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**Form ADV Part 2A - Firm Brochure**  
**March 31, 2014**

This brochure provides information about the qualifications and business practices of Highstar Capital LP. If you have any questions about the contents of this brochure, please contact us at +1 646-857-8700.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Highstar Capital LP also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Highstar Capital LP is an investment adviser registered with the SEC. This registration does not imply a certain level of skill or training.

## Item 2- Material Changes

### Material Changes Since the Last Update

The following is a summary of the material changes to this Brochure since it was last filed March 28, 2013.

As of December 31, 2013, Highstar Capital LP (“Highstar”) managed approximately \$6,893,732,856 of client assets on a discretionary basis and approximately \$131,513,708 of client assets on a non-discretionary basis. These amounts have been calculated based on the advice of our counsel and advisors that the calculation of regulatory assets under management should include only the net value of our portfolio company assets (i.e., exclusive of portfolio company level debt).

In our prior Brochure filing on March 28, 2013, we reported that as of December 31, 2012, Highstar managed approximately \$12,933,549,727 of client assets on a discretionary basis and approximately \$189,885,017 of client assets on a non-discretionary basis. These amounts were reported based on prior advice of counsel that the calculation of regulatory assets under management should include the gross value of our portfolio company assets (i.e., inclusive of portfolio company level debt). Using our current calculation method of regulatory assets under management, which includes only the net value of our portfolio company assets, at December 31, 2012, Highstar managed approximately \$7,266,279,669 of client assets on a discretionary basis and approximately \$80,072,017 of client assets on a non-discretionary basis.

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## Item 4- Advisory Business

### A. Advisory Firm Description

Highstar Capital LP ("Highstar") is a Delaware limited partnership that provides investment advisory services, either directly or through sub-advisory arrangements, to investment vehicles sponsored by Highstar and its predecessor entities. The Highstar franchise was founded in 1998 to make operationally focused, value-added investments in infrastructure assets and businesses in developed market economies. In May 2009, Highstar became an independent, owner-operated infrastructure investment advisory firm. As used in this brochure, "we," "us" and "our" refer to Highstar and its investment advisory business.

We have certain affiliates that serve as general partners or investment managers (or in another similar capacity) for the investment funds we manage as part of our investment advisory business. We control these affiliates as part of a single advisory business, and our employees act on behalf of both Highstar and these related entities in the course of our business. We conduct their activities in accordance with the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and the rules thereunder. These affiliates are part of Highstar's registration under the Advisers Act, and accordingly the descriptions of our investment advisory services and business in this Form ADV Part 2A are generally intended to include these affiliates.

The principal owners of Highstar are Christopher H. Lee, founder and managing partner, and Christopher Beall, Scott Litman and Michael Miller, each a partner. Together with Bret Budenbender, Emmett McCann and Andrew Nevin, they comprise the voting members of the firm's Executive Committee. Our Executive Committee sets Highstar's strategic direction and makes key decisions affecting our operations and policies in areas including Highstar's vision and strategy, new business initiatives, personnel, risk management, budgeting and other critical functions.

### B. Types of Advisory Services

Highstar is a U.S. based private equity fund manager that manages and advises private equity fund clients and related co-investment vehicles focused on investment in the infrastructure sector (collectively, our "Clients" or our "Funds"). Our Funds primarily make controlling or influential minority investments in core, strategic infrastructure assets and businesses. Our Funds focus on infrastructure investments in the following sectors:

- Energy, including midstream, power generation and distribution;
- Environmental services, including water, waste, utilities and renewables; and
- Transportation, including rail, marine ports and airports.

We advise our Funds in respect of their investment portfolios, and we provide related managerial and administrative services to our Funds. These services include identifying and screening potential investments, managing and monitoring the performance of investments, assisting in certain circumstances with the management of portfolio companies, disposing of investments, and reporting on investments. Our investment advice is limited to these clients and this type of investment management service.

Our Funds are exempt from registration under the Investment Company Act of 1940. Interests in our Funds are privately offered only to qualified investors satisfying the applicable eligibility and suitability requirements either in private placement transactions within the United States or in offshore transactions, principally (but not restricted only to) institutional investors. The relationship between Highstar and each of our Funds is governed by the Advisers Act as well as the governing documents of each Fund and the terms of our investment advisory agreements.

### **C. Tailored Advisory Services**

Highstar tailors its advisory services to the investment strategies and specific terms and conditions of each Fund, as described in the private placement memoranda ("PPMs"), partnership agreements and other governing agreements of our Funds. Investment restrictions applicable to the specific Fund are imposed in the governing agreements for that Fund, as agreed upon with investors. These restrictions may include restrictions on investing in certain securities, other instruments and other types of assets or debt, including concentration limits and geographical limits.

We and our affiliates also enter into side letters and other agreements with specific investors in our Funds which have the effect of establishing additional rights under, or altering or supplementing, the terms of the governing agreements of our Funds in respect of the investor to whom such letter or writing is addressed. Any additional rights established, or any terms altered or supplemented, govern only with respect to that investor and not the Fund as a whole. Such side letters may impose restrictions on an investor's participation in certain investments or types of investments made by our Funds, and may also provide benefits to certain investors in a Fund not provided to other investors in such Fund generally (for example, adjustments to fees or other economics, access to information, ability to transfer interests in the Fund or compliance with specified laws or regulations applicable to the investor). Neither Highstar nor its affiliates will enter into a particular side letter if Highstar determines that provisions contained in such side letter would be disruptive to the applicable Fund or its investment program. We disclose the existence of, or possibility that we may enter into, side letters related to a particular Fund to prospective investors prior to their investment in the applicable Fund but side letters are otherwise confidential and not widely disseminated.

