STRATEGIC CAPITAL
FUND MANAGEMENT

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DIGITAL INFRASTRUCTURE UPDATE

COVID-19 IMPACT & RISK ASSESSMENT

The COVID-19 pandemic has already had profound implications on economies, capital markets and businesses around the world. Given the massive scale and significance of this novel event, we are providing market insights and commentary regarding its potential impact on the digital infrastructure sector.

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INTRODUCTION

The COVID-19 pandemic has already had profound implications on economies, capital markets and businesses around the world. Given the massive scale and significance of this novel event, we are providing market insights and commentary regarding its potential impact on the digital infrastructure sector.

In this briefing, we will address:

- Market trends and how they may influence constituencies in the wireless infrastructure and data center sectors
- Sector performance, valuations and expected COVID-19 impact sensitivity
- Tenant risk assessment – an evaluation of credit risk exposure and operational risk considerations for top tier wireless carriers.

Ultimately, we believe the long-term fundamental demand drivers for digital infrastructure assets remains unchanged. The growth in internet traffic, cloud computing, Internet of Things (IoT), 5G, and evolving technologies like virtual/augmented reality and autonomous vehicles, should continue to pave the way for long-term growth in the data center and wireless infrastructure sectors.

MARKET TRENDS

Increased Demand for Data

U.S. broadband and internet carriers have seen a surge in demand as companies around the United States have asked employees to work from home and schools have moved online following the COVID-19 outbreak. Specifically, states and municipalities that have issued shelter-in-place orders have had the most profound impact on the way people live, work and play. We have observed several notable trends being reported by market participants:

- Carriers are experiencing a surge in data and internet demand across major networks:
  - AT&T's mobile volumes are up 40% and Wi-Fi calling volumes are up 100%. Network infrastructures are "performing quite well," but the company noted the network is seeing some stress as more people work from home.[2]
  - Verizon streaming demand increased 12% in a single week in March, web traffic climbed 20%, virtual private network, or VPN, jumped 30% and gaming skyrocketed 75% week-over-week.[3]
- Web traffic has increased since the first weeks of the pandemic, but it has also shifted away from cities toward the suburbs. According to Cloudflare, internet traffic dropped in most major cities, but rose in suburban areas, as many companies urged their employees to work from home.[4]

We believe increased demand for connectivity and capacity further supports the importance of existing digital infrastructure assets and the case for growth in infrastructure to support the networks.

1. Source: TheVerge.com, "AT&T CEO addresses major surge in mobile, Wi-Fi usage as more people work from home", March 22, 2020
2. Source: CNBC.com, "Web traffic spiked 20% in one week amid coronavirus shutdown, Verizon CEO says", March 19, 2020
3. Source: CPExecutive.com, "Coronavirus Brings Challenges, Opportunities to Data Centers", April 13, 2020

Carrier Capital Spending

Carriers are generally focused on investing in their networks in order to help maintain reliability and expand 5G deployments across the country. However, we note that an impact on carrier operating cash flows may also impact their capital spending budget in the future, which we continue to monitor.

» **Verizon** announced March 12th that it is increasing its capital guidance range from \$17 - \$18 billion to \$17.5 - \$18.5 billion in 2020. This effort is expected to accelerate Verizon's transition to 5G and help support the economy during this period of disruption.[5]

» **AT&T** expects capital spend at approximately \$20 billion in 2020, even as they build out their new 5G network. This is slightly lower than 2019 at \$23 billion, as the company is under pressure from activist investor Elliott Management to control spending. Instead of spending as much, or more, on capex in 2020 as it did in 2019, AT&T will instead buy back its own shares to increase the price for the benefit of shareholders. Share buybacks are not included in capex, but they can potentially affect how much money a company chooses to invest.[6]

» **T-Mobile** completed the acquisition/merger of Sprint on April 1, 2020. According to the official press release, they expect to ramp up combined capital investments of approximately \$40 billion over the next three years as they invest in their network and business lines.[7]

» **DISH Network** is set to become the U.S.'s fourth largest facilities-based wireless provider as part of the Sprint-T-Mobile merger agreement. The company still has a lot of groundwork to do, lining up vendors and securing permits. On its recent quarterly earnings call, DISH CFO Paul Orban said, "Our 2020 wireless expenditures are currently expected to be between \$250 million and \$500 million."[6]

4. Source: Verizon.com, "Verizon's networks stand ready for increases in data traffic", March 12, 2020
5. Source: FierceWireless.com, "Where's the beef? 2020 capex of major U.S. wireless carriers", February 24, 2020
6. Source: T-Mobile.com, "T-Mobile Completes Merger with Sprint to Create the New T-Mobile", April 1, 2020

SECTOR PERFORMANCE & VALUATION SENSITIVITY

Data center and cell tower assets are widely anticipated to have **the lowest sensitivity to COVID-19 impacts** of any real estate category. They also score well on being resilient to overall changes in the general economic environment, as sensitivity for data centers is *average* and cell towers receive a *medium/low* scoring according to Hoya Capital research.[8]

In addition, we believe a prolonged low interest rate environment also bodes well for the sectors as these assets typically have long-term leases with high credit quality tenants. The low rate environment may also be favorable for portfolios with financing established prior to COVID-19 impacts on the debt markets in March 2020.

