

FORM ADV PART 2A: FIRM BROCHURE

Zachry Infrastructure Investments, LLC

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This brochure provides information about the qualifications and business practices of Zachry Infrastructure Investments, LLC. If you have any questions about the contents of this brochure, please contact us at 210 871 2700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Referring to Zachry Infrastructure Investments, LLC as a registered investment adviser does not imply a certain level of skill or training.

Additional information about Zachry Infrastructure Investments, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Brochure dated September 30, 2014 is an out of cycle amendment to Form ADV as required by the U.S. Securities and Exchange Commission.

There are two changes to the Brochure since our annual amendment filing on March 20, 2014. First, the fair market value of invested client funds increased to \$1.46 billion, of which \$547.14 million is managed on a discretionary basis and \$912.55 million on a non-discretionary basis. See Item 4(E). The second change involves the addition of wording to Item 14 referencing the use of a placement agent and associated fees paid.

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Item 4 – Advisory Business

A. Advisory Firm

Zachry Infrastructure Investments, LLC (“Zachry” or the “Adviser”) is a Delaware limited liability company that commenced operations on December 10, 2002, and changed its organizational structure to an LLC on December 18, 2009. The Adviser’s subsidiaries include, among others, Zachry American Infrastructure, LLC; Zachry American Infrastructure-56, LLC; Zachry FLNG Management, LLC; and Zachry ZHTIP GP, LLC (hereinafter, the Adviser and its subsidiaries are collectively referred to as the “Firm”). Zachry Infrastructure Investments is 100% owned by Zachry Corporation.

B. Advisory Services Provided

Through its subsidiaries, the Adviser provides investment advisory services on a discretionary and/or non-discretionary basis to (1) Zachry Hastings Infrastructure Partners, L.P. (“ZHIP” or the “Fund”), a client that is a pooled investment vehicle that was formed for investment by institutional investors and other sophisticated investors, and (2) certain non-Fund clients designed to facilitate the development and/or operation of infrastructure development projects (each a “Non-Fund Client” and, collectively, the “Non-Fund Clients”). The Firm may provide these services as the primary adviser or in a sub-advisory capacity. The investment advisory services that the Firm provide to clients primarily relate to development and growth infrastructure assets across the United States and Canada. These services may include:

- Originating investments
- Conducting due diligence
- Conducting portfolio research and analysis
- Engaging in business planning
- Conducting valuations
- Structuring and negotiating potential investments
- Portfolio asset management; and
- Negotiating exit opportunities for the benefit of clients.

C. Ability to Tailor Advisory Services

The Firm is able to tailor advisory services to the individual needs of clients to take into account client’s specific investment guidelines such as (i) maximum and minimum exposure limits, (ii) target rates of return, (iii) authorized markets, and (iv) other risk measure limits.

Per contractual agreement, clients may impose restrictions on investing in certain securities or types of securities.

D. Wrap Fee Programs

The Firm does not offer or participate in wrap fee programs.

E. Amount of Discretionary/Non-Discretionary Client Assets Managed

As of June 30, 2014, the Firm had invested client funds with a fair market value of \$1.46 billion, of which \$547.14 million is managed on a discretionary basis, and \$912.55 million on a non-discretionary basis. This total value is based off of fund NAV and is not the gross assets under management calculation as reported under regulatory assets under management for Item 5 of Form ADV Part 1A.

Item 5 – Fees & Compensation

The Firm generally will receive from its clients an annual asset-based fee ("Base Advisory Fee") as compensation for the advisory services it provides. In addition, related persons of the Adviser, including the subsidiaries listed Item 4.A. above, will receive incentive allocations ("Performance Fees") generally based upon proceeds realized upon the disposition of assets allocable to each Fund or Non-Fund Client investor. Such Performance Fees will only be charged consistent with Section 205 of the Investment Advisers Act of 1940 ("Advisers Act") and Rule 205-3 thereunder, to the extent applicable.