### **D. Wrap Fee Programs**

Highstar does not currently participate in wrap fee programs.

### **E. Assets Under Management**

As of December 31, 2013, Highstar managed approximately \$6,893,732,856 of client assets on a discretionary basis and approximately \$131,513,708 of client assets on a non-discretionary basis.

In our prior Brochure filing on March 28, 2013, we reported that as of December 31, 2012, Highstar managed approximately \$12,933,549,727 of client assets on a discretionary basis and approximately \$189,885,017 of client assets on a non-discretionary basis.

As referenced in Item 2, above, the change in reported regulatory assets under management is based on revised advice of counsel and advisors regarding the calculation of regulatory assets under management, recommending that the calculation of regulatory assets under management should include only the net value of our portfolio company assets (i.e., exclusive of portfolio company level debt), and not the gross value of our portfolio company assets (i.e., inclusive of portfolio company level debt) as we had been advised previously.

Using our current calculation method, Highstar managed approximately \$7,266,279,669 of client assets on a discretionary basis and approximately \$80,072,017 of client assets on a non-discretionary basis at December 31, 2012.

## Item 5- Fees and Compensation

### A. Management Fees

This brochure will be delivered only to "qualified purchasers" as defined in section 2(a)(51)(A) of the Investment Company Act of 1940, as amended. The applicable fees for each Fund are disclosed to investors in the private offering materials for the relevant private offering of each Fund. Accordingly, no fee table is included in this brochure.

### B. How Fees Are Charged

#### Management Fees

Management fees are generally paid by or on behalf of a Fund by requiring investors in such Fund to make capital contributions in respect of such fees. Alternatively, we may cause a Fund to pay management fees out of the Fund's cash available for distribution to investors (e.g., investment proceeds) without requiring investors to contribute additional capital. Management fees are typically paid quarterly in advance, and as such may be required to be returned to the investors in a Fund should Highstar's management services to the Fund be terminated prior to the end of the period in respect of which the fees have been paid (including cases where the final distribution from a Fund occurs prior to the end of a period for which management fees have already been paid). In addition, subject to the governing documents of a Fund, management fees may be reduced by all or a portion of (i) any transaction-based fees that we may from time to time receive in relation to investments of a particular Fund (although no transaction-based fees have been received to date), (ii) the amount of organizational and offering expenses a particular Fund has borne in excess of a certain threshold, (iii) the amount of any placement fees paid by a particular Fund with respect to any investor's capital commitment, and (iv) the amount of any capital contribution advances extended to us by investors in our Funds.

#### Performance Fees

Certain of our affiliates receive "carried interest," or performance fees, from certain of our Funds subject to a clawback obligation and to the extent provided in the applicable Fund's governing agreements. Carried interest is payable by a Fund only after investors in the applicable Fund have received specified minimum returns on their investment as set forth in the applicable Fund's governing agreements. These fees are typically measured as a percentage of the profits from investments made by a Fund and are negotiated separately for each Fund at a rate consistent with industry standards and in compliance with the Advisers Act. Carried interest is paid from cash otherwise distributable to the applicable Fund's investors, typically from cash that the Fund has received from the sale of one of its portfolio investments. All such performance fee arrangements are intended to comply with Rule 205-3 under the Advisers Act.

Highstar, its affiliates and equity owners, and certain of its professionals may invest alongside the Funds. Other qualified persons or entities who may not be employees of Highstar, but who have pre-existing business relationships with Highstar or industry expertise also may invest in or alongside

the Funds. See Item 11.B and 11.C for a further description of these transactions. Fees assessed or carried interest on such investments may be substantially reduced or, as is more typical, waived altogether for these investors.

### **C. Other Fees and Expenses**

Certain of our Funds may indirectly incur or generate transaction-based fees (e.g., break-up, monitoring, directors', structuring, advisory and other similar fees) payable to Highstar or our affiliates from either third parties or our portfolio companies in which the Funds invest; however, some or all of these fees would offset the amount of our regular quarterly management fees. In actual practice, Highstar does not typically charge or cause our Funds to incur these fees; and no such transaction-based fees were charged or incurred in the prior year.

Separately, in certain prescribed instances, Highstar may engage consultants or "Senior Advisors," who may be compensated in whole or in part with compensation and/or equity from Highstar's portfolio companies. These amounts are not offset against management fees.

In addition, our Funds are generally required to bear out of pocket costs and expenses incurred in connection with their investment activities, including costs, travel (including private flights where appropriate), lodging, and expenses incurred in connection with deals that are not ultimately completed. Unconsummated deal expenses are expensed to the Funds and are typically not shared with prospective co-investment vehicles. Typically, these expenses include: (i) legal, accounting, advisory, consulting or other third party expenses, (ii) all fees (including commitment fees), costs and expense of lenders, investment banks and other financing sources and (iii) any deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not ultimately consummated.

