



## Annual Management Report of Fund Performance

### As at September 30, 2023

This 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

### Investment Objective and Strategies

The investment objective of the Fund is to achieve long-term capital growth and income by investing primarily in equity and equity-related securities of companies which are developers, owners and operators, in full or in part, of renewable electricity technology plants and systems, and related infrastructure investments, with no geographic constraint.

The Fund follows a responsible approach to investing, as described in the Simplified Prospectus of the Fund.

### Risk

The risks of investing in the Fund remain as discussed in the Simplified Prospectus. The Fund is suitable for investors investing for the long term, with a medium tolerance for risk. Any changes in the Fund have not affected the overall level of risk of the Fund.

### Results of Operations

The NEI Clean Infrastructure Fund's Series A units returned -18.1% for the twelve-month period ended September 30, 2023 compared with a return of 4.2% 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 benchmark for this Fund is the S&P Global Infrastructure Index (C\$).

The Fund's net asset value increased by 25.38% during the period, from \$196,483,352 as at September 30, 2022 to \$246,351,956 as at September 30, 2023. This change in net assets is attributed to net unitholder activity of \$97,308,233 and -\$47,439,629 to investment operations, including market appreciation (depreciation), income and expenses.

## Market Overview

The period from October 1, 2022, to September 30, 2023, proved to be quite challenging as elevated interest rates and stubborn inflation remained pervasive.

## Factors That Have Affected Performance

During the fourth quarter of 2022, operationally, companies in the Fund had a solid quarter. The period saw positive contribution in returns from Europe, and negative contribution from North America and Asia.

The first quarter of 2023 saw power prices come down; even if these levels remain well above pre-2022 prices, companies with some exposure to merchant prices still faced lower revenues in 2023 versus 2022. During the quarter, the Fund saw positive contribution in returns from Europe and North America, and negative contribution from Asia.

For the second quarter of 2023, performance was primarily impacted by continued upward pressure on interest rates and declining power prices in Europe. Contracted power prices for new projects have largely adjusted upward to reflect the higher cost of capital and overall equipment costs to maintain project returns. During the quarter, the Fund saw negative contribution across all regions.

The steady increase in long-term interest rates during the third quarter of 2023 created a challenge to valuations and spreads of capital formation of new projects, overshadowing other drivers as the market questioned the value of actual cash flows and the value of growth for companies in the sector. Within this context, purer renewables companies that do not have other businesses to mitigate that challenge were most impacted.

Rapid escalations in the longer-term interest rates and real yields also spread to the broader U.S. Utilities sector. European renewables declined substantially on the back of moves in rate curves across European Union sovereign bonds. During the third quarter, there was negative contribution across all regions.

## Portfolio Changes

In the fourth quarter of 2022, a new position in EDP Renovaveis SA was added. In addition to already owning the parent company, EDP - Energias de Portugal SA, the portfolio sub-advisor initiated the position to invest more heavily in the renewable subsidiary.

In the first quarter of 2023, the portfolio sub-advisor initiated three new positions. Greenvolt-Energias Renovaveis SA is a Portuguese developer and operator of renewables in Europe, with a differentiated positioning as an active seller of developed assets and owner of distributed generation for commercial and industrial customers. Neoen SA is a French developer and operator of renewables, primarily in Europe and Australia, with a strong presence in storage and corporate power purchase agreements. The portfolio sub-advisor took advantage of the share price decline on the back of the company's announcement of an equity raise to finance its ambitious growth to 2026 and beyond. Dominion Energy Inc. was one of the worst performers in the Utilities sector last year on the back of the company launching a strategic review and investors' concerns surrounding the sustainability of its earnings. Corporacion Acciona Energias Renovables SA was sold as the company is facing delays deploying renewables assets and is therefore falling behind plan.

