies exposure is above 5% of Net Assets.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk occurs when an investment fund invests in interest-bearing financial instruments. Generally, the value of these securities increases if interest rates decrease and decreases if interest rates increase. The interest rate risk is managed by calculating and monitoring the average portfolio duration on these securities. The Funds also hold a limited amount of cash subject to variable interest rates, which exposes them to cash flow interest rate price risk.

Changes in the market interest rate may affect the borrowing expenses of the short positions held by the Fund.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price, other than those arising from currency risk or interest rate risk.

The portfolio manager plans to manage this risk by carefully selecting securities and other financial instruments, in accordance with defined limits. The maximum risk resulting from financial instruments is determined by the fair value or contract value of the financial instruments. The Funds' financial instruments are exposed to price risk arising from uncertainties about the future prices of instruments.

Concentration Risk

Concentration risk arises because of the concentration of exposure within the same category, whether it is geographical location or industry sector. For Funds with an international investment strategy, the concentration by geographic location is presented according to, among other things, the country of incorporation or region. For Funds with a domestic investment strategy, the concentration by industry sector is presented according to their investments in the different sectors. The concentration risk is managed through portfolio diversification within the framework of the Funds' objective and strategy.

Credit Risk

Credit risk is the risk that the financial instrument counterparty will be unable to pay the full amount at maturity. The Funds' credit risk is managed through an independent credit analysis from the Manager/sub-advisor, in addition to credit rating agencies' analysis.

Financial Instrument Transactions

The Funds are exposed to credit risk. The Funds' and the counterparty's respective credit risk are considered when determining the fair value of financial assets and liabilities, including derivative financial instruments. Transactions are settled or paid on delivery using approved brokers. The risk of default is considered limited as delivery of the securities sold is made once the broker has received payment.

Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

However, there are risks involved in dealing with custodians or prime brokers who settle trades and, in rare circumstances, the securities and other assets deposited with the custodian or broker may be exposed to credit risk with regard to such parties. In addition, there may be practical problems or time delays associated with enforcing the Funds' rights to their assets in the case of an insolvency of any such party.

The credit rating for fixed-income securities and money market securities is rated by credit rating agencies, which generally includes the *Dominion Bond Rating Service* ("DBRS"), *Standard & Poor's* and *Moody's*. In cases where the credit rating agencies do not agree on a credit rating for fixed-income securities and money market securities, they will be classified following these rules:

- If two credit ratings are available, but the ratings are different, the lowest rating is used;
- If three credit ratings are available, the most common credit rating is used;
- If all three credit rating agencies have different ratings, the middle credit rating is used.

The credit rating is then converted to *DBRS* format. Generally, the greater the credit rating of a security, the lower the probability of it defaulting on its obligations.

Derivative financial instruments are financial contracts whose value depends on underlying assets and other external factors, such as interest rates and foreign exchange rates. The vast majority of derivative financial instruments are negotiated by mutual agreement between the Funds and their counterparties, and include, among others, foreign currency forward contracts. Other transactions are carried out as part of trades and mainly consist of futures contracts.

As NEI Long Short Equity Fund may borrow cash for investment purposes, sell securities short, and post margin as collateral for specified derivatives transactions, some of the Fund's assets may be held in margin accounts at a prime broker. The margin accounts may be less able to segregate customer assets than traditional custody accounts, which could potentially expose the Fund to unanticipated risk if the prime broker faces financial difficulties. In this case, assets of the Fund could potentially be inaccessible, and the fund may experience losses if the prime broker cannot satisfy claims of its creditors, or the Fund cannot trade the positions in adverse market conditions.

NEI Long Short Equity Fund transactions are made through an approved broker and are settled on delivery using the Fund's prime broker, RBC Dominion Securities Inc. The risk of default is considered minimal as delivery of investments sold is made only when the Fund has received payment. Payment is made on purchases once the investments have been received by the Fund. Should either party not meet its obligation, the trade will fail.

The credit rating of RBC Dominion Securities Inc. as at March 31, 2024 was AA-.

