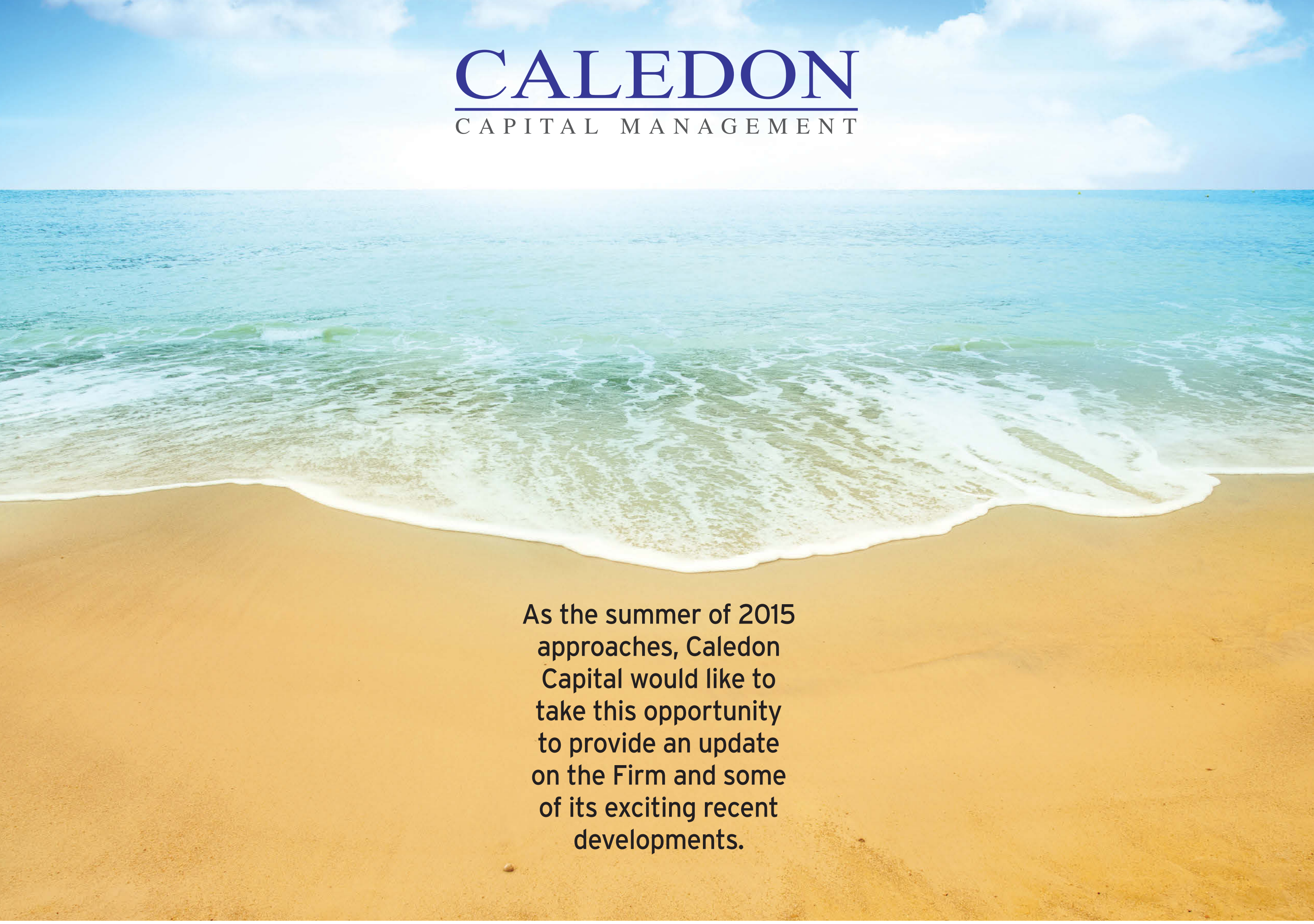


CALEDON

CAPITAL MANAGEMENT

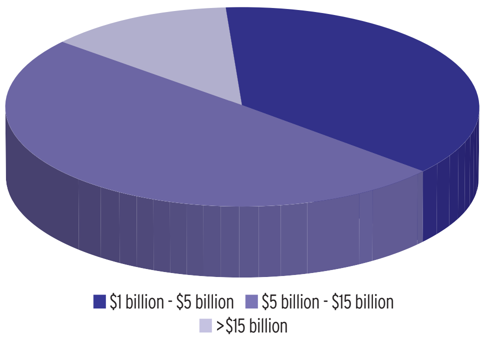
As the summer of 2015 approaches, Caledon Capital would like to take this opportunity to provide an update on the Firm and some of its exciting recent developments.

