

Item 1 – Cover Page

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This brochure provides information about the qualifications and business practices of Borealis Infrastructure US Limited. If you have any questions about the contents of this brochure, please contact us at 212-986-7500 or by email at Compliance@borealis.ca. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Borealis Infrastructure US Limited also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This brochure is the initial brochure for Borealis Infrastructure US Limited as a registered investment adviser. Therefore, this brochure does not contain any material changes from any previous brochure. In the future, this Item 2 will discuss only specific material changes that are made to the previous brochure and will provide you with a summary of such changes.

Pursuant to SEC rules, we will ensure that you receive a summary of any material changes to this brochure and subsequent brochures within 120 days of the close of our fiscal year. You may also request the most recent version of our brochure by contacting Compliance at Compliance@borealis.ca.

Item 3 – Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes.....	ii
Item 3 – Table of Contents	iii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation.....	3
Item 6 – Performance-Based Fees and Side-By-Side Management	4
Item 7 – Types of Clients.....	5
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Item 9 – Disciplinary Information	13
Item 10 – Other Financial Industry Activities and Affiliations	13
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	15
Item 12 – Brokerage Practices.....	19
Item 13 – Review of Accounts	20
Item 14 – Client Referrals and Other Compensation.....	21
Item 15 – Custody.....	21
Item 16 – Investment Discretion.....	21
Item 17 – Voting Client Securities	21
Item 18 – Financial Information	22

Item 4 – Advisory Business

Advisory Firm

Borealis Infrastructure US Limited (the “**Registrant**”) was incorporated in Delaware in September, 2011. The Registrant is a wholly-owned subsidiary of Borealis Infrastructure Management Inc. (“**Borealis Canada**”). Borealis Canada is a wholly-owned subsidiary of Borealis Capital Corporation, which is wholly-owned by BPC Properties Ltd. OMERS Administration Corporation (“**OAC**”) owns 100% of the economic interest (through participating shares) and 30% of the voting equity of BPC Properties Ltd. The remaining 70% of the voting equity is held by BPC Real Estate Holdings Trust, which has a trustee that is unrelated to BPC Properties Ltd. OAC has call rights over such voting shares held by BPC Real Estate Holdings Trust. The ownership structure of Borealis Canada (*i.e.*, with OAC owning 100% of the economic interest and 30% of the voting equity in BPC Properties Ltd. with call rights over 70% of the remaining voting equity) is designed to comply with certain pension laws in Ontario, Canada. OAC is the administrator of the OMERS primary pension plan (a large Canadian public employee pension plan regulated by the Financial Services Commission of Ontario, the provincial pension regulator) and trustee of the pension fund.

Advisory Services

The Registrant provides advisory and asset management services to OAC with respect to OAC’s administration of the OMERS primary pension plan, by virtue of its role as subadviser to Borealis Canada, and to Alliance Members (as defined below) for investments that meet the GSIA Criteria (as described in more detail in Item 8).

Advisory Services with respect to OAC

Borealis Canada is the infrastructure investment arm of OAC with a mandate to identify, invest in and manage infrastructure assets on its behalf. These infrastructure investments are held privately and do not trade in the public market. However, publicly-held securities may be bought for purposes of converting an entity to a private company. The Registrant employs investment professionals to advise with respect to infrastructure assets on behalf of Borealis Canada. The Registrant does not have investment discretion with respect to the acquisition and disposition of the assets of the OMERS primary pension plan administered by OAC.

Advisory Services with respect to the GSIA

The Global Strategic Investment Alliance (the “**GSIA**”) is a co-investment program established to bring together large institutional investors (collectively, including OMERS Strategic Investments Limited (“**OSI**”), a related person of OAC, the “**Alliance Members**”) to jointly invest, on a case-by-case basis, in large-scale infrastructure investments meeting qualifying criteria in terms of, among other things, size and geography. See Item 8 for information on the “**GSIA Criteria**.” Certain agreements have established the principal terms of the GSIA, including the GSIA Criteria with respect to the types of investments that can be made pursuant to the GSIA (the “**GSIA Documents**”). Any new Alliance Members must sign the GSIA Documents in order to join the GSIA and be approved unanimously by all Alliance Members.

The Registrant’s services in relation to the GSIA are provided to clients that are “U.S. clients” within the meaning of the U.S. Investment Advisers Act of 1940 (“**Advisers Act**”) such as U.S. Alliance Members and U.S. Portfolio Companies holding GSIA investments and non-U.S. Alliance Members with respect to potential and actual U.S. Portfolio Companies. References herein to “Alliance Members” and “Portfolio Companies” holding GSIA investments when used herein in respect of the services provided by the Registrant mean those Alliance Members and Portfolio Companies who are recipients of the Registrant’s services as set forth above. As described in more detail in Item 10, the Registrant intends to enter into service arrangements with certain investment adviser related persons which permit the Registrant to use investment management capabilities and related services, including such related persons’ personnel, in providing advice to the Registrant’s clients.

To the extent that OAC and its related persons decide to pursue a potential investment opportunity that meets the GSIA Criteria, OAC and its related persons must do so through the GSIA. Pursuant to the GSIA Documents, Alliance Members are shown such potential investment opportunities on a transaction by transaction basis and can

choose to participate in such investments up to the maximum aggregate amount allocated to the Alliance Member pursuant to the GSIA Documents (“**Potential Investment Amount**”). The minimum aggregate Potential Investment Amount for each Alliance Member to join the GSIA is \$1.25 billion, unless a lesser amount is approved unanimously by the then-existing Alliance Members. The opportunity to participate in each potential investment is allocated based on each Alliance Member’s pro rata share of the aggregate Potential Investment Amounts of all Alliance Members, subject to certain exceptions provided in the GSIA Documents. Under certain circumstances, the participation by the Alliance Members in an investment opportunity may be acquired directly from OAC or one of its related persons. See Item 11 for additional information. The Alliance Members have full discretion as to whether or not to participate in each proposed GSIA investment opportunity. The Registrant has no investment discretion to bind Alliance Members or make a decision to invest on their behalf.

Asset Management Services with respect to OAC and the GSIA

In the event that an investment is completed, the Registrant will coordinate and assist in the closing process, and effectively (through board positions on the companies or other legal entities that are established to hold investments for OAC or participating Alliance Members (each a “**Portfolio Company**”) as well as board positions on the companies or other legal entities operating the infrastructure assets in which the Portfolio Companies invest (each an “**Operating Company**”)), will provide asset management services on a discretionary basis (excluding the sale of the investment and certain other fundamental actions which require consent from the relevant clients). Asset management services provided by the Registrant include, among other things, appointing individuals to the board of directors or similar body governing the Portfolio Companies and Operating Companies, and monitoring performance of the investment.

Restrictions/Limitations on Services

The Registrant’s advisory and asset management services are restricted by, and subject to, OAC’s investment objectives and guidelines, various policies and procedures of OAC, the management services agreement between Borealis Canada and the Registrant entered into in support of the management services agreement between OAC and Borealis Canada, and the terms of the GSIA Documents with respect to the GSIA investments. See Item 16 for additional information.

Other Services

In addition to the above services, the Registrant and/or its related persons may be retained to perform services for the GSIA and/or its investments that would otherwise be provided by third parties, such as consulting, or operational, financial and advisory services.

Please refer to Item 8 for a more detailed description of the investment strategies as well as material risks associated with the investments that the Registrant primarily recommends.

Wrap Fee Programs

The Registrant does not participate in wrap fee programs.

Assets Under Management

As of December 31, 2013, the Registrant had \$3,255,000,000 of non-discretionary assets under management. In calculating the dollar value of its assets under management, the Registrant has included only amounts invested in infrastructure assets advised by the Registrant, and has not included any uninvested capital from the OMERS primary pension plan or Alliance Members.

Item 5 – Fees and Compensation

Compensation

Compensation for Advisory Services with respect to OAC

The Registrant receives a management fee from its parent, Borealis Canada, on a cost recovery basis plus 7% on certain of these costs. Such costs include, but are not limited to, operating and administrative costs (*e.g.*, salaries, wages and benefits, and payroll taxes), bonuses (if any), and costs of pursuing failed or unconsummated transactions less any management, consulting and other similar fees received by the Registrant from any entity or third party in connection with services performed by the Registrant except for fees received from Borealis Canada. Similarly, Borealis Canada receives a management fee from OAC, on a cost recovery basis plus 7% on certain of these costs. Such costs include, but are not limited to, operating and administrative expenses (*e.g.*, certain employment expenses, and office expenses) third party professional expenses, marketing and traveling expenses, and costs of pursuing failed or unconsummated transactions (*e.g.*, costs incurred in identifying, investigating, structuring, and prosecuting failed or unconsummated investments). The fees described above are not negotiable.

