

# Part 2A of Form ADV

Firm Brochure Dated March 31, 2022



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This brochure provides information about the qualifications and business practices of I Squared Capital Advisors (US) LLC ("ISQ"). If you have any questions about the contents of this brochure, please contact us at +1 786-693-5700. 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.

Additional information about I Squared Capital Advisors (US) LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration with the SEC does not imply that ISQ or any person associated with ISQ has achieved a certain level of skill or training.

## Item 2: Material Changes

Since the last annual update to this Disclosure Brochure was filed with the SEC on March 29, 2021, Item 8 has been updated to add additional disclosure relating to ISQ's practice of entering into side letters with certain investors in the Fund and ISQ's ability to recycle capital commitments in a Fund during the Fund's investment period.

Other changes have been made to this Disclosure Brochure, some of which enhance or update existing disclosures, but we do not consider such changes to be material.

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## Item 4: Advisory Business

I Squared Capital Advisors (US) LLC, a Delaware limited liability company (“ISQ” or “we”), is an independent, privately held, asset management firm headquartered in Miami, Florida. We focus on investments in infrastructure and infrastructure related assets located globally, with a focus on the Americas, Europe, and select growth economies including India and China.

ISQ was formed in April 2012 and is principally owned and controlled by its Managing Partners, Sadek M. Wahba, Gautam Bhandari and Adil Rahmathulla.

We provide investment advisory services to privately offered pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended, and whose securities are not registered under the Securities Act of 1933, as amended. We currently provide investment advice to the ISQ Global Infrastructure Fund (“Fund I”) the ISQ Global Infrastructure Fund II (“Fund II”), ISQ Global Infrastructure Fund III (“Fund III”) (Funds I, II and III collectively the “Global Funds”), ISQ Growth Markets Infrastructure Fund (the “Growth Fund”), ISQ Global Infrastructure Credit Fund (the “Credit Fund”) and ISQ Global Infratech Fund, L.P. (the “Infratech Fund”). Each of these Funds is comprised of multiple investment vehicles that invest in parallel with each other and which are managed together as a single portfolio. Fund I is comprised of six such parallel vehicles; Fund II is comprised of five such parallel vehicles; Fund III is comprised of four such parallel vehicles; and the Growth Fund is comprised of five such parallel vehicles. We may in the future advise other funds in addition to the current Global Funds and the Growth Fund. We also provide investment advice to other pooled investment vehicles that we have formed to offer some of the investors in the Global Funds and the Growth Fund, as well as third parties, the opportunity to invest alongside the Global Funds and the Growth Fund, or independently from the Global Funds and Growth Fund, in infrastructure and infrastructure related assets, which includes the ISQ III GIF Co-Investment Fund (the “ISQ III Co-Invest Fund”) (collectively, the “Co-Investment Vehicles” and together with the Global Funds and the Growth Fund, the “Funds” or “Clients”).

As investment adviser for the Funds, we identify investment opportunities and participate in the sourcing, investigating, structuring, and negotiating of potential investments, monitoring investments post-acquisition, advising with respect to disposition opportunities and providing day-to-day managerial and administrative services for the Funds. We provide these investment advisory services to the Funds pursuant to advisory agreements (the “Advisory Agreements”). The terms of the investment advisory services to be provided by us to the Funds, including any specific investment guidelines or restrictions, are set forth in the Advisory Agreements and/or in the relevant limited partnership agreements and governing documents for each Fund (collectively, the “Fund Governing Documents”).

We do not tailor our investment advisory services to the needs of individual investors in the Funds. However, in accordance with common industry practice, a Fund or its general partner may from time to time enter into a “side letter” or similar agreement with an investor pursuant to which the Fund or its general partner grants the investor specific rights, altering or supplementing terms of the Fund Governing Documents, including reducing or waiving distribution of carried interest or payment of the management fee in respect of any such investor, as well as other benefits or privileges that are not generally made available to all investors (as further set forth in the relevant Fund Governing

Documents). The other investors in a Fund will have no recourse against the applicable Fund or any of its affiliates in the event that certain investors receive additional or different rights or terms as a result of such side letters. See “Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss” for additional details.

As of December 31, 2021, we had an estimated total of approximately \$42,012,033,349 of regulatory assets under management for the Funds, of which approximately \$101,000,000 was managed on a non-discretionary basis.

## Item 5: Fees and Compensation

We are compensated for our investment advisory services to each of the Global Funds and the Growth Fund by a management fee based on a percentage of committed capital during the Global Funds’ and the Growth Fund’s respective investment periods and thereafter by a management fee based on a percentage of actively invested capital. We negotiated the rate with the investors in the Global Funds and the Growth Fund at the time each of the respective Funds were established. Management fees are payable quarterly in advance of the services rendered. If the Advisory Agreement is terminated before the end of the applicable period, management fees will be charged on a pro rata basis through the date of termination, and any fees paid in advance but not earned will be refunded. In addition to management fees, some of our supervised persons, through general partner carry vehicles, receive carried interest distributions from the Global Funds and the Growth Fund, which are based on a share of net profits of such Funds. See “Item 6 – Performance-Based Fees and Side-by-Side Management” below.

In general, we are not compensated for our investment advisory services to the Co-Investment Vehicles. We may, however, receive a management fee based on a percentage of actively invested capital, carried interest distributions based on a share of net profits, and/or administrative fees for certain Co-Investment Vehicles.

In general, each Fund is responsible for all costs and expenses relating to its operations, which are further set out in the relevant Fund Governing Documents for each Fund, including but not limited to: all fees, costs and expenses directly related to the purchase and sale of investments; principal, interest, fees, expenses and other amounts payable in respect of financings; custody fees and costs of other third party services; legal, accounting, and other professional costs including those provided by employees of ISQ; any insurance, indemnity or litigation expenses; all costs of the Fund’s administration, including preparation of its financial statements and reports to limited partners, costs of meetings of partners, expenses relating to the Fund’s limited partner advisory committee (“Limited Partner Advisory Committee”), if any, and any taxes, fees or other governmental charges levied against the Fund. In addition, each Fund is responsible for its share of out-of-pocket costs and expenses in connection with prospective investments that are not consummated. Each Fund is also responsible for all costs and expenses incurred in connection with the organization of the Fund (including any subsidiary pooling vehicles), the general partner of the Fund, and the ISQ carry partners, if any, including legal and accounting fees, printing costs, reasonable travel and out-of-pocket expenses, and all costs and expenses incurred in connection with the offering of interests in the Fund (but excluding any placement fees). Organizational expenses payable by the Funds are subject to caps, as set forth in the applicable Fund Governing Documents. Organizational expenses in excess of these caps and any placement fees are paid by the Global Funds or the Growth Fund, respectively, but borne by ISQ through a 100% off-set against the management fee.