The Firm has continued to expand its client base and now represents institutional investors with plan assets exceeding $60 billion. Caledon has also added more people to its investment, back-office and business development teams, as well as its advisory committee in order to continue to provide high-quality advisory and portfolio management services to its clients.

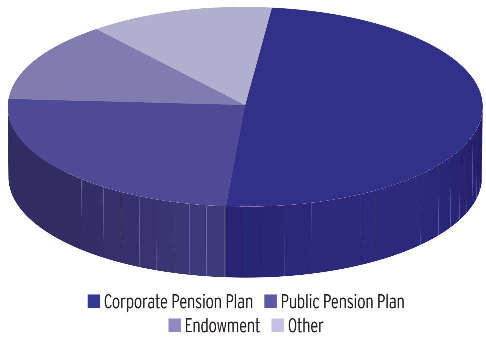
Client Updates

Caledon has recently added two new clients and now oversees more than $5.5 billion on behalf of a diverse set of North American clients.

Caledon Clients
By Total Plan Size



Caledon Clients
By Investor Type



David Turner Joins Caledon's Advisory Committee

The Caledon Advisory Committee is an important element of Caledon's governance and internal controls and is comprised of highly-qualified and experienced former senior pension plan, private equity and infrastructure investment executives with private markets and governance experience.

The most recent addition to our Advisory Committee is **David Turner**. David has over 30 years of experience in private markets investing and portfolio management. He was most recently Managing Director and Head of Private Markets for the Guardian Life Insurance Company of America from June 2007 until retirement in June 2014. Previously, he was the Director of Alternative Investments and Senior Fiduciary for the State of Michigan Retirement Systems Pension Plan.

We've Expanded Our Team

The Caledon team has recently grown with new investment, business development and back-office professionals:

Stephen Dowd (Partner) – Stephen joined Caledon in 2014 and has over 24 years of extensive global infrastructure experience. Prior to joining Caledon, Stephen was Senior Vice-President, Infrastructure and Timberlands at the Ontario Teachers' Pension Plan where he was responsible for over $11 billion of real assets. The infrastructure portfolio included direct equity ownership in power generation, pipeline, water and natural gas distribution, terminal, airport and rail assets. Previously, Stephen worked in investment banking and in the energy and infrastructure sectors in the US and the UK. Stephen received his Bachelor of Arts with Honours from Princeton University and his Master of Business Administration from the Tuck School of Business at Dartmouth.

Igor Nirenshtein (Associate, Business Development) – Prior to joining Caledon, Igor was an Associate at Resilience Capital, a mid-market private equity firm. Igor also completed a summer term at BMO Capital Markets as an Investment Banking Associate in the Real Estate Group. Previously, Igor worked at Fidelity Investments as an Associate on the sales team and Setter Capital as an Analyst. Igor received his Bachelor of Commerce (Hon.) from McMaster University and his MBA from the University of Toronto. He holds a Chartered Alternative Investment Analyst designation.

Zi Zhang (Senior Financial Analyst) – Prior to joining Caledon, Zi was a Senior Accountant with Deloitte LLP - Assurance & Advisory, working primarily on audits of financial institutions. Zi graduated with her Bachelor of Mathematics from Waterloo (Honours Mathematics / Chartered Accountancy), where she

also received her Masters of Accounting. Zi is a Chartered Professional Accountant (CPA), Chartered Accountant (CA) and a candidate for the CFA program, having completed all three levels of the CFA exams.

Ibrahim Aleem (Analyst) – Ibrahim recently joined Caledon and was previously an Analyst at Osprey Capital Partners, an independent investment bank servicing the Canadian mid-market. He also completed three co-op terms at Ontario Teachers' Pension Plan. Ibrahim received his Bachelor of Business Administration with High Distinction from the University of Toronto.

Caledon's Office Has Moved

Caledon has once again outgrown its space and recently moved. We are now occupying the majority of the 15th floor at 141 Adelaide St. West, in Toronto.

Interview with Stephen Dowd

Stephen Dowd recently joined Caledon after having spent over seven years with the Ontario Teachers' Pension Plan ("OTPP") running its infrastructure and timberland program. Steve comes to Caledon with a wealth of knowledge and experience in the global infrastructure investment world. We decided to sit down with him to get some of his thoughts on infrastructure and trends in the industry.

Question
What are the biggest differences between managing the $11 billion infrastructure portfolio at OTPP and the smaller infrastructure portfolios of some of Caledon's clients?

Answer
Working at OTPP provides you with a great amount of deal insight since we had a very large and experienced staff and access to high quality deal flow. We led and co-led transactions with like-minded partners. That experience needed to be adapted at Caledon for our clients' portfolios. We work hard to club our clients together and aggregate their capital so that the combined investment is larger and our clients have a bigger voice whether as investors in managed funds or directly into particular assets. This enables our clients to access a broader range of investment opportunities on better terms. We generally won't be leading deals but rather partnering with other experienced investors. Having led many deals at OTPP, I know what to look for in an investment and a lead investor, and this knowledge is critical in choosing who to partner with for long term results.