Compensation for Advisory Services with respect to the GSIA

In respect of a GSIA investment, each participating Alliance Member pays a non-negotiable asset services charge (the “**Asset Services Charge**”) of 50 basis points per annum on invested capital in consideration of the asset services provided by the Registrant.

Payment of Fees

Payment of Fees for Advisory Services with respect to OAC

The Registrant’s fees with respect to services for OAC are paid by its parent, Borealis Canada, monthly in arrears and for services provided to OAC, Borealis Canada receives its fees from OAC monthly in arrears.

Payment of Fees for Advisory Services with respect to the GSIA

For services provided to participating Alliance Members, the Asset Services Charge for GSIA investments is payable by Alliance Members quarterly in arrears and, in lieu of being charged directly to participating Alliance Members, may be charged to the Portfolio Company if agreed to by such participating Alliance Members.

Other Fees

Other fees payable by Alliance Members to Rosewater Global Limited (“**Rosewater**” or the “**Alliance Administrator**”), a related person of OAC, are outlined below:

Alliance Administration Charge

Alliance Members pay to Rosewater quarterly in advance an annual fee equal to the amount provided in the annual budget approved by the Alliance Committee (which is composed of representatives of the Alliance Members), net of applicable taxes and calculated in proportion to (i) their Potential Investment Amount during the investment period, and (ii) their invested capital following the investment period (the “**Alliance Administration Charge**”).

Sale of Alliance Investments

Upon the sale by an Alliance Member of an interest in a GSIA investment after the expiry of the required holding period pursuant to the GSIA Documents, that Alliance Member will be required to pay to the Alliance Administrator a sale charge (“**Sale Charge**”) equal to five times its *pro rata* share (based on respective invested capital of the Alliance Members with respect to such GSIA investment) of the Alliance Administration Charge for the year in which the sale of such interest takes place.

Withdrawal of Alliance Member

If an Alliance Member withdraws (or is required to withdraw) from the GSIA, that Alliance Member will be required to pay upon such withdrawal:

- (i) to OSI, an amount equal to 100% of such Alliance Member's *pro rata* share (based on respective Potential Investment Amount of the Alliance Members) of outstanding advances made by OSI to the Alliance Administrator in respect of the Alliance Administrator's operating costs (and advanced on amounts to be paid as Alliance Administration Charge) up to the time of withdrawal, plus interest of 8% per annum thereon; and
- (ii) if such withdrawal occurs prior to the end of the investment period (but not otherwise), to the Alliance Administrator an amount equal to the product of:
 - (a) 60 basis points; and
 - (b) such Alliance Member's Potential Investment Amount,(the amounts in (i) and (ii) above, collectively, the "**Withdrawal Charge**").

Any Sale Charge or Withdrawal Charge in any quarter paid to the Alliance Administrator will be applied in reducing the amount of the Alliance Administration Charge payable by the Alliance Members in the subsequent financial quarter(s) until it is fully utilized.

The Registrant and/or its related persons may be retained to perform services for the GSIA and/or its investments that would otherwise be provided by third parties, such as consulting, or operational, financial and advisory services. In these circumstances, such parties performing services will be compensated on arm's length terms and will require approval of the Alliance Committee, unless provided for in the GSIA Documents.

Additional Costs and Expenses

With respect to any potential investment opportunity, the Alliance Administrator and the Registrant are entitled to be reimbursed for all third-party costs and expenses reasonably incurred by them on behalf of Alliance Members, provided that (i) with respect to the Alliance Administrator, the costs and expenses do not exceed those set out in the relevant annual budget and operating plan for the Alliance Administrator approved by the Alliance Committee; and (ii) with respect to the Registrant, the costs and expenses do not exceed 110% of the relevant transaction budget or have otherwise been approved in accordance with the GSIA Documents. Each participating Alliance Member will pay its *pro rata* share of costs of pursuing an investment on a reimbursement basis.

The Registrant is entitled to be reimbursed for all third party costs and expenses reasonably incurred by it on behalf of the participating Alliance Members in managing a Portfolio Company established to hold a GSIA investment.

Under certain circumstances, the participation by the Alliance Members in an investment opportunity may be acquired directly from OAC or one of its related persons, in which case the participating Alliance Members may pay a price agreed to between the parties for their participation in such investment. See Item 11 for additional information.

Compensation for Sale of Securities or Other Investment Products

Neither the Registrant nor any of its supervised persons are compensated for the sale of securities or other investment products.

Item 6 – Performance-Based Fees and Side-By-Side Management

The Registrant does not charge performance-based fees to its clients.

Item 7 – Types of Clients

The Registrant provides advisory and asset management services to OAC with respect to OAC's administration of the OMERS primary pension plan, by virtue of its role as subadvisor to Borealis Canada. Additionally, the Registrant provides infrastructure investment identification and asset management services through the GSIA to Portfolio Companies and Alliance Members, which are large institutional investors. The Registrant does not offer any products to retail investors. In order to join the GSIA, investors must, among other things, adhere to the GSIA Documents and be approved unanimously by the then-existing Alliance Members. The minimum aggregate Potential Investment Amount for each Alliance Member is \$1.25 billion, unless a lesser amount is approved unanimously by the then-existing Alliance Members. The GSIA does not anticipate admitting any new Alliance Members beyond June 30, 2014 unless otherwise agreed to by the Alliance Members and thus is closed to new members from that time.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

The following is a summary of (i) the current strategies and methods of analysis that the Registrant uses in formulating advice or managing assets (and their material risks) for its clients and (ii) certain material risks associated with the types of investments that the Registrant primarily recommends.

The information included in this brochure does not include every potential risk associated with each investment strategy or security. Clients are urged to ask questions regarding risk factors applicable to a particular investment strategy or security, read all product-specific risk disclosures and determine whether a particular strategy or type of security is suitable for their own account in light of their circumstances, investment objectives and financial situation.

A. Method of Analysis and Investment Strategies

The Registrant's business activities are comprised of advisory services with respect to identifying and managing private infrastructure investments, including conducting due diligence, structuring, deal execution, arranging third party financing and asset management for Borealis Canada's parent, OAC, by virtue of the Registrant's role as subadvisor to Borealis Canada. In connection with the GSIA, the Registrant will also be providing these services to Alliance Members and Portfolio Companies. The Registrant does not provide services regarding public securities with the exception of public to private transactions, nor does it provide services to retail clients nor offer any services to the public generally.

The GSIA Criteria

The GSIA Criteria are key to the investment thesis of the GSIA. Under the GSIA Criteria, assets are generally defined as large-scale, capital-intensive assets with enterprise values in excess of \$2 billion which typically will exhibit one or more of the following attributes:

- a strong position in its relevant market by virtue of the scale, market position, high natural barriers to entry through substantial capital requirements, long-term contracts, regulation or asset complexity;
- the potential to generate strong, stable cash flows over long periods of time as well as modest capital appreciation;
- relative stability in economic downturns with revenues that are often inflation protected, regulated or otherwise supported by government or other credit worthy counterparties;
- operation within a strong regulatory environment; and
- low to moderate exposure to market forces.

The GSIA will primarily target investment opportunities that are expected to generate annual gross internal rate of return and annual gross cash return levels within an established range, in each case on an individual investment basis at the GSIA level. There can be no assurance that such targets will be achieved and returns to participating Alliance Members will be reduced by fees and other expenses to be borne by Alliance Members, as applicable, which may be substantial in the aggregate.

Primary Infrastructure Sectors

The Registrant plans to advise with respect to large infrastructure investments focusing primarily on transportation, regulated utilities and energy. These investment opportunities are expected to arise from a wide variety of sources including investment banks, publicly disclosed sales/auctions, strategic investors or strategic partners looking for financial partners and targeted investment opportunities.

