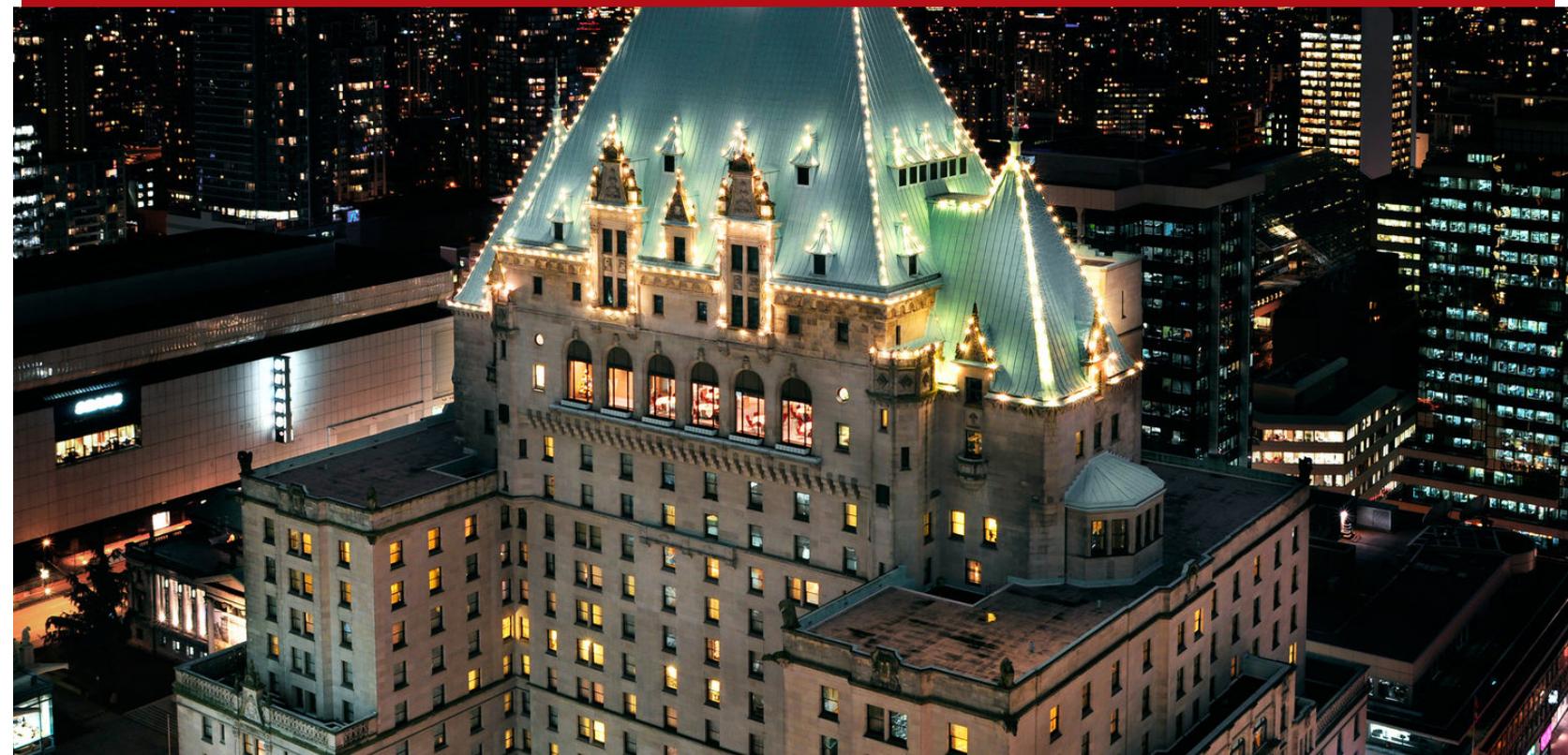


Pepperdine Endowment and a Peppering of Best Ideas

*How a major endowment allocates to alternatives
plus a plethora of great ideas!*



CAASA
CANADIAN ASSOCIATION OF
ALTERNATIVE STRATEGIES & ASSETS



Thursday, October 3rd
Fairmont Hotel Vancouver
900 West Georgia Street, Vancouver, BC

CAASA ANNUAL CONFERENCE



**MONDAY, NOVEMBER 4 &
TUESDAY, NOVEMBER 5, 2019**

**FAIRMONT QUEEN ELIZABETH HOTEL
MONTRÉAL, QUÉBEC, CANADA**



**INVESTORS, ASSET MANAGERS & SERVICE PROVIDERS FROM ACROSS CANADA AND
AROUND THE WORLD**

SPECIAL DAY 1 SESSIONS FOR INVESTORS & SPONSORS

TÊTE-À-TÊTE SCHEDULED MEETINGS FOR ALL

**EXCLUSIVELY FOR CAASA MEMBERS AND REAL MONEY INVESTORS SUCH AS SFOs,
SWFs, PENSIONS, FOUNDATIONS, AND ENDOWMENTS**

MAXIMUM ROOM CAPACITY: 200

Afternoon of Alternatives

Pepperdine and a Peppering of Best Ideas

Thursday, October 3rd, 1:30pm - 5:00pm
Hotel Vancouver
Vancouver, BC



Keynote, Best Ideas & Table Talks

Your opportunity to hear how a progressive endowment uses alternatives.

1:30pm - Registration

2:00pm - Keynote - Using Alts in a Portfolio Setting

2:30pm - Best Ideas (4mins + 2mins Q&A)

3:30pm - Table talks (3x 10-minute rounds)

4:00pm - Reception

5:00pm - End

These short sessions are designed to give investors a briefing on each manager/idea in attendance. Table talks are where investors and advisors can get more information and ask in-depth questions. A background information Spotlight Booklet will be produced.



Michael Nicks

Director of Investments
Pepperdine University
Endowment
Keynote speaker

Participating Managers:



Julian Klymochko
Founder & CEO
Accelerate Financial
Technologies



Kerry Stirton
Managing Partner
Alignvest Investment
Management



Jason Jogia
CIO
Avenue Living Asset
Management



Matt Zabloski
Founder & Lead Portfolio
Manager
Delbrook Capital Advisors



Anthony Guarnieri
District VP
Group RMC



Travis Dowle
President & Fund Manager
Maxam Capital Management



Guy Caplan
Founder
Pilot House Capital



Fraser McEwen
Partner
Slate Securities



Yu-Jia Zhu
Co-Founder and CIO
White Crane Capital Corp.