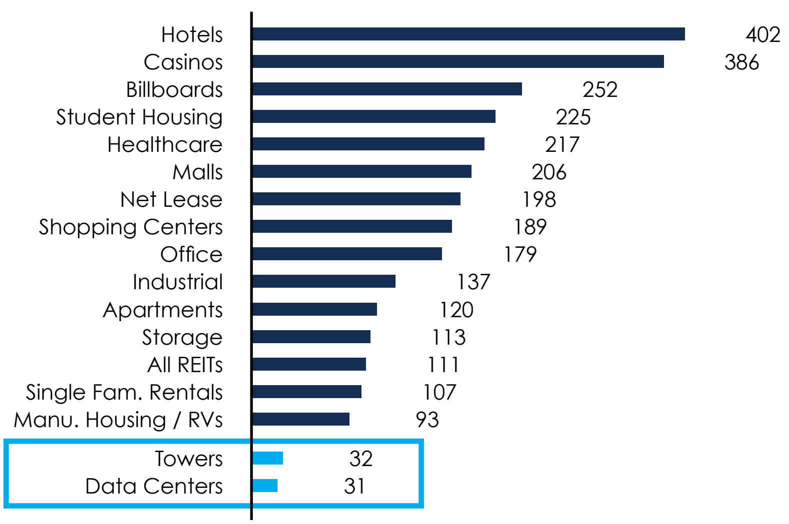
COVID-19 Sensitivity		General Economic Sensitivity		Interest Rate Sensitivity	
Estimated Profit Impact From CV-19 Related Shutdowns		Exposure To General Economic Slowdown		Potential Benefit From Lower Interest Rates	
Hotel	High	Hotel	High	Healthcare	High
Gaming/Casino	High	Timber	High	Manufactured Home	High
Mall	High	Mall	High	Net Lease	High
Shopping Center	High	Billboard	High	Storage	High
Healthcare	Medium/High	Industrial	Medium/High	Student Housing	Medium/High
Net Lease	Medium/High	Office	Medium/High	Cell Tower	Medium/High
Student Housing	Medium/High	Prison	Medium/High	Single Family Rental	Medium/High
Office	Medium/High	Gaming/Casino	Medium/High	Data Center	Medium/High
Manufactured Home	Average	Shopping Center	Average	Apartment	Average
REIT Average	Average	***REIT Average***	Average	***REIT Average***	Average
Prison	Average	Data Center	Average	Gaming/Casino	Average
Billboard	Medium/Low	Cell Tower	Medium/Low	Shopping Center	Medium/Low
Timber	Medium/Low	Apartment	Medium/Low	Industrial	Medium/Low
Apartment	Medium/Low	Single Family Rental	Medium/Low	Office	Medium/Low
Single Family Rental	Medium/Low	Student Housing	Medium/Low	Timber	Medium/Low
Storage	Low	Healthcare	Low	Prison	Low
Industrial	Low	Net Lease	Low	Mall	Low
Data Center	Low	Storage	Low	Billboard	Low
Cell Tower	Low	Manufactured Home	Low	Hotel	Low

7. Source: SeekingAlpha.com, "Cheap REITs Get Cheaper", March 24, 2020. It is not possible to invest directly into an index. This index does not reflect the performance of any fund.

In mid-March, CenterSquare indicated implied cap rate movement of only 31-32 basis points in data center and tower assets, the least impacted sectors of any real estate type covered in their analysis. Robert A. Stanger & Co., Inc. then reported in April that data center implied cap rates had actually dropped since 12/31/2019. At the same time, tower company multiples in the public markets reached near all-time highs. We believe that while public equities do not reflect actual values of private market transactions, they can provide an indication of market sentiment and direction.

	Average Cap Rates[9]			
		12/31/2019	4/9/2020	Change
	Public Sectors			
1	Office	6.4%	7.3%	0.9%
2	Retail	6.7%	9.0%	2.3%
3	Industrial	5.0%	5.6%	0.5%
4	Residential	4.9%	5.6%	0.8%
5	Diversified	5.9%	7.5%	1.6%
6	Healthcare	6.2%	7.3%	1.2%
7	Net Lease	6.1%	8.0%	1.8%
8	Self Storage	5.1%	5.4%	0.3%
9	Data Center	5.7%	5.5%	-0.2%
10	Hotel	8.1%	10.4%	2.3%

Cap Rate Expansion Since 1/31/2020 - 3/16/2020 (bps)[10]



Source: CenterSquare Investment Management. Cap rates are based on CenterSquare public and private market cap rate estimates (1/31/2020–3/16/2020). Please refer to CenterSquare cap rate methodology.