In the second quarter of 2023, we added Xinyi Energy Holdings Ltd., a pure solar operator in China, to the Fund. It is benefiting from sharply declining solar panel costs as it buys solar projects at a fixed multiple to the cost to build. Moreover, it has started to sell power to customers paying a premium for green power over the grid price. Sunrun Inc. was sold in light of the uncertainties following the introduction of NEM3.0 (California regulation) and troubles at several financial institutions that participate in rooftop ABS programs. The portfolio sub-advisor decided to step aside pending better clarity on the company's operating environment.

In the third quarter of 2023, a new position in Exelon Corp., the largest U.S. utility company and primarily an electricity transmission and distribution company, was added. The portfolio sub-advisor believes that the confirmation of its allowed regulated return should lead to a re-rating of the stock. The Fund exited its position in Orsted AS. Their write-down on U.S. offshore wind projects showed poor risk management and there is further risk of downside from commitments to suppliers. The Fund also exited its position in Brookfield Renewable Corp. In the context of higher interest rates affecting the ability to deliver dividends and growth, the portfolio sub-advisor is concerned that high leverage might become a burden as interest rates reset asset values.

### ESG Activities

The following environmental, social, and governance (ESG) activities are some of those undertaken during the period related to the Fund's investment objectives and strategies.

The portfolio sub-advisor eliminated the position in SSE PLC as it has been slow to migrate away from polluting generation and lags behind the progress made by peers. As such, SSE does not meet the Fund's emission requirements any longer.

NEI's Responsible Investing & ESG Services team (RI team) engaged four companies including Innergex Renewable Energy Inc., NextEra Energy Inc., and TransAlta Renewables Inc., on topics such as supply chain risks and biodiversity.

The RI team voted against management on 27% of the proxy items at 35 annual general meetings. They supported 76% of 21 shareholder resolutions filed on ESG topics such as director remuneration and board diversity.

### Recent Developments

At a minimum, the sector needs stability in interest rates to stabilize the net present value of operating cash flows and the value of growth. This is unfortunately an exogenous factor, but equally is not fundamental to operating earnings before interest and taxes (EBIT), as the return compression concerns occur in costs of capital discounting. As rates stabilize, this should provide a floor to the negativity surrounding the sector, and the portfolio sub-advisor then hopes a scenario of normalizing interest rates can be contemplated, which would be very positive. Ironically, the portfolio sub-advisor thinks several other sectors, such as commercial Real Estate or regional banking, which have real fundamental problems with asset integrity and mismatched assets and liabilities, could be the source of more severe market dislocations that feed into the general economy, slowing overall growth and providing a boost to the sector focus.

In the next few months, as the cost of equity might constrain the attractiveness of some companies' renewables projects, and share prices are not reacting to dividend yields of 6–11%, the portfolio sub-advisor expects some companies to cut their dividend to retain more cash and maintain some ability to grow. The portfolio sub-advisor sees almost no fundamental rationale for dividend cuts in the sector.

Fundamentally, demand is strong as the portfolio sub-advisor sees more evidence that electrification is happening, be it due to the large amount of electricity needed for data centres, artificial intelligence, or electric cars, to name a few. At the same time, electricity prices provide attractive levels of project returns.

Considering valuations, strength in demand, and where inflation and interest rate cycles are, the portfolio sub-advisor believes that an inflection point is being approached. The portfolio sub-advisor feels that the sector is getting closer to a point it will be time to be "greedy when others are fearful" (Warren Buffett).

The term of Marie Rounding ended on September 30, 2023. Ms. Rounding has served with distinction on the Independent Review Committee ("IRC") since 2014. After consulting with the Manager, the IRC determined it would replace Ms. Rounding with Caroline Cathcart. Ms. Cathcart was appointed as a new IRC member effective October 01, 2023, for a one-year term. As Ms. Rounding acted as the IRC chair after her term ended, Ms. McCarthy was appointed IRC Chair, effective October 5, 2023, and replaced Ms. Rounding in this role.

## Related Party Transactions

Northwest & Ethical Investments L.P. ("NEI LP") 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 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 transactions, and Desjardins Trust may act as the Fund's securities lending and 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.