ISQ faces a variety of potential conflicts of interest when it determines allocations of various fees and expenses to and among the Funds. For example, from time to time, a Fund's general partner will be required to decide whether costs and expenses are to be borne by the Fund, on the one hand, or ISQ, on the other, and/or how certain costs and expenses should be allocated between one Fund, on the one hand, and any other Funds. ISQ, in its sole discretion, will allocate fees and expenses in accordance with the relevant Fund Governing Documents and in a manner that it believes is fair and equitable to the relevant Fund under the circumstances and considering such factors as it deems relevant. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of Funds or co-investors receiving related benefits or proportionately in accordance with asset size, based on commitments or available capital.

In addition, there may be circumstances when ISQ has considered a potential investment in a portfolio company on behalf of a Fund, has determined not to make such investment and an investment is eventually made in such portfolio company by another Fund. In these circumstances, the later Fund may benefit from research by ISQ's investment team and/or from costs borne by the earlier Fund in pursuing the potential portfolio investment, but the later Fund will not be required to reimburse the earlier Fund for expenses incurred in connection with such investment as described above. It is also possible that ISQ may consider an opportunity for a Fund that is not pursued and an investment is later made in such portfolio company by another Fund. In those circumstances, the later Fund could benefit from ISQ's diligence and/or from costs borne by such earlier Fund and may be required to reimburse the earlier Fund. ISQ will make such judgments regarding appropriate allocation notwithstanding its interest in the outcome, in accordance with the relevant Fund Governing Documents and ISQ's fee income and expense allocation policy. Conflicts of interest may arise in allocating any such fees and expenses between ISQ and one or more Funds.

ISQ and its affiliates retain a team of operating directors (the "**Operating Directors**"), as well as certain senior policy advisors ("**Senior Policy Advisors**") and operating advisors ("**Operating Advisors**") who assist with deal sourcing, provide industry, government, public policy, international relations or regulatory insight, advice or due diligence, offer financial and structuring advice and perform other services as appropriate (such services, "**Operational Services**") for ISQ and its affiliates, the Funds, and their respective portfolio companies. While Operating Directors are employees of ISQ, Senior Policy Advisors and Operating Advisors are engaged pursuant to consulting or similar arrangements, which may be on an exclusive or non-exclusive basis, and are not employees of ISQ.

Each Operating Director, Senior Policy Advisor and Operating Advisor is entitled to compensation, which compensation can include director's fees, consultant fees, retainer fees, success fees and other fees, salary, promotes, profit sharing, incentive equity, stock options, stock awards, co-investment rights and other non-cash compensation, benefits and incentives and reimbursement of expenses at rates ISQ believes to be commercially reasonable. In addition, an Operating Director, Senior Policy Advisor and/or Operating Advisor may also be awarded, as part of their compensation, carried interest in respect of a Fund or similar incentive equity in respect of portfolio companies for which such Operating Director, Senior Policy Advisor or Operating Advisor performs Operational Services. Any such compensation, including any promotes, profit sharing or incentive equity in respect of the Fund's Investments, will not reduce the carried interest in respect of a Fund. The cost of such

compensation and related expenses, including travel costs, temporary, semi-permanent or permanent housing or relocation costs and any applicable overhead, such as accounting, network, communications, administration and other support benefits and office space, all constitute **“Operational Service Costs.”** Operational Service Costs received by Operating Directors, Senior Policy Advisors or Operating Advisors, including any amounts received in connection with particular transactions or investments, will not reduce the management fee paid by a Fund.

Certain Operational Service Costs of Senior Policy Advisors and Operating Advisors incurred in respect of a Fund, one or more investments or prospective investments or the relevant portfolio company(ies) may be allocated to and borne by the relevant Fund or the relevant portfolio company(ies), based on time spent by such persons. Certain Operational Service Costs of Operating Directors incurred in respect of a Fund, one or more investments or prospective investments or the relevant portfolio company(ies) may be allocated to and borne by the relevant Fund or the relevant portfolio company(ies) based on time spent by such persons, to the extent that the performance of such Operational Services by an Operating Director could otherwise be performed by third parties or internal portfolio company personnel, or as otherwise approved by the relevant Fund’s Limited Partner Advisory Committee. To the extent that any Operating Director, Senior Policy Advisor or Operating Advisor provides services to multiple entities (i.e., multiple Funds), ISQ will allocate the related Operational Service Costs to the applicable Funds and/or their respective portfolio companies on a basis that it considers to be fair and equitable and considering such factors as ISQ deems relevant, but in any case in its sole discretion, which include, but are not limited to: (i) allocation based on time spent by such persons; (ii) allocation based on capital commitments if such Operational Service Costs do not relate to any particular investment; (iii) allocation based on capital invested or proposed to be invested by each applicable fund if such Operational Service Costs are related to one or more actual or potential investments; or (iv) such other basis or bases that ISQ believes to be fair and equitable.

A Fund’s share of any Operating Director’s, Senior Policy Advisor’s or Operating Advisor’s compensation and related expenses (i.e., Operational Service Costs), will be borne, directly or indirectly, by the relevant Fund (whether paid by the Fund, by a portfolio company or by ISQ and subsequently reimbursed by the Fund or a portfolio company). While such Operational Service Costs will be at rates ISQ believes to be commercially reasonable for the relevant services provided, exclusive arrangements or other factors may result in Operational Service Costs not always being comparable to costs, fees and expenses charged by other third parties. In addition to compensation, Operational Service Costs borne by a Fund generally will also include the Fund’s share of any travel costs, temporary, semi-permanent or permanent housing or relocation costs or other out of pocket expenses incurred by Operating Directors, Senior Policy Advisors and Operating Advisors in connection with the provision of their services. Accounting, network, communications, administration and other support benefits, including office space, may be provided by ISQ or the Fund to Operating Directors, Senior Policy Advisors and Operating Advisors, and the cost of such overhead will be reflected in the rates at which services are charged. To the extent that communications or other equipment or services are provided by a Fund to an Operating Director, Senior Policy Advisor or Operating Advisor, its cost may be borne by the Fund.

Operating Directors, Senior Policy Advisors and Operating Advisors may be granted the right to

participate alongside a Fund in transactions that they source or for which they provide Operational Services, and the relevant Fund or relevant portfolio company may loan the Operating Directors, Senior Policy Advisors and/or Operating Advisors funds to make any such co-investments. Such co-investment rights may result in the Fund investing less capital than it otherwise would have in such transactions. In addition, Operating Directors, Senior Policy Advisors and Operating Advisors may invest directly or indirectly in a Fund.

Compensation arrangements such as profits interests, carried interest or similar equity incentive arrangements can result in substantial compensation for Operating Directors, Senior Policy Advisors and/or Operating Advisors, the amount of which is unknowable at the time such arrangements are entered into. As a result, the effective rate of compensation for an Operating Director, Senior Policy Advisor and/or Operating Advisor may ultimately be disproportionately higher than market rates for similar services had they been provided by third parties.

Operating Directors, Senior Policy Advisors and Operating Advisors may also serve on the boards of portfolio companies or as employees or consultants in an operations capacity. Any Operational Service Costs received by Operating Directors, Senior Policy Advisors and Operating Advisors in such capacities will be borne by the portfolio companies and will not reduce the management fee paid or carried interest distributed by the relevant Fund. Services provided by Operating Directors, Senior Policy Advisors and Operating Advisors may include, without limitation, providing services directly to a Fund's portfolio companies or an individual issuer, whether as an employee or service provider of such issuer, and will otherwise conform to the description of the roles of Operating Directors, Senior Policy Advisors and Operating Advisors above.

