

ITEM 1: COVER PAGE

**INVESTMENT ADVISER BROCHURE
BASALT INFRASTRUCTURE PARTNERS, LLP**

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March 2024

*This brochure (“**Brochure**”) provides information about the qualifications and business practices of Basalt Infrastructure Partners, LLP (“**Basalt Infrastructure Partners**”). If you have any questions about the contents of this Brochure, please contact us at +44 207 7663360. 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. Basalt Infrastructure Partners may refer to itself as a “**registered investment adviser**” or “**RIA**” under the Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “**Advisers Act**”); however, such registration does not imply a certain level of skill or training. Additional information about Basalt Infrastructure Partners is also available on the SEC’s website at www.adviserinfo.sec.gov.*

ITEM 2: MATERIAL CHANGES

This Brochure has been revised since the most recent filing in March 2023. This annual amendment updates the description of the business practices of Basalt Infrastructure Partners and its affiliates.

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ITEM 4: ADVISORY BUSINESS

Basalt Infrastructure Partners, a UK limited liability partnership and a SEC-registered investment adviser (the “**Adviser**” and, where the context requires, collectively with its advisory affiliates and/or the Sub-Adviser and General Partners as defined below, “**Basalt**”), was established in April 2011. The Adviser and its affiliated investment advisers provide investment advisory services to investment funds privately offered in the United States and elsewhere. The Adviser is controlled by Colliers Investment Management Holdings UK Ltd and, ultimately, principally owned by Jay Hennick (the “**Principal Owner**”, and the Principal Owner, collectively with the other direct and direct owners of the Adviser, the “**Owners**”). The Adviser is also authorised and regulated by the UK Financial Conduct Authority.

Basalt’s clients include the following (each, a “**Fund**,” some of which may include feeder investment vehicles which are also considered to be clients, and together with any future private investment fund to which the Adviser or its affiliates provide investment advisory services, the “**Funds**”):

- Basalt Infrastructure Partners LP (“**Fund I**”)
- Basalt Infrastructure Partners II A L.P. (“**Fund II A**”)
- Basalt Infrastructure Partners II B L.P. (“**Fund II B**”)
- Basalt Infrastructure Partners II C L.P. (“**Fund II C**”)
- Basalt Infrastructure Partners II D L.P. (“**Fund II D**” and, collectively with Fund II A, Fund II B and Fund II C, “**Fund II**”)
- Basalt Infrastructure Partners III A L.P. (“**Fund III A**”)
- Basalt Infrastructure Partners III B L.P. (“**Fund III B**”)
- Basalt Infrastructure Partners III C L.P. (“**Fund III C**”)
- Basalt Infrastructure Partners III D L.P. (“**Fund III D**” and, collectively with Fund III A, Fund III B and Fund III C, “**Fund III**”)
- CIPMA Golden Link, LLC
- Project Arthur AIV, L.P.
- Project Arthur AIV BPI Voting Stock Feeder, L.P.
- Project Arthur AIV Non-Voting Stock Feeder, L.P.
- Project Arthur AIV Voting Stock Feeder, L.P.
- Project Hyperion AIV, L.P.
- Project Hyperion AIV Non-Voting Stock Feeder, L.P.
- Project Hyperion AIV Voting Stock Feeder, L.P.
- BIP II A Project Helios AIV (I) L.P.
- BIP II A Project Helios AIV (II) L.P.
- BIP III A Project Mars AIV (I) L.P.
- BIP III A Project Mars AIV (II) L.P.
- BIP III Ride Co-Investment L.P.
- Basalt Infrastructure Partners IV A L.P. (“**Fund IV A**”)
- Basalt Infrastructure Partners IV B L.P. (“**Fund IV B**”)
- Basalt Infrastructure Partners IV C L.P. (“**Fund IV C**”)

- Basalt Infrastructure Partners IV D L.P. (“**Fund IV D**” and, collectively with Fund IV A, Fund IV B and Fund IV C, “**Fund IV**”)

The following general partner and managing member entities are affiliated with the Adviser (each, a “**General Partner**”, and collectively, together with any future affiliated general partner entities, the “**General Partners**”):

- Basalt Infrastructure Partners GP Ltd
- Basalt Infrastructure Partners GP Member Limited
- Basalt Infrastructure Partners GP 2 LLP
- Basalt Infrastructure Partners II GP 2 LLP
- Basalt Infrastructure Partners II GP Limited
- Basalt Infrastructure Partners III GP Limited
- Basalt Infrastructure Partners IV GP Limited

Each General Partner is subject to the Advisers Act pursuant to Basalt Infrastructure Partners’ registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business together with Basalt Infrastructure Partners. Each General Partner’s board will typically consist of representatives of the Adviser and directors independent of the Adviser.

In addition to the activities and roles of the General Partners described above, the Adviser has engaged, and intends to continue to engage, its financial industry affiliate, Basalt Infrastructure Partners, LLC (the “**Sub-Adviser**”), which the Adviser wholly owns and which is separately registered with the SEC as an investment adviser, to provide investment advisory services regarding U.S. and Canadian infrastructure investments for each Fund.

The Funds are private investment funds and invest through negotiated transactions primarily in infrastructure assets, or asset-backed companies operating essential energy, transport, communications and utilities in Western Europe and North America (such investments generally referred to herein as “**portfolio companies**”). Basalt’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Where such investments consist of portfolio companies, the senior principals or other personnel of the Adviser or its affiliates generally serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

Basalt’s advisory services to the Funds are detailed in the relevant private placement memoranda or other offering documents (each, a “**Memorandum**”), investment management agreements, limited partnership or other operating agreements or governing documents (each, a “**Partnership Agreement**” and, together with any relevant Memorandum, the “**Governing Documents**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” In each case, Basalt Infrastructure Partners provides its advice on a non-discretionary basis to the relevant General Partner of a Fund, whose board of directors makes the investment decision on the Fund’s behalf. Each General Partner of a Fund is a wholly-owned subsidiary of Basalt Infrastructure Partners.