Zachry Hastings Infrastructure Partners

Base Advisory Fee

A Base Advisory Fee is paid by the Fund quarterly in advance and any payment for a period of less than three months shall be adjusted on a pro rata basis according to the actual number of days during the period. The basis of this fee may be any, or a combination of, (i) the amount of capital committed by each client, (ii) the amount of the Fund's project equity at risk, or (iii) the net market value of assets under management.

For Base Advisory Fees paid in advance that are based on project equity at risk, a reconciliation is conducted at the next payment date to take into account any changes in a client's project equity at risk for the preceding quarter.

The Adviser deducts the Base Advisory Fee from client accounts by requesting the Funds' administrator to calculate and then process a wire request from the Fund's bank account. The calculation of the Base Advisory Fee is confirmed by the Fund's General Partner.

The Adviser may recommend to the General Partner of a Fund client that all or any part of the Base Advisory Fee be deferred or waived.

Performance Fee

A Performance Fee may be payable based on the proceeds realized upon the disposition of assets.

Net proceeds attributable to the disposition of a Fund's project investment, distributions in kind of securities, and any distributions, interest or other income received with respect to a project investment, will be distributed to the Fund's investors that participated in such project investment. Each such investor's proportionate share thereof generally will be distributed and used to pay the Performance Fee as follows:

- (a) Return of Capital Contributions: First, 100% to such investor until the cumulative distributions to such investor equal the sum of the capital contributions of such investor;
- (b) Preferred Return: Second, 100% to such investor until the cumulative distributions to such investor are sufficient to provide such investor with a internal rate of return equal to the IRR Hurdle (as defined below), on the capital contributions of such investor then described in paragraph (a); and
- (c) 80/20 Split: Thereafter, 80% to such investor and 20% to all affiliated Limited Partners as a performance fee. For purposes of determining the Performance Fee, IRR Hurdle means a rate equal to (i) the average yield on 10-year U.S. Treasury notes, calculated each quarter based on the daily annual yield for the relevant time period, which annual yield may be no less than 3%, (ii) plus 4%.

Non-Fund Clients

Base Advisory Fee

With respect to Non-Fund Clients, a Base Advisory Fee is paid as compensation for the advisory services provided by the Adviser. Such Base Advisory Fees are paid quarterly in arrears and any payment for a period of

less than three months shall be adjusted on a pro rata basis according to the actual number of days during the period. The basis of this fee is either (i) the net value of the assets under management, or (ii) the equity invested in a project.

Performance Fee

With respect to Non-Fund Clients, a Performance Fee may be paid based upon either (i) the accretion of the net value of the assets under management, determined on an annual basis, or (ii) upon achieving a benchmark IRR upon sale or other disposition of the assets.

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

The Firm and its investment personnel provide investment advisory services to multiple clients. The Firm is entitled to be paid performance-based compensation by ZHIP.

At this time, the Firm receives a Management Fee and has a right in the future to receive a Performance Fee with respect to ZHIP and the Non-Fund Clients.

The Firm has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. The Firm has implemented policies and procedures designed to ensure that no client for whom the Firm has investment decision responsibility shall receive preferential treatment over any other client, and that, in allocating securities and investment opportunities among clients, all clients are treated fairly.

By virtue of an existing allocation agreement, certain of the Firm's existing clients may have a right of first refusal to acquire a portion of the available equity securities in specified geographic markets in U.S. and Canadian development infrastructure investment opportunities identified by the Firm. This allocation protocol has been agreed to by all existing clients.

Item 7 – Types of Clients

The Firm provides investment advisory services to ZHIP and the Non-Fund Clients. Investment in ZHIP was available to certain sophisticated private and institutional investors (e.g., public pension funds, endowments, corporate pension funds). Generally, the minimum capital commitment for an investor in ZHIP is \$25 million, although the Firm had the discretion to accept lesser amounts.