In its approach to infrastructure investing, the Registrant seeks to:

- Acquire high quality infrastructure assets with predictable, stable underlying demand, preferably having revenue supported by regulation or by long-term price/volume contracts linked to inflation;
- Focus on investments with potentially strong cash returns, in both the short-term and the long-term;
- Pursue only those investments where the Registrant can significantly influence the strategic direction of the investment; typically this means acquiring not less than a 25% ownership interest with commensurate governance rights in order to have an active voice on key matters related to the asset;
- Partner in the right circumstances with other long-term investors whose interests are aligned and/or with strong operating partners who have the operational expertise that may be necessary to make a particular investment successful;
- Enhance equity returns with prudent leverage;
- Favor investments that have potential follow-on investment opportunities;
- Value assets without assuming a high terminal value, reflecting a true buy-and-hold strategy;
- Identify risk factors early in the investment process in order to seek to mitigate them where possible; and
- Prudently diversify its managed portfolio by industry sector, geography, size and stage of development while pursuing higher probability, lower execution risk opportunities where they exist.

The following are the primary infrastructure sectors upon which the Registrant focuses in providing investment identification, pursuit and management services to its clients.

Transportation: this sector is comprised of different types of transportation assets and related businesses, including ports, roads, bridges, rail and airports. This sector fits with the Registrant's investment approach given the typically large scale, regulatory or long term contractual underpinnings and high barriers to entry. The Registrant typically prefers availability-based revenue opportunities and generally avoids transportation assets that are overly reliant on projected growth in traffic volumes, particularly for new or relatively untested assets.

Regulated Utilities: this sector is comprised of electricity, gas transmission and distribution, water and waste water businesses. In this sector, the Registrant looks for long-term, stable and regulated returns and the opportunity for substantial follow-on investments through capital project expansions or enhancements.

Energy: this sector is comprised of power generation, transmission and distribution, including alternative energy. In this sector, the Registrant looks for opportunities that provide long-term contracts with credible counterparties or regulated returns for regulated assets. Energy assets often require patient long term capital and may provide steady and predictable returns over the long term.

In addition to the primary sectors noted above, the Registrant may pursue, on a lesser scale, opportunities in other infrastructure sectors including, but not limited to, communications (such as satellites, communication towers, radio frequency devices and emergency band services) and government-regulated services (such as laboratory diagnostic services and land registry services).

The Registrant's methods of investment analysis and investment approach involve intensive business, financial, legal, tax, accounting, marketing, regulatory, environmental and technical due diligence using both internal and external resources.

A detailed valuation model complete with detailed assumptions and sensitivity analyses is prepared, as well as a risk register summarizing the major risks associated with the investment and corresponding mitigants or mitigation

strategies, if available. The Registrant prepares an investment memorandum providing information about the investment opportunity, including the investment thesis, key investment criteria, a review of the due diligence undertaken, potential returns, risks and mitigants and the proposed structure for the transaction. This investment memorandum and supporting documentation are presented to OAC and, for GSIA investments, the participating Alliance Members, to assist them in their decision whether or not to participate in the investment opportunity.

OAC and if applicable, the participating Alliance Members, are given the opportunity to ask the Registrant questions about the investment opportunity or any information in the investment memorandum and related materials before making their decision whether or not to participate.

B. Material Risks

Investing in securities involves risk of loss that clients should be prepared to bear including the risk of loss of the entire investment. Investing in private infrastructure assets involves a number of risks including those described below.

RISKS RELATING TO ASSETS

Economic and Market Risk

Investments may be sensitive to movements in the economy and general financial market conditions. A recession or adverse development in a particular country, region or financial market could have an adverse impact on some or all of the investments recommended by the Registrant. In addition, factors specific to an investment may have an adverse effect on such investment.

Inflation and Interest Rate Risk

Inflation could directly adversely affect an investment. If an investment is unable to increase its revenue in times of higher inflation, its profitability and ability to distribute dividends may be adversely affected. Some investments may have long-term rights to income linked to some extent to inflation, whether by government regulations, contractual arrangement or otherwise. Typically, as inflation rises, an infrastructure investment will earn more revenue, but will incur higher expenses; as inflation declines, the investment may not be able to reduce expenses in line with any resulting reduction in revenue. Many infrastructure businesses rely on concessions to mitigate the inflation risk to cash flows through escalation provisions linked to the inflation rate. While these provisions may protect against certain risks, they do not protect against the risk of a rise in real interest rates, which is likely to create higher financing costs for an investment and a reduction in the amount of cash available for distribution to investors. In addition, the market value of an investment in infrastructure may decline in times of higher inflation rates given that the most commonly used methodologies for valuing investments (*e.g.*, discounted cash flow analysis) are sensitive to rising inflation and real interest rates. Finally, wage and price controls have been imposed at times in certain countries in an attempt to control inflation, which could significantly affect the operation of an investment. Accordingly, changes in the rate of inflation may affect the forecasted profitability of an investment. Certain countries' economies, including in particular many emerging markets, have experienced substantial growth in, and in some periods, extremely high rates of, inflation for extended periods of time. Inflation has, and may continue to have, negative effects on the economies of certain of these countries. For example, the risks associated with transactions using local currencies are significantly greater in hyper-inflationary economies than in other less inflationary markets.

Competition for Investments

The market for infrastructure investments is competitive. The Registrant is competing with other established consortiums, companies, investment firms, governmental entities and other investors having substantial resources and experience. In addition, some of these competitors may have higher tolerances or different risk assessments, which could allow them to consider a wider variety of investments. Such competition may limit the investment opportunities available or make such opportunities available upon less favorable terms and conditions.

Operating and Financial Risk

The infrastructure investments will involve business and financial risk. Some of these investments may be operating at a loss or have significant variations in operating results or may require substantial additional capital to support their operations, to finance development or expansion or to maintain their competitive position. Investments are expected to be prudently leveraged, which may have important consequences for investors. Investments may be subject to restrictive financial and operating covenants. Leverage may impair their ability to finance future operations and capital needs. In addition, proceeds of this debt may be paid as a dividend to equity holders and not invested in operating or financial assets or otherwise retained by the relevant investments themselves. As a result, investments may have limited flexibility in their ability to respond to changing business and economic conditions and to business opportunities. A leveraged investment's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used. In addition, an investment with a leveraged capital structure will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy, rapid inflation or deterioration in the condition of that investment or its industry. In the event that an investment is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of the investment could be significantly reduced or even eliminated.

Market Disruption Risk

The military operations of various countries, the instability in various parts of the world and the prevalence of terrorist attacks throughout the world could have significant adverse effects on the global economy. In addition, illnesses such as severe acute respiratory syndrome and Asian bird flu spread rapidly and have the potential to significantly affect the global economy. It is not possible to predict the likelihood of these types of events occurring in the future or how such events may affect investments. Furthermore, insurance to cover any losses that result from such market disruptions may not be available on acceptable terms or altogether.

Acquisition Risk

There is competition for opportunities to acquire infrastructure investments, and some potential competitors may have greater financial resources or access to financing on more favourable terms. This competition may limit acquisition opportunities, lead to higher acquisition prices, or both. Acquisition of investments involves a number of special risks, including failure of the acquired business to achieve expected results, failure to identify material risks or liabilities associated with the acquired business prior to its acquisition, diversion of the attention of the Registrant's management and the failure to retain key personnel of an investment, some or all of which could have a material adverse effect on an investment's business, cash flow and performance. Additionally, investors may not be able to successfully fund future acquisitions of new investments or capital raisings due to the unavailability of debt or equity financing on acceptable terms, which could impede the implementation of an acquisition strategy or result in the dilution of interest in an investment. Due to the timing and size of future acquisitions, investors may not be able to obtain funding on short notice to benefit fully from attractive opportunities. As a result of lack of funding, investors may not be able to pursue acquisition strategies successfully or the investor's investments could be diluted.

Demand, Usage and Patronage Risk

Despite targeting assets with lower demand, usage and patronage risk, the Registrant will not be able to eliminate such risks. To the extent that the Registrant's assumptions regarding the demand, usage and patronage of assets prove incorrect, the financial returns could be adversely affected. Some investments may be subject to seasonal variations, including greater revenues and profitability during different seasons of the year. Accordingly, an investment's operating results for any particular quarter or other period may not be indicative of the results that can be expected for that investment throughout the entire year.