Investors in each Fund (generally referred to herein as “investors” or “limited partners”) participate in the overall investment program for the relevant Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Governing Documents; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between the Adviser and any investor. Each Fund or the relevant General Partner generally enter into side letters or other similar agreements (“**Side Letters**”) with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the Governing Documents with respect to such investors.

Additionally, as permitted by the Governing Documents, the General Partners expect to provide (or agree to provide) investment or co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain current or prospective investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, portfolio company management or personnel, personnel of the Adviser and/or certain other persons associated with the Adviser and/or their affiliates alongside the relevant Fund’s transactions. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. Additionally, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) may be permitted to purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in a portfolio company (also known as a post-closing sell-down or transfer) and fund such purchase (upon initial investment/acquisition of that interest) through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund’s completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund’s initial purchase. Where appropriate, and in Basalt’s sole discretion, Basalt is authorised to charge, on behalf of the Fund, interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent any such amounts are not so charged or reimbursed (including charges or reimbursements required pursuant to applicable law), they generally will be borne by the relevant Fund.

A prospective Fund investor will need to consider whether a proposed investment vehicle is appropriate to the investor’s circumstances based on all relevant factors including, but not limited to, the investor’s investment objectives, liquidity requirements, tax situation and risk tolerance. Prospective investors are strongly encouraged to undertake appropriate due diligence, including but not limited to a review of relevant Fund offering materials.

As of December 31, 2023, Basalt had approximately \$7,924,239,408 in regulatory assets under management.

ITEM 5: FEES AND COMPENSATION

In general, Basalt is compensated for its services through the receipt of an advisory fee in connection with advisory services and its Owners are entitled to receive carried interest as described below. The Adviser or other Basalt entities or affiliates reserve the ability - although to date neither the Adviser nor any such entity has exercised such ability, and does not currently expect to exercise such ability - to receive additional compensation in connection with management and other services performed for portfolio companies of Funds and such additional compensation will generally offset in whole or in part the management fees otherwise payable to Basalt.

Management Fees

Each Fund typically pays its General Partner, who in turn pays the Adviser, quarterly in advance, a management fee (the “**Management Fee**” or “**General Partner’s Share**”) equal to 1.5% on an annual basis of aggregate Fund investor capital commitments (“**Commitments**”). Investors participating in a closing after the first closing (the “**Initial Closing**”) bear the Management Fee from the Initial Closing.

As further specified in the Governing Documents, from the effective date of the relevant Fund until a date specified in the Governing Documents (the “**Stepdown Date**”), the Management Fee will equal 1.5% of the aggregate acquisition cost (including, where applicable, a Fund borrowing component) of unrealised investments (“**Aggregate Acquisition Cost**”). The Management Fee will be payable until proceeds from all portfolio investments are distributed or realized, or until the Adviser’s relationship with the relevant Fund is terminated for other reasons (as described in the Governing Documents).

The Governing Documents provide that a Fund’s Management Fees will be calculated and charged on a basis that generally is not tied to the Fund’s then-current net asset value. As further specified in the Governing Documents, prior to the Stepdown Date, Management Fees generally will be charged based on a formula tied to the amount of the relevant Fund’s aggregate Commitments. However, after the Stepdown Date, Management Fees generally will be charged and calculated based on a formula tied to the amount of the Aggregate Acquisition Cost made by the relevant Fund relating to portfolio investments that have not been realized or permanently written off (such portfolio investments, “**Impaired Value Investments**”).

Under the Governing Documents, where the fair market value of an investment exceeds the total amount of the Aggregate Acquisition Cost relating to such investment, post-Stepdown Date Management Fees will not be calculated based upon such appreciated value, and will instead continue to be calculated based on the amount of such Aggregate Acquisition Cost. Conversely, the Governing Documents typically do not require Management Fees to be reduced or refunded following the occurrence of a write-down, decrease (including a significant decrease) in fair value or other event not constituting a complete realization, such as a reorganization, roll-over investment in connection with a sale or dividend distribution, except in the case of investments meeting the relevant Impaired Value Investment standard under the Governing Documents. As a result, and as is generally the case for private investment funds, the amount of Management Fees

generally will not correspond with fluctuations in the net asset value of individual investments or of a Fund, including following the relevant investment period.

In many circumstances, the post-Stepdown Date Management Fee base will include capitalized transaction-specific expenses of unrealized investments. Further, Management Fees generally will not be reimbursed or refunded under the Governing Documents in the event of realizations, dispositions or partial write offs that occur partway through the relevant calculation period.

The Governing Documents set forth the full list of terms under which Management Fees will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified Management Fee rate in the Governing Documents until they are reduced in the circumstances and on the date(s) specified therein.

If portfolio companies are assessed, and pay to the Adviser or personnel thereof through the relevant General Partner, any monitoring fees, break-up fees and/or certain other fees, the Management Fee will be reduced by all or a portion of a Fund's allocable share of such fees. To the extent that such an offset credit would reduce the Management Fee for the relevant period below zero, such excess will be carried forward for future application against payable Management Fees. To the extent such excess remains upon dissolution of the Fund, the relevant General Partner shall distribute such unapplied excess to the limited partners that have not elected to waive such amount (*e.g.*, where an adverse tax consequence may result) *pro rata* based on respective Commitments.