Our Funds also pay customary expenses associated with their operation and activities, including:

- (i) expenses of their organization and offering, which may be subject to maximum amounts stated in the applicable offering documents and particular terms as to the payment of expenses in excess of these maximums;
- (ii) routine expenses, including legal, custodial, auditing, accounting and administrative expenses, insurance, banking and external consulting expenses, appraisal expenses, expenses associated with preparing financial statements and tax returns, costs of reporting to investors, regulatory and compliance costs, taxes imposed on our Funds, advisory committee expenses, and expenses of holding annual meetings of our Fund investors;
- (iii) borrowing costs and debt service;
- (iv) litigation-related and indemnification expenses; and
- (v) fees and expenses of placement agents (which fees and expenses typically reduce the amount of our management fees).

Given the nature of our Funds' investment program, Highstar infrequently transacts through broker-dealers. Therefore, our Funds do not generally incur brokerage costs. A discussion of our brokerage practices may be found at Item 12 of this brochure.

### **D. Refunds for Fees Charged in Advance**

Our Funds generally pay our management fees quarterly in advance, as described above in Item 5.B of this brochure. If our investment advisory agreement with respect to any Fund is terminated prior to the end of the period for which fees have been paid, we will return to such Fund any paid but unearned portion of the management fee. In general, such fees are pro-rated from the date of termination to the end of the period to which the advance fee has been applied.

#### **E. Compensation for Sales of Securities**

None of Highstar or its supervised persons accepts any compensation for the sale of securities or other investment products.

### **Item 6- Performance- Based Fees and Side-by-Side Management**

Highstar currently acts as investment adviser to the Funds, and our related persons typically act as the general partner (or similar managing fiduciary) of our Funds. Highstar and our affiliates may receive a “carried interest” or performance fee from certain of our Funds, as described above in Item 5.B. The relationship of Highstar and the affiliated general partner (or similar managing fiduciary) or other affiliates, the manner of calculation and application of management fees and carried interest or other performance-based fees, as applicable, with respect to a Fund and any known or reasonably anticipated conflicts of interest involving Highstar or our affiliates, are all disclosed in the offering documents of the applicable Fund provided to potential investors prior to their investment.

In addition to the Funds to which Highstar currently acts as investment adviser, Highstar also acts as investment adviser to certain co-investment vehicles, to which we do not typically charge any performance fees. In allocating investment opportunities, there could be incentives to favor Clients with higher potential performance fees or carried interest allocations over Clients with lower potential performance fees or carried interest allocations. As a control, Highstar follows procedures designed to procure that all Clients are treated fairly in the allocation of investment opportunities, and to prevent this potential conflict of interest from influencing the appropriate allocation of investment opportunities among or between our Clients. In general, co-investment vehicles are allocated investment opportunities only after our Funds have been allocated an amount that is otherwise deemed prudent by Highstar, taking into consideration portfolio construction, investment objectives, investment size, risk tolerance, return targets, diversification considerations and liquidity needs, among other things. Such investment opportunities are allocated in accordance with our written policies and procedures, taking into account the applicable provisions of our Clients' governing agreements. Any such potential conflicts of interest, and the methods we and our affiliates use to address these conflicts, are disclosed to investors in the related PPM and governing agreements before they invest.

Although Highstar has similar fee structures for our primary Funds, certain investors may be charged discounted fees. Under no circumstances may we or any of our affiliates allocate investment opportunities based on anticipated compensation or profits to Highstar or any of its affiliates or employees from either our Funds or underlying investors.

For additional information on how Highstar addresses these conflicts, see Item 11 below.

### **Item 7- Types of Clients**

Highstar and our affiliates provide investment advisory services solely to the Funds, which are private equity investment funds, co-investment vehicles established to invest alongside Highstar's private equity investment funds on an investment-specific basis, and investment vehicles related to the foregoing. Interests in the Funds are offered privately only to qualified investors, principally (but not exclusively) consisting of institutional investors, including major pension plans, financial institutions, sovereign wealth funds and other companies or business entities. The minimum capital commitment to a Fund by an investor is typically \$10 million, although we may waive this minimum in our discretion. Our affiliates and our qualified personnel also make capital commitments to our Funds, for investment alongside the other commitments to our Funds.

## **Item 8- Method of Analysis, Investment Strategies and Risk of Loss**

### **A. Methods of Analysis and Investment Strategies**

Highstar and our affiliates typically invest the assets of our Funds in controlling or influential minority investments in core, strategic infrastructure assets and businesses. We identify and execute operationally focused, value creation strategies, which include: (i) sourcing, developing, managing, motivating and empowering best-in-class management teams, (ii) identifying and executing operating efficiencies and cost discipline, and (iii) creating platform opportunities through accretive acquisitions, synergies and organic growth. We focus on making investments that offer an accretive combination of many or all of the following key attributes: (i) contracted/regulated or stable cash flows, (ii) cost pass-through/inflation mitigation, (iii) long life, well-positioned, core strategic assets fundamental to economic sustainability and growth, (iv) high barriers to entry, and (v) long-standing, entrenched customer relationships and high service levels. We target investments in infrastructure assets and businesses that we believe offer a compelling risk profile and an opportunity to implement best practices in all aspects of risk management. We focus on infrastructure investments in the energy, environmental services and transportation sectors, principally in North America and Europe.