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

Generally, the Firm's primary investment strategy is to invest in development and growth infrastructure assets in the United States and Canada with contracted, regulated or partially regulated revenue sources that have or are expected to generate relatively stable cash flows over time. The Firm will typically seek assets that are associated with the provision of essential services with strong monopoly characteristics and high barriers to entry. The return objective is to achieve attractive total returns with relatively low volatility.

The Firm has developed a rigorous multi-layered investment evaluation and approval process. This involves regular peer reviews and internal Investment Committee approval and scrutiny. This process is of significant value to the Firm's strategic review and valuation of investments.

For each investment considered for clients, the Firm will seek the capacity to influence the structure of the investment and the direction of the business. Given transactions are often led by construction contractors or operators, equity investors must have the skills and experience to influence the structure and contractual terms of investment. The Firm will utilize its experience to implement this strategy in crafting the commercial and contractual relationships among equity investors, operators, contractors and governments.

The Firm has the ability to aggregate funds from multiple sources to seek influential positions in large infrastructure transactions and to seek representation on the boards of investee companies. A significant commitment of time and expertise is devoted to the ongoing management of investments, in an effort to substantially improve their value.

The Firm believes that careful asset management, market research and knowledge, and quantitative analysis drives and enhances exit strategies.

These methods, strategies and investments involve a substantial degree of risk and should be considered only by prospective investors whose financial resources are sufficient to enable them to assume such risk and who have no immediate need for liquidity in their investment. Returns may be unpredictable, and, accordingly, such types of investments may not be suitable as the sole investment for an investor. Investing in securities involves risk of loss that clients should be prepared to bear.

Risks Related to Infrastructure Strategies

Investments in infrastructure strategies require a long-term commitment with no certainty of the magnitude or timing of returns. Such investments involve a high degree of risk, including adverse fluctuations in the cash flow of such entities, increased interest rates and inability to meet debt obligations and covenants.

Illiquid Assets

Most infrastructure assets have unique locational and market characteristics, which could make them highly illiquid or appealing only to a limited group of investors. Political and regulatory considerations could also affect the ability of the Fund to buy or sell investments on favorable terms. As a result, there can be no assurance that the Firm will be able to buy or realize such investments in a timely manner. Moreover, the realizable value of a highly illiquid investment may be less than its intrinsic value. The risks of not receiving full value for an asset upon realization may be greater for a closed-ended fund than it would be for open-ended funds as the closed-ended fund may need to market an asset towards the end of the fund's life, when market conditions may not be favorable.

Broken Deal Expenses

Investments in the infrastructure industry often require extensive due diligence activities prior to acquisition, the expenses relating to which can be quite substantial. Due diligence costs include among others: feasibility and technical studies; preliminary engineering costs and marketing studies; environmental reviews; legal costs; and bid preparation and submission costs. In the event that the Firm's bid is not accepted, these expenses may be borne by the client and its co-investing partners pro rata to their proposed participation in such acquisition.

Infrastructure Industry Risk

The infrastructure industry has some special features that cause certain risks to be more prevalent than in other industry sectors, including that (i) while the risk could be considered low in the infrastructure sector given the substantial fixed costs involved in constructing the assets and the fact that many infrastructure technologies are well established, any technology change that occurs over the medium term could threaten the profitability of an infrastructure project or developer, and if such a change were to occur, these assets have very few alternative uses should they become obsolete; (ii) if an event that somehow impairs the performance of an infrastructure developer's assets occurs in the geographic location where the developer operates those assets, the performance or the developer may be adversely affected; and (iii) the revenue of many infrastructure developers may be negatively impacted by a change in the number of users who use the products or services produced by the infrastructure developer's assets.

