

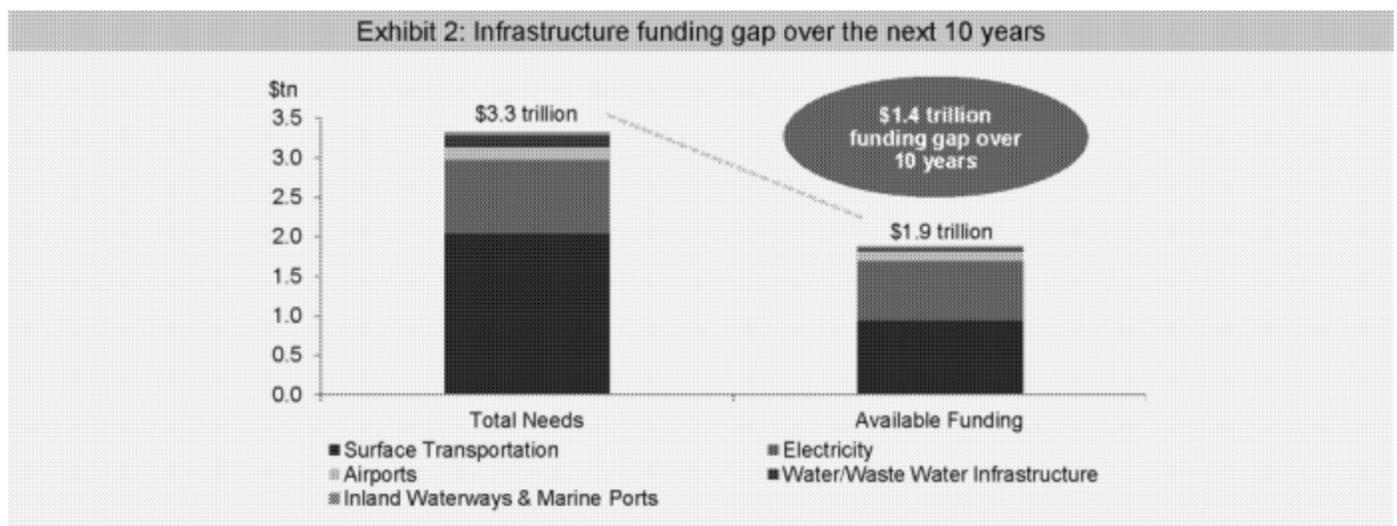
Investment Opportunity

The Portfolio Advisor believes there is a significant opportunity to achieve attractive risk-adjusted returns through the Issuer's investment strategy as the long-term need for dedicated private infrastructure debt capital is expected to be driven by the following trends:

Long-term need for infrastructure investment

As infrastructure funding needs increase, more private capital, both equity and debt, will be required to replace and augment inadequate public funding. The need for infrastructure investment has been growing globally due to demographic and macroeconomic trends coupled with historical underinvestment.

Traditionally, most U.S. infrastructure funding has been provided by the public sector. The level of such funding from the public sector has declined over time. According to a report by The American Society of Civil Engineers ("ASCE") the total shortfall in infrastructure funding over the next 10 years is estimated to be \$1.4 trillion¹⁰ (i.e. approximately \$140 billion per annum) as illustrated in Exhibit 2 below.



Source: "Failure to Act" by the American Society of Civil Engineers report, 2016

In addition to public spending on infrastructure assets, the following trends are likely to drive future deal flow assuming requisite available private Event-Driven financing:

- Unbundling of regulated transmission and distribution networks from generation and supply (electricity and natural gas);
- Operating renewable energy assets with appropriately seasoned track records for financing;
- Continuing divestitures and privatizations of seaports, toll roads, airports and telecommunication assets;
- Consolidating fragmented ownership of existing private infrastructure assets; and
- Maintaining and upgrading existing privately owned or operated infrastructure assets.

¹⁰ Source: "Failure to Act" by the American Society of Civil Engineers report, 2016