

Monthly Sustainable Investing Newsletter – May 2021

Monthly Sustainable Investing bond story Clearway Energy 3.75% 2031 – Green bond*

Issuer Profile

Clearway Energy is one of the largest renewable energy companies in the United States with over 4,200 Megawatts (MW) of installed wind and solar generation projects. The company also owns 2,500 Megawatts (MW) of environmentally-sound, highly efficient natural gas generation facilities. [Home - Clearway Energy Group](#)

Issuer Key Strengths

Clearway's credit profile is underpinned by long-term contracts with investment-grade rated counterparties and a diversified portfolio of power generation assets. Clearway is rated BB by S&P and Ba2 by Moody's and is thus considered higher quality high yield credit

New Green bond issue

On March 2, 2021, the company announced pricing of a \$925 million green bond in the high yield market with a 3.75% coupon. Green bond offerings had been rare to see in the high yield market in the past, but with growing demand for ESG friendly issuers, they have been generally well-received, oversubscribed and tend to trade relatively well in the secondary market. With the backup in yields earlier this year, the bonds had traded weaker, but bounced back nicely in April with the stability in government bond yields.

Use of Green Bond Proceeds

Clearway Energy intends to allocate net proceeds to finance new renewable energy projects or to refinance existing projects; a large part of the proceeds will go to repurchasing existing debt that was not labelled as green bonds when issued back in September 2018. The company has access through right of first offer agreement to a development pipeline of 10,000 MW at varying stages of development that is owned or controlled by Clearway Group. These projects consist entirely of wind, solar, and storage projects so there will be ample opportunity for future green bond issuance to help finance these projects. The company has a green bond framework and annual green bond reporting on its investor relations website as well as climate risk disclosures and annual ESG reports. The reports show that 83% of 2020 electricity generation was from renewables, and they have a target of 90% of electricity generation from renewables by 2035.

Clearway's portfolio of wind and solar deliver benefits equivalent to 8.8 million metric tons of CO₂ avoided for their customers, 1.9 million cars taken off the road each year, and 1.3 million homes powered by clean energy each year – based on US EPA Greenhouse Gas Equivalencies Calculator.

Mackenzie Sustainable Products managed by the Fixed Income Team

Greenchip Global Balanced Fund

CIFCS Category:
Global Neutral Balanced

Inception Date:
March 19, 2021

Global Sustainable Bond Fund

CIFCS Category:
Global Fixed Income

Inception Date:
March 19, 2021

Global Sustainability and Impact Balanced Fund

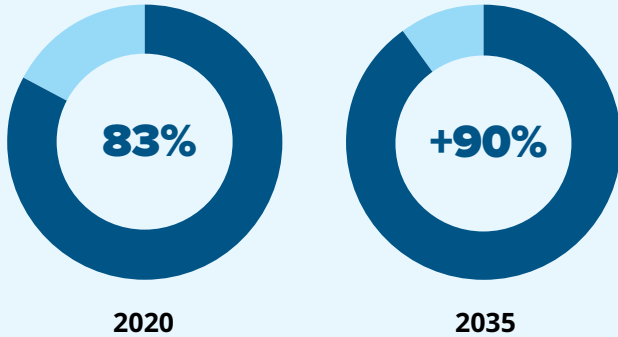
CIFCS Category:
Global Neutral Balanced

Inception Date:
October 16, 2017

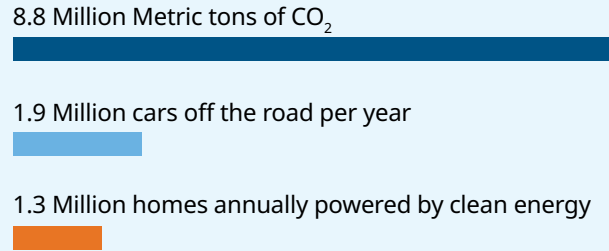
¹ Clearway Annual Report 2020



Clearway's growth of electricity generated from renewable sources



Clearway's portfolio of wind and solar delivers energy generation benefits equivalent of