RISKS RELATING TO INFRASTRUCTURE ASSETS

General Risk

Most infrastructure assets have unique locational and market characteristics, which could make them highly illiquid or appealing only to a narrow group of investors. Political and regulatory considerations and popular sentiments could also affect the ability of investors to buy or sell investments on favorable terms. Infrastructure assets can have a narrow customer base. Should any of the customers or counterparties fail to pay their contractual obligations, significant revenues could cease and become irreplaceable. This would affect the profitability of the infrastructure assets. Infrastructure projects are generally heavily dependent on the operator of the assets. There are a limited number of operators with the expertise necessary to successfully maintain and operate infrastructure projects. The insolvency of the lead contractor, a major sub-contractor or a key equipment supplier could result in material delays, disruptions and costs that could significantly impair the financial viability of an infrastructure investment project.

Operating and Technical Risk

The long-term profitability of infrastructure assets, once they are constructed, is partly dependent upon the efficient operation and maintenance of the assets and companies. Inefficient operation and maintenance may reduce the profitability of investors' investment, adversely affecting financial returns. Investments in infrastructure assets may be subject to operating and technical risks, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications, labor strikes, labor disputes, work stoppages and other work interruptions, and other unanticipated events which adversely affect operations. While the Registrant will, where possible, seek investments in which creditworthy and appropriately bonded and insured third parties bear much of these risks, there can be no assurance that any or all such risks can be mitigated or that such parties, if present, will perform their obligations. An operating failure may lead to loss of a license, concession or contract on which a portfolio investment is dependent. In addition, despite proper operation and maintenance, an infrastructure investment may be vulnerable to a force majeure event, and the damage caused by such an event may adversely affect a party's ability to perform its obligations until it is able to remedy the damage. For example, certain of the infrastructure investments may be located in earthquake zones or be subject to risks associated with adverse weather conditions, natural disasters (such as fire, hurricanes, tornadoes, tsunamis, typhoons, windstorms, volcanic eruptions or floods), man-made disasters, changes in law, eminent domain, war, riots, terrorist attacks, labor disputes and other unforeseen circumstances and incidents. Insurance coverage of such risks may be limited, subject to large deductibles or completely unavailable.

Environmental Risk

Infrastructure assets may be subject to numerous statutes, rules and regulations relating to environmental protection. Certain statutes, rules and regulations might require that investments address prior environmental contamination, including soil and groundwater contamination, which results from the spillage of fuel, hazardous materials or other pollutants. Under various environmental statutes, rules and regulations, a current or previous owner or operator of real property may be liable for noncompliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. These laws often impose liability, whether or not the owner or operator knew of or was responsible for the presence of hazardous materials. The presence of these hazardous materials on a property could also result in personal injury or property damage or similar claims by private parties. Persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person. These liabilities may exceed the value of the infrastructure asset at issue and may result in claims against the owner that would result in the loss of other assets of the owner. Environmental liabilities may arise as a result of a large number of factors, including changes in laws or regulations and the existence of conditions that were unknown at the time of acquisition or operation.

In addition, infrastructure investments can have a substantial environmental impact. As a result, community and environmental groups may protest about the development or operation of infrastructure assets, and these protests may induce government action to the detriment of the owner of the infrastructure asset. Ordinary operation or occurrence of an accident with respect to infrastructure assets could cause major environmental damage, which may

result in significant financial distress to the particular asset. In addition, the costs of remediating, to the extent possible, the resulting environmental damage and repairing relations with the affected community, could be significant.

Terrorism Risk

Infrastructure investments may involve significant strategic assets, which have a national or regional profile and may have monopolistic or oligopolistic characteristics. The very nature of these assets could generate additional risk not common in other industry sectors and could expose them to a greater risk of being the subject of a terrorist attack than other assets or businesses. Any terrorist attacks that occur at or near infrastructure facilities would likely cause significant harm to employees, assets and, potentially, the surrounding community. As a result of the terrorist attacks on September 11, 2001, insurers significantly reduced the amount of insurance coverage available for liability to persons other than employees or passengers for claims resulting from acts of terrorism, war or similar events. A terrorist attack involving an infrastructure investment may result in liability far in excess of available insurance coverage. A terrorist attack on an infrastructure project may also have adverse consequences for all infrastructure projects of a similar type. For example, as a result of a terrorist attack in the vicinity of a project similar in function to an infrastructure investment, that infrastructure investment may be forced to increase preventative security measures or expand its insurance coverage, adversely affecting the profitability of that investment. Similarly, a terrorist attack could cause reduced patronage, usage and demand for an entire class of infrastructure investments or for infrastructure investments in the region of the terrorist attack, which could adversely affect an infrastructure investment's profitability.

Documentation Risk

Infrastructure assets are often governed by highly complex legal contracts and documents. As a result, the risks of a dispute over interpretation or enforceability of the legal contracts and documentation and consequent costs and delays may be higher than for other types of investments.

Regulatory Risk

Many infrastructure investments will be subject to substantial governmental regulation, and governments have considerable discretion in implementing regulations that could impact the business of infrastructure investments. In addition, the operations of infrastructure investments may rely on government permits, licenses, concessions, leases or contracts. Government entities generally have significant influence over such companies in respect of the various contractual and regulatory relationships they may have, and these government entities may exercise their authority in a manner that causes delays in the operation of the business of the infrastructure investments, obstacles to pursuit of the infrastructure investment's strategy or increased administrative expenses. In this regard, the nature and extent of government regulation can also be a key driver of value and returns.

Where the ability to operate an infrastructure investment is subject to a concession or lease from the government, the concession or lease may restrict the operation of the infrastructure investment, including the ability of the Registrant to operate the business in a way that maximizes cash flows and profitability. Leases or concessions may also contain clauses more favourable to the government counterparty than would a typical commercial contract (for example, enabling the government to terminate a lease or concession in certain circumstances without paying adequate compensation). If an infrastructure investment fails to comply with any regulation or contractual obligation, the infrastructure investment could be subject to monetary penalties, loss of the right to operate affected businesses, or both. Furthermore, government permits, licenses, concessions, leases and contracts are generally very complex and may result in a dispute over interpretation or enforceability. In addition to any contractual rights they may enjoy, government counterparties may also have the independent discretion to implement or change laws, regulations or treaties affecting the operations of infrastructure investments. There can be no assurance that any future modification to applicable laws, regulations or treaties will not adversely impact the investment. Further, the ability to grow future businesses will often require consents from numerous government regulators. These consents may be costly to seek and they may be obtained.

Infrastructure investments may be subject to rate regulation by government agencies because of their unique position as the sole or predominant providers of services that are often essential to the community. As a result, certain

infrastructure investments might be subject to unfavorable price regulation by government agencies. For example, infrastructure companies engaged in businesses with monopolistic or oligopolistic characteristics, such as electricity distribution and airports, could face caps placed by regulators on allowable returns. Often these price determinations are final with limited or no right of appeal. Given the public interest aspect of the services that infrastructure investments provide, political oversight of the sector is likely to remain pervasive and unpredictable and, for political reasons, governments may attempt to take actions which may negatively affect the operations, revenue, profitability or contractual relationships of infrastructure investments, including through expropriation. For example, in response to public pressure and/or lobbying efforts by specific interest groups, government entities may put pressure on infrastructure investments to reduce toll rates, limit or abandon planned rate increases, and/or exempt certain classes of users from tolls. Under these circumstances, if the affected infrastructure investments are unable to secure adequate compensation to restore the economic balance of the relevant concession agreement, the investment's business, financial condition and results of operations of an investment could be materially and adversely affected.

Commodity Risk

Some of the investments proposed by the Registrant may be subject to commodity price risk, including, without limitation, the price of electricity and the price of fuel. The operation and cash flows of certain energy industry portfolio investments will depend, in substantial part, upon prevailing market prices for electricity and fuel, and particularly natural gas. These market prices may fluctuate materially depending upon a wide variety of factors, including, without limitation, weather conditions, foreign and domestic market supply and demand, force majeure events, changes in law, governmental regulations, price and availability of alternative fuels and energy sources, international political conditions including those in the Middle East, actions of the Organization of Petroleum Exporting Countries (and other oil and natural gas producing nations) and overall economic conditions.