In the event that fees of the type referred to in the preceding paragraph are assessed, the relevant General Partner reserves the right to also be paid such fees from, on behalf of or with respect to co-investors in an investment. Co-investors are also permitted to receive such fees directly from portfolio companies or potential portfolio companies. The receipt of such fees in either case will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to the relevant allocable portion of any such fee and not the portion of any fee related to: (i) General Partner or affiliated partner commitments; or (ii) co-investors or potential co-investors (which could include co-invest vehicles managed by the Adviser, service providers, third parties, current or former portfolio company management or personnel, sellers that have rolled their interest or reinvested proceeds in the portfolio company and/or others), which have the potential to be significant. Similarly, in certain circumstances, the Adviser expects that co-investors, lenders, consultants or other parties will negotiate the right to share a portion of such fees from a particular investment, and the above-described offset percentage will be applied after excluding any amounts paid to such persons. Each of the foregoing conditions is expected to reduce the amount of such fees otherwise available to be offset against Management Fees, resulting in a potential material benefit to the Adviser over the life of the relevant Fund, and the existence of such potential benefit creates an incentive for the Adviser to increase such amounts.

Carried Interest

The Owners and certain other Adviser personnel or related persons will typically, indirectly, receive a carried interest with respect to Fund I equal to 15% of all realised profits subject to an 8% compound preferred return, as more fully described in Fund I's Governing Documents. The

Owners and certain other Adviser personnel or related persons will typically, indirectly, receive a carried interest with respect to all other Funds equal to 20% of all realised profits subject to an 8% compound preferred return, as more fully described in the Governing Documents. The carried interest distributed to the Owners and certain other Adviser personnel or related persons is subject to a potential clawback or giveback at the end of life of the Fund in the event that excess cumulative distributions have been received.

It is expected that any future Funds will have a similar compensation structure.

Other Information

The Adviser is permitted to exempt certain “affiliated partner” investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including the Adviser and any other person designated by the Adviser, such as “friends and family” of the Adviser or its personnel, or other investors meeting certain qualification requirements based on commitment size. The Adviser reserves the right to make any such exemption from fees and/or carried interest by a direct exemption, a rebate by the Adviser and/or its affiliates, or through other Funds that co-invest with a Fund. For example, in instances where an Adviser professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the Governing Documents, Basalt has the right to permit investors, affiliated with Basalt or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or carried interest. In general, the Management Fee offsets described above apply only with respect to the capital commitments of fee-paying investors. Basalt retains flexibility to structure its compensation from investors and expects in certain circumstances to agree to invoice an investor directly for Management Fees or other compensation, rather than deducting such amounts from the relevant investor’s capital account(s).

The Funds generally invest on a long-term basis in highly illiquid securities. Accordingly, Management Fees and other fees are expected to be paid, except as otherwise described in the Governing Documents, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other current or former personnel of the Adviser generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation which may be received by the Owners and certain other Adviser personnel or related persons.

In addition to the Management Fee and carried interest payable ultimately to the Owners and certain other Adviser personnel or related persons, each Fund bears certain expenses. As set forth more fully in the Governing Documents, a Fund bears all fees, costs, expenses, liabilities and obligations relating to the Fund’s (and its subsidiaries’ and intermediate entities’) activities, investments and business to the extent not reimbursed by a portfolio company or applied to reduce Management Fees. These expenses typically include: direct or indirect fees, costs, expenses, liabilities and obligations relating to a Fund’s and/or its subsidiaries’ activities, investments, administration and business (to the extent not borne or reimbursed by a portfolio company), including (i) all fees, costs, expenses, liabilities and obligations attributable to structuring,

organising, acquiring, financing, refinancing (including principal and interest with respect to money borrowed by or on behalf of a Fund or other undertakings), managing, operating, holding, taking public or private, valuing, winding up, liquidating, dissolving and disposing of a Fund's investments, including fees, costs and expenses associated with any investment-related filings, reports or other compliance requirements contemplated by the AIFMD or any other similar law, rule or regulation as implemented in any relevant jurisdiction (including follow-on investments, interest and fees on money borrowed by a Fund or a General Partner on behalf of a Fund, registration expenses, commitment fees, survey, brokerage, finders', custodial and other fees), (ii) legal, accounting, administration, custodian, depositary (including a depositary appointed pursuant to the AIFMD and any law, rule or regulation relating to the implementation thereof in any relevant jurisdiction), Swiss representative and paying agent service provider (pursuant to the Swiss Collective Investment Schemes Act (as amended) and the implementation thereof), auditing, insurance (including directors and officers and errors and omissions liability insurance), currency hedging (in connection with any actual or proposed investment), reasonable travel, litigation and indemnification costs and expenses, judgments and settlements, consulting (including consulting and retainer fees paid to consultants performing investment initiatives and other similar consultants), retainer, finders', financing, appraisal, third party valuation, filing, transfer, and other fees and expenses (including fees, costs and expenses associated with any filings, reports or other compliance requirements (other than the initial registrations, filings and compliance) contemplated by the AIFMD or any similar law, rule or regulation as implemented in any relevant jurisdiction, and with the preparation or distribution of a Fund's financial statements, tax returns, tax estimates and Schedule K-1s or any other administrative, regulatory or other Fund-related reporting or filing (including Form PF)), (iii) expenses of the advisory committee incurred in accordance with the Governing Documents (including, for the avoidance of doubt, the cost of any independent professional advisors appointed by the advisory committee), (iv) all fees, costs, expenses, liabilities and obligations incurred by a Fund, its General Partner, any other Basalt person or their respective members, partners and personnel relating to investment and disposition opportunities for a Fund not consummated (including legal, accounting, auditing, insurance (including directors and officers, errors and omission liability and other insurance), reasonable travel, consulting, finders', financing, appraisal, filing, printing, real estate title, reverse breakup, termination and other fees and expenses), (v) all out-of-pocket fees, costs and expenses incurred by a Fund, its General Partner, any other Basalt person or their respective members, partners and personnel in connection with the annual and other periodic (if any) meetings of the limited partners and any other conference or meeting of or with a limited partner, (vi) the relevant General Partner's Share (or drawings or interest-free loans on account thereof), (vii) any taxes, fees and other governmental charges levied against a Fund except to the extent that such Fund is reimbursed therefor by a reimbursing partner or such tax, fee or charge is treated as having been distributed to such Fund's partners pursuant to the applicable Partnership Agreement), (viii) costs and expenses that are classified as extraordinary expenses under GAAP (such as litigation, indemnification, judgements and settlements, if any), (ix) other than the fees, costs and expenses set out in the foregoing, any regulatory related fees or expenses related to a Fund, which, for the avoidance of doubt, shall not include any legal and compliance costs attributable solely to the applicable General Partner or its affiliates, (x) all costs, fees and expenses incurred in connection with the organisation, management, operation, winding-up, liquidating and dissolution of any alternative investment vehicles, (xi) costs associated with investment holding structures and intermediate vehicles including reasonable travel, accommodation, registered office and administration and compliance

