



## Semi-annual Management Report of Fund Performance

### As at March 31, 2025

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

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

## Management Discussion of Performance

### Results of Operations

NEI Long Short Equity Fund (the "Fund") Series A units returned 1.1% for the six-month period ended March 31, 2025 compared with a return of 4.5% for the benchmark explained below.

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

The blended benchmark is composed of 75% S&P/TSX Composite TR Index and 25% FTSE Canada 30 Day Treasury Bill Index.

The Fund's net asset value increased by 264.25% during the period, from \$91,312,138 as at September 30, 2024 to \$332,606,714 as at March 31, 2025. This change in net assets is attributed to net unitholder activity of \$248,542,952 and -\$7,248,376 to investment operations, including market appreciation (depreciation), income and expenses.

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

The Fund's aggregate gross exposure must not exceed three times an alternative mutual fund's NAV and is calculated as the sum of the following: (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.

During the period from October 1, 2024 to March 31, 2025, the Fund's aggregate exposure reached a low of 39.01% and a high of 107.84% of the Fund's NAV. As at March 31, 2025, the Fund's aggregate exposure was 87.28% of the Fund's NAV. The primary source of leverage was short positions in equity securities.

**Market Overview**

The six-month period ended March 31, 2025 has witnessed dramatic shifts in market narratives. Based on established themes including artificial intelligence, cloud computing, biotechnology, and more, equities (led by U.S. mega-capitalization stocks) powered ahead for the majority of calendar 2024, aided by the U.S. Federal Reserve Board, which had shifted from acute inflation hawkishness to a more “stable” approach after a healthy interest rate cut in the fall. Entering 2025, as markets braced for the new Trump administration’s agenda, the growing equity bubble was at risk of bursting. As the period drew to a close, rising equity volatility associated with tariffs and implications for a global trade war called global growth into question. The dual specter of a reigniting inflation (via tariffs) and slower global growth (and therefore slower earnings) presents a very dramatic shift to a stagflationary backdrop, where equities, as an asset class are likely less favoured.

**Factors That Have Affected Performance**

Positive sector contributors were stock selection in Financials and Energy, as well as having overweight exposure to Information Technology and underweight exposure to Consumer Staples. One of the top-performing holdings was Agnico Eagle Mines Ltd. The company benefited from higher gold prices and had strong results.

Negative sector contributors were stock selection in Industrials and Information Technology, as well as having underweight allocation to Materials and overweight allocation to Health Care.

**Portfolio Changes**

There were no significant changes to Fund holdings in the period.

**Environmental, Social, And Governance (“ESG”) Activities**

In addition to any ESG-related commentary made in the sections above, other ESG-related activities undertaken in the period are described here.

NEI completed 56 ESG evaluations on companies that were either already held in the Fund, or that were requested by the portfolio sub-advisor for evaluation as part of the initial investment decision. All companies evaluated were deemed to be eligible for investment in the Fund.

**Recent Developments**

In the midst of severe market weakness associated with escalating trade and tariff issues, the indiscriminate equity selling has left few, if any, places to hide. For some time, the portfolio sub-advisor has been cautious on expensive sectors and themes in the market and has sought to avoid these more broadly. No doubt, some mechanical form of seller exhaustion or news headline may present a shorter-term tactical opportunity to participate in a relief rally, but the larger question persists as to what level of damage has been done to global growth, and thus, earnings prospects across the board. The situation is very fluid, but the portfolio sub-advisor is biased toward letting the evidence speak for itself vis-a-vis fundamental positive change. The portfolio sub-advisor notes that such large market swings, both down and up, tend to take place in bear markets and would, therefore, remain unwilling to proverbially “catch the falling knife” on a shorter-term basis.

## Related Party Transactions

Northwest & Ethical Investments L.P. ("NEI LP", "NEI Investments" and the "Manager") is the Manager, trustee, portfolio manager and registrar of the Fund. Northwest & Ethical Investments Inc., the general partner of NEI LP, is a wholly-owned subsidiary of Aviso Wealth Inc. ("Aviso"). Aviso is also the sole limited partner of NEI LP. Aviso is a wholly-owned subsidiary of Aviso Wealth LP, which in turn is owned 50% by Desjardins Financial Holding Inc. and 50% by a limited partnership, CU CUMIS Wealth Holdings LP, owned by the five Provincial Credit Union Centrals and the CUMIS Group Limited. Desjardins Financial Holding Inc. is a wholly-owned subsidiary of the Fédération des caisses Desjardins du Québec ("Fédération").