8. Source: Robert A. Stanger & Co., Inc. "Moment in Time Implied Cap Rates in Volatile Traded Market", April 9, 2020
9. Source: CPExecutive.com, "COVID-19 and REIT Cap Rates", March 18, 2020

According to Credit Suisse, leading public data center REITs maintained significant average valuation multiples on EBITDA and FFO of 19.8x and 25.1x respectively, with current average dividend yields maintaining around 3.3%. The largest three public tower REITs also maintained significant average valuation multiples on EBITDA and FFO of 30.3x and 32.6x respectively, with current average dividend yields maintaining around 1.6%.[11]

Credit Suisse Communications Infrastructure Comp Sheet[11]

Basic Information

Company / Group	Ticker	Price	Current Market Cap ($mil)	Net Debt ($mil)	EV ($mil)	EV/EBITDA 2020E	EV/EBITDA 2021E	P/FFO 2020E	P/FFO 2021E	Div. Yield Current
Equinix	**EQIX**	$687	$58,695	$10,026	$68,721	23.8x	21.4x	37.1x	33.4x	1.5%
CyrusOne	**CONE**	67	7,745	2,869	10,614	19.2x	17.7x	18.0x	17.2x	2.9%
CoreSite Realty	**COR**	121	4,578	1,475	6,054	18.8x	17.8x	23.6x	22.9x	3.9%
QTS Realty	**QTS**	60	3,450	1,473	4,923	17.5x	15.6x	21.5x	20.5x	3.0%
Data Center REITs AVG			**$22,583**	**$5,330**	**$27,914**	**19.8x**	**18.1x**	**25.1x**	**23.5x**	**3.3%**
AT&T	**T**	$31	$220,423	$176,149	$396,572	6.7x	6.8x			6.7%
Verizon	**VZ**	57	237,802	129,328	367,130	7.8x	7.7x			4.2%
T-Mobile	**TMUS**	86	106,167	40,806	146,973	11.0x	10.7x			0.0%
U.S. Cellular	**USM**	31	2,681	2,189	4,870	4.8x	5.1x			0.0%
Cincinnati Bell	**CBB**	15	739	1,961	2,700	6.7x				0.0%
Telecoms AVG			**$113,562**	**$70,087**	**$183,649**	**7.4x**	**7.5x**			**1.8%**
American Tower	**AMT**	$260	$115,120	$29,482	$144,602	30.5x	28.1x	32.9x	30.7x	1.5%
Crowne Castle	**CCI**	164	68,405	23,598	92,003	27.8x	26.3x	28.8x	26.8x	2.8%
SBA Comm.	**SBAC**	306	34,312	12,722	47,034	32.4x	31.2x	36.0x	32.9x	0.4%
Tower REITs AVG			**$72,613**	**$21,934**	**$94,547**	**30.3x**	**28.6x**	**32.6x**	**30.1x**	**1.6%**

While larger traded companies are being valued at significant free cash flow multiples at the time of this writing, more nimble private data center and wireless infrastructure companies may be able to enter into single asset transactions and smaller portfolio transactions at much lower valuations. This may be particularly true if assets have title deficiencies, more complex contract negotiations, vacancy, weaker tenant credit exposure or other transactional considerations. An experienced operator may be able to take advantage of these value-add opportunities with the potential to create significant upside for investors.

10. Source: Credit Suisse Equity Research, Company data and estimates, "Data Center and Communications Equipment Weekly Analysis", April 13, 2020

Data Center Market Comments

Data center REITs were the top performer across the traded REIT industry in the first quarter of 2020 and the sector is expected to remain an investor favorite going forward as the coronavirus crisis underscores its vital and expanding role in an increasingly digital economy. According to NAREIT, the broader publicly traded REIT sector witnessed losses of more than 25% in the first quarter, however data centers were the only segment that saw an increase in the first three months of 2020. The segment, which includes Equinix and Digital Realty Trust, grew by 8.8 percent.[12]

The secular tailwinds for data centers are powerful and the thirst for data consumption seems unrelenting, according to New Street Research. Green Street Advisors analysts also commented in April that historical returns have been driven by secular demand and recent COVID-19 resilience is attributable to the same forces in an even more virtual world than before. The coronavirus crisis is serving to fast-track trends that were already evident in the data center space, analysts said.[13]

According to a leading data center brokerage and data center research group at Cushman & Wakefield, the market is reporting large demand surges from shelter in place orders and distance learning connectivity requirements. Cushman & Wakefield noted that data center operators have performed relatively well, with outages few and far between.[14]

Analysts noted that there is large growth in hyperscale and new development for cloud computing. More infrastructure is still needed to keep pace with ever increasing demand, especially now. Cushman & Wakefield expects demand and growth in new infrastructure to continue. Expect some slowdowns on some development projects, as schedules are getting stretched out some with workforce needs, but there hasn't been pull back in planned development. Fiber connectivity and cloud availability continue to be the biggest considerations for new development locations.[14]

It's still too early to tell if increased demand has led to an increase in new leasing activity, however for existing colocation tenants, the market is reporting increases in power utilization.