with all applicable laws and regulations, but not including (A) organisational expenses, (B) any expenses included as part of the definition of “Investment Contributions” in the applicable Partnership Agreement and (C) placement fees and (D) all ordinary overhead expenses of the relevant General Partner and the Adviser. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or similar expenses are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company; the relevant percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to the Adviser’s related policies and the Governing Documents and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgement of the relevant General Partner, ultimately is not consummated, all out-of-pocket expenses incurred in connection with such unconsummated transaction (“**Broken Deal Expenses**”) will be borne by the Fund(s) and not by any potential co-investors that were to have participated in such transaction. Except where the relevant Governing Documents or Side Letter(s) expressly provide to the contrary, Broken Deal Expenses relating to the diligence or evaluation of a prospective investment generally are allocated among investors within a Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment.

The Adviser and/or its affiliates generally have discretion over whether to charge transaction fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company’s holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and the Adviser and/or its affiliates on the other hand.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under “Fees and Compensation,” the Owners and certain other Adviser personnel or related persons indirectly receive a carried interest allocation on certain realised profits in the Funds.

The existence of performance-based compensation has the potential to create an incentive for the Adviser to operate the relevant Fund in a riskier, more speculative or other manner that is less favorable to investors than it would otherwise make in the absence of such performance-based compensation, although the Adviser generally considers performance-based compensation to better align its interest with those of its investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund’s life or at certain interim intervals.

Additionally, to the extent that the Funds have varying carried interest terms (including the amount, timing, waterfall conditions or other terms) and/or the Adviser’s personnel are assigned varying percentages of carried interest from the Funds, such personnel are subject to potential conflicts of interest in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage. The Adviser seeks to address the potential for conflicts of interest in these matters with allocation policies and/or practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Funds’ investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by the Owners and certain other Adviser personnel or related persons.

ITEM 7: TYPES OF CLIENTS

The Adviser provides investment advisory services solely to its Fund clients, and references throughout this Brochure to “clients” and to the Adviser’s related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds generally include investment partnerships or other investment entities formed under U.S. or non-U.S. laws and operated as exempt from registration as an “investment company” under the Investment Company Act of 1940, as amended. The investors participating in the Funds generally include individuals, banks or thrift institutions, other investment entities (including fund of funds), sovereign wealth funds, family offices, pension and profit-sharing plans, university endowments, trusts, estates or charitable organizations or other corporations or business entities and often include, directly or indirectly, principals or other personnel of the Adviser and its affiliates and members of their families or service providers retained by the Adviser of a Fund.

The relevant General Partner, from time to time, expects to establish alternative investment vehicles in order to permit certain investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund.

Generally, the minimum commitment to a Fund for third-party investors will be \$10,000,000, and interests in a Fund are offered and sold solely to qualified purchasers (or qualified Adviser personnel). Basalt generally is permitted to waive such minimum investment amount in its sole discretion. Basalt is permitted to enter into separate account relationships with certain institutional investors.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment and Operating Strategy

The Adviser's investment strategy targets mid-market investments in operational infrastructure assets, also known as brownfield assets, in the energy, transport, communications and utilities sectors and asset-backed infrastructure companies operating energy, transport and utilities infrastructure assets in Western Europe and North America. The Adviser's strategy focuses on infrastructure assets with the potential for improved operating enhancements through active management.

The Adviser expects to look to the Sub-Adviser for investment opportunities in the U.S. and Canada. An investment opportunity is then subject to a multi-stage process involving reviews by the Adviser's investment committee and related due diligence.

The relevant General Partner of each Fund is responsible for reviewing, approving, and ultimately implementing the investment strategy for such Fund as well as the Adviser's plan for operational enhancement of the applicable portfolio companies.

The Funds' portfolio investments are expected to be made in private companies recommended by the relevant General Partner through the Adviser and these positions generally will represent controlling or material stakes in such companies. Fund investments are also permitted to take the form of joint ventures with corporate, financial or government partners. Once an investment has been executed, the relevant General Partner of the Fund will seek to achieve targeted operational improvements through close involvement of its sponsoring executive for the investment during the initial stages of the investment and the assignment of a dedicated asset manager who will be primarily responsible for ensuring ongoing focus on executing Basalt's operational enhancement plan for the asset. Such General Partner will use a structured exit process, typically following the substantial implementation of an asset's planned operational enhancement.

There can be no assurance that the investment objectives of any Fund will be achieved and a loss of investment is possible.