In considering potential investment opportunities, we utilize a number of analytical methods in an effort to achieve a thorough and in-depth assessment of the potential investment. Typically, these analyses focus on (i) the reputation of selling shareholders and company management, (ii) company size and sensitivity of cash flow generation; (iii) operational, marketing, legal, tax, labor, environmental and accounting factors; (iv) competitive risk and industry dynamic; (v) portfolio composition; (vi) exit alternatives; and (vii) other salient factors that our investment team identifies. Where appropriate, we may engage third party consultants to assess business and market conditions, competition, physical and environmental concerns and other factors we deem to be relevant to the evaluation of an investment opportunity.

Investors in our Funds are provided with more detailed information on the investment strategies and investment processes of an applicable Fund before they invest.

Notwithstanding the foregoing, investment in our Funds, like investments in other private equity funds, involves a high degree of risk. For a discussion of material risks associated with an investment in our Funds, see Item 8.B immediately below.

### **B. Material Risks**

Our Funds engage in transactions that involve substantial risks and are suitable only for those investors who have the financial sophistication and expertise to understand and accept such risks, and the financial ability to bear the related risk of loss. We cannot assure any investor that we will achieve our investment objectives for any Fund or that an investor will receive any return of or on its capital. Our PPM for each Fund sets forth more detailed information regarding material risks to which an investment in that Fund is subject, and we provide the relevant PPM to each investor before the investor invests in a Fund. Such material risks include, but are not limited to, the following:

***Prior Investment Performance Does Not Indicate Future Results***

The prior investment performance of our Funds does not necessarily represent the performance that will be achieved by any other Fund, nor does prior performance indicate the future results of a Fund. We cannot assure any investor that the historical investment returns achieved by our Funds will be achieved by any Fund, and a Fund's performance may be materially different from our historical returns. Prior performance and track records should be considered with particular caution in light of the recent and ongoing volatility and turbulence in the U.S. and global economies. On any given investment, total loss of that investment is possible.

***No Market for Limited Partnership Interests; Restrictions on Transfers***

An investment in a Fund is suitable only for certain sophisticated investors that have no need for immediate liquidity in their investment and who understand that they may lose all or a significant portion of their invested capital. Investors must be willing to bear the economic risk of an investment in a Fund for an indefinite period of time. None of the equity interests in our Funds ("Interests") have been registered under the Securities Act, the securities laws of any state of the U.S. or the securities laws of any other jurisdiction; and, therefore, Interests cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. We do not anticipate that registration of the Interests under the Securities Act or other securities laws will ever be effected. There is no public market for the Interests and one is not expected to develop. An investor may not assign or encumber any Interest in a Fund except with the prior written consent of the applicable Fund's general partner (which may be withheld in the general partner's sole discretion), and subject to various other limitations. Transfer of an investor's Interest in a Fund will not necessarily relieve such investor of its obligations in respect of its unpaid capital commitment.

***Long-Term Nature of Investment; Illiquidity***

Generally, the Funds' investments will be illiquid, and we cannot guarantee that a Fund will be able to realize on such investments in a timely manner or at all. There may be little or no near-term cash flow available to a Fund's investors. Dispositions of such investments may require a lengthy time period or may result in distributions in kind to the investors. Our Funds typically will acquire securities that cannot be sold except pursuant to a registration statement filed under the United States Securities Act of 1933, as amended (the "Securities Act"), or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws. A variety of factors (including economic conditions, asset conditions, political and regulatory considerations and public opinion) could affect the ability of a Fund to buy or sell investments on favorable terms.

### ***Investors Will Not Participate in Management of the Fund***

We and our affiliates will have the exclusive responsibility for a Fund's activities, including the management, day-to-day operations and investment and disposition decisions for such Fund. Accordingly, an investor must rely upon our ability in making, monitoring and disposing of investments in a manner consistent with our Funds' investment objectives and policies. Investors will not have the opportunity to approve investments or to independently evaluate the information that we utilize in the selection, management or disposition of investments.

### ***Effect of Fees and Expenses***

We expect our Funds to incur significant fees and expenses. We expect such fees and expenses to reduce actual returns to investors. Such fees and expenses will be paid regardless of whether a Fund produces positive investment returns. If a Fund does not produce significant positive investment returns, these fees and expenses could reduce the amount of the investment recovered by an investor to an amount less than the amount invested in a Fund by such investor.

### ***General Partner Carried Interest***

We may have incentives to make riskier or more speculative investments on behalf of our Funds by virtue of the carried interest paid to our affiliates, the payment of our management fees, and the reduction of our management fees for certain fee offsets, than would be the case in the absence of these arrangements.

### ***Indemnification and Exculpation***

Each Fund will indemnify and exculpate Highstar, our affiliates, our employees and other persons (collectively, the "Covered Persons") in accordance with the applicable governing agreement of such Fund from and against all liabilities to which they may be or may become subject by reason of their activities on behalf of such Fund, except in certain limited circumstances. As a result, our Funds and their investors may have a more limited right of action against us and the other Covered Persons than they might otherwise have. Fund assets will be available to indemnify us and the other Covered Persons, and investors may be required to return distributions to satisfy these obligations. We cannot guarantee that insurance will be available or obtained in sufficient amounts to cover any such liabilities.

### ***Dilution from Subsequent Closings***

To the extent a Fund has multiple closings, investors subscribing for Interests at subsequent closings or increasing their capital commitments with respect to any Fund after its initial closing will generally participate in existing investments of such Fund, diluting the interest of existing investors therein. Although such investors will contribute their pro rata share of previously made capital draws plus certain costs of carry thereon, we cannot guarantee that this payment will reflect the fair value of such Fund's existing investments at the time the additional investors subscribe for Interests.