We believe there is significant opportunity to acquire data centers at prices below replacement cost, generally targeting assets in secondary and tertiary markets where there is typically less competition from large REITs and owner-operators. Overall, we remain optimistic about market opportunities ahead in single-tenant, multi-tenant, cloud computing and edge computing data center facilities in certain markets.

11. Source: CPExecutive.com, "Coronavirus Brings Challenges, Opportunities to Data Centers", April 13, 2020
12. Source: REIT.com, "Data Center REITs Poised to Benefit from Increased Reliance on Technology", April 14, 2020
13. Source: Cushman & Wakefield, Data Center Advisory Group, "Data Center Global Market Overview", April 2020

Wireless Infrastructure Market Comments

There are over 100 companies in the U.S. that own and operate more than 300,000 towers, rooftops, small cells and distributed antenna system (DAS) installations used for mobile broadband, public safety, broadcast and private network communications. These tower companies are a mix of publicly held entities, independent tower owners and private network operators such as railroads and utilities.

We believe tower and wireless infrastructure companies operating in the U.S. are generally well-positioned for growth and that macro towers will remain the backbone of wireless networks. According to Raymond James, macro communications towers in the U.S. are the "best business we have ever seen," analyst Richard Prentiss says - pointing to resilience in the industry learned from past downturns, and tower companies are in-line to slightly ahead of April 2019 levels, even amid the COVID-19 pandemic.[15] We believe growth in the market is tied to continued 5G deployments and further enhanced by the final closure of the Sprint/T-Mobile merger[16].

The COVID-19 pandemic has emphasized the importance of staying connected and of enhanced network capacity. Overall, we believe there continues to be significant opportunity for wireless infrastructure companies with experienced operating teams to aggregate, manage and optimize high-quality, diversified portfolios of telecommunications infrastructure assets.

14. Source: SeekingAlpha.com, "American Tower +8.4% on Raymond James bull note", March 26, 2020
15. Source: T-Mobile.com, "T-Mobile Completes Merger with Sprint to Create the New T-Mobile", April 1, 2020

TENANT RISK ASSESSMENT

Credit Risk

In light of the broader economic disruptions caused by COVID-19 and because they are the predominant tenants for wireless infrastructure, we have reviewed select wireless carriers and their current credit quality. We have also evaluated potential short-term and long-terms risks of their ability to pay rent on a typical lease structure. **Given the credit quality and relative recession resistant nature of businesses, we do not expect any of the largest carriers to experience difficulty paying their long-term, non-cancellable operating leases.**

We also note that on April 1, 2020, Sprint and T-Mobile completed their merger, with T-Mobile as the surviving entity. After nearly two years of waiting to close their $26.5 billion merger, a U.S. District Judge granted approval of the transaction in early February. The judge rejected claims that combining the third and fourth largest national wireless carriers would be anticompetitive. According to their official press release, the enhanced scale and financial strength of the combined company will drive a planned investment of $40 billion into its network, business and more over the next three years.[17]

One of the conditions to the merger was that T-Mobile divest certain spectrum and network assets that will enable DISH to build a national network. This creates a major new tenant in the telecom market, which we expect to enhance business opportunities for wireless infrastructure companies.

Carrier Credit Rating Update (as of 3/31/20, unaudited)

Tenant	S&P Global Rating	Moody's Rating	Outlook
AT&T	BBB	Baa2	Stable
T-Mobile	BB	Baa2	Stable
Verizon	BBB+	Baa1	Positive
U.S. Cellular	BB	Ba1	Stable
Sprint	Merged with TMUS	Merged with TMUS	Merged with TMUS
Non-rated tenants	NR	NR	NR