NEI LP charges the Fund a fixed administration fee in place of certain variable expenses. NEI LP in turn, pays all operating expenses of the Fund, other than specified Fund costs (e.g. the fees and expense of the Independent Review Committee ("IRC"), taxes, and brokerage commissions) which include payments to related parties. These services are in the normal course of operations and are measured at an exchange amount that is consistent with other independent parties. Desjardins Trust Inc. ("Desjardins Trust") is the custodian of the Fund. Desjardins Trust is a wholly-owned subsidiary of the Fédération. The Fund may engage in securities lending and repurchase and/or reverse repurchase transactions, and Desjardins Trust may act as the Fund's securities lending and repurchase and/or reverse repurchase transactions agent ("Agent"). Any revenue earned on such transactions is split 60%—40% between the Fund and the Agent. Desjardins Securities Inc. ("DSI") is a broker responsible for security transactions on behalf of the Fund. DSI is a wholly-owned subsidiary of the Fédération.

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

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

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

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the six-month period ended March 31, 2025 and the past five fiscal years or for the periods since inception, as applicable.

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

Series	Period	Net Assets, Beginning of Period	Increase (Decrease) from Operations					Distributions						Net Assets, End of Period
			Total Revenue	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total Increase (Decrease) from Operations <sup>(2)</sup>	From Income (Excluding Dividends)	From Dividends	From Underlying Funds	From Capital Gains	Return of Capital	Total of Distributions <sup>(3)(4)</sup>	
A	Mar. 2025	11.37	0.30	-0.47	-0.03	0.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.50
	Sept. 2024	10.00	0.44	-0.76	-0.29	2.08	1.47	0.00	0.00	0.00	0.00	0.00	0.00	11.37
C	Mar. 2025	11.52	0.30	-0.38	-0.03	0.36	0.25	0.00	0.00	0.00	0.00	0.00	0.00	11.77
	Sept. 2024	10.00	0.44	-0.59	-0.29	1.96	1.52	0.00	0.00	0.00	0.00	0.00	0.00	11.52
F	Mar. 2025	11.44	0.33	-0.37	-0.03	-0.21	-0.28	0.00	0.00	0.00	0.00	0.00	0.00	11.63
	Sept. 2024	10.00	0.45	-0.70	-0.30	2.12	1.57	0.00	0.00	0.00	0.00	0.00	0.00	11.44
I	Mar. 2025	11.53	0.38	-0.30	-0.03	-0.56	-0.55	0.00	0.00	0.00	0.00	0.00	0.00	11.78
	Sept. 2024	10.00	0.44	-0.59	-0.29	1.98	1.54	0.00	0.00	0.00	0.00	0.00	0.00	11.53
O	Mar. 2025	11.52	0.35	-0.38	-0.03	0.36	0.25	0.00	0.00	0.00	0.00	0.00	0.00	11.77
	Sept. 2024	10.00	0.44	-0.59	-0.29	1.96	1.52	0.00	0.00	0.00	0.00	0.00	0.00	11.52

(1) All per unit figures presented in 2025 are referenced to net assets determined in accordance with International Financial Reporting Standards and are derived from the Fund's semi-annual financial statements for the period ended March 31, 2025.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash or reinvested in additional units of the Fund.

(4) Distributions (if any) that may have been made that included return of capital in excess of short term earnings were made to minimize disruption and provide stability to investors who have elected to take their distributions in the form of cash, and as disclosed in the simplified prospectus. These amounts are reviewed at each calendar year-end and management engages in discussions with the sub-advisor to determine the most applicable strategy on a go forward basis and will take any action(s) as needed for the long-term stability of the Fund.