Toll Rates Risk

Users of toll roads, bridges and tunnels operated through a client's investment in a project company may react negatively to any adjustments to the applicable toll rates, or public pressure may cause relevant governmental authorities to challenge the toll rates. Motorists may react adversely to toll rates, for example, by avoiding tolls, resulting in lower traffic volumes and reduced toll revenues. In addition, adverse public opinion, or lobbying efforts by special interest groups, could result in governmental pressure on project investments to reduce their toll rates, or to forego planned rate increases. The Firm cannot guarantee that governmental bodies with which the project investments have concession agreements will not try to exempt certain vehicle types or class of users from tolls or negotiate lower toll rates. If public pressure or government action forces project investments to restrict their toll rate increases or reduce their toll rates, and they are not able to secure adequate compensation to restore the economic balance of the relevant concession agreement, the client's business, financial condition and results of operations could be materially and adversely affected.

Single Project Risks

Customer Base. Infrastructure assets can have a narrow customer base. Should any of the customers or counterparties fail to pay their contractual obligations, or a government appropriate the underlying assets, significant revenues could cease and become irreplaceable. This would affect the profitability of the infrastructure assets and the value of any securities or other instruments issued in connection with such assets.

Single Operator. 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 loss of an operator of an infrastructure project of a client could significantly impair the financial viability of the infrastructure project and result in a material adverse effect on the client's investment.

Credit Risk of Contracting Parties. The insolvency of the lead contractor, a major subcontractor and/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 and result in a material adverse effect on the client's investment.

Counterparty Risks

Counterparty credit risk is the risk that the counterparty to a financial contract will default prior to the expiration of the contract and will not make all the payments required by the contract, thereby adversely impacting the returns on the project investments. As part of the Firm's investment process, an assessment of counterparty risk is conducted at the comprehensive due diligence stage, including, where possible, a review of the counterparty's credit rating for each investment opportunity. Given that this analysis of counterparty risk is conducted at such point in time, there remains a residual risk that the counterparty's credit rating may be downgraded during the period that the investment is held.

Project Risks

Infrastructure investments expose a client's funds to numerous risks, usually without recourse to the general credit of the owners of the business entity that owns the infrastructure assets, including construction, environmental, regulatory, permitting, commissioning, start-up, operating, economic, commercial, political and financial risks. Clients may also invest in early development stage projects, involving risks of failure to obtain or substantial delays in obtaining: (i) zoning, environmental, safety or other regulatory approvals or permits; (ii) financing; and (iii) suitable equipment supply, operating and off-take contracts. Further, there is no assurance that these projects will be profitable or generate cash flow sufficient to service their debt or provide a return on or recovery of amounts invested therein.

Sovereign Risk

To the extent that clients invest in assets that are governed by concession agreements with governmental authorities, there is a risk that these authorities may not be able to honor their obligations under the agreement, especially over the long term. The concessions granted by governmental bodies are subject to special risks, including the risk that the relevant governmental bodies will exercise sovereign rights and take actions contrary to the project investment's rights under the relevant concession agreement. There can be no assurance that the

relevant governmental bodies will not legislate, impose regulations or change applicable laws or act contrary to the law in a way that would materially and adversely affect the business of such project investments.

Construction Risks

The construction of any project involves many risks, including delays or shortages of construction equipment, material and labor, work stoppages, political opposition, labor disputes, weather interferences, unforeseen engineering, environmental and geological problems, difficulties in obtaining requisite licenses or permits and unanticipated cost increases, any of which could give rise to delays or costs overruns. The Firm attempts to minimize construction-related risks through fixed price or "turn-key" construction contracts with experienced and creditworthy construction contractors, under which the contractors typically assume certain risks (though not risks related to force majeure events), such as the risk of unexcused delays in completion of construction and certain cost overruns. There can be no assurance, however, that liquidated damages or insurance payments would be sufficient to pay for any increased costs or to replace reduced revenues resulting from a completed facility that does not meet, or is late in meeting, its performance specifications, that a contractor will honor its commitments or will have the financial resources to satisfy its obligations to make liquidated damages payments, or that any affected project would continue to operate at its design specifications after the expiration of the contractor's and equipment suppliers' warranties.

