Starlight Capital
FOCUSED INVESTING

Why invest in **infrastructure?**

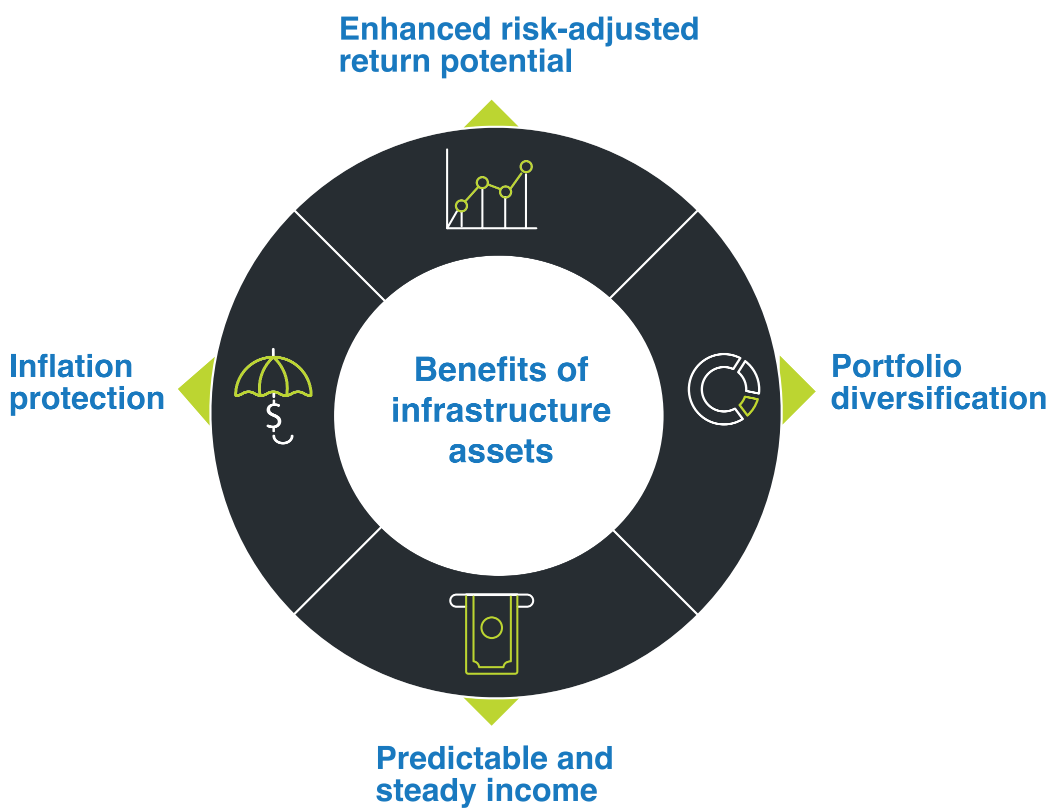
As the world's population grows and becomes more urban, there's a greater need to update and expand the infrastructure of many cities. Transportation networks, energy distribution and communications systems all need updates to serve a growing and diverse population. Private equity and pension plans have allocated capital to infrastructure investments for more than a decade. Retail investors seeking long-term growth and income have begun to follow their lead.

Infrastructure attributes

Infrastructure assets tend to be long-lived and capital intensive and provide essential services for the efficient functioning of global economies.

Subsectors:

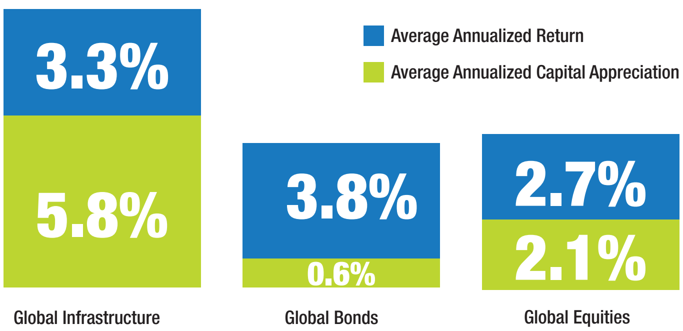
- Transportation
- Communications
- Renewable Power
- Utilities
- Energy
- Consumer discretionary
- Financials
- Telecommunications sectors
- Information
- Technology
- Real estate



Enhanced risk-adjusted return potential

Over the last decade, global infrastructure securities have delivered higher total returns than global equities and global bonds*. The strong operational leverage in most infrastructure firms' business models, combined with high barriers to entry produce sustainable, long-term returns in the form of attractive dividend income and capital appreciation.