Lisa Stewart
Associate Vice President,
Capital Markets
Neighbourhood Holdings

This event is exclusive to pension plans, endowments, foundations, single family offices, investment advisors, and CAASA members in the multi-family office, consultant, and service provider categories only - as well as CAASA manager members who are speaking. If you have any questions, please contact the CAASA office (paul@caasa.ca or 416 953-0737).

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Athas Kouvaras | 1-844-335-9372 | aspf@alignvest.com

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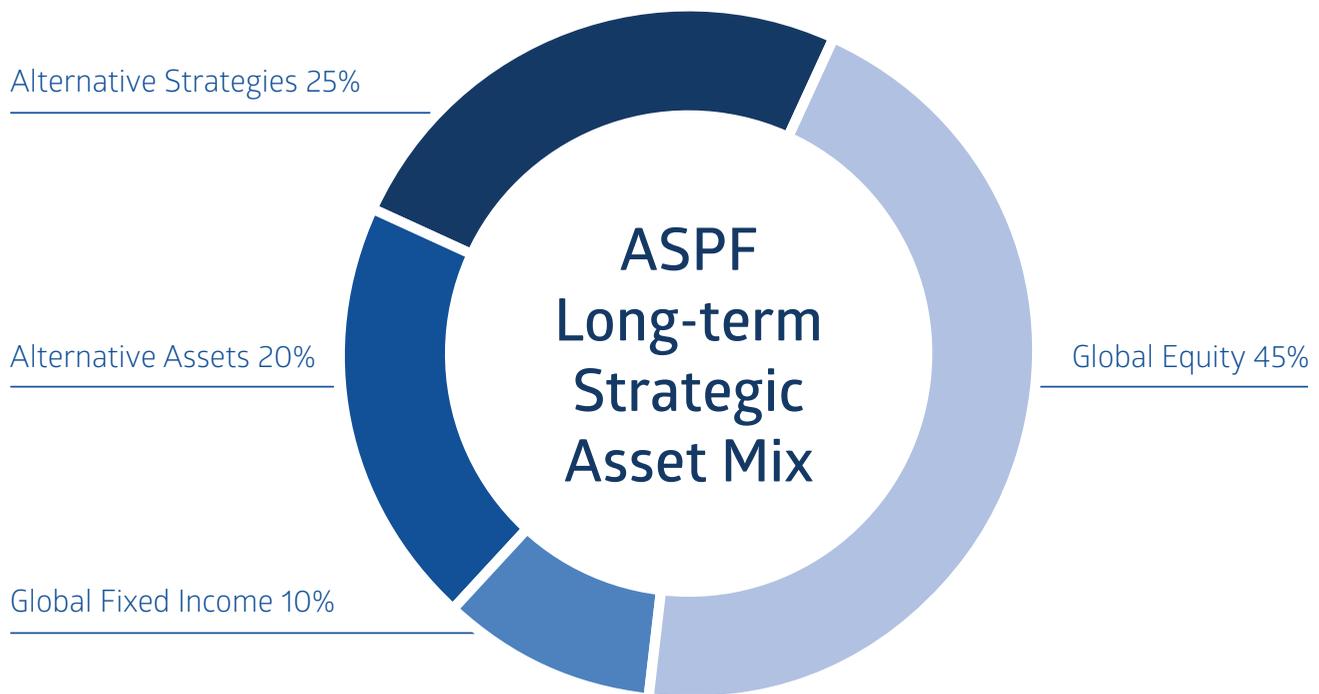
Important information about this Fund, including its investment objectives and strategies, purchase options, and applicable management fees, performance fees, and expenses, is contained in its offering memorandum. Commissions, trailing commissions, management fees, performance fees, other charges and expenses all may be associated with investing in this Fund. Please read the offering memorandum before investing. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

Upgrade your risk and reward profile by adding true global diversification, alternative investments, and institutional-quality portfolio construction.

Why shift from 60/40?

Many leading strategists believe that a typical portfolio of 60% equity and 40% bonds is expected to earn half the return over the next 10 years¹ compared with the previous few decades with similar volatility.

All investors need real diversification, across and within asset classes, implemented by a team that understands sophisticated risk management and alternative ways to generate returns.



¹McKinsey & Company: "Why investors may need to lower their sights"

Avenue Living Real Estate Core Trust

Fund Summary as of August 30, 2019



Initial NAV
\$10.00 / Unit



Current NAV
\$10.15 / Unit



LTV
59%



Targeted Annual Yield
7% (\$0.70 / Unit)



Distributions
Return of Capital



Target Net Returns (Annualized)
8% - 12%



Avenue Living Real Estate Core Trust (the “Core Trust”) is an income producing, diversified private real estate income trust, which provides exposure to multi-residential rental properties across 15 markets in Western Canada through the Core Trust investment in Avenue Living (2014) LP (the “Partnership”). Since its beginnings in 2006, the Partnership has rapidly grown its portfolio to include over 7,700 multi-residential units and 48,413 sf of commercial area, totaling over \$1.2 billion in AUM.