### ***Failure to Make Capital Contributions***

An investor's failure to meet its contribution or other payment obligations to a Fund (whether arising through an investor's default, its excuse or exclusion from one or more investments, or a permitted withdrawal or removal from such Fund) may materially and adversely affect the Interests of the other investors in that Fund. If an investor fails to make any contribution or payment to any

Fund for any reason, the other investors may be required to fund the shortfall, with the consequence that the non-defaulting investors may have greater exposure on such Fund's investments or liabilities than they otherwise would. An investor's failure to make any contribution or payment to a Fund for any reason could also cause the Fund to be unable to meet the Fund's obligations when due, which could materially and adversely impair the Fund's ability to execute on its investment strategy or to otherwise continue operations. In such event, a Fund may be subjected to significant liabilities or penalties that could materially reduce the returns to the participating investors (including non-defaulting investors).

### ***Other Consequences of Default***

Any investor who defaults in making a required capital contribution or other payment required by the governing agreement of a Fund will be subject to certain significant remedies and penalties as set out in such Fund's governing agreements. We are not required to apply remedies consistently among defaulting investors, and we and our affiliates may determine for a variety of reasons to apply different remedies to different defaulting investors.

### ***Mandatory Withdrawal***

Under certain circumstances, we or our affiliates may require an investor to withdraw from a Fund. An investor required to withdraw from a Fund could suffer a material loss on its investment.

### ***Public Disclosure Obligations***

Our Funds may disclose confidential information relating to their investments and financial results to third parties that may request such information if and to the extent required by federal, state or local law or regulation applicable to any such Fund or any of its investors, including any investors that are public agencies or governmental bodies. These disclosure obligations may adversely affect certain investors, particularly investors who are not otherwise subject to public disclosure of information relating to the private holdings of funds in which they invest.

### ***Potential Conflicts Generally***

We and our affiliates may encounter potential conflicts of interest in connection with our Funds' interests, assets or activities (including certain conflicts of interest as among the interests of different Funds). On any issue involving conflicts of interest, we will be guided by our good faith judgment as to each Fund's best interests, although the best interests of different Funds may sometimes be inconsistent or in conflict with one another.

### ***Diverse Investor Group***

The investors in any Fund may have conflicting investment, tax and other interests with respect to their investments in the Fund or a particular Fund vehicle, and as a consequence, we may face conflicts of interest in connection with our decisions in respect of our Funds. The conflicts include conflicts with respect to the nature or structuring of investments or dispositions, which may be more beneficial for some investors or Funds than for other investors or Funds, especially with respect to investors' individual tax situations and the tax treatment of the different Funds. In selecting and structuring investments appropriate for our Funds, we and our affiliates will consider the investment and tax objectives of the particular Funds and their investors as a whole, and not the investment, tax or other objectives of any investor individually or of any Fund vehicle individually.

In addition, Fund investors or their affiliates may transact with or have a direct or indirect interest in one or more of a Fund's investments outside of the Fund, whether as co-investors, senior or subordinated lenders, investment bankers, insurers, risk managers, consultants or otherwise. This could result in a Fund becoming involved in disputes and litigation with one or more of its investors or their affiliates.

***Limited Number of Investments; Lack of Diversity***

We expect our Funds to participate in a limited number of investments and, as a consequence, the unfavorable performance of even a single investment may substantially adversely affect a Fund's aggregate returns. On any given investment, loss of all or a portion of the investors' capital is possible. We cannot guarantee the degree of diversification in the Funds' investments. Because we expect our Funds' investments to be concentrated within relatively few industries or sectors, our Funds will not have as much portfolio diversification as they would have if they invested in a broader range of industries or sectors. Our Funds may therefore experience increased volatility in their returns, and our Funds' performance could be below that of better diversified funds to the extent that our industries or sectors do not perform as well as other industries or sectors. Certain of our Funds are investment-specific co-investment vehicles and their holdings will not be diversified at all. Our Funds may also make investments that are not diversified geographically. Our Funds may make investments for which third party financing will be desirable but not necessarily available (on desired terms or at all) at the time of investment.

***Certain ERISA Considerations***

Certain of our Funds may need to qualify as venture capital operating companies ("VCOC") within the meaning of regulations promulgated under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") in order to avoid holding "plan assets" within the meaning of ERISA. Operating as a VCOC requires that a Fund obtain rights to participate substantially in and to influence substantially the conduct of the management of a number of the Fund's portfolio companies. The affected Fund will typically designate a director to serve on the board of directors of each portfolio company when it obtains such rights. The designation of directors and other measures contemplated could expose the assets of our Funds to claims by a portfolio company, its security holders and its creditors.

***Legal, Tax and Regulatory Risks***

Our Funds may be adversely affected by legal, tax and regulatory changes could that occur during the term of that Fund.

***General Tax Considerations***

Investors in our Funds may have tax liabilities that exceed the cash distributions made to those investors by the applicable Fund in any year and in such a case, an investor would have to satisfy its tax liability arising from an investment in the Fund from its own funds. An investment in a Fund gives rise to a variety of complex U.S. federal income tax and other tax issues for investors. Certain of those issues may relate to special rules applicable to certain types of investors, such as tax-exempt entities, life insurance companies, banks, individuals, dealers in securities and non-U.S. persons and entities.