In addition, ISQ or its affiliates expects to make their own employees available to provide finance, accounting, tax, legal, compliance, human resource, information technology, client services, paralegal, health, safety, environmental, social, corporate governance, sustainability, responsible investing, corporate secretary, trade settlement and other support services to Investments that otherwise could be performed by third parties or internal portfolio company personnel ("**Manager Support Services**"). In addition, any travel costs, temporary, semi-permanent or permanent housing or relocation costs or other out of pocket expenses incurred by ISQ and/or such ISQ employees in connection with the provision of their Manager Support Services are also generally expected to be borne by the applicable portfolio company(ies). ISQ will seek payment from the relevant Fund or investment for such Manager Support Services at rates that ISQ believes to be commercially reasonable; *provided* that market benchmarks confirming the terms of such rates are commercially reasonable shall be obtained by ISQ if such market benchmarks are readily available without undue burden or cost to ISQ or the relevant Fund. Fees or other payments or benefits received by ISQ or ISQ employees in connection with their Manager Support Services, including any amounts paid in connection with particular transactions or investments, will not reduce the management fee paid by the Fund.

Executive officers and other management personnel of certain portfolio companies may be employed by ISQ (or an affiliate) instead of being employed or retained directly by such portfolio companies, so that such personnel may be deployed by ISQ to fill similar positions for other portfolio companies of



the Funds. ISQ and its affiliates may enter into services agreements with such portfolio companies pursuant to which such personnel may serve in various capacities, including but not limited to CEO, COO or other senior executive or management roles. Each such portfolio company will pay a fee to ISQ representing the cost of compensation, which compensation can include director's fees, consultant fees, retainer fees, success fees and other fees, salary, promotes, profit sharing, incentive equity, stock options, stock awards, co-investment rights and other non-cash compensation, benefits and incentives and related expenses, including travel costs, temporary, semi-permanent or permanent housing or relocation costs and any applicable overhead, such as accounting, network, communications, administration and other support benefits and office space, of any such personnel, and such personnel may be entitled to reimbursement of expenses directly from such portfolio company (collectively, "**External Management Compensation**"). ISQ will seek to structure External Management Compensation arrangements so that the aggregate amount of External Management Compensation borne by any portfolio company will not exceed the amount that ISQ believes to be commercially reasonable for the services provided; however, exclusive arrangements or other factors may result in External Management Compensation not always being comparable to costs, fees and expenses charged by other third parties. All such External Management Compensation (a) will be borne by the relevant Fund or one or more investments or portfolio companies and (b) will not be applied to reduce the management fee paid by the relevant Fund.

In addition to the foregoing, ISQ and its affiliates may from time to time, without the consent of any limited partner in the applicable Fund, engage one or more portfolio company executives or other management personnel affiliated with a Fund's investments to provide services in respect of other assets, which may include investments of other Funds. In such event, ISQ will cause the relevant Fund or the relevant investment to be reimbursed for any allocable costs of compensation or related expenses incurred in connection with such engagement.

In connection with any product or service that ISQ or its employees or advisors are permitted to provide to a Fund or its investments and charge to a Fund or its investments as a Fund expense (including, without limitation, Manager Support Services and activities giving rise to Operational Service Costs or External Management Compensation), ISQ may directly or indirectly acquire, invest (or otherwise hold equity) in, organize, form or otherwise arrange or establish one or more entities (collectively, "**Related Service Providers**") and cause such Related Service Providers to provide such product or service. Furthermore, in connection any product or service (including the foregoing) that may be provided to a Fund or any of its investments, ISQ may directly or indirectly cause any portfolio company or other asset of a Fund, whether currently in existence or acquired, organized, formed, established or otherwise arranged in the future (collectively, "**PortCo Service Providers**" and, together with any Related Service Providers, "**ISQ Service Providers**") to provide such product or service. ISQ Service Providers may charge a Fund's investment directly for such services or may be paid directly or indirectly by the Fund. For the avoidance of doubt, PortCo Service Providers are not considered affiliates of ISQ even if controlled by ISQ, and any transaction or other arrangement between a Fund or its investments, on the one hand, and any PortCo Service Provider, on the other hand, will not give rise to any obligations (fiduciary or otherwise) on the part of such PortCo Service Provider, ISQ, the Fund or any investment that would not be present in the context of a transaction between unaffiliated parties. Certain Funds and their investments will be permitted to engage in any

transaction or other arrangement with Related Service Providers (including in connection with the purchase of property, products or services from such Related Service Providers) to the full extent that the Fund and its investments would be permitted to engage with ISQ or any of its employees or advisors pursuant to the Fund Governing Documents. As set forth in the relevant Fund Governing Documents, any such transaction or other arrangement (other than those expressly contemplated herein, such as those relating to Manager Support Services, Operational Service Costs or External Management Compensation) between a Fund or its investments, on the one hand, and any Related Service Provider that is an affiliate of ISQ, on the other hand, must be on terms that ISQ believes to be commercially reasonable; *provided* that market benchmarks confirming the terms of such rates are commercially reasonable shall be obtained by ISQ if such market benchmarks are readily available without undue burden or cost to ISQ or the relevant Fund. Subject to the foregoing, ISQ Service Providers, ISQ, the Funds and any investment may engage in any such transaction or other arrangement without any limitations or consents required from any person, including a Fund's investors. A Fund's involvement with ISQ Service Providers may give rise to significant conflicts of interest, which are further detailed in the respective Fund Governing Documents.

As a result of the Funds' controlling interests in certain portfolio companies, the relevant Fund general partner typically has the right to appoint portfolio company board members (including current or former ISQ personnel or persons serving at their request), or to influence their appointment, and to determine or influence the determination of their compensation. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to ISQ in connection with services provided by ISQ and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the relevant Fund Governing Documents' offset provision, are in addition to the management fee or carried interest discussed herein. ISQ's authority to appoint or influence the appointment of portfolio company board members who may be involved in approving compensation payable to ISQ subjects ISQ and any such portfolio company board appointees to potential conflicts of interest. Additionally, a portfolio company typically will reimburse ISQ or service providers retained at ISQ's discretion for expenses (including, without limitation, travel expenses) incurred by ISQ or such service providers in connection with the performance of services for such portfolio company. This subjects ISQ to conflicts of interest because a Fund generally does not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the relevant Fund Governing Documents and its internal reimbursement policies and practices, ISQ determines the amount of these reimbursements for such services in its own discretion.