INVESTMENT BENEFITS

WORKFORCE HOUSING = ESSENTIAL WORKERS

MANAGEMENT TEAM

- Diversification and reduced portfolio volatility as a result of geographical and product diversification while offering a passive stable income stream
- Monthly return of capital distributions with the opportunity for long-term growth through asset appreciation
- Maximization of unit value through active portfolio management, increasing occupancy and increasing market rents
- Strong track record of acquiring assets below stabilized market value and add value through repositioning and improved vertically integrated property management
- We have strategically aligned our multi-residential assets to focus on Workforce Housing, not to be confused with affordable housing or workcamps, Workforce Housing caters to a city’s “essential workers” who are overqualified for affordable housing yet may not be able to afford average market-rate homes, whether for rent or purchase.
- The Canadian Workforce Housing population makes up almost 40% of provincial populations on average (Source: Statistics Canada)
- Our 15 markets are diversified economies driven by various sectors such as healthcare, agriculture, retail trade, and construction (limited exposure to oil and gas centric markets)
- Collectively, the Management team has over 100 years in multi-residential rental property acquisitions, commercial financing, condominium conversions, portfolio assembly and real estate trust management
- Over \$240M in Founders equity in the capital stack and pari passu with Core Trust investors

TRUST DETAILS

Fund Type Open-ended Mutual Fund Trust
Fund Status Offering Memorandum
Fund AUM ~\$1.2 Billion
Investment Minimum \$5,000
Registered Plan Status Eligible (RRSP, RRIF, LIRA, TFSA)
Purchases Monthly
Redemptions Monthly
\$50,000/month subject to liquidity and notice
MER 2018: 1.91%
Refer to Offering Memorandum
Auditors Ernst & Young
External Legal Counsel Fasken Martineau DuMoulin LLP

FOR FURTHER INFORMATION:

Emily Newman, VP Business Development
enewman@avenueliving.ca

Ken Lee, VP Business Development
klee@avenueliving.ca

DELBROOK CAPITAL – FIRM PROFILE

Firm Overview

Delbrook Capital Advisors Inc. is an independent investment fund manager located in Vancouver, British Columbia. The Firm focuses on investment opportunities in the “hard asset” sectors, specifically materials, and manages one of the few equity long/short strategies globally. The firm was founded by Portfolio Manager, Matthew Zabloski in 2013. Delbrook manages capital across various mandates, including two open-end alternative funds: the Delbrook Resource Opportunities Fund, a Canadian Mutual Fund Trust & the Delbrook Resource Opportunities Master Fund LP, an offshore partnership – both consistently ranked in the top decile globally vs. peers.

The Funds invest primarily in publicly listed companies which are focused on hard asset opportunities in precious, base, energy and industrial metals production and exploration. As a compliment to bottoms up security selection, the team focuses on opportunities which are positioned to benefit, or be disrupted by, changing structural and global trends – including the growth in electric vehicles (EV) and the consolidation within the sector.

Contact Details

Delbrook Capital Advisors Inc.
Suite 650 - 1021 West Hastings Street
Vancouver, BC V6E 0C3
Canada

Telephone: 604.229.1450
Email: adam@delbrookcapital.com

Matthew Zabloski: Founder / Portfolio Manager



Mr. Zabloski is the Managing Director of Delbrook Capital Advisors. He has over 15 years of capital markets experience, 6 years of which were spent as a Portfolio Manager at Fidelity Management and Research Company. At Fidelity, Mr. Zabloski managed over a billion

dollars in sector focused capital, consistently ranking among the top performing investment managers.

In 2008, Mr. Zabloski co-founded CI Cambridge Advisors, a Boston based investment manager that grew from less than \$10 million to nearly a billion dollars in assets under management during its first two years of business. Most recently, Mr. Zabloski was named as a founding board member of the Shareholder Gold Council (SGC). Mr. Zabloski holds an MBA and an Honors BA from the Richard Ivey School of Business at the University of Western Ontario.

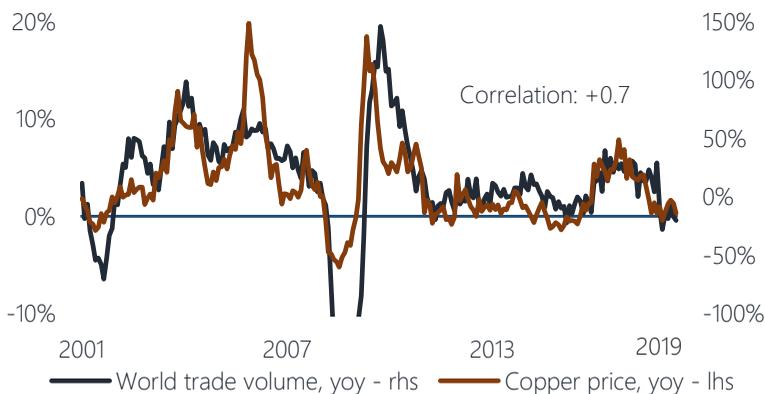
PEAK PESSIMISM IN THE COPPER MARKET IS ENDING

Introduction:

The constant stream of negative trade rhetoric since mid 2018 has overshadowed the strong underlying fundamentals of copper, resulting in an over 20% price decline in the last 18-months. High quality equities have fallen out of favor– a trend that we believe will reverse in the near term. Our highest conviction ideas remain First Quantum Minerals (TSX:FM) and Ivanhoe Mines (TSX: IVN). A few data points that support our constructive outlook for copper are below.

- With a beta of four, Copper is the most closely correlated metal to global trade and GDP growth.
- Historically, there is a strong inverse relationship between US dollar and copper prices. More recently, copper and US dollar correlation has reached -0.6.
- Most importantly, we believe copper is significantly mispriced both in LME terms and contract markets, given current demand/supply fundamentals. The market has switched from a surplus to a sizeable deficit of 420Kt for 2019, the widest in 15 years. This deficit is expected to continue for the next 2-3 years, which will result in upward pressure on prices.

Weakness in global trade has been a key headwind



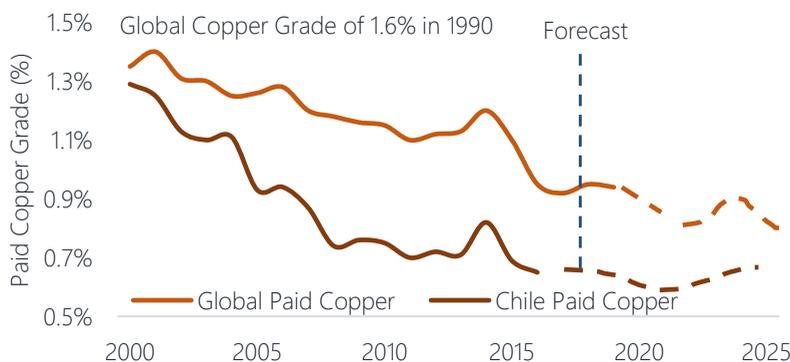
A stronger USD, partly due to trade war, has hurt copper



Source: CPB / Bloomberg / Delbrook Capital

Regardless of the outcome of trade negotiations, we expect the US dollar to decline due to increasing economic concerns and easing of monetary conditions by the Fed. Our conviction in a rising copper prices comes from our belief that the underlying fundamentals, driven by a lack of new supply coming online and decreasing head grades, are very constructive. We see copper significantly undervalued relative to other metals as neither LME prices nor subdued premia are currently pricing in the strong supply fundamentals of the market. We expect a strong micro backdrop combined with net short positions near their 2016 lows to lead to a sharp price increase once the macro picture improves.