Regulatory Risks

A client's investment projects may be subject to statutory and regulatory requirements, including those imposed by zoning, environmental, safety, labor and other regulatory or political authorities. The adoption of new laws or regulations, or changes in the interpretation of existing laws or regulations, could have a material adverse effect on a client's project investment and thus on the ability to meet its investment objectives. Such changes could necessitate the creation of new business models and the restructuring of investments to satisfy regulatory requirements, which may be costly and/or time-consuming or may result in a disposition of the investment, which could subject the client to loss. In addition, failure to obtain, or a delay in obtaining, relevant permits or approvals could hinder construction or operation and could result in fines or additional costs for the project entity, which could have a material adverse effect on the client. These factors may reduce returns to clients.

Operational and Technical Risks

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 Firm will 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 risk can be mitigated or that such parties, if present, will perform their obligations or that insurance will be available on commercially reasonable terms. An operating failure may lead to loss of a license, concession or contract on which a project investment is dependent. In addition, the long-term profitability of infrastructure assets is partly dependent upon the efficient operation and maintenance of the assets. Inefficient operations and maintenance, or limitations in the skills, experience or resources of operating companies may reduce returns to clients. While the Firm may seek to influence the strategic management of such companies, it is not expected that it will be in a position to control outcomes, and as a result, the operational capacity of company management within project investments may impact the value or returns for clients.

Unforeseen Events Risk

The use of infrastructure assets may be interrupted or otherwise affected by a variety of events outside the Firm's control, including serious traffic accidents, natural disasters (such as fire, floods, earthquakes and typhoons), man-made disasters (including terrorism), defective design and construction, slope failure, bridge and tunnel collapse, road subsidence, toll rates, fuel prices, environmental legislation or regulation, general economic conditions, labor disputes and other unforeseen circumstances and incidents. Certain of these events have affected toll roads, bridges, tunnels and other infrastructure assets in the past, and if the use of the infrastructure assets operated by project investments is interrupted in whole or in part for any period as a result of any such events, the revenues of such project investments could be reduced, the costs of maintenance or restoration may increase, and the overall public confidence in such infrastructure assets could be reduced. There can be no assurance that such project investments' insurance would cover liabilities resulting from claims relating to the

design, construction, maintenance or operation of the toll roads, bridges, tunnels or other infrastructure assets, lost toll revenues or increased expenses resulting from such damage.

Environmental Risks

Large-scale infrastructure projects in which clients invest will be major factors in their local environments and may have a significant impact on those environments, or be particularly susceptible to events or changes in those environments or to requirements of political or administrative authorities in respect of their environmental impact. An owner or operator of an infrastructure asset may be liable for past and future damages caused by environmental pollutants located on or emitted from or otherwise attributable to the asset, as well as for the costs of remediation and, in some circumstances, fines or other penalties. These liabilities may exceed the value of the infrastructure asset at issue and may result in claims against the owner or operator that would result in the loss of other assets of the owner or operator. While the Firm endeavors to identify infrastructure assets that it believes do not present a material risk of such liabilities, 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.

The operations of infrastructure investments are subject to numerous statutes, rules and regulations relating to environmental protection. There is the possibility of existing or future environmental contamination, including soil and groundwater contamination, as a result of the spillage of hazardous materials or other pollutants.

Under various environmental statutes, rules and regulations of the appropriate jurisdiction, a current or previous owner or operator of real property may be liable for non-compliance 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, 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 those materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person.

Any liability of project investments resulting from non-compliance or other claims relating to environmental matters could have a material adverse effect on the value of a client's investment in such project investments.

Demand, Usage and Patronage Risks

Even though the Firm targets assets with lower demand, usage and patronage risks, the Firm may not be able to eliminate these risks to client's investments. To the extent that the Firm's assumptions regarding the demand, usage and patronage of assets prove incorrect, a client's financial returns could be adversely affected. Some of the client's investments may be subject to seasonal variations, including greater revenues and profitability during different seasons of the year. Accordingly, the operating results for any particular investment in any particular quarter may not be indicative of the results that can be expected for that investment throughout the year.