Question
Are there any critical principles that applied at OTPP that you feel are equally or more relevant to the Caledon infrastructure strategy?

Answer
It's critical to always be clear on the core characteristics of an asset class. Once you have identified what those are, you can decide how much risk you are willing to take as an investor and how those risks balance against the whole portfolio. At OTPP we had risk metrics for infrastructure that we followed based on our risk appetite. At Caledon we use similar metrics, customized together with our clients to assess which investments fit in their portfolio. This enables us to have an ongoing dialogue with our clients to make sure that we are providing them with the appropriate investment opportunities. What I learned over my career is that a great investment is very dependent on who it is made for. At Caledon, we are very aware of what our clients' risk appetite is and incorporate it when conducting due diligence on their behalf.

Question
How has infrastructure evolved since you started your career?

Answer
Over the past 10 years infrastructure has been more widely

recognized as a distinct asset class with diversification benefits to a broader portfolio. With this recognition, new investors have entered the space creating a heighted level of competition. Three broad themes have developed in the market: first, returns have decreased as demand has risen and assets have become more expensive; second, there is a wider variety of assets and therefore risks in the asset class; and third, investors are significantly under-allocated to infrastructure. As investors work towards their desired allocations, asset prices are likely to continue to rise. What I witnessed at OTPP and now at Caledon is that good investors adapt to the investment climate in which they are operating. What we endeavour to do at Caledon is to make sure we think of investment decisions objectively rather than attempt to chase returns. While the market can appear to some to be overheated, the key is identifying opportunities that provide an attractive return at an appropriate risk level. A final point is that there is a greater depth of understanding of the ongoing nature of owning assets. While infrastructure assets tend to be lower-risk, lower-return assets than some other alternatives, they are operating businesses subject to all the vagaries existing in an ever changing world; they aren't pieces of paper and require diligent management.

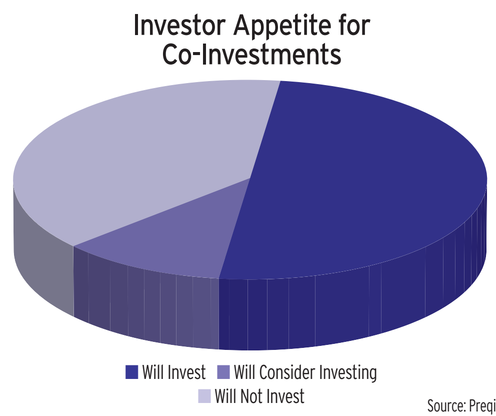
Question
What is your outlook for the future of the asset class?

Answer
It seems to me that infrastructure is following a similar path to real estate but it is 10 to 15 years behind. I believe that returns in the two asset classes will converge. As the space evolves, there continues to be sharper definition of what infrastructure is, and more interest in the asset class. Investors will continue to deploy their allocations and returns are more likely than not to continue to compress. However, more assets will become available for purchase, including PPPs and secondary sales. Large funds will continue to be a dominant force in the industry but other pools of infrastructure capital will emerge to influence the market.

Infrastructure Market Commentary

With the growing popularity of infrastructure as an asset class, fundraising activity has grown in 2014 with over $37 billion raised through July of last year and $200 billion over the last six years. It is also worthwhile to note that North American infrastructure funds have received 65% of these flows. Within the infrastructure landscape, large funds ($2bn+) continue to be the biggest fundraisers, however smaller funds are also seeing increasing traction. It is no surprise that a recent Preqin report suggests that over 85% of infrastructure investors are looking at maintaining or increasing their infrastructure allocation. Given the plethora of new investment opportunities, investors must carefully select fund managers to achieve their required returns.

In addition to selecting fund managers, co-investing is generating a significant amount of interest. Nearly 60% of investors surveyed by Preqin are considering co-investing as a way of gaining access to the space. The benefits of co-investing include lower fees as well as more control and transparency, however many risks loom for those willing to take the plunge. Investors may find themselves time constrained in order to close an investment and picking the right co-investment partners is increasingly challenging. Co-investing can most definitely lead to higher returns through lower fees, but it can also lead to greater risks without an experienced team steering the investor to the correct opportunities.



Source: Preqin, 2014

CALEDON
CAPITAL MANAGEMENT
141 Adelaide Street West, Suite 1500, Toronto, Ontario, Canada M5H 3L5 • Tel: 416-861-0700 Fax: 416-861-0770 • info@caledoncapital.com