Copper grades have significantly decreased



Weakest copper supply growth in a decade (2019-2021)



Source: Wood Mackenzie / Bloomberg / Delbrook Capital

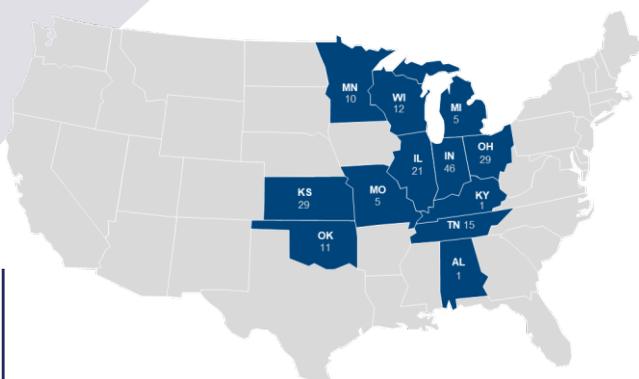
COMPANY OVERVIEW

Group RMC is a real estate Co-Investment group based in New York City that invests in, sponsors, and is the General Partner in undervalued income-producing office properties in primarily secondary and tertiary U.S. markets. Group RMC aims to provide sustainable quarterly income distributions and capital appreciation. Group RMC and its principals have been actively acquiring commercial office properties in Canada and the U.S. for nearly 20 years.

Group RMC currently oversees over 16,300,000 square feet of commercial real estate in the US, principally in the Midwest, representing over \$2 Billion USD in asset value. The principals of Group RMC typically invest up to 5-20% of the equity in each partnership. This offers limited partners the opportunity to co-invest alongside principals with significant “skin in the game”.



MAP OF ASSETS IN THE U.S.



Note: Portfolio Composition is based on SF.

Group RMC Portfolio Composition

Ohio	21.4%
Kansas	18.3%
Illinois	15.4%
Indiana	12.6%
Tennessee	10.4%
Oklahoma	6.3%
Michigan	5.1%
Minnesota	3.4%
Wisconsin	3.1%
Missouri	2.4%
Kentucky	0.9%
Alabama	0.8%

Group RMC Principles:

Premier Assets at an Attractive Basis

Group RMC seeks to Co-invest in institutional quality office property with in-place cap rates of approximately 8 - 10% and significant discount to replacement costs of 40% - 60% to comparable office sales within the market.

Diversified Income with Stable Returns

Group RMC's strategy is to carefully screen, select and acquire properties with potential to improve and increase value over time in secondary markets. Waiting sometimes years for the right deal is more effective than accepting a so-so deal.

Strong Strategic Partnerships

Group RMC works with high-performing local managers and leasing agents associated with national firms such as CBRE, Colliers, and Cushman & Wakefield, as well as regional firms when appropriate.

Group RMC Investment Criteria:

Diversified, multi-tenant buildings with stable long-term leases

Purchase at a 40% to 60% discount to replacement cost

Office property previously owned, managed, and maintained by institutions

Well-positioned, easily accessible, with high barriers to entry for new construction

Group RMC Highlights:

- ✓ +\$2bn of asset value
- ✓ +16.3M SF of office space
- ✓ 185+ properties across 12 States
- ✓ Largest landlord in Kansas City, KS
- ✓ Largest suburban landlord in Columbus, OH
- ✓ Largest landlord in Memphis, TN
- ✓ 2nd largest suburban landlord in Chicago, IL
- ✓ 0% Management Fee and no recurring fees

Maxam Capital Management Ltd.

Maxam Capital is an independent investment management firm based in Vancouver, Canada.

Maxam Capital was founded with the philosophy that a value-oriented, opportunistic and flexible approach to investing provides the best opportunity for the generation of strong risk-adjusted returns through a variety of market environments.

Where the opportunities are



MAXAM

CAPITAL MANAGEMENT

MAXAM

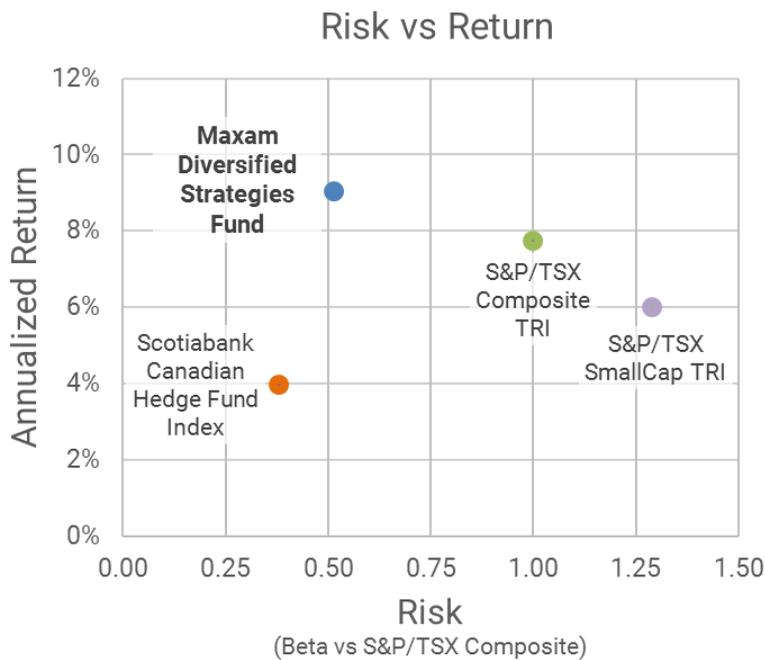
CAPITAL MANAGEMENT

Maxam Diversified Strategies Fund

A diversified event-driven long/short fund focused on value, catalysts and special situations

- We invest in companies where we have identified both *value* and a *catalyst*
- Flexibility to take advantage of inefficiencies across the market capitalization spectrum
- Strategies employed to generate returns and manage risk: long/short, hedges, merger arbitrage

10 Years of Strong Risk-adjusted Returns



Fund Manager: Travis Dowle, CFA

Travis is the President of Maxam Capital and lead Fund Manager for the Maxam Diversified Strategies Fund. He began his career in 1996 with MK Wong & Associates, which was later acquired by HSBC Asset Management. Travis left HSBC in 2007 to lead public market investments for a private investment group before he founded Maxam in 2009.