10-Year Income Returns and Capital Appreciation: Global Listed Infrastructure vs. Equities & Bonds



Source: Bloomberg as of March 31, 2016. Global Infrastructure represented by the Dow Jones Brookfield Global Infrastructure Index; Global Bonds represented by the Barclays Aggregate Global Corporate Bond Index; Global Equities represented by the MSCI World Index.

Portfolio diversification

Historically, the performance of infrastructure securities has exhibited low correlation with other asset classes†. This means that adding infrastructure securities to a portfolio should enhance diversification and result in the portfolio generating higher returns for the same amount of risk.

Infrastructure correlations July 2000 – September 2015

	Canadian Equities	U.S. Equities	Non U.S. Equities	Global Bonds	Global Infrastructure
Canadian Equities	1.00				
U.S. Equities	0.80	1.00			
Non U.S. Equities	0.82	0.87	1.00		
Global Bonds	0.25	0.10	0.33	1.00	
Global Infrastructure	0.67	0.66	0.80	0.43	1.00

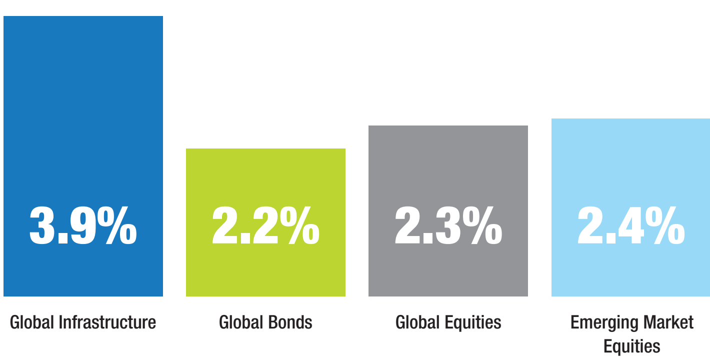
Source: Infrastructure Investing: A Distinct Asset Class, InstarAGF, October 8, 2015

† Correlation measures the extent to which two items move in the same direction. A correlation value of 1 means two items move closely in the same direction, while 0 means they do not move closely at all in either direction, and -1 means the items move in opposite directions.

Predictable and steady income

Many infrastructure assets operate as government-regulated monopolies and, as a result, enjoy high barriers to entry. These monopolies have lasted for decades and can produce consistent cash flow and dividends that are positively levered to economic growth.

Dividend Yield Comparison

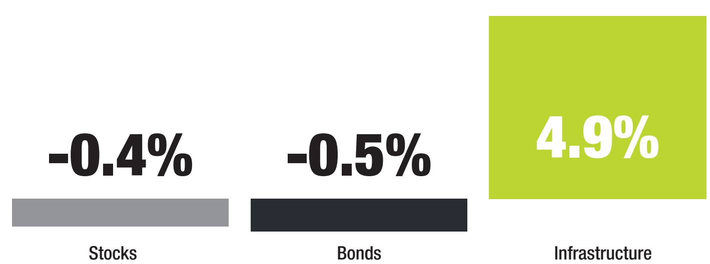


Source: Fiera Capital, Bloomberg, dividend yield as of December 31, 2017. Global Infrastructure, Global Bonds, Global Equities and Emerging Market Equities figures are represented by the following respective indices: S&P Global Infrastructure Index, DofA Merrill Lynch Global Government Bond II Ex Canada Index, MSCI World Index and MSCI Emerging Markets Index.

Inflation protection

Revenues for many infrastructure assets are tied directly to inflation, providing a natural hedge and real long-term returns*. For other infrastructure assets, such as water and electricity utilities, the necessity of their services generates strong revenue and cash flow growth over the long term as consumers absorb price increases.