To the extent that ISQ or any of its affiliates or employees receives any transaction, director's, management, monitoring, break-up, and other similar fees or compensation in connection with a Fund and its investments and prospective investments, in each case other than any (a) fees, compensation or other payments received in respect of any Operational Service Costs, External Management Compensation, Manager Support Services or Retained Interests (as defined below), (b) reimbursement for any Fund expenses initially borne by ISQ or any of its affiliates, (c) fees, compensation or other payments received directly or indirectly by ISQ or any of its affiliates with respect to any co-investment arrangement or any other Fund organized or managed by ISQ or any of its affiliates, (d) fees received directly or indirectly from or in respect of any strategic investors, agency

investors or other strategic or third-party investors not otherwise attributable to the Fund, and (e) fees, costs and expenses related to the provision of products and services by ISQ Service Providers. 100% of the relevant Fund's *pro rata* portion of any such fees, net of unreimbursed transaction expenses incurred by ISQ or its affiliates, that is attributable to an investor in the Fund will be applied to reduce the management fee payable by investors in the Fund for the following quarterly period. To the extent such offsets would reduce the management fee for a given quarterly period below zero, such offsets will be carried forward and reduce future installments of the management fee. For the avoidance of doubt, any fees, compensation or other payments received by ISQ or an affiliate intended to reimburse ISQ or such affiliate for the cost of ISQ's or such affiliate's employees providing services to a Fund or an investment or prospective investment will not be credited against the management fee.

ISQ reserves the right, in its sole discretion, to structure the realization of an investment to offer a limited partner who wishes to do so the ability to retain an interest in such investment (a "**Retained Interest**"), where practicable. Following the sale of a Fund investment to a third party (which may include an investor in a Fund acting in its own capacity), ISQ and its affiliates may receive a fee or other compensation from the buyer of such investment in return for providing post-sale advisory services to the buyer with respect to management of such investment. In addition, ISQ and its affiliates may receive carried interest, management fees and other compensation in connection with any Retained Interest or a continuation fund with respect to the sold investment. Any such interests or compensation will not be considered transaction, directors', break-up and other similar fees and will not offset the management fee.

The Funds' investments generally require extensive due diligence activities prior to investment. This may include, among others, (i) legal, auditing, investment banking, valuation, consulting, engineering, custody, administration, tax, accounting, and other professional fees, costs, expenses, retainers and/or other payments; (ii) all fees, costs and expenses associated with the discovery, sourcing, evaluation, diligence, financial analysis, negotiation, structuring, acquisition, and potential refinancing of the Fund's proposed Investments and investment strategies, including, without limitation, any meetings and/or travel, accommodation, meal and entertainment expenses related to such prospective investments, any expenses related to attending trade association and/or industry meetings, conferences or similar meetings, private placement fees, syndication fees, bank charges, depositary fees, fees and expenses related to environmental evaluation, closing and execution costs, fees and expenses of consultants, sales commissions, appraisal fees, taxes, underwriting commissions and discounts, brokerage fees and information services; and (iii) all other fees, costs and expenses relating to unconsummated transactions, including, without limitation, submission costs, reverse termination fees and damages and the fees, costs and expenses described in (i) and (ii) above (including, in each of cases (i), (ii) and (iii), such fees, costs and expenses that might have been borne by a co-investment vehicle or other co-investors had the transaction been consummated) ("**Broken Deal Expenses**"). Broken Deal Expenses will generally be borne solely by the applicable Fund (except for amounts that are treated as expenses to be borne by ISQ under the relevant Fund Governing Documents), even if co-investors were being sought or in some cases had agreed to participate had the transaction been consummated. Co-investors in one or more specific investments will not necessarily be required to share in the Broken Deal Expenses, either with respect to a co-investment

opportunity that is not consummated or with respect to other potential investments that may be offered to the Fund. Such co-investors include those with whom ISQ has pre-existing relationships, as well as co-investors that have participated in other completed transactions. By generally bearing the Broken Deal Expenses, the relevant Fund provides a benefit to other co-investors in such Fund's investments. Such co-investors participate in and benefit from the general sourcing of transactions by the relevant Fund and ISQ. To the extent a co-investor does not bear its pro rata share (including, without limitation, due to any negotiated expense cap for establishing a co-investment vehicle), any such expenses are borne by the Fund. Please see *"Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss"* below for additional information on allocation of Broken Deal Expenses

The applicable Fund Governing Documents have provisions that allow the Funds to borrow money for investment and other purposes. Such borrowings may be made prior to capital being called from the applicable Fund's investors. This mechanism may defer investor capital calls and provides a form of leverage that can have the effect of amplifying the Fund's reported net internal rate of return (IRR), particularly in the early years of the Fund's investment cycle. Such borrowings can also accelerate the date upon which the Fund's preferred return will be achieved for purposes of determining when we are entitled to begin receiving carried interest distributions from the Fund.

Interest payments and other fees and expenses incurred in respect of such borrowings are partnership expenses and such expenses will decrease a Fund's net returns over time. The terms of each Fund's borrowing arrangements and borrowings outstanding, if any, are disclosed to the investors in the quarterly and annual financial statements of each Fund.

Neither we, nor any of our supervised persons, accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

ISQ-affiliated general partner carry vehicles receive carried interest distributions from the Global Funds, the Growth Fund and certain of our Co-Investment Vehicles, which are based on a share of net profits of such Funds. The amounts of such distributions are set forth in these vehicles' respective Fund Governing Documents. Such carried interest distributions may create an incentive for ISQ and its supervised persons to make investments on behalf of the Global Funds and the Growth Fund or such Co-Investment Vehicles that may be riskier or more speculative than would be the case in the absence of such distributions. In addition, to the extent we may be managing more than one Fund that is actively investing at any given time and to the extent those Funds have carried interest provisions that vary from one another, we would have an incentive in allocating investment opportunities to favor Funds with a potential for higher performance-based compensation over Funds with lower or no performance-based compensation. To address this conflict, we have adopted policies and procedures that are designed to ensure that, over time, all of our clients are treated in a fair and equitable manner with respect to the allocation of investment opportunities. Please refer to *"Item 12 – Brokerage Practices"* below for further details.

## Item 7: Types of Clients

We provide investment advice to the Funds. Investors in the Funds include public and private pension

plans, insurance companies, sovereign wealth funds, funds-of-funds, family offices, and other institutional investors.

The Funds may have a specified minimum investment set forth in the offering documentation, organizational documents or other governing documents. Such a minimum is typically subject to the discretion, on the part of ISQ, to permit investment of a smaller amount generally or with respect to any investor.

## Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss

Our investment objective is to seek to achieve long-term capital appreciation and current income by making equity and equity-related investments in infrastructure and infrastructure-related assets (including social infrastructure) located globally, with the Global Funds focusing on the Americas, Europe, and select growth economies (including China and India) and Growth Fund solely focusing on growth economies. The Funds may also invest in debt securities that have equity-like returns or an equity component, or are related to its equity investments, including without limitation convertible debt, mezzanine debt, bank loans and participations and other similar investments.

Our investment strategy is to deliver attractive risk-adjusted returns through a differentiated global investment strategy based on the twin elements of value creation and downside mitigation through active regulatory and policy risk monitoring and pro-active management. Our focused investment approach is based on regional and sector-specific strategies developed through ISQ's assessment of the most competitively advantaged sectors and subsectors across the energy, utilities (including water and waste management), telecom, and infrastructure sectors in each region. We target investments with attractive yield generation, explicit or strong implicit protections against inflation, modest leverage, and acceptable levels of policy and regulatory risk. Our Investment Committee, comprised of senior members of ISQ, is ultimately responsible for making final investment decisions for the Funds.