Connect with us: 604-685-0201 | info@maxamcm.com | www.maxamcm.com

This information is intended to provide you with information about the Maxam Diversified Strategies Fund. The Maxam Diversified Strategies Fund is only available to accredited investors and investors who meet other applicable exemptions. Performance for the Maxam Diversified Strategies Fund is Series A Units, annualized and is net of fees and expenses; Inception date is June 30, 2009; Beta is calculated relative to the S&P/TSX Total Return Index. The Scotiabank Canadian Hedge Fund Index Equal Weighted Index is as at July 31, 2019 which is the most recent data available at time of publication. Important information about the Fund is contained in the Offering Memorandum which should be read carefully before investing. You can obtain an offering memorandum from Maxam Capital Management Ltd. The Offering Memorandum for the Maxam Diversified Strategies Fund does not constitute an offer or solicitation to anyone in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. An investment in one of our funds is speculative and high risk. We assume no obligation to update the information in these documents. The indicated rates of return are the historical compounded returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The fund is not guaranteed, its values change frequently, and past performance may not be repeated.



Investment Objective

Neighbourhood’s investment objective is to provide stable, recurring monthly distributions to investors as a wealth preservation strategy. This objective is achieved by investing in a diversified portfolio of residential mortgages located in urban and suburban areas across Canada.

Fund Highlights

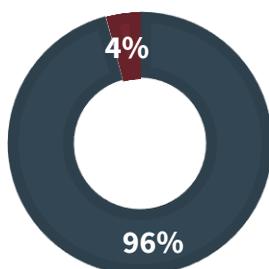
STABLE CASH FLOW GENERATION	Compliment to other income investments, such as preferred shares and fixed income; investments secured by Canadian real estate assets
DIVERSIFICATION	Privately held investment sheltered from public market fluctuation; investing in the bottom ~50% of real asset value
MANAGER ALIGNMENT	~41% of units held by managers and insiders
FAVOURABLE CAPITAL STRUCTURE	Leverage is a permanent part of the capital structure, underpinning competitive pricing for our borrowers and strong returns for investors

Mortgage Portfolio Composition as at June 30, 2019

AVERAGE LOAN-TO-VALUE	55.4%
AVERAGE LOAN SIZE	\$299,686
AVERAGE MONTHS TO MATURITY	7.3 months
AVERAGE DURATION	11.3 months
AVERAGE INTEREST RATE	8.0%
CREDIT LOSS HISTORY	\$nil

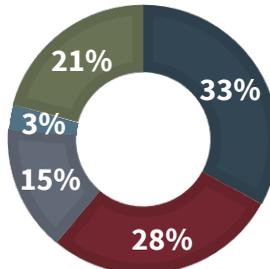
Mortgage Position

■ First Priority ■ Second Priority



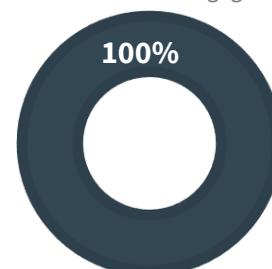
Geographic Diversification

■ ON ■ BC ■ AB ■ MB ■ QC



Market Segment

■ Residential mortgages



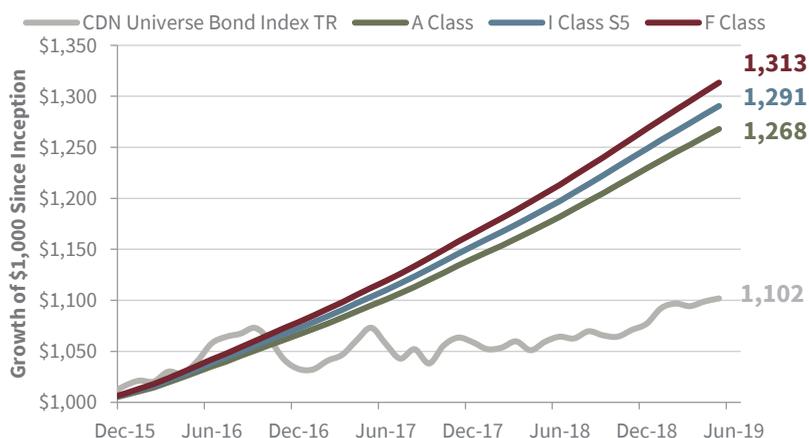
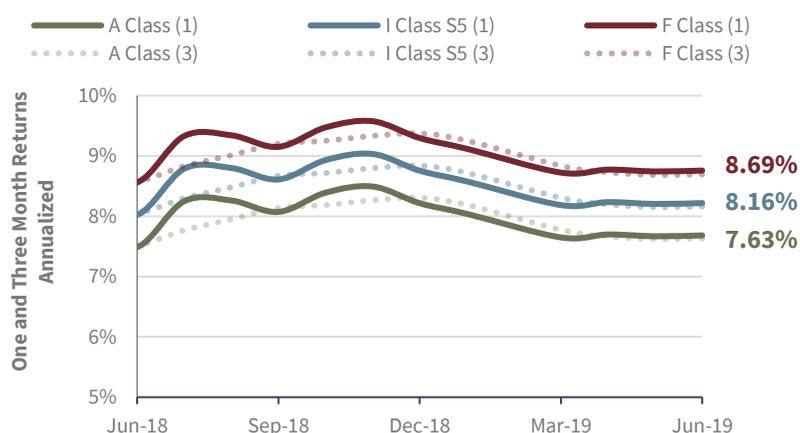