All transactions executed by NEI Long Short Equity Fund in listed securities are settled/paid for upon delivery using an approved broker. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Securities Lending and Repurchase Transactions

Securities lending and repurchase transactions expose the Funds to credit risk. These transactions are governed by the Canadian Investment Regulatory Organization and provincial securities regulators. The Funds also use netting agreements with counterparties to mitigate credit risk and require a percentage of collateralization (a pledge) on these transactions. The Funds only accept pledges from counterparties that comply with the eligibility criteria defined in their policies. These criteria promote quick realization, if necessary, of collateral in case of default. The collateral received and given by the Funds are mainly cash and government securities. Further information on assets pledged and received as collateral is presented in the "Notes to the Financial Statements – Specific Information" pertaining to each Fund.

Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities.

The Funds are exposed to daily cash redemptions of units. Most of their assets are therefore invested in liquid investments (i.e. investments that are traded in an active market and that can be readily disposed of).

Some Funds may invest in derivative financial instruments, debt securities and unlisted equity investments which are not traded in an active market. As a result, some Funds may not be able to quickly liquidate their investments at amounts approximating their fair values or be able to respond to specific effects such as deterioration in the creditworthiness of any particular issuer. In addition, the Funds can borrow up to 5% of their NAV for the purposes of funding redemptions.

Each Fund may be exposed to indirect liquidity risk in the event that the underlying fund(s) suspends redemptions resulting in the Funds being unable to redeem their investments.

The majority of the remaining liabilities are due within the next three months. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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Short selling risk

Because a “short sale” involves a Fund borrowing securities from a lender and selling those securities in the open market, a Fund will generally see a profit if the securities decrease in value and will generally see a loss if the securities increase in value. The process of a “short sale” requires a Fund to provide collateral to the lender and pay a borrowing fee, which may fluctuate during the borrowing period. Unlike a purchase of securities, where the maximum amount of the loss is limited to the amount invested, there is no such limit to a Fund’s exposure on a short sale. The securities loaned for the short sale may be recalled by the lender, and limitations on availability of securities may limit a Fund’s freedom of action in connection with short sales. In addition, a Fund may have difficulties repurchasing and returning the borrowed securities if a liquid market does not exist. A Fund may also be indirectly exposed to short selling risk if it invests in an underlying fund that practices short selling.

An alternative mutual fund is subject to different short selling restrictions than those applicable to conventional mutual funds in securities legislation. As an alternative mutual fund, NEI Long Short Equity Fund has received exemptive relief. Subject to the terms and applicability of the exemptive relief, NEI Long Short Equity Fund is permitted to engage in short selling transactions up to a maximum of 100% of its NAV, including selling IPUs of one or more IPU issuers short in an aggregate amount of up to 100% of its NAV, which is in excess of the short sale limits provided for both conventional mutual funds and alternative mutual funds in NI 81-102.

Leverage risk

Alternative mutual funds are not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of conventional mutual funds (other than alternative mutual funds) to leverage their assets through borrowing, short sales and/or derivatives. Investment decisions may be made for the assets of an alternative mutual fund that exceed the NAV of the fund. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase an alternative mutual fund’s turnover, transaction and market impact costs, interest and other costs and expenses.

Under the investment restrictions applicable to alternative mutual funds in NI 81-102, an alternative mutual fund’s aggregate gross exposure, calculated as the sum of the following, must not exceed three times an alternative mutual fund’s NAV: (i) the aggregate value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; and (iii) the aggregate notional value of the alternative mutual fund’s specified derivatives positions excluding any specified derivatives used for hedging purposes. If an alternative mutual fund’s aggregate gross exposure exceeds three times that fund’s NAV, the alternative mutual fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to three times the alternative mutual fund’s NAV or less. As an “alternative mutual fund”, NEI Long Short Equity Fund is not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of conventional mutual funds (other than alternative mutual funds) to leverage their assets through borrowing, short sales and/or derivatives.

Additional Information

For further information on the risks associated with financial instruments to which each Fund is exposed, refer to the section “Notes to the Financial Statements – Specific Information” pertaining to each Fund.

8. OTHER INFORMATION

Unitholders of the Funds can obtain, without charge, the simplified prospectus, the fund facts sheets as well as the financial statements by contacting:

Northwest & Ethical Investments L.P.

151 Yonge Street

Suite 1200

Toronto, ON

M5C 2W7

www.NEInvestments.com

Tel.: 1-888-809-3333

These documents may also be obtained at the following Internet address: www.sedarplus.ca