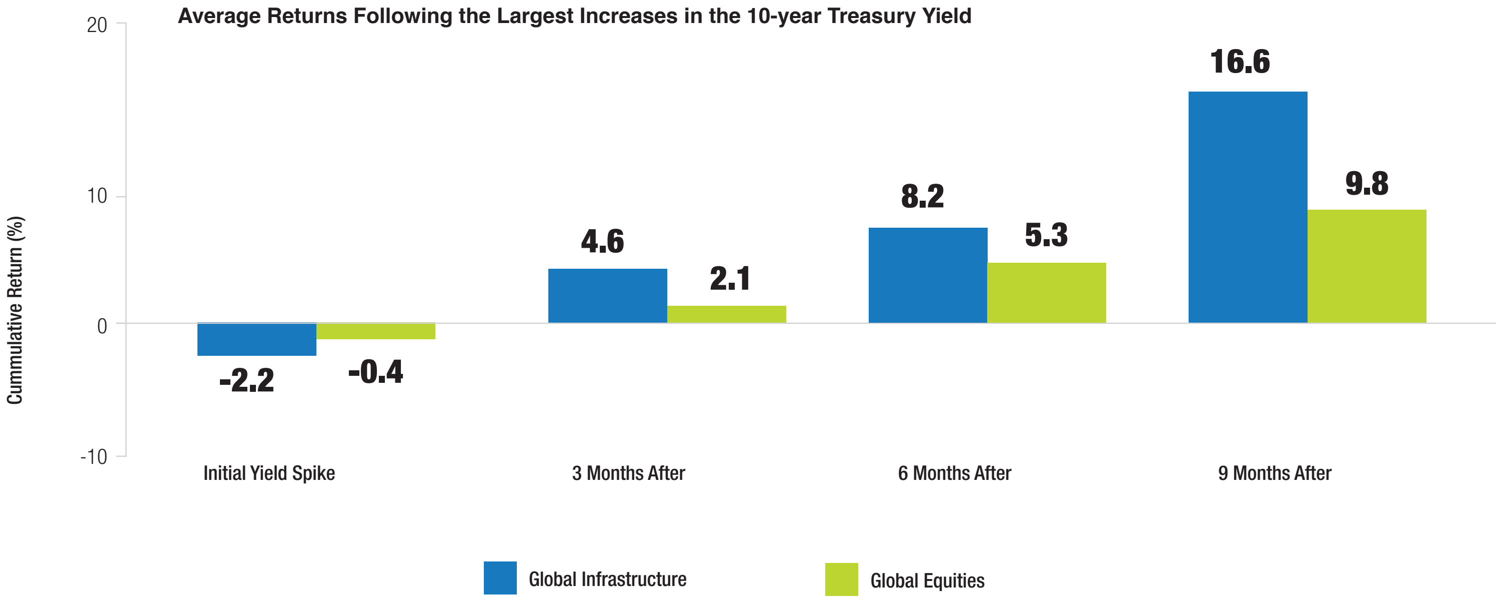
Sensitivity to Unexpected Changes in Inflation (1991-2017)



As at December 31, 2017. Source: Bloomberg and Cohen & Steers. Data quoted represents past performance, which is no guarantee of future results. There is no guarantee that any historical trend illustrated herein will be repeated in the future and there is no way to predict precisely when such a trend will begin. Stocks represented by the S&P 500 Index. Bonds represented by the BofA Merrill Lynch U.S. 7- 10 Year Treasury Index. Infrastructure represented by a 50/50 Blend of the Datastream World Piplelines and Datastream World Gas, Water & Multi-Utilities through July 2008 and the Dow Jones Brookfield Global Infrastructure Index thereafter. Inflation sensitivity based on a linear regression analysis of 1-year real returns and the difference between the realized inflation rate (y/y change in the Consumer Price Index) and the lagged 1-year- ahead median inflation estimate from the University of Michigan survey of consumers.

Infrastructure assets generate strong total returns during rising interest rate environments

Historically, economic expansion has eventually resulted in higher inflation and interest rates. Infrastructure firms have performed well during periods of economic expansion as many of their assets benefit from rising utilization and pricing. Infrastructure equities have historically outperformed global equities when long term bond yields have risen.