Fund Essentials

AUM (AS AT MARCH 31, 2019)	\$171.4 million
NAV/UNIT	\$1.00
DISTRIBUTIONS	Monthly, reinvestment available
DATE OF INCEPTION	November 16, 2015
LIQUIDITY	1 year commitment; 4% redemption fee for investments redeemed prior to the 1 year anniversary. Monthly liquidity with 90 days' notice following the 1 year anniversary.
FUNDSERV CODE	NHM 101 – Neighbourhoods Holding LP Class A NHM 103 – Neighbourhood Holdings LP Class F

Performance

(net of operating expenses and management fees)



Fund Description

Pilot House Equity Opportunities Fund is a liquid, U.S. equity-focused alternative investment fund that employs an active, event-driven investment approach. Pilot House's proprietary strategy is rules-based and seeks to profit from buying and shorting equities trading well away from the manager's fair value model. Events such as earnings, corporate events, legal actions, and macro events create trading opportunities. The firm's philosophy is that in the short-run investors can be impulsive rather than rational which leads to pricing anomalies. The fund's objective is to earn a higher risk-adjusted return to investing in the S&P 500 with a similar to higher compounded rate of return over a three to five year period. The Fund is offered in both USD and CAD currency classes.

Pilot House Capital Philosophy

"There is nothing new on Wall Street or in stock speculation. What has happened in the past will happen again, and again, and again. This is because human nature does not change, and it is human emotion, solidly built into human nature, that always gets in the way of human intelligence. Of this I am sure." - Jesse Livermore "Reminiscence of a Stock Operator Published 1923.

- ➔ Fear and greed rule most investors' emotions. In the short run, investors tend to be impulsive rather than rational.
- ➔ Buying and selling at the wrong time is a major reason why investors underperform their benchmarks.
- ➔ In the long run, all markets are driven by fundamentals but in the short run technicals are the dominant determinant of return.
- ➔ Disciplined rules based investing which takes the human emotion out of the buying and selling decision can lead to superior long-term performance.

Fund Manager

Pilot House Capital Inc. is the investment advisor to the master fund. Guy Caplan, CFA is Pilot House's CIO and founder. Mr. Caplan has been an institutional investment manager for over twenty three years, specializing in equities, credit and hybrid securities. In 2009, he co-founded Raven Rock Capital in Chapel Hill, NC, a hedge fund with peak assets of US\$500 million, specializing in U.S. high yield and convertible arbitrage. Mr. Caplan was Co-Portfolio Manager and Chief Risk Officer for the funds. From 1999 to 2007, Mr. Caplan was Portfolio Manager and Head of Risk for Argent Funds Group convertible strategies; under his guidance assets grew from US\$200 million to a peak of US\$3 billion. Throughout his career Mr. Caplan has been a speaker at conferences worldwide, including those sponsored by Goldman Sachs, Deutsche Bank, Absolute Return New York, GAIM USA and GAIM Dubai.

Slate Securities

The real estate solution for allocators

Slate Securities L.P.

Slate Securities L.P., an affiliate of Slate Asset Management, is a registered investment fund manager specializing in real estate investing, across the private and public markets. Slate Securities currently offers two real estate investment solutions: a total return vehicle and an income fund.

Our Differentiator

We are real estate specialists - Public equity expertise with direct property intelligence

Slate Securities L.P. is an investment management platform specializing in real estate investing, across the public and private real estate markets

Why specialize in real estate?

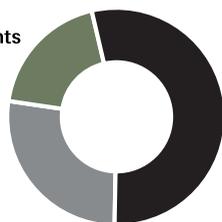
Wealth Preservation and Investment Performance - Understanding the true underpinning value of real estate in the public and private real estate markets is vital in both protecting capital and identifying the best opportunities to realize potential returns for investors

How do we execute?

Knowledge and Deal Flow - By partnering with Slate Asset Management, an owner/operator of over \$6.3 billion of real estate with a proven track record, we are able to gain unique insights in real estate investing as well as having access to deal flow

Slate Asset Management

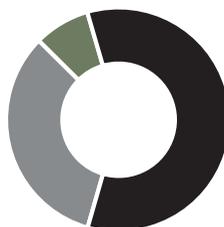
Institutional Separate Accounts
Slate Advisors: C\$1.2B



Public
Slate Retail REIT: US\$1.4B
Slate Office REIT: C\$1.6B

Private Equity
Canadian Real Estate Opportunity Fund I: C\$1.2B
Slate European Real Estate Limited Partnership I/II/III: €325M

European Investments
€325M



Canadian Investments
C\$3.8B

U.S. Investments
US\$1.6B

\$6.3B

Assets Under Management

\$175M

Of Slate's Equity Invested

90

Employees

\$11B

250+ acquisitions and dispositions completed since inception in 2005

24.5%

NET IRR

2.0x MOIC on completed investments¹

FUND PROFILE

White Crane Capital Corp. ("WCC") is the investment adviser to the White Crane Multi-Strategy Master Fund Ltd. (the "Fund"), which adopts a multi-strategy approach to invest primarily in North American securities. Strategies include transaction driven arbitrage, convertible arbitrage, deep value catalysts, alpha shorts, stressed credit, and distressed debt. The Fund has an event-driven focus, which forms a quantifiable bridge between shorter term mispricings and longer term fundamental value. The Fund invests across the capital structure in secured debt, high yield debt, convertible bonds, preferred equity and common equity, based on the best risk/reward ratio offered by the event identified. Hedging techniques are utilized, when appropriate, to isolate the driver of returns to the catalyst.

PRINCIPALS



John Montalbano

- Built his career at PH&N where he was appointed President in 2005.
- In 2008 when RBC acquired PH&N, became CEO of RBC Global Asset Management ("RBC GAM").
- RBC GAM today cares for \$400 billion of assets with offices worldwide.
- Currently serves as a director of the Canada Pension Plan Investment Board, Aritzia, The Asia Pacific Foundation, Forum for Women Entrepreneurs, and Chairs the Vancouver Police Foundation and St. Paul's Hospital Foundation.