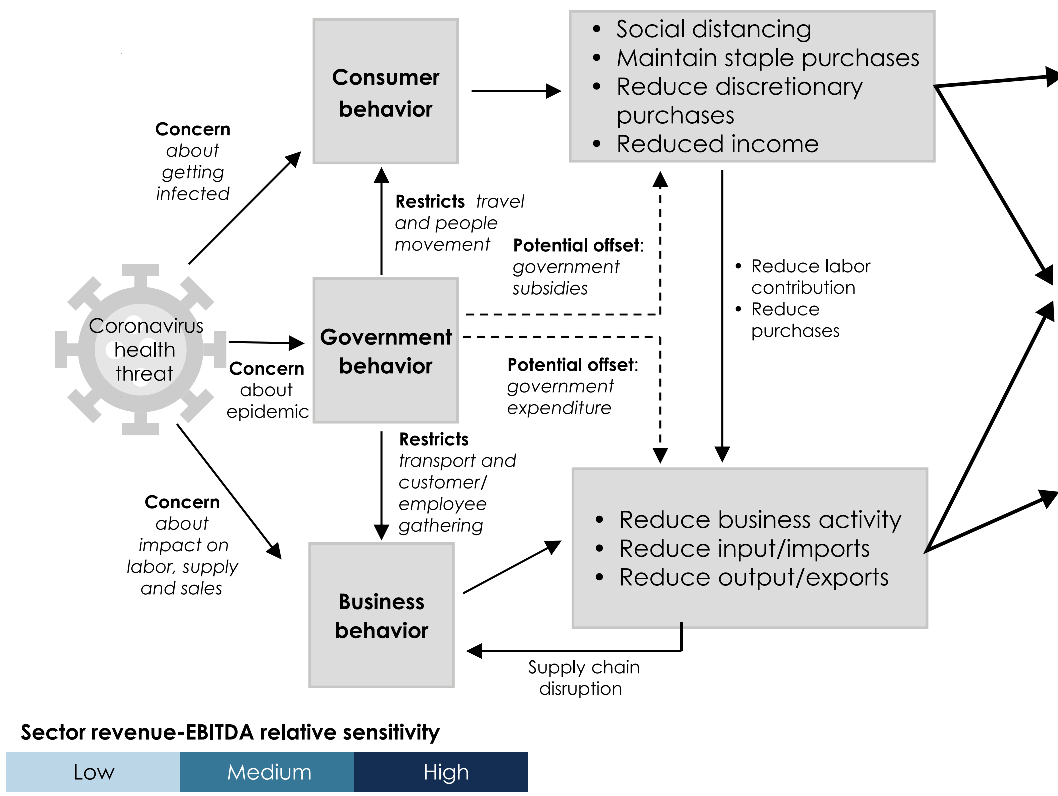
Overall, we view the merger as a net positive for the sector. We also believe the merger of the two companies will facilitate the expansion of their 5G builds which we expect will result in lease modifications, lease expansions and increased rental revenue where applicable.

16. Source: T-Mobile.com, "T-Mobile Completes Merger with Sprint to Create the New T-Mobile", April 1, 2020
17. Source: InsideTowers.com, "Towering Prospects", April 17, 2020

S&P Global Ratings COVID-19 Update

According to S&P Global Ratings, telecommunications companies rate in the lowest sensitivity group to COVID-19 impacts. This thesis is also supported by data as of April 15, 2020, that only 8% of telecommunications corporate debt issuers have seen rating actions and is the only sector that has actually seen a *reduction* in corporate distressed debt ratios since December 31, 2019.

Corporates | COVID-19 Sector Sensitivity[19]