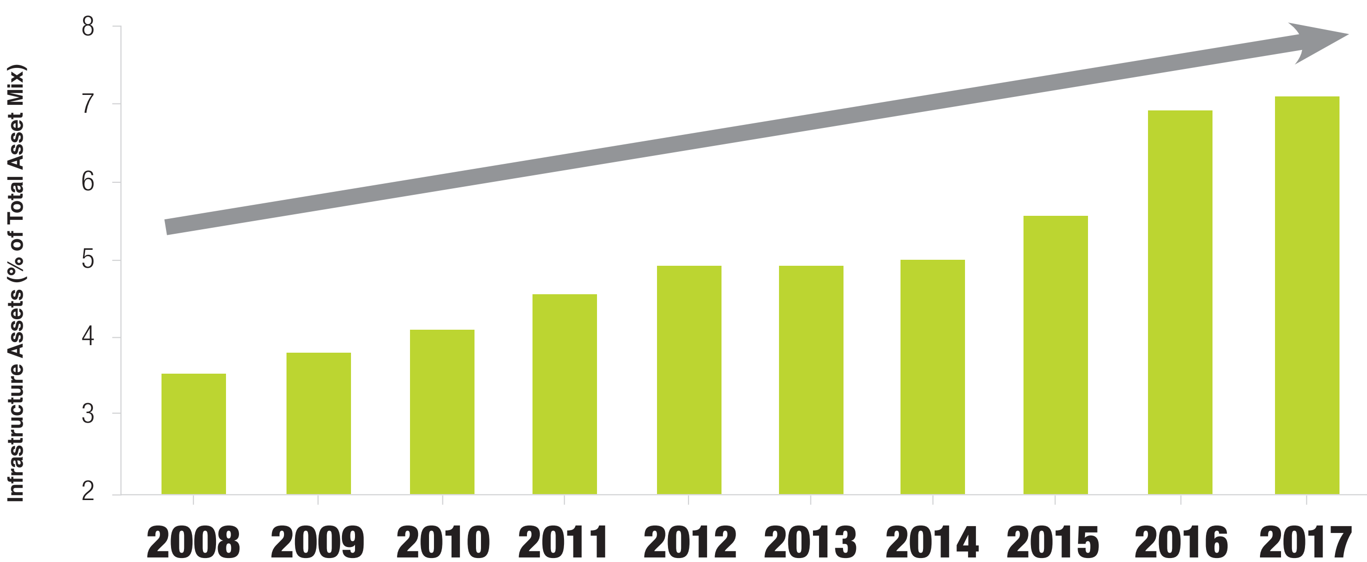


As December 31, 2017. Source: Cohen & Steers, Morningstar.
Data quoted represents past performance, which is no guarantee of future results. There is no guarantee that any historical trend illustrated herein will be repeated in the future, and there is no way to predict precisely when such a trend will begin. (a) Time periods determined by ranking 30-day increases in the 10-year U.S. Treasury yield since 2000 (discarding overlapping periods of lesser yield increases), measuring average index returns in those 30-day periods and the ensuing 3-, 6- and 12-month periods thereafter.

Pension funds increasing infrastructure investments

Large pension funds have continued to increase their allocations to infrastructure. Between 2008 to 2017 the top 100 pension plans in Canada steadily increased their total allocation to infrastructure from approximately $29 billion or 3.59 per cent to over $150 billion or 7.11 per cent of their combined assets under management (AUM).

Infrastructure Asset Mix of DB Plans of Sponsor Organizations Infrastructure (% of total)



Source: Data from December 31, 2008 – December 31, 2017. Pension Investment Association of Canada

Access global real estate with Starlight Capital

Starlight Capital is an independent Canadian asset management firm. We are investment led and client-focused. We believe investing is about finding great businesses that will do well over long periods of time. When we find these businesses, we conduct our own independent analysis and take meaningful positions when the risk/reward outlook is favourable.

Starlight Capital approach:

1 **Differentiated investment solutions:** Concentrated global portfolios of high-quality real asset businesses offered through mutual funds, exchange-traded funds and structured products.

2 **Disciplined investment approach:** We strive to deliver superior, risk-adjusted, long-term returns for investors through our proprietary investment strategy - Focused Business Investing. We build concentrated portfolios of high-quality businesses when they offer us sufficient return for the risk incurred.

3 **Deep expertise:** Investment team with more than 20 years of experience managing more than $2 billion of global real estate and infrastructure securities. Dennis Mitchell, CEO & CIO of Starlight Capital, has led investment teams of more than 30 people and exercised oversight of more than $18 billion in AUM.

The Starlight Global Infrastructure Fund is an opportunity to invest in large assets that provide essential services in cities throughout the world.

Learn more at starlightcapital.com or speak to your advisor.

*Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Please read the prospectus before investing.

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