Risks of Investment

Each Fund and its investors bear the risk of loss that Basalt's investment strategy entails. The risks involved with Basalt's investment strategy and an investment in a Fund include, but are not limited to:

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Further, investments made by a Fund may be illiquid and consequently such Fund may not be able to sell such investments at prices that reflect the relevant General Partner's assessment of their value. The prices of a Fund's investments are volatile and market movements are difficult to predict. The nature of a Fund's investments may also require a long holding period prior to profitability. Consequently, disposals of investments may require a lengthy time period or may result in distributions in kind of securities in lieu of or in addition to cash. Although a Fund intends to make distributions in cash, it is possible that under certain circumstances (including upon liquidation of

such Fund), distributions may be made in specie and could consist of securities for which there may be no readily available public market. In the event a Fund makes distributions of securities in kind upon liquidation of such Fund, such securities could be illiquid or subject to legal, contractual and other restriction on transfers.

Reliance on General Partner and Investment Professionals. Each Fund will be managed by a General Partner and accordingly limited partners will not be able to make investment or other decisions on behalf of such Fund or have any role in such Fund's transactions. A Fund's success will depend in substantial part upon the skill and expertise of the investment professionals employed by the relevant General Partner, the Adviser and their affiliates and there can be no assurance that such individuals will continue to be employed by such entities or to function on behalf of such Fund. The investment professionals may not remain with Basalt throughout the life of a Fund, and this could have a material effect on such Fund, notwithstanding that some investor protections exist in the relevant Fund documentation.

Lack of Sufficient Investment Opportunities. The business of identifying and executing corporate loan and equity capital investments can be highly competitive and involves a high degree of uncertainty. There may be a significant period of time before a Fund has invested all of the Commitments. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. A Fund may participate in a limited number of investments so that returns might be adversely affected by the poor performance of even a single investment. Interest rates, the availability of financing, the price of securities and participation by other investors in the financial markets may adversely affect the value and number of investments made by such Fund. A Fund may incur significant expenses in connection with investigating prospective investments which are ultimately not consummated, including expenses relating to due diligence, travel, legal expenses and the fees of third-party advisers.

Leveraged Investments. A Fund will typically make use of leverage by incurring or having a portfolio company or intermediate entity incur debt to finance all or a portion of certain investments, whether on a temporary or long-term basis. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage may also result in interest expense and other costs to a Fund that may not be covered by distributions made to such Fund or appreciation of its investments. Leveraged transactions are, by their own nature, subject to a high degree of financial risk, including without limitation, a significant rise in interest rates, and the potential repayment of the loan facility in priority to any distribution to a Fund and its investors. Leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and potentially will constrain its ability to finance future operations and capital needs. In addition, the leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of a Fund's investments in leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. In the event any portfolio company cannot

generate adequate cash flow to meet debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be tight at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, such Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund will invest generally will not be rated by a credit rating agency. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

A Fund is also permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that such Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Fund generally also will result in fees, interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. While Fund-level borrowings generally will be subject to limitations set forth in the Governing Documents and interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to regarding the amount of time such leverage may remain outstanding. A Fund generally is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other Funds and entities managed by the Adviser or any of its affiliates, including through Fund subsidiaries and other intermediate entities, and may have a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by Commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

Subscription Lines. Certain Funds have or are expected to enter into a subscription line with one or more lenders in order to finance its operations, including the acquisition, financing or refinancing of such Fund's investments, as well as to consolidate or make less frequent capital calls to limited partners. Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if such Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against a Fund would likely be subordinate to such Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a

subscription line's interest rate is based in part on the creditworthiness of a Fund's limited partners and the terms of the Partnership Agreement, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than a Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases such Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances such Fund's return calculations and thereby may be deemed to benefit the marketing efforts of the relevant General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because Management Fees are incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return typically does not accrue on outstanding borrowings, the relevant General Partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors, as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and its limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in the Fund or impose concentration or other limits on the Fund's investments, and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from limited partners to share with lenders. The relevant General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Fund subsidiary.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a General Partner to fund investments and pay partnership expenses

without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. A Fund is also permitted to also utilize Fund-level borrowing when the relevant General Partner expects to repay the amount outstanding through means other than Limited Partner capital, including as a bridge for equity or debt capital with respect to an investment. If a Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

If an investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant General Partner, as reduced by the interest incurred by the relevant Fund. Subject to any limitations in the Governing Documents, this scenario potentially incentivizes the relevant General Partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

Investment- and Intermediate Entity-Level Borrowing. Under the Governing Documents, each Fund is authorized to incur indebtedness that is secured by any assets of the Fund (e.g., asset-based borrowing, as well as “back leverage” and net asset value (NAV) facilities), and is permitted directly or indirectly through one or more intermediate entities (e.g., special purpose vehicles) to incur indebtedness, including to borrow money from any person, to make guarantees or provide other credit support to any person or to incur any other obligation (including other extensions of credit). Indebtedness is permitted to be incurred for any purpose relating to the activities of the Fund, including without limitation to: finance any investment-related activities of the Fund; increase the buying power of the Fund; provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for Fund expenses or fund the payment of Management Fees; make, hold or dispose of investments; provide financing or refinancing; fund the payment of amounts to withdrawing limited partners; fund distributions to the partners; and/or provide collateral to secure outstanding letters of credit or to create reserves, in each case in accordance with the Governing Documents. Additionally, a Fund is expected to enter into letters of credit in support of one or more of its investments, including for the purpose of such Fund agreeing to fund additional equity financing or capital expenditures into a portfolio company (regardless of who the beneficiary to such letter of credit may be) at a certain time or upon the occurrence of a certain event. Although in many cases the Governing Documents impose limits on

borrowings at the Fund level, portfolio investments and intermediate entities generally do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments.

Market Conditions. The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for a Fund and may affect a Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in a Fund's investments and could have a negative impact on the performance and/or valuation of the portfolio companies. A Fund's performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of a Fund to pay break-up, termination or other fees and expenses in the event such Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of such Fund to dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective.