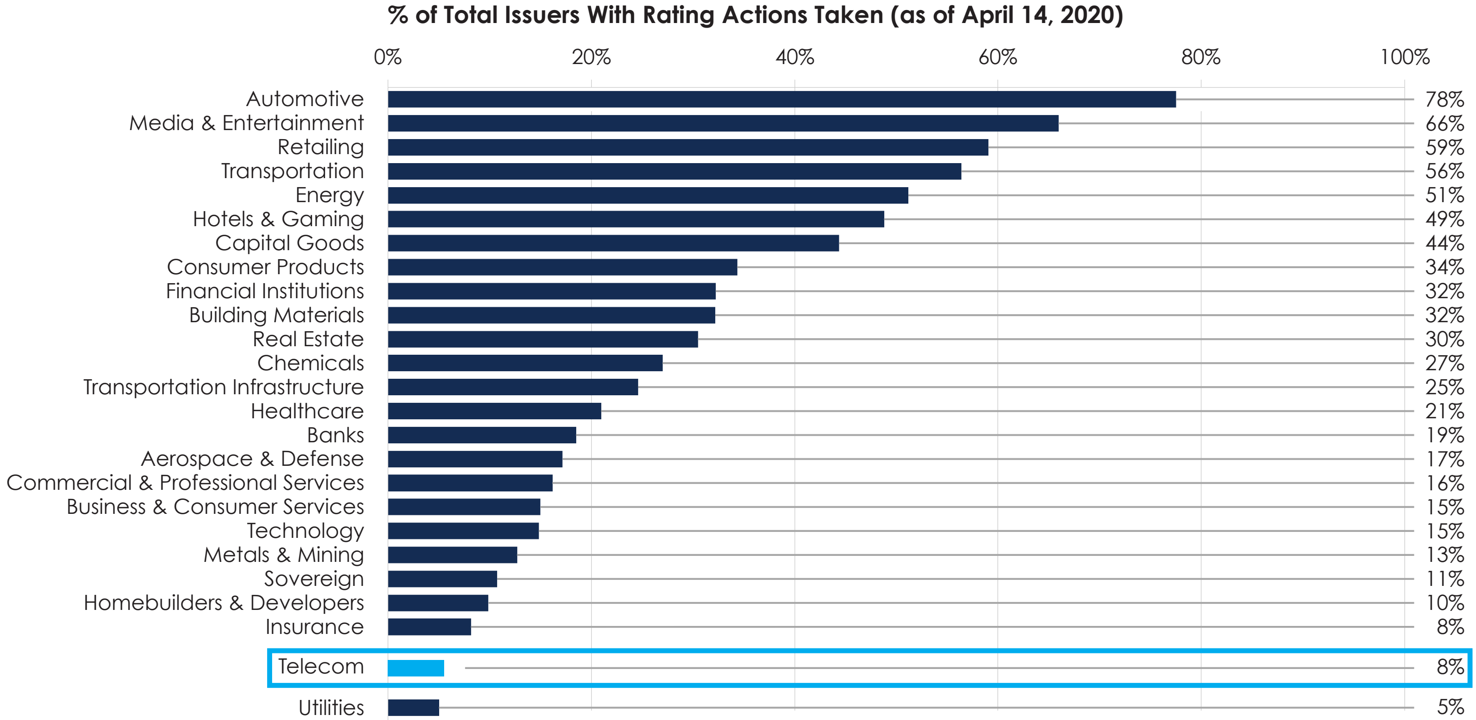


Aviation	H
Auto	H
Consumer products	M
Gaming, leisure & lodging	H
Retail & restaurants	H
Healthcare & pharma	L
Infrastructure	M
Media & telecoms	L
Real estate	M
Transport - cyclical	H
Business services	M
Capital goods	M
Chemicals	M
Materials, bldg. & constr.	M
Metals & mining	M
Oil & gas	M
Packaging	L
Technology	M
Utilities	L

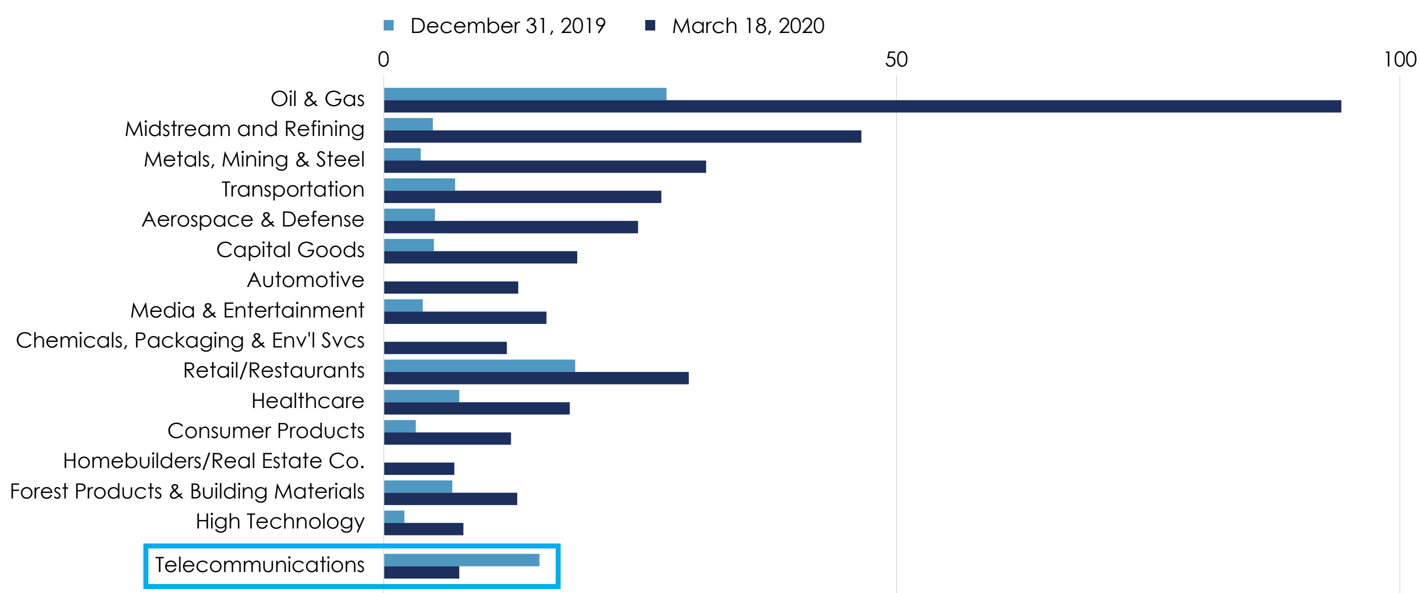
Note: This measures sensitivity to both revenues and EBITDA. These relative risk classifications are based on S&P Global analytical teams' qualitative opinions and do not indicate any potential rating trend or actions.
Source: S&P Global Ratings.