The Fund is distributed through Credential Asset Management Inc., Credential Qtrade Securities Inc., and members of the Fédération and other nonrelated parties by way of shared ownership. NEI LP pays to these parties distribution and servicing fees based on a percentage of the daily values of the units of each held by the dealer's clients and additionally, in some cases, on the amount of initial purchase.

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 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	Sept. 2023	9.49	0.35	-0.24	-0.07	-2.24	-2.20	0.00	0.12	0.00	0.10	0.10	0.32	7.51
	Sept. 2022	10.00	0.21	-0.17	0.14	-1.55	-1.37	0.00	0.04	0.00	0.00	0.14	0.18	9.49
F	Sept. 2023	9.56	0.34	-0.14	-0.07	-2.18	-2.05	0.00	0.21	0.00	0.10	0.02	0.33	7.63
	Sept. 2022	10.00	0.21	-0.10	0.14	-1.41	-1.16	0.00	0.10	0.00	0.00	0.08	0.18	9.56
I	Sept. 2023	9.61	0.34	-0.04	-0.08	-1.84	-1.62	0.00	0.30	0.00	0.15	0.00	0.45	7.66
	Sept. 2022	10.00	0.21	-0.04	0.14	-0.45	-0.14	0.00	0.18	0.00	0.00	0.00	0.18	9.61
O	Sept. 2023	9.71	0.34	-0.05	-0.08	-1.98	-1.77	0.00	0.30	0.00	0.15	0.00	0.45	7.74
	Sept. 2022	10.00	0.12	-0.01	0.15	-11.45	-11.19	0.00	0.07	0.00	0.00	0.00	0.07	9.71
P	Sept. 2023	9.50	0.35	-0.22	-0.07	-2.51	-2.45	0.00	0.14	0.00	0.11	0.11	0.36	7.50
	Sept. 2022	10.00	0.27	-0.16	0.14	-1.51	-1.26	0.00	0.12	0.00	0.00	0.06	0.18	9.50
PF	Sept. 2023	9.57	0.35	-0.12	-0.07	-2.25	-2.09	0.00	0.24	0.00	0.10	0.03	0.37	7.62
	Sept. 2022	10.00	0.19	-0.09	0.14	-2.34	-2.10	0.00	0.09	0.00	0.00	0.09	0.18	9.57

(1) All per unit figures presented in 2023 are referenced to net assets determined in accordance with IFRS and are derived from the Fund's audited annual financial statements for the period ended September 30, 2023.

(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 before Waivers and Absorptions (%)	Trading Expense Ratio (%) <sup>(2)</sup>	Portfolio Turnover Rate (%) <sup>(3)</sup>	Net Asset Value per Unit (\$)
A	Sept. 2023	7,012	934	2.18	2.18	0.10	39.72	7.51
	Sept. 2022	3,192	336	2.20	2.20	0.25	16.50	9.49
F	Sept. 2023	5,832	764	1.07	1.07	0.10	39.72	7.63
	Sept. 2022	3,721	389	1.07	1.07	0.25	16.50	9.56
I	Sept. 2023	210,138	27,429	N/A	N/A	0.10	39.72	7.66
	Sept. 2022	177,569	18,475	N/A	N/A	0.25	16.50	9.61
O	Sept. 2023	4,148	536	0.06	0.06	0.10	39.72	7.74
	Sept. 2022	3,990	411	0.06	0.06	0.25	16.50	9.71
P	Sept. 2023	3,404	454	2.00	2.00	0.10	39.72	7.50
	Sept. 2022	1,267	133	2.03	2.03	0.25	16.50	9.50
PF	Sept. 2023	15,817	2,075	0.90	0.90	0.10	39.72	7.62
	Sept. 2022	6,744	705	0.90	0.90	0.25	16.50	9.57

(1) Management expense ratio is based on total expenses (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.

(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.