Acquiring an interest in a Fund involves a number of significant risks. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in a Fund. No guarantee or representation can or will be made that a Fund will achieve its investment objective or that limited partners will receive a return of their capital. An investment in a Fund may be deemed a speculative investment and is not intended as a complete investment program. All investing involves a risk of loss and the investment strategies pursued by the Funds could lose money over short or even long periods of time. Prospective and existing investors are advised to review the respective Fund Governing Documents and other constituent documents for each Fund for full details on each applicable Fund's investment, operational and other actual and potential risks and the conflicts of interests related thereto. The following list is not a complete list of all risks, conflicts of interest and other considerations involved in connection with an investment in a Fund.

- Risks Associated with the Funds' Investment Strategies:
  - The investment strategies pursued by the Funds involve making illiquid private investments in a relatively small number of infrastructure projects. As a result, each Fund's portfolio tends to be highly concentrated, and the failure of even one of these investments could have a materially adverse impact on a Fund's overall performance.
  - The competition for sourcing investments for the Funds is becoming increasingly intense. There can be no assurance that ISQ will be able to source a sufficient number of suitable

investments at reasonable valuations to achieve a Fund's investment objective. In particular, ISQ encounters competition from other entities having similar investment objectives. Potential competitors include other investment funds and corporations, business development companies, other infrastructure funds, strategic industry acquirers and other financial investors investing directly or through affiliates. The infrastructure investing landscape is rapidly evolving and additional investment funds with similar objectives have been formed or have announced their formation and additional investment funds may be formed in the future by other related or unrelated parties. Some of these competitors may have more relevant experience, greater financial resources or more personnel than ISQ. These competitors may also be seeking to dispose of infrastructure assets at the same time as ISQ, thereby creating competition for potential buyers.

- The Funds' investment strategies often involve investing in infrastructure projects that are subject to significant risks, including strategic, financial or other challenges. Some of these projects may be highly leveraged, and the Funds' exit strategies may be uncertain at the time the Funds make an investment. The success of the Funds' investments is highly dependent on the ability of the managers of these projects to successfully navigate these and other challenges. In particular, investments in infrastructure assets involve many significant, relatively unusual and acute risks.
- Project revenues can be affected by a number of factors including economic and market conditions, political events, competition, public health crises, regulation, and the financial position and business strategy of customers. Unanticipated changes in the availability or price or inputs necessary for the operation of infrastructure assets may adversely affect the overall profitability of the investment or related project. Events outside of a portfolio company, such as political action, governmental regulation, demographic changes, economic growth, increasing fuel prices, government macroeconomic policies, toll rates, social stability, competition from un-tolled or other forms of transportation, natural disasters, changes in weather, changes in demand for products or services, bankruptcy or financial difficulty of a major customer and acts of war or terrorism, could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining or restoring infrastructure facilities. In turn, this may impair a portfolio company's ability to repay its debt, make distributions to the Funds or even result in the termination of applicable concession or other agreements.
- As a general matter, the operation and maintenance of infrastructure assets or businesses involve various risks and is subject to substantial regulation, many of which may not be under the control of the owner/operator, including labor issues, failure of technology to perform as anticipated, structural failures and accidents, and the need to comply with the directives of government authorities. Although portfolio companies may maintain insurance to protect against certain risks, where available on reasonable commercial terms (such as business interruption insurance that is intended to offset loss of revenues during an operational interruption), such insurance is subject to customary deductibles and coverage limits and may not be sufficient to recoup all of a portfolio company's losses. Furthermore, once infrastructure assets become operational, they may face competition from other infrastructure assets in the vicinity of the assets they operate, the presence of which depends in part on governmental plans and policies.
- The Funds also invest extensively outside of the United States. Investing overseas entails additional investment risks, including currency risk, lack of transparency and the risk of operating in markets with less well-developed legal systems to protect the rights of investors



and creditors. In particular, the Funds make investments in countries considered “emerging markets”, including the Growth Fund, which exclusively invests in “emerging markets”. Investments in emerging markets are likely to carry particular risks specific to their local economy, business, regulatory, and political system. These can include (without limitation) political or sovereign risk; risks associated with less developed legal frameworks and standards of corporate governance (which may include frequent and unforeseen changes to local laws and regulations); risks resulting from lack of transparency in relation to accounting, auditing and other reporting or standards of disclosure; as well as the risk that restrictions may apply to an investor’s ability to repatriate proceeds from an investment, if made by a non-resident of an emerging market country. Furthermore, investments in emerging markets may require significant government approvals under corporate, securities, exchange control, investment and other similar laws and may require financing and structuring alternatives that differ significantly from those customarily used in more developed countries.

- The debt securities and other interests in which the Funds may invest may include secured or unsecured debt at various levels of an issuer’s capital structure, which may be subordinated to substantial amounts of senior indebtedness. In addition, the debt securities in which the Funds may invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity, and may not be rated by a credit rating agency. Debt securities are also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a “fraudulent conveyance” under relevant creditors’ rights laws, (ii) so-called lender liability claims by the issuer of the obligations, and (iii) environmental liabilities that may arise with respect to collateral securing the obligations. The Funds’ investments may be subject to early redemption features, refinancing options, prepayment options, or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Funds earlier than expected, resulting in a lower return to the Funds than anticipated or underwritten. In addition, depending on fluctuations of the equity markets and other factors, warrants and other equity securities may become worthless. Accordingly, there can be no assurance that the Funds rate of return objectives will be realized.

***Disease and Epidemics.*** Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and the current outbreak of COVID-19 (as defined below), have and are resulting in market disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds. Currently, there is an ongoing outbreak of a novel and highly contagious form of coronavirus (“**COVID-19**”), which the World Health Organization formally declared in March 2020 to constitute a global “pandemic.” This outbreak has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including “stay-at-home” and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. As a result, COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to both volatility and a severe decline in all financial markets. Among other things, these unprecedented developments have resulted in material reductions in demand across most categories of consumers

and businesses, dislocation (or in some cases a complete halt) in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment. The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds' and their portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new Investments and to manage, finance and exit Investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could materially and adversely affect a Fund's ability to fulfill its investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), as well as under certain government regulations and permits, potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their portfolio companies, the Funds' general partners and ISQ may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

- Risks Associated with Investing in Interests in the Funds:

- Investments in the Funds are illiquid, and interests in a Fund may not be transferred without the prior consent of the general partner and the satisfaction of certain other conditions. Investors in the Funds should be able and prepared to maintain their investments in the Funds over the entire life of the Fund. Investments in infrastructure assets are generally less liquid and involve a longer holding period than traditional private equity investments, which are often considered to be illiquid and long-term.
- While ISQ seeks to make investments for which there is a clear exit strategy, it is not generally expected that the Funds will be able to dispose of any investments for a number of years after the investment is made, during which time the Funds may be exposed to unfavorable developments affecting its investments. If the Funds are unable to realize its investments in a timely fashion, the returns to investors could be materially adversely affected.
- An investment in the Funds is a passive investment. As limited partners, investors in the Funds have no control over the day-to-day operations of the Funds, including investment and disposition decisions, and have limited rights to protect themselves if they are dissatisfied with the manner in which a Fund is being operated. Investors are highly dependent on the investing skills and management abilities of ISQ to achieve success.
- The valuation of the Fund's investments is a difficult task that relies heavily on ISQ's business



judgment. Although ISQ maintains stringent policies, procedures and financial controls over the valuation process (including independent review by the Funds' auditors), there can be no assurance that the Funds will be able to realize their investments at a price that is commensurate with the value at which such investments have been carried on the Fund's books.