### Ratios and Supplemental Data

Series	Period	Total Net Asset Value (000's of \$)	Number of Units Outstanding (000's)	Management Expense Ratio (%) <sup>(1)</sup>	Management Expense Ratio excluding Performance Fees (%)	Trading Expense Ratio (%) <sup>(2)</sup>	Portfolio Turnover Rate (%) <sup>(3)</sup>	Net Asset Value per Unit (\$)
A	Mar. 2025	943	82	5.57	2.52	2.56	374.89	11.50
	Sept. 2024	713	63	7.59	2.59	2.40	373.75	11.37
C	Mar. 2025	1	-	3.85	0.09	2.56	374.89	11.77
	Sept. 2024	1	-	5.65	0.09	2.40	373.75	11.52
F	Mar. 2025	2,300	198	3.68	1.39	2.56	374.89	11.63
	Sept. 2024	678	59	6.60	1.44	2.40	373.75	11.44
I	Mar. 2025	329,362	27,948	2.32	N/A	2.56	374.89	11.78
	Sept. 2024	89,919	7,799	5.48	N/A	2.40	373.75	11.53
O	Mar. 2025	1	-	3.85	0.09	2.56	374.89	11.77
	Sept. 2024	1	-	5.65	0.09	2.40	373.75	11.52

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

(2) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio excluding these short dividend and interest expenses for the period ending March 31, 2025 is 0.95% for each series.

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

## Management Fees

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

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

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

	Management Fee (%)	Investment Advisory and Other Fees (%)	Trailer Fee (%)
Series A	2.00	52.24	47.76
Series F	1.00	100.00	N/A

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 the Fund. The performance fee for each series shall be calculated, earned and accrued daily, based on the cumulative total return of the Fund since the last period for which the performance fee was paid, and become a liability of the Fund on each valuation day and shall be paid by the Fund at the end of each calendar quarter.

The 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 fee is determined. This calculation ensures that the performance fee reflects the Fund's cumulative total return since the last performance fee period. 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 the Fund. The Manager reserves the right, in its discretion, to discontinue, decrease or waive the performance fee at any time. Performance fees are subject to applicable taxes, including GST/HST. For the period October 1, 2024 to March 31, 2025, the Fund incurred performance fees of \$2,799,658.

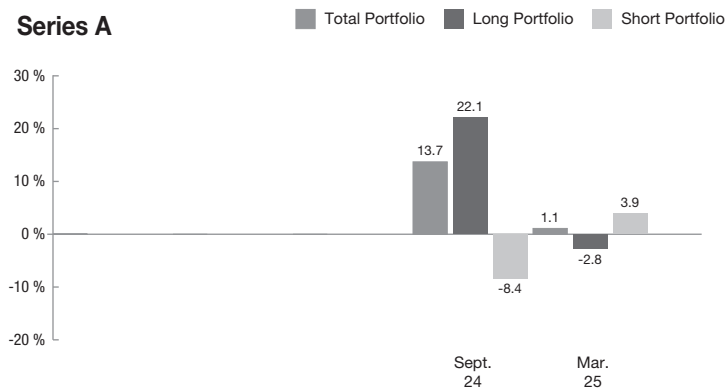
## Past Performance

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

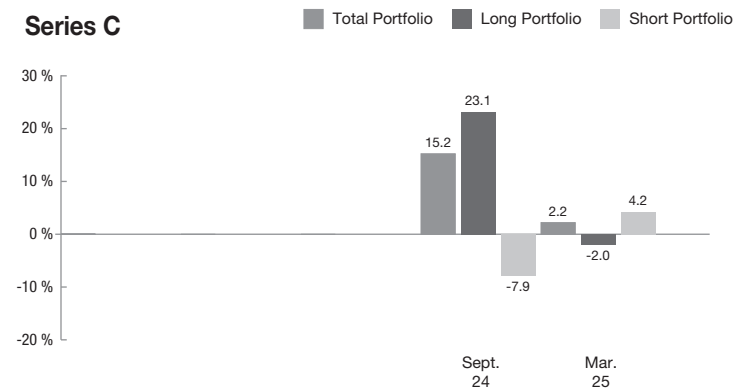
## Year-by-Year Returns

The following charts show the annual performance for each series of units of the Fund for each period shown and illustrate how the Fund's performance has varied from period to period with the exception of 2025, which shows the six-month return for the period ended March 31, 2025. For a series that has not been in existence for over ten years, the series' first financial year performance is presented since inception until the close of that financial year. The charts indicate how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period. For the inception dates of the respective series, please refer to the Fund Facts document.