Yu-Jia Zhu

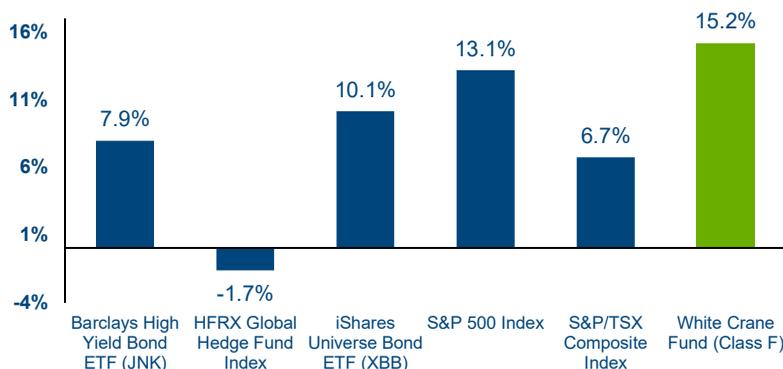
- Co-Founder of WCC in 2017.
- Vice President at West Face Capital Inc. ("WFC") (2008 to 2017), & member of the WFC Investment Committee.
- WFC AUM grew from \$600 million to \$1.5 billion over tenure.
- WFC is one of Canada's largest independent hedge funds, specializing in event-driven investing.
- Transaction deal sheet includes Maple Leaf Foods (activist) and WIND Mobile (distressed).



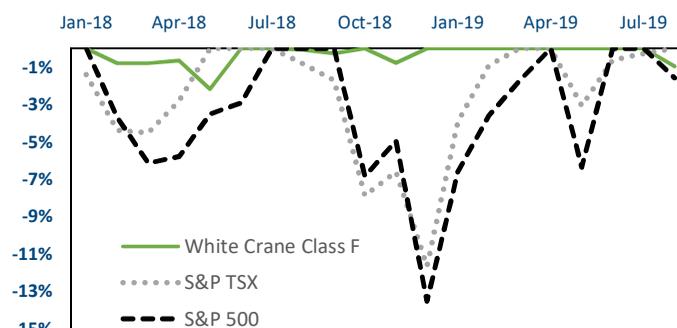
Emil Khimji

- Co-Founder of WCC in 2017.
- Senior Analyst, Alternative Investments at PH&N (2007 to 2017).
- Member of three person investment team for the PH&N Absolute Return Fund (ARF) and PH&N High Yield Bond Fund (HYBF).
- ARF AUM grew from \$150 million to \$1.6 billion and HYBF AUM grew from \$700 million to \$4.2 billion over tenure.
- PH&N ARF ranked #2 on Bloomberg's Top Hedge Fund Rankings for 2016.

Cumulative Return Since Inception (Jan 1, 2018)



Maximum Drawdown Since Inception (Jan 1, 2018)



Notes: Cumulative Return and Maximum Drawdown are shown through August 31, 2019. Returns are estimated pending year-end audit. Returns for the White Crane Fund (Class F) are net of fees (management fee of 1.5% and 15% performance allocation) for a representative Day 1 investor. Individual investor returns may vary. Each investor will receive individual statements showing returns from the Fund's administrator. Returns are shown in local currency (US Dollar for the Fund). Maximum drawdown, used as a measure of risk management, is defined as the maximum peak to trough decline measured on a monthly return basis since January 1, 2018 inception.

This data is provided for information purposes only and is not an offer or solicitation. The White Crane Multi-Strategy Feeder Fund Ltd. (the "Fund") is only appropriate for investors who meet suitability and sophistication requirements. Important information about the Fund is contained in the Offering Memorandum which should be read carefully before making any investment decision. You can obtain an Offering Memorandum from White Crane Capital Corp. Past performance is not indicative of future results. The content of this presentation is not and should not be construed to be an offer of securities or services to residents of jurisdictions the Fund is not eligible for sale.

Investment Idea: TeraGo Inc.

As of September 18, 2019
Ticker: TSX:TGO

Current Share Price: \$10.25
Target Price: \$16.22
% Upside: 58%

Market Cap: \$170 mm
Net Debt: \$20 mm
Enterprise Value: \$190 mm

LTM Revenue: \$51.5 mm
LTM EBITDA: \$12.5 mm
LTM FCF: \$8.2 mm

INVESTMENT SUMMARY

TeraGo Inc. ("TGO") provides small- and medium-sized businesses across Canada with cloud, colocation and connectivity services. The company is facing competitive pressure, as competing cable/telcos have deployed fiber across the country and targeted its customers. TGO currently generates a bit over \$50 million a year in revenues, ~\$12.5 million in EBITDA and ~\$8 million in Free Cash Flow.

TGO delivers its connectivity services using wireless spectrum licenses acquired at open auction from the Canadian government in 1999, which is carried as an intangible asset on its balance sheet worth \$10 million. This asset has garnered our attention and forms the crux of our investment thesis.

MMWAVE SPECTRUM IS ESSENTIAL TO NEXT-GEN 5G WIRELESS NETWORKS

TGO's spectrum licenses are in the 24 GHz and 38 GHz bands, and cover 8.5 billion MHz-POPs (one megahertz of bandwidth covering one person) in most major cities across Canada.

In the last few years, there has been significant industry interest in "millimeter wave" spectrum (dubbed "mmWave", which includes the 24 GHz and 38 GHz bands that TGO owns licenses in). Mobile data traffic has grown exponentially (60x growth from 2013 to 2024) as consumers have shown insatiable demand for media heavy applications on their devices. The next-gen 5G wireless standard will heavily utilize mmWave bands in order to deliver what industry leader Qualcomm calls "fiber-like" data speeds, unlocking all sorts of new applications (massive bandwidth for cloud computing, lag-less experiences for virtual/augmented reality, fiber equivalent broadband to the home, etc).