Catastrophic and Force Majeure Events

Infrastructure investments may be subject to catastrophic events and other force majeure events, in the construction, technical and operational phases, such as fires, earthquakes, adverse weather conditions, changes in law, eminent domain, war, riots, terrorist attacks and similar risks, which may be uninsurable or insurable at rates that the Firm deems uneconomic. These events could result in the partial or total loss of an investment, significant down time resulting in lost revenues, and injury or loss of life, as well as litigation related thereto, among other potentially detrimental effects.

Documentation and Other Legal Risks

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

Other legal risks relate to actions by special interest groups and other actions and/or litigation relating to the acquisition, ownership and disposition of an investment that may adversely affect operations of an investment or the value thereof.

Certain Considerations Related to Public Infrastructure

Strategic Asset Risks. A client's project company may control public infrastructure investments that constitute significant strategic value to public or governmental bodies. Strategic assets are assets that have a national or regional profile, and may have monopolistic characteristics. The very nature of these assets could generate additional risks not common in other industry sectors. Given the national or regional profile and/or their irreplaceable nature, strategic assets may constitute a higher risk target for terrorist acts or political actions. Given the essential nature of the services provided by public infrastructure assets, there is also a higher probability that the services provided by such assets will be in constant demand. Should an owner of such assets fail to make such services available, users of such services may incur significant damage and may, due to the characteristics of the strategic assets, be unable to replace the supply or mitigate any such damage, which could result in loss from third-party claims or potential regulation.

Regulatory Matters. Many of the Firm's targeted public infrastructure investments are, and its future businesses and investments may be, subject to substantial regulation by governmental agencies at multiple levels of government. In addition, their operations do and may rely on government permits, licenses, concessions, leases or contracts that are generally very complex and may result in a dispute over interpretation or enforceability. If a portfolio project fails to comply with these regulations or contractual obligations, a client could be subject to monetary penalties or it may lose its rights to operate the affected investment, or both. Further, the ability to grow or sell investments will often require the consent of numerous government regulators. These consents may be costly to seek and the Firm may not be able to obtain them in a timely manner, if at all. Failure to obtain any required consents or delay in authorizing such approval could limit a client's ability to achieve its investment strategy.

The leases or concessions may also contain clauses more favorable to the government counterparty than a typical commercial contract. For instance, a lease or concession may enable the government to terminate the lease or concession in certain circumstances without requiring it to pay adequate compensation. These contracts may also have changes-of-control provisions, which could require approval as to composition of the project company's investors and changes therein. In addition, government counterparties also may have the discretion to change or increase regulation of an investment's operations, or implement laws or regulations affecting an investment's operations, separate from any contractual rights they may have. Governments have considerable discretion in implementing regulations that could impact these businesses, and because infrastructure assets provide basic, everyday services, and face limited competition, governments may be influenced by political considerations and may make decisions that adversely affect a client's investments.

Item 9 – Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the Firm's advisory business or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

A. Broker-Dealer Activity

Neither the Firm nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Futures

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

C. Financial Industry Affiliates

There currently are no financial industry affiliates of the Firm or its management that are material to the Firm's advisory business or to its clients.

D. Other Investment Advisers

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

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

The Firm has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Advisers Act that applies to all of the Firm's employees, officers, directors, general partners, managers, principals, associates, committee members and other individuals who are access persons of the Firm, as determined by the Chief Compliance Officer (collectively, "Covered Persons"). The Firm's Code requires all Covered Persons to put the interests of Firm's clients before their own personal interests, to act honestly and fairly in all respects in their dealings with clients, and to comply with all applicable federal securities laws.