18. Source: SPGlobal.com, "Global Credit Conditions – Triple Trouble: Virus, Oil, Volatility", April 1, 2020
S&P Global generally classifies technology, telecommunications and media in the same category based on their analytical teams' qualitative opinions.

Sector Impact of COVID-19 and Oil Price War[20]



U.S. Corporate Distressed Ratios[21]



Data as of March 18, 2020. Source: S&P Global Ratings.

19. Source: SPGlobal.com, "COVID-19 Weekly Digest", April 15, 2020
20. Source: SPGlobal.com, "Global Credit Conditions – Triple Trouble: Virus, Oil, Volatility", April 1, 2020

Tenant Business Risk Considerations

Data Centers

Understanding the risk of tenants' underlying business is important in evaluating potential short-term and long-term risks should the COVID-19 situation become more elongated than anticipated. One important data point in both carriers and data center operator businesses is their reporting of customer churn rates.

According to Credit Suisse analyst reports, data center tenant customer churn is expected to be relatively subdued, given most colocation data center deployments are considered mission critical and interconnect with required counterparties. Expect data center customers to be reluctant to materially shift IT infrastructure, with most organizations' leadership teams focused on business continuity dynamics, therefore lowering churn rates.[22]

Analysts continue to monitor and expect modest amount of payment term elongations (impacting account receivables) as likely, which might mean some operator revenues get pushed to 2Q 2020. While network services demand has spiked due to COVID-19 network transitions, customer verticals such as education, healthcare, financials, and government all saw upticks in demand for virtualized infrastructure (VDI) and connectivity services (SDN). Expect that the influx in the aforementioned customer verticals will more than offset drawdowns in both connectivity and colocation capacity from the hospitality, retail, energy, and small-mid-size businesses customer verticals.[23]

Wireless Infrastructure

In the wireless infrastructure sector, the large broadband carrier companies are generally the dominant anchor tenants. Due to the inelastic nature of the carriers' businesses, we expect that these tenants will generally continue to maintain stability throughout a recessionary environment. We believe this is also why the telecommunications sector is often thought of as a "fourth utility." During the prior recession, Verizon and AT&T both grew total customers considerably and did not experience a spike in customer churn rates, which remained within range of 1.25% to 1.7% from 2008-2010.[24]

21. Source: Credit-Suisse.com, "Communications Infrastructure: 1Q20 Earnings Preview – Coverage in Solid Position on Robust Network Growth", April 7, 2020
22. Source: Credit-Suisse.com, "Comm. Infrastructure/Equipment – Four Key Takeaways from Four C-Suite Executives: Hybrid Cloud & Networking Conference Call", April 8, 2020
23. Sources: Verizon Communications, Inc., 2010 Annual Report and AT&T Inc., 2010 Annual Report

Operational Risk Assessment

Employees that serve in the data center and telecommunications sectors have been officially deemed "essential critical infrastructure workforce" by the Department of Homeland Security to ensure network reliability. Because of this designation, build-out schedules and routine maintenance and operations have not been impacted materially.[25]

Data Centers

Data center operators are taking an even more diligent approach to cleaning procedures in order to keep essential operations staff healthy, and have been keeping most clients away from the facilities as much as possible. Some operators are providing virtual help and servicing for server and equipment at no extra charge.[26]

Wireless Infrastructure

According to a new survey by the Communications Infrastructure Contractors Association, over 85% of member companies indicated that they are still conducting routine business operations and maintaining normal business hours. They noted however that approximately 65% of participant companies have encountered some form of logistical issues, such as access to lodging, restaurants and cleaning supplies.[27] Mobile broadband tower operations and maintenance procedures are not exposed to the same health-related risks as other types of real estate assets or service providers.

Long Term Outlook & Conclusion

We believe the long-term fundamental demand drivers for digital infrastructure assets remains unchanged. The growth in internet traffic, cloud computing, Internet of Things (IoT), 5G, and evolving technologies like virtual/augmented reality and autonomous vehicles, should continue to pave the way for long-term growth in the data center and wireless infrastructure sectors.