### ***Additional Risks***

Investments in the infrastructure sector may be subject to a variety of risks, many of which we cannot foresee or quantify. These risks may include but are not limited to: (i) strategic asset risks; (ii) project risks; (iii) contract and counterparty risks; (iv) regulatory risks; (v) potential risks arising from foreign acquisition of US “Critical Infrastructure”; (vi) operational and technical risks; (vii) development financing risks; (viii) environmental risks; (ix) demand, usage and patronage risks; (x) catastrophic and force majeure events; (xi) documentation and other legal risks; (xii) reliance on portfolio company management; (xiii) credit and financing risks; and (xiv) hedging risks, among other things.

### ***Other Risks***

In addition to the aforementioned risks, other risks applicable to our Funds and our investment strategy are identified in the respective PPMs of the Funds, which are provided to investors prior to their investment.

## **C. Recommendations of Particular Securities**

Our Funds have and will continue to seek to invest in assets and businesses involved in the infrastructure sector. Please see Item 8.B of this brochure for a summary of specific risks associated with investment in the infrastructure industry and other risks associated with investments in our Funds. In addition, we provide our investors with detailed information about relevant risks before they invest in any Fund, including those identified in the PPM for the applicable Fund.

## **Item 9- Disciplinary Information**

There are no material legal or disciplinary events to disclose.

## **Item 10- Other Financial Industry Activities and Affiliations**

### **A. Broker-Dealers**

Highstar is not registered and does not have an application pending to register as a broker-dealer.

### **B. Futures and Commodity Trading**

Neither Highstar 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. Material Relationships**

PineBridge Investments LLC, a registered investment adviser, has a passive equity interest (with certain minority economic and other protective rights) through its affiliates in certain of Highstar’s related persons. In addition, Highstar acts as investment adviser to certain of our Funds pursuant to a sub-advisory agreement between Highstar and a subsidiary of PineBridge Investments LLC. Highstar does not believe that our relationship with PineBridge Investments LLC and its affiliates creates any conflicts of interest for our Clients or their investors.

#### **D. Recommendation or Selection of Other Investment Advisers**

Highstar acts as investment adviser to certain of our Funds pursuant to a sub-advisory arrangement as described in Item 10.C of this brochure, and Highstar receives compensation in that capacity. Highstar does not recommend or select other investment advisers for its clients, nor does it receive compensation directly or indirectly from any such advisers.

### **Item 11- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

#### **A. Code of Ethics**

Highstar has adopted a Code of Ethics and related policies, which consist of policies and procedures reasonably designed to ensure compliance by Highstar, our affiliates and our personnel with the Advisers Act and its rules and regulations, and to reflect our fiduciary duties to our Clients. The Code of Ethics and related policies describe the high standards of business conduct that we expect of all Highstar personnel (collectively referred to as “employees”) and include policies relating to insider trading, personal trading, gifts and entertainment, “pay to play” activities, political activities and business ethics, among other things. Failure to uphold the Code of Ethics and related policies may result in disciplinary sanctions against employees, including termination of employment with Highstar.

A copy of the Code of Ethics will be provided upon request to any Client, investor or prospective investor by contacting James Burchetta, Deputy General Counsel, at +1 646-857-8700 or [james.burchetta@highstarcapital.com](mailto:james.burchetta@highstarcapital.com).

As a fiduciary to our Clients, Highstar and our employees must act in our Clients' best interests. In other words, Highstar employees may not benefit at the expense of Clients. Accordingly, Highstar employees must follow basic principles guiding all aspects of Highstar's business, including the following:

- Act in the best interests of our Clients
- Identify conflicts that exist between Highstar and our employees' interests on the one hand and the interests of our Clients on the other hand; observe established resolution procedures for any such conflicts of interest, as described in our Code of Ethics
- Avoid misleading or inaccurate statements
- Not take inappropriate advantage of positions of trust with or responsibility to our Clients
- Report any violations of the Code of Ethics to Highstar's Chief Compliance Officer
- Comply with Highstar's Code of Ethics and all applicable securities and other laws

See Item 11.C of this brochure below for further details regarding aspects of Highstar's Code of Ethics.

## **B. Participation or Interest in Client Transactions**

Highstar is subject to restrictions disclosed to investors in our Clients' governing agreements and PPMs relating to principal transactions, cross trades and other affiliated transactions in which Highstar or our personnel may have interests that are not aligned with the interests of our Clients.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliate, buys any security from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser acts as broker for both the advisory client and for another person on the other side of the transaction. Highstar is not a registered broker-dealer, and is not controlled by, under common control with, or otherwise affiliated with a registered broker-dealer, and thus the potential for conflicts of interest created by agency cross transactions is mitigated.

Client cross transactions occur where an adviser executes a securities transaction between two (or more) of its Client accounts. These can create conflicts of interest because, by not exposing such buy and sell transactions to market forces, clients may not receive the benefits of best price, or an adviser might seek to prop up the performance of one fund by selling under-performing assets to another fund in order, for example, to earn higher fees in the aggregate.

