

CAPITAL MARKETS & PRIVATE EQUITY

Chairperson: Holly Estrada Mechsner

Goals for this committee include:

- First understand what Canadian institutional investors are looking for
- \$50 billion in the next five years in true institutional infrastructure-grade financing from Canadian pension plans. This is separate from square footage and workforce.
- This is something Arizona hasn't done before now. What are our largest projects?
- Paint a picture that economic development departments can use as a piece of the puzzle to solve for infrastructure
- Arizona has an opportunity as global investments are being redirected
- Arizona needs to put forward large infrastructure investment asks
- These projects will support the economic development demands coming to the state
- What does Arizona want and how do we present it?
- Update 2015 foreign direct investment and capital markets narrative
- Expand institutional investor research
- Bring Arizona onto global-scale institutional infrastructure financing levels

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Over the next two decades, Arizona is on course and continues to be one of the fastest growing states in the union. With the surge of new industries and businesses moving into the state, the planning for the next phase of growth is now. The challenge for local private and public sectors will be to raise the hundreds of billions of dollars to support the infrastructure needed at a very rapid pace. Capital markets and private equity continues to be a source of money that can infuse capital into infrastructure projects. The CABC's Project Capital Markets & Private Equity was created to utilize its decades of relationships with Canadian capital investment firms, banks and companies, ready and able to invest at an institutional level and assist in the growth of Arizona, while earning a competitive return on investment.

The CABC has been tracking, assisting and networking with Canadian pension funds, investment bankers and other large money institutions for over 20 years. Canadian pension funds have a mandate to search for solid investments in the United States and abroad. The CABC's goal through this initiative is to bring a heightened awareness to the opportunities in Arizona by capturing the attention of these Canadian investors, and to direct a percentage of that money to Arizona for institutional grade infrastructure investments. Through its one degree of separation with key decision makers in Canada, the CABC is the most equipped entity to do this.

Canadian investments have and continue to directly contribute to Arizona's growth. Canada-Arizona history is deep and dates back over a 100 years, when Canadians moved to Arizona via mining and commercial opportunities. CABC has always made it a priority to follow Canadian investments, specifically, the following of "real money movement" of initial commercial investments in land, buildings, equipment, materials and products. Additionally, foreign indirect investment (FII) is the by-product of the initial investment, which also contributes significant money to the state's revenue base through luxury spending, dining/entertainment, residential real estate, sales/property taxes and more. The capital market and FII actual statistics are difficult to track and are often overlooked when recognizing Canadian dollars that flow into the state. The CABC has its pulse on these transactions as they are significantly important to FDI in Arizona.

The Canada-United States-Mexico (USMCA) Agreement shows that there is support and intent from government agencies to build stronger trade and commerce. Arizona, Canada and Northern Mexico (Sonora) are a dynamic trio with their combined natural resources, supply chains, labor, goods/services, distribution and manufacturing capabilities. Investment dollars from Canada into Arizona-Sonora will accelerate, shorten and amplify the development timeline to finance and build out the new infrastructure in the Southwest.

Arizona is in a growth and development stage setting the ground for the future of the Southwest. The state now needs to expand and go to the next level of infrastructure to accommodate growth in transportation (railways, airports, freeways, bridges), telecom, hospitals, housing (affordable), educational institutes (traditional and trade), and utilities. Canada's capital markets have had a role and continue to move Arizona forward on the international stage.

CABC's Project Capital Markets & Private Equity is directly tethered to its other initiatives, specifically Project Hourglass (water augmentation), Project Exploration (mining), and Project Lift (airports/direct flights). CABC's role with Project Capital Markets & Private Equity is to continue conversations, matching investment opportunities in Arizona, and facilitate exclusive introductions for its members to

the Canadian capital markets. Enhancing and protecting future and current investments in Arizona for decades to come.