The Code is based on the principle that the Firm owes a fiduciary duty to its clients, which includes a duty of care, loyalty and good faith owed to the clients.

In order to achieve a commonality of interests with clients, the Firm pays strict attention to potential conflicts and avoids them if possible. However, if the Firm cannot avoid such conflicts, it follows the contractual provisions relevant to any such client, which requires disclosure to affected clients. As expressed in the Firm's Code, the Firm shall endeavor to not put its own respective interests ahead of its clients' interests and to not intentionally favor one client or group of clients over another.

Under the Code, all Covered Persons are expected to conduct themselves in all circumstances in accordance with the following general guiding principles:

- A Covered Person must at all times place the interests of clients before his/her own interests.
- A Covered Person must conduct all of his/her personal investment transactions in a manner consistent with the Code so as to avoid any actual or potential conflict of interest or any abuse of position of trust and responsibility.
- A Covered Person should adhere to the fundamental standard that investment advisory personnel should not take inappropriate advantage of their positions for their personal benefit.

No Covered Person may purchase or sell, directly or indirectly, for his or her own account, or any account in which he or she may have a beneficial interest, any security (or related option or warrant) issued by a company that to his or her knowledge the Firm or any client is negotiating with, or may negotiate with, in connection with a proposed project.

The Code contains provisions requiring the reporting of securities holdings and transactions to the Chief Compliance Officer. These requirements generally apply to all Covered Persons who have: (a) has access to (i) non-public information regarding any client's purchase or sale of securities or (ii) non-public information about the portfolio holdings of any client, or (b) is involved in making securities recommendations for clients or has access to such recommendations that are non-public.

No Covered Person may purchase or sell, directly or indirectly, for his or her own account or for any account in which he or she may have a beneficial interest, any security that is subject to a firm-wide restriction because of either the firm or the Covered Person having possession of material non-public information

A Covered Person must obtain the prior written approval of the CCO before engaging in any transaction in his or her personal account in any securities that appear on the Firm's Restricted List or Watch List. The CCO may approve the transaction if the CCO concludes that the transaction would comply with the provisions of this Code and is not likely to have any adverse economic impact on clients.

Neither the Firm nor its related persons buys or sells, for client accounts, securities in which the Firm or its related persons have a material financial interest. The Firm generally does not engage in principal transactions with client accounts, but if it were to do so, it will follow its policies and procedures for ensuring that clients are provided with proper prior notice and an opportunity to consent/object to any such transactions in compliance with Firms Act Section 206(3). Neither the Firm nor its related persons invests in the same securities or related securities (e.g. warrants, options or futures) that the Firm or its related persons recommends to clients. Neither the Firm nor its related persons recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that the Firm or its related persons buys or sells the same securities for its own (or the related person's own) account.

Clients or prospective clients may obtain a copy of the Firm's Code of Ethics by contacting David Bond (Chief Compliance Officer) by email at david.bond@zachryamerican.com, or by telephone at 210 871 2700.

Item 12 – Brokerage Practices

The investment strategy employed by the Firm focuses on investments in infrastructure projects, the ownership of which is structured as privately placed securities. As such, the Firm generally will not effect transactions in publicly traded securities for the clients' accounts, and the Firm endeavours to minimize the use of broker-dealers to execute transactions.

If a broker-dealer is to be utilized to execute client transactions, the Firm seeks to negotiate with a reputable broker, favorable commission and the best transaction costs obtainable on each transaction. In addition, brokers will be selected primarily on the basis of their execution capability and expertise consistent with the effective execution of a transaction.

A.1. Research and Other Soft Dollar Benefits. The Firm does not receive research or other products or services other than execution from a broker-dealer or a third party in connection with *client* securities transactions ("soft dollar benefits").

A.2. Brokerage for Client Referrals. The Firm does not take into consideration, in selecting or recommending broker-dealers, whether the Firm or any of its related persons receives client referrals from a broker-dealer or third party.