RECENT TRANSACTIONS SUGGEST SIGNIFICANT VALUE IN TGO SHARES

U.S. wireless operators have already turned their focus to acquiring these valuable spectrum licenses, starting with Straight Path Communications ("STRP"), which in early 2017, was a distressed company and a forced seller of their licenses due to regulatory issues. Despite the negative dynamics, a bidding war ensued between AT&T and Verizon, and STRP, which previously traded for US\$35 per share, ultimately sold to Verizon for US\$184 per share. Dividing the transaction Enterprise Value of STRP by its spectrum holdings gives us a valuation of **US\$0.016** per MHz-POP.

Since 2017, there have been two more instances where the value of mmWave spectrum has been supported, in the form of an FCC spectrum auction in late 2018 (Auction 101) and early 2019 (Auction 102). Auction 101 sold spectrum at 28 GHz, which cleared for **US\$0.016** per MHz-POP in the top ten markets. Auction 102 sold spectrum at 24 GHz, which cleared for **US\$0.018** per MHz-POP in the top ten markets. Historically, spectrum licenses in Canada have traded at a premium to U.S. valuations.

We believe TGO offers a compelling acquisition target for a Canadian incumbent wireless operator as **1)** TGO is the largest current holder of mmWave spectrum in Canada, offering 400-600 MHz of depth in most major cities; **2)** a purchase of TGO would mean the buyer may not need to purchase additional mmWave spectrum in a competitive ISED auction process; **3)** certainty of spectrum holdings would allow for efficient and expedited 5G network planning today; **4)** a purchase of TGO by a Canadian incumbent would preemptively defuse the risk of a foreign competitor or new entrant acquiring a strategic asset and potentially disrupting the current favourable wireless market dynamics; **5)** at target price of \$16.22 per share, would only be a \$300 million Enterprise Value transaction, a diminimus amount in the context of any incumbent.

TeraGo Valuation Components



VALUATION METHODOLOGY

Base Business: 7.5x to 8.5x Adjusted EBITDA of \$13 million, equating to a 8% FCF yield. Precedent transactions for data centres have occurred at low- to mid-teens multiples.

Spectrum Value: US\$0.016 to US\$0.018 per MHz-POP, based on comparable spectrum sold in FCC Auction 101 and 102.

Valuation Range: Based on above goalposts, target valuation range of \$15.18 to \$17.27 per share, with a midpoint of \$16.22, representing 58% upside from current share price.

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CAASA MEMBER COMPANIES

Investors & Allocators:

60 Degrees Capital (MFO)
Alberta Teachers' Retirement Fund
Blue Bridge Wealth Management
Casselman and Company (SFO)
Cidel
Eckler Ltd.
Forthlane (MFO)
HarbourVest Partners
Heirloom Wealth (MFO)
Lux Capital (SFO)
MCA Cross Border Advisors
Mercer
MSTAR Capital (SFO)
Ontario Teachers' Pension Plan
Our Family Office
Pandion Investments Limited
Prime Quadrant
Provident Capital
Raintree Wealth Management
Richardson GMP
Rohit Capital Inc. (SFO)
Stonegate Conseil Privé
TIMC
Ullman Wealth (MFO)

Individuals from the following:

BMO Nesbitt Burns
Canaccord Genuity
Canada Overseas (SFO)
Raymond James
Harbourfront Wealth
Helmsley Charitable Trust
Horizon Capital (SFO)
Master Plan Management (SFO)
RBC Dominion Securities
Scotia Wealth
Vibrato Capital

Asset Managers:

3iQ Corp
AGF Investments
Accelerate Financial Technologies
ADI Capital
AGF Fund Management
Algonquin Capital
Alignvest Investment Management
Alitis Asset Management
Arch Corporation
Ardenton Capital Corp.
Aspect Capital
Avenue Living
Axonic Capital
BlackRock Inc.
Bridging Capital

Asset Managers:

Brightspark Ventures
CDAM
Centurion Asset Management
Chapados Couture Capital
Claret Asset Management
CI Investments
CIBC Asset Management
CMLS Asset Management
Colchis Capital
Connor, Clark & Lunn Funds
Cortland Credit Group
Crown Capital
Crystalline Management Inc.
Delbrook Capital Advisors
ehp Funds
ESO Capital
Espresso Capital
Firepower Capital
First Street Capital
Forstrong GAM
Fort LP
La Financière Constance
Fulcra Asset Management
Franklin Templeton
Group RMC
Horizons ETFs
Integrated Asset Management Group
IPM Informed Portfolio Management
JM Fund Management Inc.
Kilgour Williams Capital
Lawrence Park Asset Management
LionGuard Capital Management Inc.
Lighthouse Partners
Lyxor Asset Management
MarsRock Capital Group
Mackenzie Investments
Maxam Capital Management
Measure 8 Venture Partners
Montrusco Bolton
Morex Capital
Morgan Stanley Investment
Management
Neighbourhood Holdings
Next Edge Capital
Northstar Trading
Optimum Gestion
Palm Drive Capital
PACE Capital Management
PenderFund Capital Management
Pilot House Funds
Raiven Capital
Robson Capital Management
Russell Investments
Sagard Holdings

Asset Managers:

Slate Securities
Spartan Fund Management
Starlight Capital
Trez Capital
Two Sevens Capital
Unison Investment Management
Waratah Capital Advisors
Wellington Investments
Westbridge Capital
White Crane Capital

Service Providers

Apex Fund Services
AUM Law
Battea Class Action Services
BNY Mellon Wealth Management
Bodhi Research Group
Cambridge Global Payments
Castle Hall Diligence
Canadian Derivatives Institute
CIBC Mellon
Claritas Communications
CME Group
Coach House Partners
Community Trust
DealMaker
DV Trading
Fidelity Clearing
Fundata
Glen Williams Consulting
GlobeTax
Goldman Communications
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HedgeLegal
Instinet Canada Ltd.
Investor Literature
Jitneytrade
Linedata
McMillan LLP
MLG Blockchain
Norton Rose Fulbright
Oak Hill Financial
Prometa Fund Services
RBC Investor & Treasury Services
Robert Walters PLC
Keystone Fund Solutions
SGGG Fund Services
Sigma Analysis & Management Inc.
SS&C CommonWealth Fund Services
Sun Life International Investment
Centre
The AML Shop
TMX Group
Vidrio Financial