Public Health Emergencies; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have resulted in historic market volatility and disruptions, 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 a Fund.

The ultimate impact of any such health emergency — and the resulting precipitous decline in economic and commercial activity across several of the world's largest economies — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to a Fund. The extent of the impact on a Fund and its 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 a Fund 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 Fund intends to pursue, all of which could 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), potentially leading to defaults with uncertain consequences. In addition, the operations of a Fund, its portfolio companies, its General Partner and Basalt may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, 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.

Control Liability. In most cases, a Fund will own a significant or controlling percentage of the common equity of the portfolio companies and assets in which it invests. A Fund will generally appoint one or more representatives to the board of directors of the companies in which it invests. On occasion, a representative of the Adviser on behalf of a Fund may also serve in an executive officer position with a portfolio company. Significant or controlling ownership and serving on the board of directors or as an executive officer of a portfolio company exposes a Fund's representatives, and ultimately such Fund, to potential liability because such Fund or its representatives may in certain cases be thought to control, participate in the management of or influence the conduct of portfolio companies.

Non-Controlling Investments. A Fund may hold meaningful minority stakes in privately held companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, a Fund at times may hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that a Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where a Fund holds a minority stake, it may be more difficult for such Fund to liquidate its interests than it would be had such Fund owned a controlling interest in such company. Even if a Fund has contractual rights to seek liquidity of such Fund's minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to such Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

Investments in Infrastructure. Investments in the infrastructure sector involve risks, which broadly stem from issues of geographic or market concentration, the financial instability of third-party sub-contractors, government regulation, technical failings, a Fund's management capability and the economic climate including interest rate fluctuation. Infrastructure investments are vulnerable to adverse change in the economic conditions of the jurisdiction in which they are situated, as well as to global economic declines. Since projects in this sector tend to be of a long-term nature, projects which were conceived at a time when conditions were favourable may subsequently be adversely affected by changes in the financial markets, investor sentiment or a more general economic downturn. Investments in real estate may cause a Fund to incur stamp duty, other property taxes and other expenses incurred in, for example, maintaining, improving and disposing of the property.

Greenfield Investments and Construction Risk. Like any other business, the viability of an infrastructure asset is reliant on the revenue, costs and profitability of that asset. Variability in any of these factors will affect the value of an investment. These risks are particularly acute for greenfield investments that lack established revenue and profitability track records. Further, investments in greenfield infrastructure assets may result in exposure to the risk that construction will not be completed on time, within budget or to specifications. Similar risks may also apply to operational assets in relation to any development works conducted. The revenue and cost implications of this risk may adversely impact the value of an investment. Although Basalt may be able to negotiate with construction contractors in order to reduce these risks, even successful negotiations with such contractors will not eliminate these risks, which may still exist inter alia in the following circumstances: (i) construction contractors may not have the skill and competency required to complete the construction and the construction may not ultimately be fit for purpose; (ii) although Basalt may have negotiated a liquidated damages clause, this provision may not be enforceable if a Fund has contributed to the delay; (iii) there may be situations where the expected completion date for projects is extended under the contract, and the construction contractor will not be liable for liquidated damages until the extended completion date has lapsed; and (iv) a Fund may not be able to recover the full amount of its losses under the liquidated damages clause, particularly if there is a cap on the liquidated damages clause or if the construction contractor subsequently becomes insolvent; and a Fund may be liable for site defects or contamination at the site once the construction contractor has completed its works.

Environmental Risks. A Fund may be liable for breaches of environmental protection statutes, rules and regulations. The risks extend to existing and future contamination, including pollution of soil and groundwater, and both current and previous owners of real property may be held to be liable. The potential liability includes payment of the costs of investigating, monitoring, removal and remediation of the polluting substances, as well as fines for non-compliance with the relevant statute, rule or regulation, and compensation may also be payable if liability arises for personal injury, property damage or other private claims which may be brought as a result of the contamination. Often this liability arises regardless of the state of knowledge of the owner or operator of the property, and regardless of whether or not it caused the contamination. A liability of this nature may be detrimental to the value of the investment and therefore to the value of a Fund.

Toll Rate Risk. Some investments may make the majority of their revenues from collecting tolls from vehicles using roads, subways, tunnels and bridges. The toll rates will often be set out in concession agreements between a Fund or the relevant investment and the relevant government body. Toll rates may be challenged directly by the relevant government body, either as a result of government lobbying by pressure groups, or because of public pressure. In addition, the public may refuse to accept increases in toll rates, and there is a risk that they might boycott the toll route or refuse to pay the toll. Government bodies may also try to negotiate lower rates or a waiver of toll payment for certain types of vehicles. Any loss caused as a result of these factors may be recoverable as compensation under the relevant concession agreement, but if this is not the case, a Fund's investment position may be materially adversely affected.

Operational Risk. The long-term profitability of the assets in which a Fund invests will be dependent upon the efficient operation and maintenance of such assets. Most infrastructure assets are operated and maintained by external parties under contractual relationships. Poor operational

and maintenance performance by these third parties may have a negative effect on the value of an investment and reduce returns to investors. Demand, usage and throughput risk can affect the performance of portfolio companies. To the extent that assumptions regarding the demand, usage and throughput of assets prove incorrect, returns to a Fund could be adversely affected.