- ISQ manages each Fund in a manner that is consistent with the best interests of the Fund, which is not necessarily consistent with the best interests of each individual investor in the Fund. In particular, ISQ may structure investments so as to maximize tax efficiency for the Fund, but which may not be the most tax advantageous structuring possible for an individual investor, depending on that investor's own particular facts and circumstances.
  - No guarantee or representation can be made that a Fund will achieve its investment objective or that limited partners will receive a return of their capital. All investing involves a risk of loss and the investment strategies pursued by the Funds could lose money over short or even long periods. Prospective and existing investors are advised to review the offering materials and other constituent documents for full details on each applicable Fund's investment, operational and other actual and potential risks.
  - ISQ generally has the right to recall (or "recycle") certain distributed amounts, including in respect of returned fees and expenses and returned capital, in accordance with the Funds' Governing Documents. Accordingly, during the term of a Fund, an investor may be required to make capital contributions in excess of its commitment. Any such reinvestment would limit early distributions to investors, and to the extent such recalled or retained amounts are reinvested, an investor will remain subject to the investment and other risks associated with such investments. As a result, reinvestment could increase the risk of investing in a Fund. Additional investments resulting from recycling have the potential to increase investment returns to investors (and reduce the effective burden of management fees assessed on the basis of commitments during a Fund's commitment period) to the extent such investments are profitable. However, there can be no assurance that any such investment will have a positive return. Further, any such additional investments will have the effect of increasing the management fee borne by investors following the investment period, and as a result ISQ may face a conflict of interest with respect to such additional investments insofar as it is incented to deploy recycled capital in additional investors when it might not otherwise have done so.
- Potential Conflicts of Interest
    - In the course of sourcing investments, ISQ or the Funds will be required to enter into confidentiality agreements with third party firms or portfolio companies that may prohibit the Funds from publicly disclosing sensitive information relating to the third party firm, their investments and the portfolio companies. These arrangements could either restrict the information that the Funds are permitted to share with their investors or could possibly result in liabilities for the Funds where an investor that is required or compelled to publicly release information regarding its investments, such as pursuant to the U.S. Freedom of Information Act ("FOIA") or other similar state or local laws, publicly discloses such information in response to an information request or otherwise. ISQ may choose, but is not required, to decline such investment opportunities in order to avoid the risk of exposing the Funds to these categories of liability. As a result, the Funds' investment flexibility may be constrained, which may adversely impact the aggregate returns realized by the Funds.

- ISQ's senior management team will devote substantially all of their business time to ISQ's business, including managing the Funds. However, senior management may spend some portion of their time on matters other than, or only tangentially related to, ISQ's business, including time spent on charitable and public policy activities as well as service on the boards of directors of for-profit businesses. Conflicts of interest can arise in allocating management time, services or other resources among the Funds and/or other investments and projects.
- Potential conflicts will arise if a Fund makes an investment in a portfolio company in which other Funds have invested. Decisions relating to actions to be taken may create conflicts of interest between holders of different types of securities in the same portfolio as to what actions the portfolio company should take. A conflict may also arise in allocating an investment opportunity if the potential investment could be made by more than one of the Funds. Investments by more than one Fund in a portfolio company may also raise the risk of using assets of one Fund to support positions taken by other Funds. ISQ is generally authorized to resolve such conflicts on a case-by-case basis in its good faith discretion, taking into account the interests of all of the Funds, but ISQ will not always be in a position to take action to resolve any such conflict, and there can be no assurance that any such conflict will be resolved in favor of any particular Fund.
- If "in-kind" distributions are made to a Fund's investors of property other than cash, the amount of any such distribution will be accounted for at the fair market value of such property, as determined in accordance with procedures specified in the applicable Fund Governing Documents. An independent appraisal generally will not be required and is not expected to be obtained.
- Co-investors in one or more specific investments will not necessarily be required to share in the Broken-Deal Expenses, either with respect to a co-investment opportunity that is not consummated or with respect to other potential investments that may be offered to the Funds. This includes co-investors with whom ISQ has pre-existing relationships, as well as co-investors that have participated in other completed transactions. Such co-investors participate in and benefit from the general sourcing of transactions by the Fund and ISQ.
- To the extent that an investment sought by the Funds includes co-investors that have committed to underwrite the investment, ISQ will use commercially reasonable efforts to cause such co-investors to bear their *pro rata* share of the expenses, and such co-investors will in return typically be given priority in the co-investment waterfall. While ISQ generally is obligated to use commercially reasonable efforts to cause each co-investor to bear its *pro rata* share of Broken Deal Expenses and other co-investment expenses for both consummated and unconsummated transactions, to the extent a co-investor does not bear its *pro rata* share (including, without limitation, any negotiated expense cap for establishing a co-investment vehicle), any such expenses are borne by the Funds.
- The investors in the Funds may include both taxable and tax-exempt entities, as well as persons or entities that are organized in various jurisdictions and that otherwise may have conflicting investment, tax or other interests. The investors may have conflicting investment, tax and other interests with respect to their investments in the Funds. As a consequence, conflicts of interest will arise in connection with the decisions made by ISQ, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, ISQ will consider the investment and tax objectives of the Fund and its investors as a whole, not the

investment, tax or other objectives of any investor individually.

- From time to time, we may form and operate investment vehicles through which we, or our senior managers and other employees, invest in investment opportunities that lie outside of the Funds' permissible investment universe. Our ability to do this is subject to provisions in the applicable Fund Governing Documents designed to prevent conflicts of interest between the Funds, other funds that we may manage and ourselves, and to ensure that our management team is devoting as much time and attention to the Funds as is necessary. Consistent with these requirements and other obligations we owe to the Funds, these investment vehicles are limited to investing in opportunities that are not appropriate for the Funds. Nevertheless, such investment vehicles will give rise to potential conflicts of interest to the extent their investment activities may compete with the interests of the Funds or their portfolio companies or they distract senior management from devoting sufficient time and attention to the Funds.
- While ISQ generally intends to seek what it believes to be 'commercially reasonable' rates and terms for Operational Services, External Management Compensation and Manager Support Services, ISQ will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. In many cases, Operational Services and Manager Support Services are likely to be of a bespoke nature. ISQ will evaluate the rates and terms for Operational Services, External Management Compensation and Manager Support Services based on factors it deems in its sole discretion to be relevant. Such factors may include the nature of the services; prior educational, industry and business experience of the person providing such services; the willingness and/or ability of such person to travel or relocate; previous experience of ISQ or others in working with such person; whether the services will be provided on an exclusive basis; the existence of potentially competing offers; the extent to which performance metrics and incentive-based compensation could potentially facilitate alignment of interests; and the cost of associated overhead and support. The foregoing list is not comprehensive and in making any particular assessment, ISQ is likely to consider some but not necessarily all of the foregoing and other factors, give greater weight to some factors relative to others, and consider additional factors in light of the relevant facts and circumstances. Market benchmarks confirming the terms of such rates are commercially reasonable shall be obtained by ISQ if such market benchmarks are readily available without undue burden or cost to ISQ or the Fund. Any compensation approved by the relevant Fund's Limited Partner Advisory Committee will be deemed to be commercially reasonable.