Liquidity Risk

Most infrastructure assets are less liquid and involve a longer holding period than traditional private equity investments, which are also considered illiquid and long-term. There is unlikely to be a readily available market for most of the investments proposed by the Registrant, and disposition of investments may require a lengthy time period. Losses on unsuccessful investments may be realized before gains on successful investments are realized.

RISKS ASSOCIATED WITH THE GEOGRAPHY OF INVESTMENTS

Emerging Market Risk

The Registrant may consider and identify investments located outside of the United States. The risks associated with international investing described below are magnified in emerging markets.

Currency and Exchange Risk

To the extent that an investor directly or indirectly holds assets in local currencies in countries outside the United States, it will be exposed to a degree of currency risk that may adversely affect performance. Changes in foreign currency exchange rates may affect the value of securities. In addition, investors will incur costs in connection with conversions between various currencies.

Investment and Repatriation Risk

Investment in certain countries, including the United States, may be restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude investment and may increase the risk or expenses associated with certain investments. For example, certain countries may: (i) require governmental approval prior to investment in companies or industries deemed important to national interests; (ii) limit the amount of investment by persons who are not citizens; (iii) limit investments by persons who are not citizens to only a specific class of securities of a company that may have less advantageous terms than the classes available for purchase by citizens of the country; or (iv) impose additional taxes on investors who are not such country's tax residents, including

expropriation or confiscatory taxes. In addition, the repatriation of both investment income and capital from certain countries may be subject to restrictions such as governmental consents or waiting periods. Finally, certain countries, including the United States, may impose withholding taxes, import duties, and other protectionist measures, which could adversely affect the returns associated with certain investments. Although these restrictions may make investment in the countries to which they apply undesirable in the future, the prospective investors nevertheless may proceed with investments in countries that have existing or potential investment and repatriation restrictions.

Legal System Risk

It may be difficult to obtain judgments in certain countries. For example, legal proceedings in certain jurisdictions may take many years longer to conclude than similar proceedings in more developed countries. Moreover, once a judgment is obtained, a variety of causes may make enforcement or collection of that judgment difficult. Certain countries, particularly emerging market countries, are subject to laws that differ materially from those applicable in more developed countries. These laws may have a material impact on the general economic and political environments, as well as the manner in which businesses are conducted (including corrupt business practices), in these countries. There may be a lower level of monitoring and regulation of certain markets and the activities of investors in these countries, and enforcement of the regulations that do exist may be extremely limited.

Financial Information Risk

Depending on where they are located, certain investments may be subject to accounting, auditing and financial reporting requirements that differ, in some cases significantly, including with respect to completeness and quality of information, from those applicable in more developed countries. In certain countries these standards and reporting requirements may be considerably less strict than those in more developed countries. In particular, the assets and profits appearing on the financial statements of a company may not reflect its financial position or results of operations in the way that such information would be reflected had the financial statements been prepared, for example, in accordance with U.S. Generally Accepted Accounting Principles. Additionally, for companies that keep accounting records in local currency, some countries' inflation accounting rules require, for both tax and accounting purposes, that certain assets and liabilities be restated on the company's balance sheet in order to express items in terms of currency of constant purchasing power, while others do not permit such restatement. Financial information that is incomplete or of low quality may affect an investors' ability to evaluate proposed investments or to obtain appropriate financial reports relating to investments in countries in which they have invested.

Political, Social and Economic Risk

Political, social and economic structures in countries with developing economies generally lack the social, political and economic stability characteristic of more developed countries (such as the United States, Canada or countries in Western Europe). This instability may result from, among other things, the following: (i) presence of authoritarian governments or military involvement in political and economic decision making, including changes in government through extra-constitutional means and the imposition or strengthening of controls on outside investment and/or repatriation of capital and income; (ii) popular unrest associated with demands for improved political, economic and social conditions; (iii) internal insurgencies; (iv) hostile relations with neighboring countries; (v) ethnic, religious, and racial disaffection; (vi) higher levels of corruption of government officials and corporate officers; and (vii) interference into political and government affairs by powerful economic groups. This social, political and economic instability significantly increases the risk, and could significantly and adversely affect the value, of investments located within the affected countries. With respect to certain countries, there may also be the possibility of expropriation, confiscatory taxation or other protectionist measures or diplomatic developments that could affect your investments in those countries. Governments in certain countries participate to a significant degree in their economies through ownership interests or regulation. Action by these governments could have a significant adverse effect on the value of any investments in the affected countries. In addition, the characteristics of infrastructure assets may magnify the impact of political, social and economic instability as well as governmental action. Political risk insurance covering investments is generally not expected to be obtained.

Different Economic Conditions

Economies of individual countries may differ favourably or unfavourably from the economies of more developed countries in such respects as GDP rate of growth, rate of inflation, exchange rate depreciation, capital reinvestment, resource self-sufficiency and balance of payment positions. In addition, the economies of certain countries and regions are influenced to varying extents by economic and market conditions in other countries or regions. For example, certain countries are heavily dependent upon international trade. As a result, the economic conditions of their trading partners, and protective trade barriers erected by their trading partners, could have a significant adverse effect upon business conditions in the local economy. There can be no assurance that certain countries' economies will not continue to be affected negatively by events elsewhere, or that such events will not adversely affect the value of investments.

Developing Market Risk

Business practices and the corporate culture of companies in developing markets are often different from those in companies in more mature markets, and may be characterized as being riskier and less transparent. Some examples of such business practices of companies in developing markets include poor corporate governance, significant levels of transactions involving transfer pricing and related parties, dilutive share issuances, tax-optimization schemes that may be subject to challenge and result in significant liabilities, high operational risks and risks associated with harm to health, safety and environment, unreliable financial reporting and controls (including material weaknesses reported by independent auditors), and lack of adequate insurance. Thus, investments in developing markets are inherently risky. In addition, a number of companies in developing markets are former state enterprises that were privatized. Very often these privatizations were subject to criticism for cronyism, lack of transparency and possible violations of privatization rules.

Item 9 – Disciplinary Information

Not applicable.

Item 10 – Other Financial Industry Activities and Affiliations

Other Registrations

Neither the Registrant nor any of its management persons are registered, or have an application pending to register as a broker-dealer, a futures commission merchant, a commodity pool operator or a commodity trading advisor, or a registered representative or associated person of any of the foregoing entities.

Affiliations

OAC owns 100% of the economic interest (through participating shares) and 30% of the voting equity in other entities such as OSI and BPC Properties Ltd. (the entity that indirectly owns Borealis Canada). The Registrant, Borealis Infrastructure Australia Pty Limited (“**Borealis Australia**”) and Borealis Infrastructure UK Limited (“**BIUK**”) are wholly-owned subsidiaries of Borealis Canada. Borealis Australia is in the process of registering with the Australian Securities & Investments Commission and BIUK is registered as of July 2012 with the Financial Conduct Authority in the United Kingdom.

In reliance on a line of no-action letters in which the SEC previously granted relief to several persons unrelated to the Registrant,¹ the Registrant intends to enter into service arrangements with Borealis Canada, BIUK and Borealis Australia (each, a “Participating Affiliate”) which permit the Registrant to use investment management capabilities and related services, including personnel of the Participating Affiliates, in providing advice to the Registrant’s

¹ See *Uniao de Bancos de Brasileiros S.A.*, SEC Staff No-Action Letter (Jul. 28, 1992), *Royal Bank of Canada*, SEC Staff No-Action Letter (Jun. 3, 1998); *ABN AMRO Bank, N.V.*, SEC Staff No-Action Letter (Jul. 7, 1997); *Murray Johnstone Holdings Limited*, SEC Staff No-Action Letter (Oct. 7, 1994); *Kleinwort Benson Investment Management Limited*, SEC Staff No-Action Letter (Dec. 15, 1993); *Mercury Asset Management plc*, SEC Staff No-Action Letter (Apr. 16, 1993).

clients. Additionally, for United Kingdom regulatory purposes, the Registrant will be an “appointed representative” of BIUK. This means that BIUK will take responsibility for compliance by the Registrant with United Kingdom regulatory rules.

To the extent permitted by applicable law, the Registrant may use the services provided by other related persons. The Registrant may engage Oxford Properties Group and OMERS Capital Markets to conduct due diligence on potential investment opportunities for OAC or the GSIA. OMERS Capital Markets assists the Registrant in hedging transactions for OAC including determining the counterparties and pricing for the hedging transactions. Borealis Canada may also engage such related persons for similar services described above.

