



PRESS RELEASE

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## NEI stance against Russia includes divestment plus corporate engagement

- Implements moratorium on all new purchases of Russian securities of any type
- Begins divestment process for existing holdings of Russian securities (current exposure is negligible)
- Commits to using corporate engagement to pressure companies with operations and/or economic interests in Russia to pause or end their involvement in the country

TORONTO, March 7, 2022 – NEI Investments (“NEI”) is taking action on behalf of its investors and in line with the international community following Russia’s invasion of Ukraine. By suspending new purchases of Russian securities and beginning the divestment process for existing holdings, and by applying pressure through corporate engagement, NEI joins others in sending this clear message: Responsible investors will not stand for such flagrant violations of international law, and we are committed to stopping this deplorable behaviour using all our tools.

“We condemn the invasion of Ukraine by the Russian military in the strongest possible terms,” said Bill Packham, President and Chief Executive Officer of Aviso Wealth and NEI Investments. “It is imperative, in the interest of investors who also abhor this attack, that we take clear measures that demonstrate we will not tolerate investments in countries whose governments display such a blatant disregard for international law and human rights.”

“Responsible investors everywhere have been called to action,” said John Bai, Senior Vice President and Chief Investment Officer of Aviso Wealth and NEI Investments. “Our decision to suspend new purchases and divest existing holdings was not taken lightly, but there is no question it is the right thing to do. With this action, we strongly believe we are delivering on our purpose of helping investors achieve their financial goals and empowering them to make a positive difference in the world.”

### **Investment context**

NEI’s exposure to Russian securities across its funds is negligible, as our sub-advisors had already begun to reduce or eliminate their holdings prior to the invasion. As of March 3, 2022, there was zero exposure to Russian sovereign debt or currency, and less than 1% exposure (three equity holdings) representing \$3.55 million in our NEI Emerging Markets Fund.

Further, for years NEI has made a statement against war and weapons through its longstanding policy of excluding companies that derive revenue from military contracts that violate International Humanitarian Law and, for select mandates, also excluding companies that derive



revenue from nuclear weapons contracts, and the manufacture of legal weapons systems and components for these systems.

### **Investment decision and rationale**

The NEI Investment Team and ESG Services Team have agreed to:

- Implement an immediate moratorium on the purchase of any new Russian sovereign debt and bonds or equities issued by Russian-domiciled companies
- Direct sub-advisors to divest of any existing Russian securities as soon as possible, recognizing that capital markets trading restrictions currently in place make it extremely challenging to set a time frame for completing the process
- Through corporate engagement, influence companies that operate in Russia or have other economic interests there to publicly align with international efforts to maximize economic pressure on Russia, such as by pausing or ending their involvement in the country

As always, NEI has taken a measured and thoughtful approach to the situation as it affects its holdings and its position as a leading responsible investment manager, and most importantly, its duty to investors. NEI has considered, and continues to consider, the objectives and outcomes it is seeking to achieve using the tools of active ownership, specifically corporate dialogue, exclusions, and divestment.

“There have been many decisive, principled, and substantive responses from the corporate sector to the Russian invasion,” said Jamie Bonham, Director of Corporate Engagement for NEI. “Considering the relatively minor exposure most investors have to Russian assets directly, and the current difficulty in offloading those assets, perhaps our most meaningful impact will come from ensuring all our portfolio companies are taking similarly decisive actions. Whether it be shutting down or pausing physical operations in the country or walking away from investment and contract relationships, the unified actions of companies will be critical to ensuring the success of international sanctions.”

NEI recognizes that complex situations with global market implications need to be examined on a case-by-case basis, and no two will ever be the same. Key points that informed NEI’s decision in this matter:

- This is an act of war that violates a rules-based international order (Charter of the United Nations)
- There is strong international alignment and participation among countries, businesses, and investment managers
- Global sanctions and capital market restrictions have been swift and continue to ramp up

### **About NEI Investments**

NEI Investments is a Canadian asset manager specializing in responsible investing, with over C\$11 billion under management. With over 30 years of experience as a sustainable investing leader, NEI is committed to providing Canadian investors with a broad range of responsible



investment solutions, advised by independent portfolio managers from around the globe. The company delivers disciplined, active asset management with a focus on environmental, social and governance (ESG) factors. NEI Investments also manages and operates a proprietary active ownership program, recognized as industry-leading by the UN Principles for Responsible Investment. NEI Investments is a wholly-owned subsidiary of Aviso Wealth.

### **About Aviso Wealth**

Aviso Wealth is a leading wealth services supplier for the Canadian financial industry, helping hundreds of institutional and retail organizations gain a competitive edge through a comprehensive offering of investment dealer and insurance services supporting thousands of financial advisors across Canada. Aviso Wealth's asset manager, NEI Investments, is a Canadian leader in responsible investment funds and portfolios, and its award-winning online brokerage, Qtrade Direct Investing™, enables self-directed investors to build their wealth with confidence. Aviso Correspondent Partners provides custodial and carrying broker services to portfolio managers, investment dealers, insurance and trust companies, and introducing brokers.

With over \$100 billion in assets under administration and management, Aviso Wealth is an ambitious organization backed by the collective strength of its owners: the credit union Centrals, The Co-operators/CUMIS, and Desjardins. For more information visit [aviso.ca](http://aviso.ca).

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