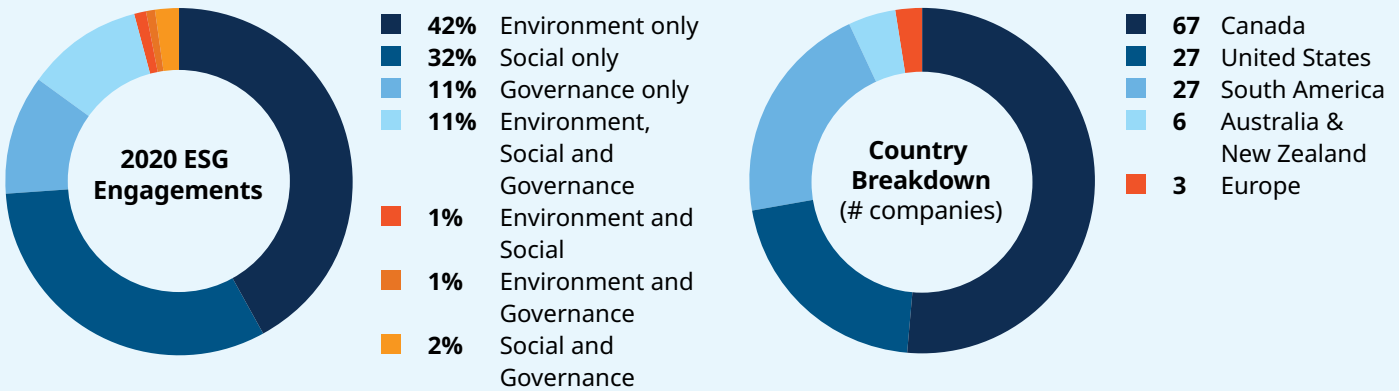


Mackenzie Fixed Income: Sustainable Investing principles



Our Engagement Key Performance Indicators

In 2020, our Mackenzie Credit Research team engaged with 130 companies on ESG considerations.



ESG debt definitions

Sustainable Bonds

Sustainable Bonds are a conscious investment vehicle that allocates capital towards a combination of social and environmental objectives. These fixed income products provide capital to governments and corporations with the intended use of incorporating sustainable development goals into their business models. Sustainable Bonds provide investors a healthy return while progressing the global agenda of a more environmentally and socially sustainable economy through incentive alignment.

Green Bonds

Green Bonds are a classification of Sustainable Bonds with a capital focus on delivering environmental sustainability into communities and corporations. These Fixed Income vehicles specifically allocate resources to “Green Projects”, environmentally centered developments that integrate renewable sustainability into corporate operations.

Social Bonds

Social Bonds are a classification of Sustainable Bonds with a capital focus on mitigating social issues such as illiteracy and poverty. These Fixed Income vehicles allow investors to directly enable the implementation of corporate solution to achieve social objectives that positively impact communities globally.

Sustainability-linked bonds

Sustainability-linked bonds are a class of sustainable bonds that do not finance the direct implementation of ESG projects but the overall corporate transition. These products allow companies to begin their internal transformation to sustainable operations without shocking their current business model. These bonds play a critical role in encouraging ESG commitments at the corporate level as the financing conditions of the bond are dependent on objectives met and UN sustainable goal alignment.

Commissions, trailing commissions, management fees and expenses all may be associated with investment funds. Please read the prospectus of before investing. Mutual funds and ETFs are not guaranteed, their values change frequently and past performance may not be repeated. The content of this brochure (including facts, views, opinions, recommendations, descriptions of or references to, products or securities) is not to be used or construed as investment advice, as an offer to sell or the solicitation of an offer to buy, or an endorsement, recommendation or sponsorship of any entity or security cited. Although we endeavour to ensure its accuracy and completeness, we assume no responsibility for any reliance upon it.