The Registrant does not provide to Alliance Members (other than OAC by virtue of the Registrant’s role as subadvisor to Borealis Canada) hedging or repatriation advice, nor advice which takes into account circumstances specific to any particular Alliance Members (other than OAC) such as advice with respect to how Alliance Members should hold or structure their investments into the Portfolio Companies or their own unique tax, legal, finance, or currency hedging profiles and positions. Alliance Members typically receive their own independent advice on these matters. This approach is specifically contemplated in the GSIA Documents.

OAC has a wholly-owned subsidiary, OMERS Investment Management Inc. (“OIM”), that enters into derivative contracts with certain institutional investors of the type permitted by Canadian law (but outside of the United States) on which the return is based in whole or in part on the performance of all or part of the OMERS primary pension plan, a portion of which is advised by the Registrant in its role as subadvisor to Borealis Canada. OIM has obtained securities registrations in Ontario, Alberta, British Columbia, Manitoba, Nova Scotia, New Brunswick, Saskatchewan, Quebec, Newfoundland and Labrador, in each case, as an exempt market dealer.

Please refer to Item 11 for a discussion of other potential conflicts of interest involving related persons.

Investments Alongside OMERS Companies

None of the GSIA Documents prevent or limit the ability of the Registrant and its related persons to enter into any joint venture, partnership or other similar arrangements that do not fall within the GSIA Criteria with any Alliance Member, its investors or any third parties. In addition, clients of the Registrant may invest alongside other OAC related persons in specific non-GSIA investment opportunities. See Item 11 for additional information with respect to related conflicts of interest.

Advice in Tandem with Borealis Canada

It is generally anticipated that advice given to Alliance Members by the Registrant in respect of the GSIA will be the same as the advice given to Alliance Members by Borealis Canada, and that such advice by both entities will be provided to their respective clients concurrently.

Other Advisers

The Registrant does not recommend or select other investment advisers for its clients.

Other Related Conflicts:

Related and unrelated third party service providers and counterparties that provide services to, or engage in transactions with, the Registrant or its related persons also provide services to, or engage in transactions with, OAC and the GSIA. The Registrant may have a conflict of interest in selecting these related and unrelated service providers and counterparties on behalf of its clients because the Registrant may favor service providers and counterparties that provide service to the Registrant for attractive fees or other terms of service.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The Registrant is subject to the OMERS Enterprise Code of Conduct and OMERS Enterprise Personal and Insider Trading Policy (collectively, the “**Code**”), which set out standards for ethical conduct in the operation of its business. These standards include avoidance of conflicts of interest, protection of confidential information, reporting of violations, trading with material non-public information, restrictions on personal trading in securities and the reporting of certain gifts and business entertainment items. All employees and associated persons of the Registrant must acknowledge the terms of the Code upon commencement of employment and annually thereafter. The Registrant has also adopted additional measures pursuant to SEC Rule 204A-1, which are described in its personal trading procedures. Generally, all employees and associated persons of the Registrant must obtain pre-clearance of transactions in their personal investment accounts as well as investment accounts held by relatives that are members of their household. In addition, employees and associated persons must report all holdings at least annually and transactions at least quarterly in these accounts to the OMERS compliance department. Copies of these policy documents are available to any client or prospective client by submitting a written request to Compliance at Compliance@borealis.ca.

Participating or Interest in Client Transactions and Potential Conflicts of Interest

The Registrant and its related persons include various investment entities which may have overlapping investment objectives, now or in the future. By virtue of OSI being an Alliance Member, OAC will indirectly be invested in the same investments as the other Alliance Members.

OAC may also make other infrastructure investments that do not meet the GSIA Criteria. The conduct of OAC, the Registrant and their related persons with respect to GSIA investments is subject to the GSIA Documents; however, it is possible that their respective interests may conflict with other Alliance Members, notwithstanding their participation in the GSIA. For example, OAC and the Registrant may, for financial reasons, determine that it is in their best interests that the Registrant recommends that participating Alliance Members sell a GSIA investment without regard to the interests of such Alliance Members. Alliance Members typically will have the ability to compel the Registrant to include the Alliance Members’ interests in a sale of a GSIA investment by OSI; but, typically, the Registrant will not have the ability to compel Alliance Members to include their interests in an investment in a sale by OSI of that investment.

The Registrant may occasionally engage in principal and cross transactions when it believes that such transactions would be advantageous or otherwise beneficial to the Alliance Members. For example, the timing requirements of a particular transaction or regulatory issues may, subject to compliance with the GSIA Documents, cause OSI or another OAC related person to make an investment first and at a later time such investment is sold to Alliance Members who want to participate in the investment at a price agreed to between the parties. In the event the Registrant engages in principal or cross transactions, in accordance with the anti-fraud provisions of the Advisers Act and with the Registrant’s internal compliance policies and procedures, the Registrant (unless expressly permitted or contemplated by OAC’s internal policies or the GSIA Documents) will not without obtaining the consent of the Alliance Committee (including any relevant Alliance Members) prior to the settlement of such transaction: (i) as principal, sell a security to, or buy a security from, any Alliance Member; or (ii) cause the Alliance Members to participate in cross transactions in which the Registrant arranges for an Alliance Member to buy a security from, or sell a security to, another Alliance Member. In particular, the Registrant will not engage in such GSIA transactions without providing appropriate disclosure and obtaining the prior informed consent from the Alliance Committee (including any relevant Alliance Members).

General Investment Activities and Trading

As one of the largest institutional investors in Canada, OAC manages a diversified global portfolio of stocks and bonds as well as real estate, infrastructure and private equity investments. It is also an active participant in global fixed income, currency, commodity, equities and other markets. With a direct drive active management strategy, in

the ordinary course of business, interests of OAC and its related persons may conflict with interests of Alliance Members, notwithstanding OSI's participation in the GSIA (*i.e.*, OSI's participation in the GSIA will not affect OAC trading activities in the ordinary course). Thus, OAC may invest, trade or make a market in the equity, debt or other interests of GSIA investments without regard to its impact on Alliance Members.

OSI, as an Alliance Member, has agreed that it and its related persons will pursue through the GSIA all investments which the Alliance Committee has formally decided to pursue in accordance with the GSIA Documents. However, OAC and its related persons comprise various investment entities which may, now or in the future, have overlapping investment objectives and present the potential for conflicts of interest with Alliance Members. Examples may be OMERS Private Equity participating in a restructuring of an existing portfolio company which involves large-scale infrastructure assets, or OMERS Capital Markets owning an interest in an entity that is an infrastructure company. Similarly, OSI or its related persons may make strategic investments in enterprises with core businesses or operations that are not primarily infrastructure-related, but may hold such assets incidental to their core business or operations, in furtherance of their mandate to pursue investments in strategic access platforms, to provide OAC investment entities with access to global investment opportunities and services.

The Registrant is a related person of Rosewater, a corporation that acts as the administrator of the GSIA. Rosewater receives fees from all Alliance Members, including OSI, in respect of their participation in the GSIA. See Item 5 for additional information.

With respect to personal trading, the Registrant is subject to OMERS Enterprise Personal and Insider Trading Policy which as discussed more fully above in this Item 11, is designed to, among other things, address the conflicts of interest that could arise in connection with personal trading.

Material, Non-Public Information; Confidential Information

From time to time, the ability of the Registrant to recommend the purchase or sale of certain securities to Alliance Members may be restricted by applicable securities laws or regulatory requirements applicable to OAC or its related persons (and/or their respective internal policies designed to comply with these and similar requirements). OAC, OSI, Rosewater, the Registrant and/or their related persons may, from time to time, possess material, non-public information about a GSIA investment that would limit the ability of the Registrant to recommend the purchase or sale of certain securities to Alliance Members related to that investment. Such knowledge may adversely affect an Alliance Member's ability to make and/or sell certain investments.

In addition, the Registrant or its related persons may enter into contractual arrangements with third parties in connection with the evaluation of investment opportunities or otherwise, which may impose upon them obligations with respect to confidential information received from these third parties. In such circumstances, the Registrant and/or its related persons may be contractually bound to hold such information (including the fact that it is in discussions with such parties) in the strictest confidence and to use such information for limited purposes only, even if the failure to disclose such information to an Alliance Member may be contrary to such Alliance Member's interests, or the interests of its investors.