- A Fund may acquire interests in certain issuers alongside investors in the Fund in their capacity as co-bidders who generally will be treated as third parties when acting in that capacity. Such investments may involve risks not present in investments where such co-bidders are not involved, including the possibility that co-bidders may at any time have other business interests and investments other than the Fund, or may have economic or business goals different from those of the Fund. In addition, a Fund may be liable for actions of these co-bidders. A Fund's ability to exercise control or significant influence over management of such investments will depend, to a certain extent, on the actions of such co-bidders, including when such co-bidders are allocated a seat on the boards of directors of certain portfolio companies.
- As noted in Item 4 above, in connection with or as a condition to an investor's agreement to invest in a Fund, the Fund or its general partner may from time to time enter into a "side letter" or similar agreement with an institutional or other investor pursuant to which the Fund or its general partner grants the investor specific rights, benefits or privileges that are not generally made available to all investors. Such rights, benefits or privileges include waivers or discounts on management fees and/or carried interest, "most favored nation" clauses, preferential access to co-investment opportunities, the right to be excused from participating in certain investments made by a Fund, notice rights upon the occurrence of certain events, seats on a Fund's limited partner advisory committee, specialized or additional reporting rights, rights related to tax treatment, rights related to regulatory matters, rights related to immunities or indemnification, rights related to the ability of the investor to transfer its interest in the Fund, additional representations and warranties from the Fund, its general partner and/or ISQ, modifications to the subscription agreement and other benefits. While the ability of a Fund or its general partner to enter into a side letter or similar agreement affording preferential rights to certain investors is generally disclosed to other investors in the Fund, the terms of such "side letters" or similar agreements are generally not disclosed to other investors in the Fund, except to investors that have separately negotiated for the right to review such agreements.
- Risks Associated with Cybersecurity
  - ISQ's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals or power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. ISQ has implemented various measures to manage risks relating to these types of events; nevertheless, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, ISQ may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in ISQ's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including information relating to clients and investors (and the beneficial owners of investors). Such a failure could harm ISQ's reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. Additionally, any failure of ISQ's information, technology or security systems could have an adverse impact on its ability to manage the private investment funds referred to herein.

## Item 9: Disciplinary Information

Not applicable.

## Item 10: Other Financial Industry Activities and Affiliations

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

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

Other than as described below, neither we nor any of our management persons have any relationship or arrangement that is material to our advisory business or to the Funds with any related person who is a broker-dealer, municipal securities dealer or government securities dealer or broker; investment company or other pooled investment vehicle; other investment adviser or financial planner; futures commission merchant, commodity pool operator or commodity trading advisor; banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of limited partnerships.

ISQ acts as investment adviser to the Funds, and certain related legal persons act as general partner of the Funds, as applicable.

In February 2016, our parent company, I Squared Capital, acquired a 51% interest in Avanz Capital Management LP, a private equity investment adviser that provides services to funds that invest in private equity funds that invest in emerging and developing countries. We do not believe that our parent company's ownership interest in Avanz Capital Management LP creates a material conflict of interest due to different investment personnel and the different investment strategies employed by each firm.

In October 2019, funds affiliated with Blue Owl (formerly known as Dyal Capital Partners, L.P.), a division of Neuberger Berman, acquired a passive, indirect, non-voting minority interest in I Squared Capital, LLC ("I Squared Capital"), which is the parent company of the adviser. I Squared Capital was previously a Cayman Islands exempt limited company and was converted to a Cayman Islands limited liability company prior to the closing of the transaction. In December, 2021, Blue Owl increased its ownership interest in I Squared Capital, but such interest remains a passive, non-voting minority interest. There have been no changes in the strategy, management team, investment team, investment process or day-to-day operations of the adviser or any of the relying advisers as a result of these transactions.

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

We have a written Code of Ethics which applies to all of our employees and any person who enters into a significant consulting or other similar relationship with us that is not specifically exempted. Our Code of Ethics requires our employees to serve the best interests of our Clients in compliance with

our status as a fiduciary, to comply with applicable federal securities laws, and to report any violations of our Code of Ethics promptly to our Chief Compliance Officer. Among other things, each of our employees must pre-clear certain personal securities transactions and must also provide annual securities holdings reports and quarterly securities transactions reports. Employees are also prohibited from purchasing securities from the restricted list. The Code of Ethics includes policies and procedures to prevent the misuse and disclosure of material non-public information and other confidential information, as well as policies and procedures addressing conflicts of interest; outside activities of employees; gifts and business entertainment; and political contributions.

We will make our Code of Ethics available to any investor or prospective investor who requests a copy.

## Item 12: Brokerage Practices

We invest primarily in privately negotiated investments, although we may occasionally acquire, sell or distribute public securities on behalf of the Funds. When investing in privately negotiated transactions, we believe we satisfy our best execution responsibilities through careful negotiation of the terms of the investment.

With respect to those limited instances in which we acquire, sell or distribute publicly traded securities or enter into hedging contracts on behalf of the Funds through a broker-dealer or other financial institution, we will seek to satisfy our best execution obligations by considering all relevant facts and circumstances. We will generally seek competing bids and look for whether the transaction represents the best qualitative execution, including the price and size of the order, the trading characteristics of the securities involved, the value of research provided by each broker, the broker's execution abilities, commission rates, financial responsibility, and responsiveness, as well as counterparty risk and concentration risk, as applicable.

Under no circumstances will we select a broker-dealer based on that broker-dealer's capital-raising activities on behalf of the Funds. However, we may execute trades through broker-dealers that have acted as placement agents on behalf of the Funds or otherwise assisted our capital-raising efforts so long as we have determined that such broker-dealer is capable of delivering best execution in respect of our trades on behalf of our Clients.

We do not generally have any soft dollar arrangements with any brokers whereby we can direct a broker to pay for external research services from a soft dollar account.

Infrequently, the Firm will aggregate orders for the purchase or sale of securities on behalf of multiple Clients. In such instances we will aggregate orders as we deem appropriate and in the best interest of the participating Clients, subject to and in accordance with the applicable provisions in the applicable Fund Governing Documents.