Unforeseen Events Risk. The use of the infrastructure assets may be interrupted or otherwise affected by a variety of events outside the relevant General Partner's control, including serious traffic accidents, natural disasters (such as fire, floods, earthquakes and typhoons), man-made disasters (including terrorism), defective design and construction, slope failure, bridge and tunnel collapse, road subsidence, fuel prices, environmental legislation or regulation, general economic conditions, labour disputes and other unforeseen circumstances and incidents. Certain of these events have affected infrastructure assets in the past, and if the use of the infrastructure assets operated by investments is interrupted in whole or in part for any period as a result of any such events, the revenues of such investments could be reduced and the costs of maintenance or restoration as well as the overall public confidence in such infrastructure assets could be reduced. There can be no assurance that such investments' insurance would cover liabilities resulting from claims relating to the design, construction, maintenance or operation of infrastructure assets, lost revenues or increased expenses resulting from such damage. In some cases project agreements could be terminated if the events described above were so catastrophic that they could not be remedied within a reasonable period or at all.

Government Risk. Infrastructure assets are generally subject to increased government regulation and many of the portfolio companies may be subject to substantial regulation by governmental agencies. The nature of the arrangements can expose owners to a higher level of regulatory control than typically imposed on other businesses. Changes in legal, tax and regulatory regimes (the laws or their interpretation) may occur during the life of a Fund which may have an adverse effect on it or its investments. There is a risk that government bodies may impose or amend legislation or regulations, or may act contrary to the law in a way that materially and adversely affects a Fund's investments. The repealing, amending or enacting of a new law or regulation (or a new interpretation of the law or regulation) can substantially affect an infrastructure project. In many instances, the acquisition of infrastructure assets involves an ongoing relationship with a government agency. Such entities may often operate as a result of leases, licenses, contracts or concessions with the government, which are generally very complex, and these legal documents may potentially be the subject of disputes over interpretation or enforceability. Furthermore, fines may be imposed if a Fund or its portfolio companies do not comply with laws, regulations or contractual obligations, or the right of these entities to operate the infrastructure asset may be lost, or both. Government concessions or leases may also restrict the profitability of the underlying asset by imposing certain restrictions in relation to its operation. Such concessions/leases may also include clauses that are more favourable than those contained in contracts with commercial counterparties. For instance, a lease or concession may enable the government to terminate the lease or concession in certain circumstances without requiring the payment of adequate compensation. Counterparties may also impose conditions relating to ongoing ownership of the underlying assets or similar provisions, and may require such assets to remain managed or advised by the relevant General Partner and/or the Adviser or their affiliates. Therefore, removal of the relevant General Partner may adversely affect the continuing ownership and operation of these assets by a Fund. Government counterparties may also have the ability to implement or amend

laws, regulation or policies relating to the operation of investments, which would operate separately from any rights under the lease, licence, contract or concession.

Sovereign Risk. In addition, government bodies may exercise sovereign rights in a way that contravenes any concession agreements that they are party to. This may have a material and adverse effect on the business of a Fund's investment. Government counterparties also may have the discretion to change or increase regulation of portfolio company operations, or implement laws or regulations affecting their operations, separate from any contractual rights they may have. Governments have considerable discretion in implementing regulations that could affect the businesses carried on by portfolio companies, and because such businesses provide basic, everyday services, and face limited competition, governments may be influenced by political considerations and may make decisions that adversely affect such businesses. Where a portfolio company is the sole or predominant service provider in its service area and provides services that are essential to the community, it may be subject to rate regulation by governmental agencies that will determine the prices it may charge. Portfolio companies may be subject to unfavourable price determinations that may be final with no right of appeal or which, despite a right of appeal, could result in profits being negatively affected.

Competition Risks and Alternative Infrastructure Assets. A Fund will likely be competing for investments with other parties. It is possible that competition for appropriate investment opportunities may increase, which would likely reduce the number of opportunities available and/or adversely affect the terms upon which such investments can be made. There is no guarantee that a Fund will be able to achieve full investment during the Investment Period and, accordingly, a Fund may only be able to make a limited number of investments. In addition, infrastructure investments may themselves face significant competition from alternative infrastructure resources; for example, alternative routes to toll roads may reduce the number of users of the toll road which may materially and adversely affect a Fund's financial condition. Infrastructure assets can often experience gradually increasing or fluctuating patronage in the early years of operation, and there is also a risk that the demand for use of the asset will be less than originally projected.

Currency risk. Some investments will be in currencies other than the U.S. dollar and therefore their value may vary with the relevant exchange rate. Investors should be aware that movements in the value of currencies over the life of a Fund will affect the value of their holdings.

Limited Access to Information. Limited partners' rights to information regarding a Fund, the relevant General Partner or the Adviser generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the relevant General Partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Basalt's control. Decisions by the Adviser or its affiliates to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a limited partner to monitor Basalt and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on a Fund's advisory committee generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain

circumstances than other limited partners. Limited partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and Basalt reserves the right to withhold certain information from investors subject to such laws for reasons relating to Basalt's public reputation, business strategy or other reasons.

Sanctioned Investors. If after subscribing to a Fund a limited partner is included on a list of prohibited persons maintained by a relevant regulatory or governmental authority (a "**Sanctions List**"), the relevant General Partner will have the sole discretion to determine the resolution, remedy and manner of compliance of the Fund with applicable laws, including without limitation placing a "freeze" on distributions and/or capital calls from the relevant limited partner, causing the relevant limited partner's interest in such Fund to be cancelled or otherwise redeemed (without the payment of any consideration in respect of such interest in such Fund), and reporting to the relevant authorities. Adverse actions by any such authorities, including temporary or permanent stays or holds on the Fund's activities, could materially and adversely affect the Funds.