The Registrant may provide portfolio holdings information to entities that have been retained by the Registrant, OAC, Alliance Members and potential Alliance Members to evaluate portfolio risk. This information is provided in the sole discretion of the Registrant or its related persons. The Registrant makes reasonable efforts to preserve the confidentiality of the information provided, such as entering into non-disclosure agreements, but the Registrant cannot ensure that the entities it provides information to will fulfill their confidentiality obligations.

In the course of conducting due diligence, OAC, Alliance Members and potential Alliance Members periodically request information pertaining to potential investments. The Registrant may respond to these requests, and the information conveyed may not necessarily be provided to other Alliance Members. When this information is provided, the Registrant does so without an obligation to update any such information provided.

Infrastructure Investment Opportunities

Pursuant to the GSIA Documents, OAC and its related persons cannot invest in an asset that meets the GSIA Criteria unless it has been presented to the Alliance Committee for consideration as a GSIA investment. In the course of its business, the Registrant or its related persons may create special purpose vehicles to facilitate investments in specific underlying infrastructure assets on behalf of OAC and if applicable, the Alliance Members. Each Alliance Member will have the opportunity to participate in each transaction in proportion to their Potential Investment Amount, subject to limited exceptions. Full disclosure of all exceptions (e.g., compliance with obligations under the GSIA Documents) and material conflicts of interest are provided to Alliance Members in the GSIA Documents, which Alliance Members execute upon joining the GSIA, or in the information provided to Alliance Members in connection with their decision whether to opt-in to the investment.

The Registrant is also subject to, and bound by, OAC policies and protocols with respect to, among other things, its conduct, organization, management, investment and certain other activities. As a result of such policies and protocols, OAC may not be able to participate in an investment opportunity (e.g., for prudent diversification and/or regulatory reasons where OAC is already a major investor in certain industries and regions) and the Registrant would not, therefore, pursue the opportunity. This is because the GSIA Documents require that OAC, through its related person(s), must participate in the opportunity in order for it to proceed as a GSIA investment. This may conflict with the interests of other Alliance Members and/or restrict which potential investment opportunities the Registrant brings forward to the GSIA. In such circumstances, pursuant to the GSIA Documents, neither the GSIA nor OAC or its related persons would be permitted to pursue such opportunity. To the extent a potential investment opportunity is presented to Alliance Members and, after conducting due diligence, the requisite majority of the Alliance Committee does not approve the investment, Alliance Members who voted in favor of the investment opportunity would be permitted (subject to the GSIA Documents) to pursue such investment opportunity outside the GSIA.

The GSIA may acquire assets that have been developed and/or referred by the Registrant and its related persons, in particular where appropriate to seed the planned infrastructure portfolio. All acquisitions will require approval of the Alliance Committee; however the interests of the Registrant and OAC in such circumstances will be inherently in conflict with those of other clients.

Investments Alongside OMERS Companies

As discussed above in Item 10, clients of the Registrant may invest alongside other related persons of the Registrant in specific non-GSIA investment opportunities. Such relationship may influence the decisions made by the Alliance Committee with respect to such investments. In these circumstances, it is possible that there could be a potential conflict of interest between clients, and the Registrant's related persons with respect to a number of areas, such as the allocation of control rights, strategic direction or timing of the investment or assets under consideration. Such conflicts may arise from various factors, including investments in different levels of capital structure, different risk profiles or any number of other circumstances.

Other Activities and Policies of the Registrant

Decisions with respect to the identification and management of investments will be made by directors, officers, employees and associated persons of the Registrant pursuant to the management services agreement between Borealis Canada and the Registrant entered into in support of the management services agreement between OAC and Borealis Canada, and the GSIA Documents. These individuals will devote that portion of their time as necessary for the proper performance of their duties under such agreement; however, as the Registrant is a subsidiary of Borealis Canada which is the infrastructure investment arm of OAC, other investment activities of OAC are likely to require those individuals to devote substantial amounts of their time to matters unrelated to the business of the GSIA, including OAC's existing or future portfolio of investments, which may result in conflicts in the allocation of management resources. No Alliance Member will have any interest in these other activities.

Officers, employees and associated persons of the Registrant or its related persons may serve as directors and officers of certain GSIA investments. In their capacities as directors and officers of such entities, these individuals may be required to make decisions that consider the best interests of the GSIA investments and their respective

stakeholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a GSIA investment, actions that may be in the best interests of the GSIA investment may not be in the best interests of Alliance Members or vice versa. Similarly, because the directors and officers of such GSIA investments are employed by the Registrant or its related persons, such directors and officers may choose the Registrant's or OAC's interest over those of other clients.

Fees for Other Services

As indicated in Items 4 and 5, the Registrant and/or its related persons may be retained to perform services for the GSIA and/or its investments that would otherwise be provided by third parties, such as consulting, or operational, financial and advisory services. In these circumstances, such parties performing services will be compensated on arm's length terms and will require approval of the Alliance Committee, unless provided for in the GSIA Documents; however the potential for such fees could be an incentive for the Registrant to recommend an investment to the Alliance Committee.

Relationships with Others

As one of the largest institutional investors in Canada, and with investments in a wide range of companies and assets around the world, OAC and its related persons have developed, and continue to develop, relationships with co-investors, institutional investors, pension plans, investment funds, financial institutions, governments, professional advisors and other business partners (including potential Alliance Members or their investors). These current and future relationships may result in conflicts of interest in certain circumstances where the interests of other clients, or any of their investors, are not aligned with the interests of the Registrant or its related persons or of other parties with whom the Registrant or its related persons have or may develop a relationship.

It is possible that the Registrant and its related persons could benefit from volume-related discounts from third party service providers as a result of engagements relating to GSIA investments. The receipt of volume-related discounts may cause a conflict between the Registrant and its related persons in choosing third party service providers and the interests of the clients. To address this potential conflict, the Registrant has implemented policies and procedures that require it to take into account factors in connection with the selection of service providers such that any service provider selected provides services of a quality and for a level of price that is no less favorable to the clients than would be the case with a service provider in absence of a third party discount.

Resolution of Conflicts

The Registrant attempts to resolve conflicts on a fair and equitable basis. The Registrant is required by the GSIA Documents to disclose all known material conflicts of interest on a timely basis to the extent not identified in or expressly permitted by the GSIA Documents. Subject to the foregoing, any conflicts of interest that may arise between the Registrant and its related persons, on the one hand, and an Alliance Member, on the other hand, will be discussed and resolved on a case-by-case basis by the relevant parties, including by reference to the applicable protocols and procedures set forth in the GSIA Documents. Any such discussions may take into consideration the interests of the relevant parties and the circumstances giving rise to the conflict.

Other Related Conflicts and Practices

Investment bankers, service providers and other third parties with whom the Registrant does business occasionally provide gifts and entertainment to its principals, employees and associated persons. The Registrant may enter into business transactions and relationships on behalf of its clients with the donors of such gifts and entertainment. Such gifts and entertainment create a conflict of interest in the selection and retention of these donors as service providers. To address this conflict, the Registrant has adopted policies and procedures to monitor gifts and entertainment given and received by its principals and employees. The Registrant also has policies and procedures in place to help to monitor, and limit, the political contributions that its principals, employees and associated persons make to U.S. public officials and candidates for elected office in accordance with the requirements of Rule 206(4)-5 under the Advisers Act.

Item 12 – Brokerage Practices

Selection of Broker-Dealers

Based on the nature of the investment strategies the Registrant employs for its clients, the Registrant generally does not make use of securities broker-dealers in the traditional sense for buying and selling portfolio investments on behalf of clients; rather, investments are generally made through privately negotiated arrangements. For such arrangements and other client transactions, the Registrant has the authority to select buy-side and sell-side broker-dealers, investment bankers and similar intermediaries (collectively, “**Broker-Dealers**”). The Registrant may engage Broker-Dealers that assist in: (i) identifying and introducing to the Registrant prospective Operating Companies for acquisition, merger or capital investment opportunities; (ii) divestments of interests in Operating Companies; or (iii) other transactions as determined by the Registrant. When selecting Broker-Dealers, the Registrant will seek “best execution” on an overall basis—*i.e.*, completing client transactions at the most favorable net price considering all relevant circumstances. In connection with its determination of whether best execution has been obtained, the Registrant will consider the full range of services available from and the characteristics of each Broker-Dealer. Such services and characteristics may include, but are not limited to the following:

- execution capabilities;
- responsiveness;
- industry experience;
- reputation and integrity;
- overall reliability;
- willingness and ability to commit capital; and
- value of “brokerage” or “research.”