A.3. Directed Brokerage. The Firm does not engage in directed brokerage arrangements with or for clients.

Item 13 – Review of Accounts

The Firm's accounting and operations team reviews client accounts on a monthly basis. The Firm's Finance and Accounting Manager is responsible for conducting monthly and annual reviews.

Fund Client

The Firm reviews the capital accounts of all ZHIP limited partners on a monthly basis, and sends each ZHIP limited partner a written report regarding its account on a quarterly basis, pursuant to the terms of the Fund's governing documentation. This typically includes a quarterly report within forty-five days following each quarter as well as audited financial statements within sixty days after the fiscal year end.

The quarterly reports provided to Fund investors include:

- the assets and liabilities of the Fund as of the end of such fiscal year or quarter

- the net profit or net loss of the Fund for such fiscal year or quarter
- the net asset value of the Fund as of the end of such fiscal year or quarter
- such investor's closing capital account balance as of the end of such fiscal quarter
- the calculation of the Base Advisory Fee payable to the Firm for such fiscal year or quarter; and
- in the case of a fiscal year only, the calculation of the incentive fee allocable to the Firm's affiliates for such fiscal year.

Non-Fund Clients

With respect to Non-Fund Clients, the Firm reviews the capital accounts of investors on a monthly basis and provides them with written reports on a monthly basis.

Valuation of the underlying assets owned by the Fund and Non-Fund Client accounts is done on a semi-annual basis by an independent third-party that sends reports to investors in the Non-Fund Clients.

Additional financial information is provided to Fund investors and investors in the Non-Fund clients (and their agents) as requested.

Item 14 – Client Referrals and Other Compensation

The Firm does not receive any economic benefits from non-clients in connection with the investment advisory services that it provides to its clients. The Firm does not compensate persons who are not supervised persons of the Firm, directly or indirectly, for client referrals. The Firm does, however, pay a private placement fee to a third party placement agent on a quarterly basis based on a percentage of base management fees received from the Fund.

Item 15 – Custody

Clients do not receive account statements from any qualified custodians.

Item 16 – Investment Discretion

The Firm has the authority to determine the securities or interests and the amount thereof to be bought or sold on behalf of a client. However, such authority is dependent upon (i) the terms in a Fund's limited partnership agreement (where upon authority is vested in the Fund's General Partner), or (ii) sub-advisory clients approval procedures.

Item 17 – Voting Client Securities

The Firm has implemented proxy voting policies and procedures that are designed to ensure that it votes client securities in the best interest of its clients and addresses how the Firm will resolve any conflict of interest that may arise when voting client securities.

Clients generally grant the Firm the exclusive right to vote client securities on their behalf in the investment advisory contracts. To the extent that any clients decide to retain proxy voting authority if they so desire or have specific instructions with respect to proxy voting, this shall be documented in the investment advisory contract between the Firm and the client. In the unlikely event that a potential conflict does arise between the interests of the Firm and/or its personnel and clients, the Firm shall implement the following procedures. If the perceived conflict of interest involves the Firm, the Firm's Chief Compliance Officer will determine if the conflict is material. If it is determined that the conflict is material, the Firm will have no further input on the particular proxy vote. In this case, the Firm will cause the proxies to be "mirror voted" in the same proportion as the votes of other proxy holders whose shares are not held in client accounts. In the event that the Firm determines it has an actual or

potential conflict of interest, it will document it and ensure that such conflict is appropriately avoided, managed and/or disclosed.

Clients may obtain information from the Firm regarding how the Firm voted their securities by contacting David Bond (Chief Compliance Officer) by email at david.bond@zachryamerican.com, or by telephone at 210 871 2700

Clients or prospective clients may obtain a copy of the Firm's proxy voting policies and procedures by contacting David Bond (Chief Compliance Officer) by email at david.bond@zachryamerican.com, or by telephone at 210 871 2700.

Item 18 – Financial Information

Not applicable.