24. Source: Credit-Suisse.com, "Communications Infrastructure: 1Q20 Earnings Preview – Coverage in Solid Position on Robust Network Growth", April 7, 2020
25. Source: Cushman & Wakefield, Data Center Advisory Group, "Data Center Global Market Overview", April 2020
26. Source: CISA.gov, "CISA releases guidance on essential critical infrastructure workers during COVID-19", March 19, 2020

GOVERNMENT SUPPORT OF CARRIERS

Due to the critical nature of their businesses, carriers and internet service providers are often supported directly by the U.S. federal government. This public-private interaction further bolsters the stability of the carriers and the broadband connectivity that we all rely on. There are several current Federal Communications Commission ("FCC") initiatives to note:[33]

- » The FCC granted temporary authority to AT&T, T-Mobile, U.S. Cellular, and Verizon to use additional spectrum in the 600 MHz, AWS-3 and AWS-4 bands.
- » The FCC granted a temporary extension to hundreds of wireless Internet service providers in the 3650-3700 MHz band to transition their existing operations to the Citizens Broadband Radio Service rules.
- » FCC Chairman Ajit Pai recently announced the Keep Americans Connected Initiative. In order to ensure that Americans do not lose their broadband or telephone connectivity as a result of these exceptional circumstances, he specifically asked broadband and telephone service providers, and trade associations, to take the Keep Americans Connected Pledge. So far, more than 700 companies and associations have signed the Chairman's pledge to Keep Americans Connected.[34]
- » Launching the Rural Digital Opportunity Fund, which would direct up to $20.4 billion to expand broadband in unserved rural areas. This represents the biggest single step ever by the FCC toward closing the rural digital divide.
- » Establishing the Digital Opportunity Data Collection, a new process for collecting fixed broadband data to improve mapping and better identify gaps in broadband coverage across the nation.
- » Authorizing over $4.9 billion in support through the A-CAM program over the next decade for maintaining, improving and expanding affordable rural broadband for 455,334 homes and businesses served by 171 rate-of-return carriers in 39 states and American Samoa, including 44,243 locations on Tribal lands.
- » Approving $950 million in funding to improve, expand and harden communications networks in Puerto Rico and the U.S. Virgin Islands.
- » Spearheading the Connect America Fund Phase II reverse auction, which allocated $1.488 billion to expand broadband to more than 700,000 rural locations in 45 states. Through this fund, the FCC also partnered with New York to provide up to $170 million to support rural broadband in combination with $220 million from the state.
- » Launching the Broadband Deployment Advisory Committee to provide advice and recommendations to the Commission on how to accelerate the deployment of high-speed Internet access, including ways to reduce and remove regulatory barriers to infrastructure investment.
- » Initiating rulemakings focused on speeding the deployment of both wireline and wireless networks.
- » Streamlining rules to accelerate the transition to modern broadband networks. These include:
    - » Updating rules that govern access to utility poles and conduits, which can be a costly and time-consuming barrier to broadband deployment.

27. Source: FCC.gov, "FCC Initiatives", April 2020
28. Source: FCC.gov, "Keep Americans Connected", April 2020

  - Revising rules that needlessly delay or even stop companies from replacing copper with fiber and that delay discontinuance of technologies from the 1970s in favor of services using Internet Protocol (IP) technologies.
- The FCC is updating infrastructure policy and encouraging the private sector to invest in 5G networks.[35]
  - Speeding Up Federal Review of Infrastructure: The FCC adopted new rules that will reduce federal regulatory impediments to deploying infrastructure needed for 5G and help to expand the reach of 5G for faster, more reliable wireless service.
  - Speeding Up State and Local Review of Small Cells: The FCC reformed rules designed decades ago to accommodate small cells. The reforms ban short-sighted municipal roadblocks that have the effect of prohibiting deployment of 5G and give states and localities a reasonable deadline to approve or disapprove small-cell siting applications.

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29. Source: FCC.gov, "The FCC's 5G FAST Plan", April 2020

    These are only a few examples of the government's support of carriers. For a comprehensive list, please read the sources in their entirety.

SOURCE APPENDIX

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Investments in digital infrastructure are subject to various risks, including but not limited to the following:

- Adverse changes in economic conditions including changes in the financial conditions of tenants, buyer and sellers, changes in the availability of debt financing, changes in interest rates, real estate tax rates and other operating expenses;
- Adverse changes in law and regulation including environmental laws and regulations, zoning laws and other governmental rules and fiscal policies;
- Environmental claims arising in respect of digital infrastructure acquired with undisclosed or unknown environmental problems or as to which inadequate reserves have been established;
- Changes in the relative popularity of property types and locations;
- Risks and operating problems arising out of the presence of certain construction materials; and

An investment in digital infrastructure involves a high degree of risk, including possible loss of principal amount invested, and is suitable only for sophisticated investors who can bear such losses. The value of shares/ units and their derived income may fall or rise.

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