(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 from the Fund management fees, before HST, calculated daily on the net asset value of the Fund at an annual rate shown below. The Fund does not pay management fees for Series I and O units. 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 and PF 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	1.70	41.18	58.82
Series F	0.70	100.00	N/A
Series P	1.60	37.50	62.50
Series PF	0.60	100.00	N/A

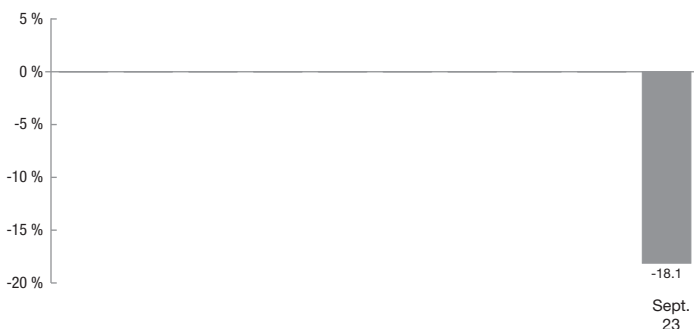
## Past Performance

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.

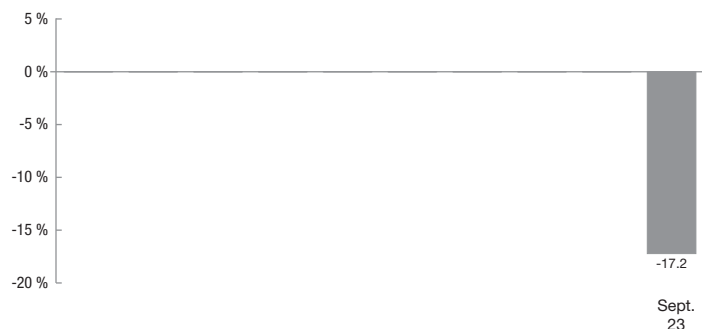
### Year-by-Year Returns

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. 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.