It is Highstar's policy not to execute any principal transactions unless the investor advisory committee of the particular Fund approves the transaction, the transaction complies with SEC requirements and we consult with our Chief Compliance Officer before entering into the transaction. We also generally refrain from cross trading between Client accounts; however, the following transactions may occur among Client accounts: (i) rebalancing transactions among parallel fund vehicles that co-invest with one another in proportion to their committed capital, (ii) certain sell-downs (including bridge financings) of over-allotments to later-formed co-investment vehicles, on terms specified by our Clients' governing agreements, and (iii) other transactions between Clients for which the requisite consents are received in accordance with our Clients' respective governing agreements and that are made on arms' length terms. Because we manage multiple Funds simultaneously, each of which has similar investment objectives but may be in different stages of their life-cycles, we may on occasion need to allocate available investment opportunities between different generations of our Funds. These determinations are made in consultation with our Chief Compliance Officer and in accordance with the terms of the respective Funds' governing agreements, and we take steps necessary to procure that such transactions are completed on an arms' length basis that is fair and equitable to all parties involved.

If we identify any other circumstance we believe presents a conflict of interest, we review the potential conflict with the investor advisory committee of the affected Funds and with our Chief Compliance Officer and our legal counsel in order to determine the appropriate course of action.

## **C. Personal Trading**

Highstar and our related persons may form separate investment vehicles for Highstar personnel (and/or other individuals capable of enlarging the investment opportunities of a Fund or enhancing the performance of a Fund investment) to co-invest in certain portfolio investments alongside one or more of our Funds, subject to compliance with limitations set forth in our Funds' governing

agreements. These entities may be permitted to co-invest without payment of a carried interest or management fee.

Conflicts of interest could arise if Highstar or a related person invests in the same securities that it recommends to any Fund or has any other interest in a transaction that is or may be in conflict with the interests of any Fund. The governing agreements of our Funds generally prohibit Highstar, its affiliates and employees from investing in privately held portfolio companies that could be the target of investments by our Funds without the approval of the investor advisory committee of the applicable Funds, other than through co-investment arrangements alongside the Funds under limited circumstances.

To avoid potential conflicts of interest, our Code of Ethics requires, among other things, that each Highstar employee report periodically to the Chief Compliance Officer on his or her holdings of reportable securities, which include securities held in accounts in which such person has a beneficial interest. Our employees are also prohibited from investing for themselves in opportunities that are appropriate for the Funds. The Chief Compliance Officer may place additional restrictions on an employee's personal trading activities and monitors our employees' personal securities trading for any unusual or excessive trading patterns.

Our employees are generally not permitted to buy or sell any securities (or cause another person to do so) if such employee is in possession of non-public information relating to the issuer of the securities or the transaction that would reasonably affect or have a significant impact on an investor's decision to buy or sell the security or would otherwise be seen by a reasonable investor as having significantly altered the total mix of available information. Our employees also must not disclose non-public information to a third party to use in securities transactions.

#### **D. Personal Trading Contemporaneous with Client Transactions**

See discussions above in Items 11.A through 11.C of this brochure.

### **Item 12- Brokerage Practices**

#### **A. Selection of Broker-Dealers**

Given the nature of our investment program and the fact that we do not frequently trade in public securities, Highstar does not typically use broker-dealers in our transactions. Instead, we typically conduct transactions on a case-by-case, negotiated basis. When we do participate in transactions involving public securities and select a broker-dealer, Highstar will select the brokers through whom securities transactions for the Funds are executed as well as the commission rates and transaction costs associated with these securities transactions. These determinations will be made on the basis of multiple factors, including pricing, market expertise and trading capabilities of each such broker. We are not affiliated with any brokers and do not have any agreements in place that require Highstar to do business with any particular broker-dealers.

##### ***1. Research and Other Soft Dollar Benefits***

Because our investment program does not typically involve investments in publicly traded securities, we do not enter into soft dollar arrangements.

Highstar occasionally receives unsolicited research and information from brokers that we believe is otherwise available to other institutional investors. This is a benefit to us because we do not have to produce or pay for the research or related services. We could conceivably have an incentive to select a broker-dealer based on this incentive to receive research materials rather than our Clients' interest in receiving the most favorable execution of a transaction. However, we do not seek to participate in any of these soft dollar benefits and they do not influence our decision on brokerage selection. We select brokers solely based on the factors relating to pricing and expertise described above.

## ***2. Brokerage for Client Referrals***

Highstar does not consider whether it or a related person receives client referrals from a broker-dealer or third party when selecting or recommending broker-dealers.

## ***3. Directed Brokerage***

Because our Clients are all private investment fund vehicles, Highstar selects all broker-dealers and our Clients do not direct brokerage. The broker-dealer we select may not always be the lowest cost broker-dealer and may not achieve the most favorable execution of transactions.

## **B. Aggregation of Orders of Securities for Accounts**

Because we do not typically make investments in publicly traded companies, we do not typically use broker dealers and accordingly do not have reason to aggregate the purchase or sale of securities for our various Fund accounts. When we do conduct trading through a broker-dealer, however, Highstar seeks to aggregate orders for the accounts of our Funds whenever practicable and cost-efficient. If we aggregated orders, we would allocate trades to the participating Funds.

# **Item 13- Review of Accounts**

## **A. Periodic Review of Client Accounts**

Highstar is a proactive investment manager and regularly reviews the portfolio investments of our Funds. Our investment professionals monitor operations, overall performance, financial performance and the strategic direction of each portfolio investment owned by the Funds. The PPM for each Fund contains descriptions of the specific oversight and monitoring functions that we perform for that Fund.

## **B. Factors that Trigger a Review of Client Accounts**

Our investment professionals review the portfolio investments of our Funds on a periodic basis as described above. There are no specific factors that trigger our review of a portfolio investment.