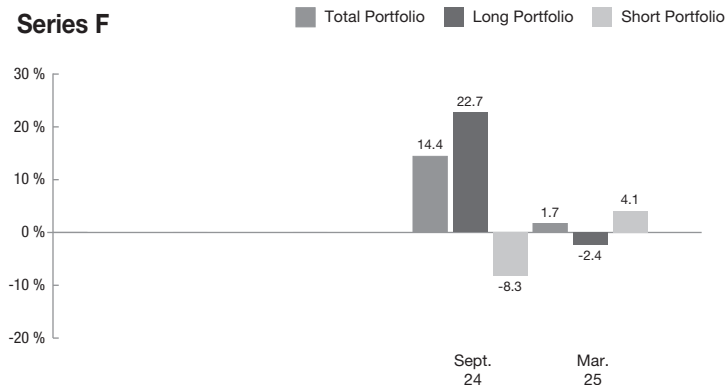
**Series A**



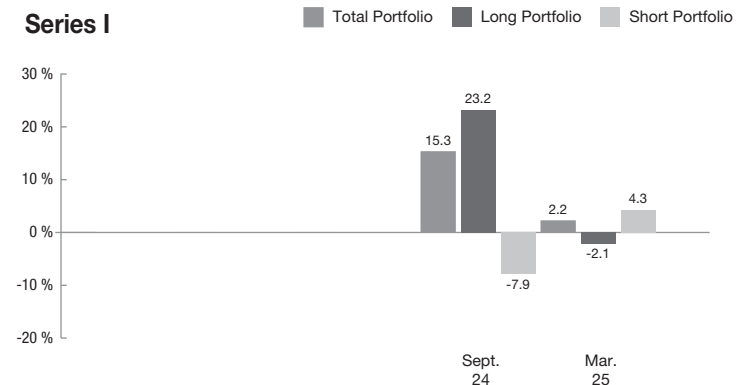
**Series C**



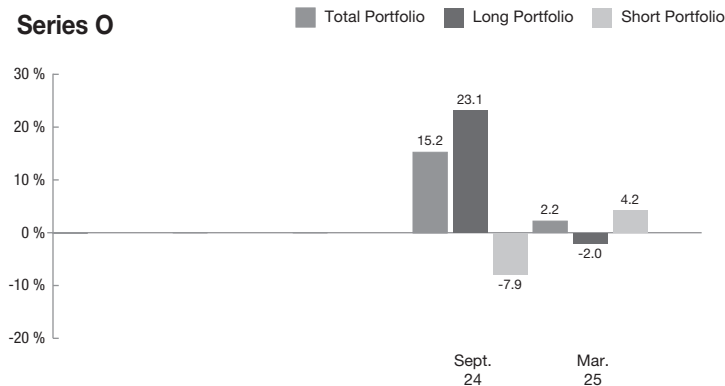
**Series F**



**Series I**



**Series O**



### Summary of Investment Portfolio as at March 31, 2025

Total Net Asset Value: \$332,606,714

Top Holdings	%	Sector Allocation	%
<b>Long Positions (73.9%)</b>		<b>Long Positions (161.5%)</b>	
Cash and Equivalents	22.3	Financials	34.6
Toronto-Dominion Bank	4.6	Cash and Equivalents	22.3
Royal Bank of Canada	4.3	Information Technology	21.6
Canadian Pacific Kansas City	3.6	Industrials	20.4
Canadian Natural Resources	3.2	Energy	15.7
Shopify, Class A	3.2	Materials	11.1
Waste Connections	3.0	Utilities	7.3
Agnico Eagle Mines	2.6	Consumer Discretionary	6.9
Bank of Montreal	2.5	Communication Services	5.5
Enbridge	2.4	Consumer Staples	4.9
Brookfield, Class A	2.2	Health Care	4.9
AltaGas	2.2	Real Estate	3.5
Element Fleet Management	2.1	Index-Based Investments	2.1
Manulife Financial	2.0	Other	0.7
Power Corporation of Canada	1.9	<b>Short Positions (-61.5%)</b>	
NVIDIA	1.8	Index-Based Investments	-28.5
Microsoft	1.7	Financials	-9.1
Apple	1.7	Industrials	-4.5
Thomson Reuters	1.7	Information Technology	-3.4
TC Energy	1.7	Materials	-2.6
WSP Global	1.6	Utilities	-2.6
Constellation Software	1.6	Energy	-2.2
<b>Short Positions (-23.4%)</b>		Consumer Discretionary	-2.0
iShares Core S&P 500 ETF	-11.4	Health Care	-1.9
iShares Core S&P/TSX Capped Composite Index ETF	-7.3	Real Estate	-1.8
Invesco QQQ Trust Series 1 ETF	-4.7	Consumer Staples	-1.8
Total	50.5	Other	-0.6
		Communication Services	-0.5
		Total	100.0

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