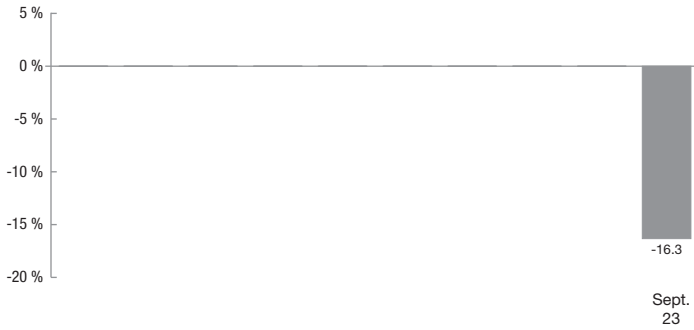
**Series A**



**Series F**



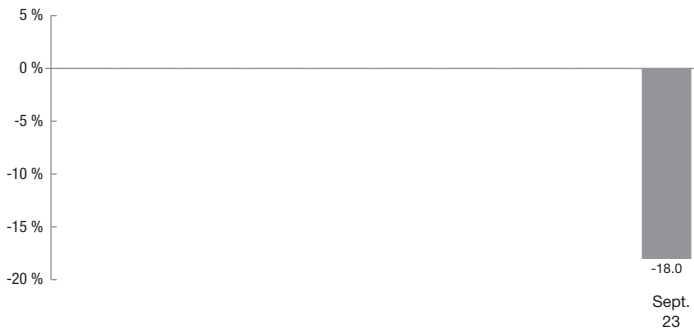
**Series I**



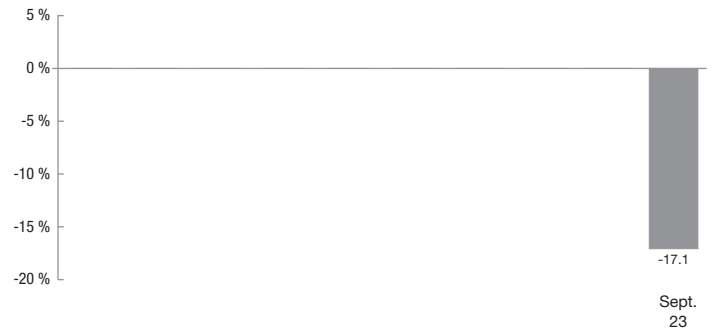
**Series O**



**Series P**



**Series PF**





## Annualized Compound Returns

The following table shows the annual compound returns for all series of the Fund. All returns are in Canadian dollars, on a total return basis, net of fees. For comparison, the returns for the benchmark are included. A discussion regarding the relative performance of the Fund is found in the Results of Operations section of this report and a description of indexes can be found in the Annualized Compound Returns section of this report.

The benchmark for this Fund is the S&P Global Infrastructure Index (C\$).

The S&P Global Infrastructure Index is designed to track companies from around the world chosen to represent the listed infrastructure industry while maintaining liquidity and tradability.

While the Fund uses this benchmark for long-term performance comparisons, it is not managed relative to the composition of the Index. As a result, the Fund may experience periods when its performance is not aligned with the Index, either positively or negatively. Please see the "Results of Operations" section of this report for a discussion of recent performance results.

Group/Investment	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Inception <sup>(*)</sup> (%)
S&P Global Infrastructure Index (C\$)	4.2	N/A	N/A	N/A	**
NEI Clean Infrastructure Fund, Series A	-18.1	N/A	N/A	N/A	-13.8
NEI Clean Infrastructure Fund, Series F	-17.2	N/A	N/A	N/A	-12.8
NEI Clean Infrastructure Fund, Series I	-16.3	N/A	N/A	N/A	-11.9
NEI Clean Infrastructure Fund, Series O	-16.4	N/A	N/A	N/A	-11.9
NEI Clean Infrastructure Fund, Series P	-18.0	N/A	N/A	N/A	-13.7
NEI Clean Infrastructure Fund, Series PF	-17.1	N/A	N/A	N/A	-12.7

\*Since inception returns are not provided for series that have been in existence for more than 10 years.

\*\*The return of the benchmark since inception for each applicable series is as follows: Series A: 0.7%, Series F: 0.7%, Series I: 0.7%, Series O: 0.7%, Series P: 0.7%, Series PF: 0.7%.

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## Summary of Investment Portfolio as at September 30, 2023

Total Net Asset Value: \$246,351,956

Top Holdings		%	Net Asset Value Mix		%
1	Cash and Equivalents	9.5	Equity		90.5
2	ERG	5.8	Cash and Equivalents		9.5
3	NextEra Energy	5.6	Total		100.0
4	Clearway Energy, Class C	5.4			
5	ReNew Energy Global, Class A	4.9			
6	Drax Group	4.8			
7	Atlantica Sustainable Infrastructure	4.7			
8	Dominion Resources	4.1			
9	Public Service Enterprise Group	3.9			
10	Edison International	3.6			
11	Innervex Renewable Energy	3.4			
12	Elia Group	3.4			
13	NextEra Energy Partners	3.4			
14	Encavis	3.3			
15	Terna—Rete Elettrica Nazionale	3.2			
16	Energias de Portugal	3.2			
17	Exelon	3.0			
18	Neoen	2.7			
19	China Longyuan Power Group	2.6			
20	Greencoat UK Wind	2.5			
21	TransAlta Renewables	2.3			
22	Enel	2.2			
23	RENOVA	2.2			
24	Constellation Energy	1.9			
25	EDP Renovaveis	1.8			
	Total	93.4			

Sector Allocation		%
Utilities		86.7
Cash and Equivalents		9.5
Financials		2.5
Energy		1.3
Total		100.0

Geographic Distribution		%
United States		35.6
Other Countries		25.8
United Kingdom		12.2
Italy		11.2
Cash and Equivalents		9.5
Canada		5.7
Total		100.0

"Other Countries" geographic category includes all countries individually representing less than 5% of the Fund's net asset value.

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