## **C. Reports to Clients Regarding their Accounts**

Highstar and our affiliates provide written reports to the investors in our Funds on a quarterly basis. These reports include information relevant to the Fund's investments (and each investor's investment in the Fund), including a review of the performance of the Fund overall and of the underlying portfolio companies as appropriate. As required by our Funds' governing agreements, investors in our Funds receive quarterly unaudited financial statements and annual audited financial statements with such reports. Additional reports and information may be provided as requested by the investors in our Funds or as required pursuant to existing agreements with our Fund investors.

## Item 14- Client Referrals and Other Compensation

### A. Client Referrals

Highstar acts as investment adviser to certain of our Funds pursuant to a sub-advisory arrangement as described in Items 10.C and 10.D of this brochure, and Highstar receives compensation in that capacity. We otherwise do not receive economic benefits from persons who are not Clients for providing investment advice or other advisory services. We may, on occasion, receive management fees, monitoring fees or other similar fees or reimbursement of expenses from portfolio companies in which our Funds have invested. Most or all of these fees offset our management fees otherwise payable by our Funds. These fee arrangements are disclosed in the PPM and governing agreement for each of our Funds and are also described further in Items 5.B, 5.C and 5.E of this brochure above.

### B. Compensation for Client Referrals

During a fundraising cycle, we and our affiliates sometimes enter into arrangements in which third parties assist in the capital raising efforts for our Funds in exchange for a fee. We typically pay a fee to these placement agents calculated as a percentage of the total funds raised by the placement agent, as specifically negotiated with the placement agent. Our Fund investors typically do not bear the cost of these referral fees as any such amounts paid by our Funds reduce the management fees otherwise payable to us and our affiliates. These relationships could affect the independence of the placement agent in connection with its recommendation of a particular Fund. We do not engage any placement agent or finder that is not duly registered with FINRA (or the corresponding non-US authorities, as applicable) or duly registered with the SEC as an investment adviser, as applicable. Our use of placement agents is disclosed in our PPMs.

## Item 15- Custody

We are deemed to have custody of each of our Funds' cash and securities since we (or our affiliates) serve as general partner of each Fund. We maintain Fund assets with "qualified custodians" as required by SEC rules. Investors in the Funds do not receive statements from the qualified custodians. Instead, the Funds are subject to an annual audit by an independent public accountant and the audited financial statements are distributed to each investor within 120 days of the Fund's fiscal year end.

## Item 16- Investment Discretion

Highstar and our affiliates have discretionary investment authority for each of our Funds (excluding certain investment-specific co-invest vehicles) in accordance with the investment objectives and investment limitations set forth in each Fund's governing agreements. The authority to make investment decisions and otherwise exercise our discretion is granted in each Fund's governing agreement, which includes a power of attorney granted to us by each Fund investor. Our discretionary authority is limited by each Fund's governing agreements and the investment guidelines specifically negotiated with our Fund investors.

## Item 17- Voting Client Securities

### A. Authority to Vote Client Securities

In accordance with SEC requirements set forth in Rule 206(4)-6 under the Advisers Act, Highstar has adopted proxy voting policies and procedures (the "Proxy Policy"). The Proxy Policy addresses how we will vote proxies for our Clients, if applicable. Our Proxy Policy is designed to procure that we vote proxies in the best interests of our Clients and to identify and, to the extent possible, resolve any conflicts of interest that may arise in the course of such voting. Our general policy is to vote proxy proposals, amendments, consents or resolutions relating to our Clients in a manner that serves the best interests of the Client, as we determine in our discretion, taking into account relevant factors that include the impact on a Fund's returns as well as industry practice.

We seek to avoid conflicts of interest between our interests and the interests of our Funds. If we determine that we have, or could be perceived to have, a conflict of interest when we are voting a proxy, then we will vote the proxy in the manner that we determine is in the best interest of the relevant Fund. If we believe that we should vote in a way that may also benefit, or could be perceived to benefit, our interest, we will take action in accordance with the governing agreements of the applicable Fund or as we otherwise determine is in the best interest of the Fund in voting the proxy, including seeking approval of the Fund's investor advisory committee where appropriate.

Our Chief Compliance Officer is responsible for reviewing and identifying any conflicts of interest relating to a proxy vote prior to submission of the vote. The Chief Compliance Officer is responsible for monitoring compliance with our Proxy Policy and must maintain written or electronic copies of each proxy statement received and each executed proxy, as well as all applicable records relating to each proxy.

A copy of our Proxy Policy will be provided upon request to any Client, investor or prospective investor by contacting James Burchetta, Deputy General Counsel, at +1 646-857-8700 or [james.burchetta@highstarcapital.com](mailto:james.burchetta@highstarcapital.com).

Because we have the authority to vote our client securities, Item 17.B of Form ADV Part 2A (which addresses considerations if an adviser does not have the authority to vote client securities) has been omitted.

## Item 18- Financial Information

### A. Balance Sheet

Not applicable. Highstar does not require or solicit prepayment of fees six months in advance.

### B. Financial Conditions

We are not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual commitments to clients.

### C. Bankruptcy

Highstar has not been the subject of a bankruptcy petition at any time during the last ten years.

## **Item 19- Requirements for State-Registered Advisers**

This Item is not applicable to Highstar, as we are not registered with any state securities authority.