We maintain policies and procedures that are designed to ensure that all investment opportunities are, to the extent applicable, allocated among our Funds on a basis that over time is fair and equitable to each Fund relative to other Funds taking into account all relevant facts and circumstances. From time to time, ISQ will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of ISQ. In determining which investment vehicles should participate in such investment opportunities, ISQ and its affiliates are subject to conflicts of interest among the investors in such investment vehicles.



Except as required by the respective Fund Governing Documents, ISQ is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one Client of ISQ in a portfolio company also have the potential to raise the risk of using assets of a Client of ISQ to support positions taken by other clients of ISQ. ISQ must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. ISQ generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund Governing Documents, as well as factors including, but not limited to: (a) the sourcing of the transaction; (b) the size and nature of the investment; (c) the risk-return or target return profile or projected hold period of the proposed investment relative to each Fund's current risk profiles (it being understood that there can be no assurance that the actual returns from such investments will be in line with such targets, that investments will be held for the projected hold period or that such characteristics will ultimately match ISQ's expectations at the time such investments are made); (d) the relative amounts of capital available for investment; (e) principles of diversification; (f) the location of the investment assets; (g) each Fund's investment focus, investment guidelines, restrictions, terms and objectives, including whether such objectives are considered solely in light of the specific investment under consideration or in the context of the respective portfolios' overall holdings; (h) the need to re-size risk in each Fund's portfolios (including the potential for the proposed investment to create an industry, sector or issuer imbalance in each Fund's portfolios, as applicable) and taking into account any existing non-pro rata investment positions in the portfolio of each Fund; (i) liquidity considerations of the Funds, including during a ramp-up or wind-down of one or more Fund, proximity to the end of a Fund's specified term or investment period, any redemption/withdrawal requests, anticipated future contributions and available cash; (j) tax consequences; (k) regulatory or contractual restrictions or consequences; (l) avoiding a de minimis allocation; (m) availability and degree of leverage and any requirements or other terms of any existing leverage facilities; (n) each Fund's investment focus on a classification attributable to an investment or issuer of an investment, including, without limitation, geography, industry or business sector; (o) the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals dedicated to each Fund; (p) the management of any actual or potential conflict of interest; (q) with respect to investments that are made available by counterparties pursuant to negotiated trading platforms (e.g., ISDA contracts), the absence of such relationships (which may not be available for all Clients); and (r) any other considerations deemed relevant by ISQ in good faith (all of the foregoing factors being hereinafter referred to as the "**Investment Allocation Considerations**"). A Fund generally reserves the right to invest together with other Funds in the manner set forth in the Fund Governing Documents and ISQ's policies and procedures. ISQ will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable to its clients under the circumstances over time consistent with ISQ's obligations and reserves the right to take into consideration factors such as those set forth above. We may depart from this policy in a particular circumstance if it is determined that it would be appropriate to do so and that such a departure would nonetheless be consistent with our fiduciary duties to the Funds. Such cross-fund sharing of investment opportunities may occur in circumstances deemed appropriate by us. A follow-on investment opportunity in an existing portfolio company will generally first be considered as an opportunity for the Fund(s) that has an existing investment in that portfolio company. To the extent that multiple Funds hold an interest in the same portfolio company, we will allocate any disposition opportunities with respect to that investment on a basis that is fair and equitable to each Fund relevant to other Funds taking into account all relevant facts and circumstances, including without limitation the relative ownership percentages of the Clients in the applicable portfolio company; *provided* that ISQ may adjust such follow-on investment allocations in its discretion in accordance with the Investment Allocation Considerations (including, without limitation, in consideration of the

availability of capital). To the extent that a Fund does not participate in any such follow-on investment, or participates in such follow-on investment in a smaller proportion than its existing investment in such portfolio company, its ownership interests in such portfolio company will be diluted (with such dilution generally determined based on such portfolio company's value).

Depending on the size and other relevant factors associated with an investment opportunity, investment allocation decisions may be further made with respect to potential co-investment in the investment opportunity. We may evaluate possible co-investors based on all relevant factors, including those specific to the investment opportunity and as set forth in the relevant Fund Governing Documents. Subject only to any applicable provisions in the respective Fund Governing Documents or side letters, we may but are under no obligation to offer co-investment opportunities to existing investors in the Funds on a *pro rata* basis or otherwise.

ISQ's allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While ISQ will allocate investment opportunities in a manner that it believes is fair and equitable to the Funds under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which ISQ expects to be subject, discussed herein, did not exist.

### Item 13: Review of Accounts

We manage the Funds on a day-to-day basis. The Funds' portfolio investments are closely reviewed by our Partners and other investment professionals.

Investors receive written annual and quarterly reports which include a discussion of the Funds' performances. The annual reports include audited financial statements that are prepared for the Funds following the end of each fiscal year, while quarterly reports include unaudited financial statements that are prepared for the Funds following the end of each fiscal quarter, in each case in accordance with the terms of the Fund Governing Documents.

### Item 14: Client Referrals and Other Compensation

Historically, we have entered into arrangements in which third parties assist in our capital raising efforts 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. Investors typically do not bear the cost of these referral fees as any such amounts paid reduce the management fees otherwise payable to us and our affiliates. 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 offering materials.

### Item 15: Custody

ISQ is deemed to have custody of the securities and other assets in certain of the Funds as a result of ISQ's control of the general partner or the managing member of the Funds. In accordance with the requirements of applicable law, ISQ has established custodial accounts with a "qualified custodian"



who maintains physical possession of Funds' securities, cash and other assets. In addition, the financial statements of the Funds are audited by a nationally recognized Public Accounting Oversight Board (PCAOB)- registered independent auditor and distributed to investors within 120 days of the applicable fiscal year-end of the respective Fund.

## Item 16: Investment Discretion

We generally have the authority to make all investment determinations on behalf of the Funds, including investments across Funds. The relevant Fund Governing Documents generally imposesome limitations on our investment discretion, which limitations can only be waived by our investors.

## Item 17: Voting Client Securities

We have a Voting Policy to comply with Rule 206(4)-6 promulgated under the Advisers Act. The Voting Policy, which has been designed to ensure that we vote client securities in their best interestand provide them with information about how such securities are voted, contains procedures that have been reasonably designed to prevent and detect fraudulent, deceptive or manipulative acts by us.

It is our policy to vote client securities in the interest of maximizing equity holder value. To that end, we will vote in a way that we believe, consistent with our fiduciary duty, will cause the value of the securities to increase the most or decline the least. Consideration will be given to both the short-term and long-term implications of any proposal to be voted on when considering the optimal vote. We will vote client securities in the best interest of the Funds. In voting client securities, we will avoid material conflicts of interest between our interests on the one hand and the interests of the Funds on the other.

The Funds are not able to direct our vote for any particular proposal.

We will maintain records of all client security statements received and votes cast in an easily accessible place for five years. Investors and prospective investors may request information from us about how we voted the securities held by the Funds. We will make our Voting Policy available to any investor or prospective investor who requests a copy.

## Item 18: Financial Information

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or morein advance.

We have not been the subject of a bankruptcy petition at any time.

## Item 19: Requirements for State-Registered Advisers

Not applicable.