Transactions involving Broker-Dealers will generate higher costs which are borne by the relevant client, and not the Registrant.

When retaining Broker-Dealers for portfolio transactions, the Registrant is not required to (i) obtain the lowest brokerage commission rates or (ii) combine or arrange transactions to obtain the lowest brokerage commission rates. The Registrant is also not required to solicit competitive bids. The Registrant is not required to negotiate commission rates to take into account only the costs of the Broker-Dealer. Thus, clients may pay commissions to such Broker-Dealer in an amount greater than the amount another Broker-Dealer might charge for similar services.

Research and Other Soft Dollar Benefits

Various Broker-Dealers may provide the Registrant or its related persons certain research and services at no charge as an incident of doing business with such Broker-Dealers, but only where (i) there is no arrangement to direct a specific amount of the Registrant’s business to such Broker-Dealers in exchange for such items and (ii) the Registrant does not “pay up” for such items in the form of higher fees or commissions on clients’ transactions. Such research may include, but is not limited to, proprietary and third-party research, which may be written, oral or on-line. Services may include, but are not limited to: research services (which may be in written or oral form or on-line) concerning market, economic and financial data; statistical information; financial publications; performance measurement data and services; analyses concerning prospective Operating Companies, other companies or sectors; market, economic and financial studies and forecasts; online pricing and financial information; valuations and related information; and other services to the extent related in any way to any of the foregoing.

The provision by a Broker-Dealer of research and other products or services to the Registrant creates an incentive for the Registrant or its related persons to select such Broker-Dealer since the Registrant and its related persons would not have to pay for such research and other services as opposed to solely seeking the most favorable execution for the clients. Any research or services provided by a Broker-Dealer may benefit any client (regardless of which client was associated with such research or services) and such benefits may not be proportionate to commission dollars related to the provision of such research, services or property.

Brokerage for Client Referrals

The Registrant does not consider whether it has received a client referral from Broker-Dealers in selecting or recommending Broker-Dealers to its clients.

Directed Brokerage

The Registrant does not enter into directed brokerage arrangements.

Allocations of Investment Opportunities

Investment opportunities that OAC determines to pursue and that meet the GSIA Criteria must be presented to each of the Alliance Members. Each Alliance Member will have the opportunity to participate in such transaction in proportion to its Potential Investment Amount, subject to limited exceptions. See “Infrastructure Investment Opportunities” in Item 11 for additional information.

Transaction Aggregation and Allocation

To the extent that there is more than one Alliance Member participating in an investment, such investment becomes a GSIA investment and as such involves the aggregation of funds from Alliance Members that choose to participate in the investment.

Item 13 – Review of Accounts

The Registrant is an active manager of infrastructure investments which it has identified, pursued and managed on behalf of its clients. As an active manager, the Registrant regularly reviews the performance of each Portfolio Company and Operating Company. Monitoring of the Portfolio Companies and Operating Companies is accomplished through the Registrant’s positions on the board of directors of both the Portfolio Companies and Operating Companies and the shareholder rights of OAC and its related persons. The Registrant has frequent communications with the management of the Operating Companies, attends board meetings where it receives information on the status of the Operating Companies, and reviews monthly or quarterly financial reports on the Operating Companies.

With respect to reporting to clients on the GSIA investments, every GSIA investment will have a specific asset services agreement based on a framework agreement forming a part of the GSIA Documents that is tailored for each investment (e.g., the specific reports that will be provided to participating Alliance Members). Although the types of reports provided may vary for each GSIA investment, the Registrant will typically provide to participating Alliance Members, to the extent it is made available to the Registrant, the prescribed information set out in the framework asset services agreement and, if applicable, other GSIA Documents. This would typically include written annual audited financial statements of the Portfolio Companies, an asset management report (which describes, among other things, the status of the investment, key performance indicators, highlights for the period, and material outcomes of board and shareholder meetings), a valuation report (which describes, among other things, the valuation of the investments, the methodology used, and changes from the previous year), and a review report prepared by an internationally recognized accounting firm commenting on the valuation report. In addition, written quarterly unaudited financial statements and quarterly asset management reports are typically provided and, on a monthly basis (to the extent such information is made available to the Registrant), information regarding projected cash requirements and/or distributions.

With respect to reporting to OAC on non-GSIA investments, the Registrant prepares and delivers (in accordance with mutually acceptable time frames) written and unwritten monthly, quarterly, annually and other suitable reports to properly update OAC on matters pertaining to its investments including financial statement information and year-end valuations, in each case (as applicable) prepared in accordance with Canadian accounting standards for Canadian pension plans.

Item 14 – Client Referrals and Other Compensation

The Registrant does not receive any economic benefit from anyone who is not a client in relation to the provision of investment advisory services to its clients. As indicated in Item 11, it is possible that the Registrant and its related persons could benefit from volume-related discounts from third party service providers as a result of engagements relating to GSIA investments. The receipt of volume-related discounts may cause a conflict between the Registrant and its related persons in choosing third party service providers and the interests of the clients. To address this potential conflict, the Registrant has implemented policies and procedures that require it to take into account factors in connection with the selection of service providers such that any service provider selected provides services of a quality and for a level of price that is no less favorable to the clients than would be the case with a service provider in absence of a third party discount.

Neither the Registrant nor its related persons directly or indirectly compensate any person who is not a supervised person for investor or client referrals.

Item 15 – Custody

To the extent required by law, client funds are held by qualified custodians. As described in Item 13, the Portfolio Companies are subject to an annual audit performed by an independent public accounting firm. Annual audited financial statements and quarterly unaudited financial statements of the Portfolio Companies along with other reports, as described in Item 13, are typically distributed to participating Alliance Members. Alliance Members are urged to carefully review such statements and reports.

Item 16 – Investment Discretion

The Registrant provides non-discretionary advice to the Alliance Members with respect to potential GSIA investment opportunities and does not have discretionary authority to enter into investment transactions on behalf of the Alliance Members. However, after the GSIA investment has been made, the Registrant does have discretionary authority with respect to the asset management services (described in Item 4 above) based on the terms set forth in the GSIA Documents and the specific asset services agreement applicable to the GSIA investment. The Registrant typically assumes its authority to provide services through the GSIA Documents. The terms restrict the Registrant's services to investment in certain securities or geographic regions or types of securities.

The Registrant does not have investment discretion with respect to assets of the OMERS primary pension plan administered by OAC. The Registrant identifies and recommends investments that are consistent with OAC policies and performs certain services and undertakings with respect to such investments. The Registrant's duties are subject to OAC's objectives and guidelines and the restrictions and limitations on the delegations of authority set forth in various policies and procedures of OAC, and the management services agreement between Borealis Canada and the Registrant entered into in support of the management services agreement between OAC and Borealis Canada. The Registrant assumes its authority to provide services to OAC with respect to OAC's administration of the OMERS primary pension plan through such management services agreement and policies.

Item 17 – Voting Client Securities

With respect to infrastructure investments, clients invest exclusively in privately held securities or publicly-held securities for purposes of converting an entity to a private company. However, the Registrant has adopted proxy voting policies and procedures such that where it has been delegated proxy voting authority, the Registrant will generally follow OAC's proxy voting guidelines.

From time to time, conflicts may arise between the interests of the clients, on the one hand, and the interests of the Registrant or its related persons, on the other hand. If the Registrant determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, the Registrant will address matters involving such conflicts of interest on a case-by-case basis which may include permitting Institutional Shareholder Services (the Registrant's proxy voting service) to vote in accordance with the company's general shareholder recommendations for the vote.

Clients may obtain free of charge a complete copy of the Registrant's Proxy Voting Policy and Procedures or, to the extent a proxy was voted by the Registrant for the clients, information on how the Registrant voted proxies for the clients, by submitting a written request to Compliance at Compliance@borealis.ca.

Item 18 – Financial Information

The Registrant is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.