CFIUS and National Security Clearance Considerations. Certain investments are expected to be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States ("**CFIUS**"), such as where CFIUS-related laws, regulations or guidance deem non-U.S. persons or entities under their control (such as a Fund, co-investors and/or rollover sellers) to be acquiring a U.S. business (including a business with assets, employees, facilities, and/or operations in the United States). CFIUS has the authority to review proposed or existing transactions or investments or to seek to impose limitations on or prohibit investments, and CFIUS filings and other considerations can materially impact transaction timing, feasibility, certainty and costs. In certain circumstances, CFIUS considerations have the potential to prevent a Fund from maintaining or pursuing investments, or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Fund's performance, and the likelihood that CFIUS considerations will be implicated is expected to increase where non-U.S. limited partners comprise a substantial percentage of a Fund. Under the Governing Documents, the relevant General Partner generally is authorized, although not required, to excuse or otherwise limit non-U.S. limited partners' ability to invest in U.S. businesses (or to exercise voting or advisory committee rights with respect thereto) in order to anticipate or comply with CFIUS considerations. However, there can be no assurance that invoking any such excuse provisions or other limitations will allow the Fund to proceed with or maintain any investment, or to avoid losses relating thereto. Similar considerations are expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators.

Hedging Risks. To the extent derivative financial instruments are used for risk management purposes, a Fund's portfolio will likely be subject to greater than ordinary investment risks. These may include:

- Price risk - the risk that a price change (either in the relevant market or in the derivative contract itself) is adverse to the derivative position held;
- Leveraging risk - the use of derivatives creates greater exposure to a market than the assets backing the position, thus potentially magnifying the risk of loss;

- Liquidity risk - the risk that a derivative position cannot be reversed and that the Fund would need to incur borrowing or contribute additional capital to finance such liquidity requirements;
- Default risk - the risk that a counterparty to a derivative contract will default on one or more payments under the contract.

Any such hedging transactions may not be effective in mitigating risk in all market conditions or against all types of risk (including unidentified or unanticipated risks), thereby resulting in losses to a Fund. Engaging in hedging transactions has the potential to result in a poorer overall performance for a Fund than not doing so, and it may not be possible to effectively hedge against, or accurately anticipate, certain risks that may adversely affect a Fund's investment portfolio. In addition, a Fund's investment portfolio will always be exposed to certain risks that cannot be fully or effectively hedged, such as credit risk relating both to particular securities and counterparties.

Special Interest Groups Risk. Special interest groups may be opposed to particular infrastructure projects if such projects are perceived to have a significant impact on communities or the surrounding environment. Such groups may seek to bring legal action in order to obstruct particular projects.

Terrorism Risk. It is possible that terrorist organizations might target energy assets, particularly those that are well known and monopolistic. Insurance in relation to this threat might be unobtainable or not commercially viable. If a terrorist attack were to involve the property of a portfolio company, the liability incurred or loss suffered may exceed all available insurance coverage and result in adverse consequences for other investments held by a Fund.

Projections. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by Basalt in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, Basalt is permitted to decide to provide additional funds to such portfolio company or consider the opportunity to increase its investment in a portfolio company, whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There can be no assurance that any Fund will make add-on investments or that any Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make add on investments or its inability to make such investments may have a substantial negative impact on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made), result in a lost opportunity for such Fund to increase its participation in a successful operation or the dilution of the relevant Fund's ownership in a portfolio company if a third party or co-investor is permitted to invest.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a portfolio company, Fund, General Partner, the Adviser or one or more of their respective service providers is subject to cyber-attack or other unauthorised access is gained to their systems, substantial losses may occur in the form of stolen, lost or corrupted: (i) data or payment information; (ii) financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, the Adviser, the General Partners, the Funds and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Adviser's, the General Partners', the Funds', portfolio companies' and/or service providers' operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject Basalt, its service providers, portfolio companies, or the relevant Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm.

Privacy and Data Protection Law Compliance Risk. The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively, "**Privacy Laws**") could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the Adviser, the General Partners, the Funds and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties or litigation, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the Adviser, the General Partners, the Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

Certain jurisdictions, including U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for

regulated entities, which could include the Adviser, the General Partners, the Funds and/or their portfolio companies.

United Kingdom (“UK”) Exit from the EU. The UK formally left the EU on January 31, 2020 (“**Brexit**”). After a transition period that ended on December 31, 2020, EU rules ceased to apply in the UK. Although the terms of the UK’s future relationship with the EU were agreed in a trade and cooperation agreement, the agreement does not include an agreement on financial services and, as a result, UK firms in the financial sector have more limited access to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

As a result of the onshoring of EU legislation in the UK, UK firms are currently subject to many of the same rules and regulations as prior to Brexit. However, the UK Government has stated its intention to recast onshored EU legislation as part of UK legislation and regulation, which could result in substantive changes to regulatory requirements in the UK. It remains to be seen to what extent the UK may elect to implement or mirror future changes in the EU regulatory regime, or to diverge from the current EU-influenced regime over time. It is possible that the EU may respond to UK initiatives by restricting third-country access to EU markets. If the regulatory regimes for EU and UK financial services change or diverge further, this could have an adverse impact on any Fund and its investments, including the ability of a Fund to achieve its investment objectives in whole or in part (for example, owing to increased costs and complexity and/or new restrictions in relation to cross-border access between the EU and non-EU jurisdictions). There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives.

The legal, political and economic uncertainty and disruption generally resulting from the Brexit may adversely affect both EU- and UK-based businesses, including Basalt and the Funds’ portfolio companies, as applicable. Brexit has already led to disruptions in trade as businesses attempt to adapt cross-border procedures and rules applicable in the UK and in the EU to their activities, products, customers, and suppliers. Continuing uncertainty and the prospect of further disruption may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

International Conflicts. Wars and other international conflicts, such as the Israeli-Palestinian conflict and the ongoing military conflict between Russia and the Ukraine, have caused significant disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses. However, the ultimate impact of these conflicts and their effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

These conflicts may have a significant adverse impact and result in significant losses to the Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives.

Changes to Benchmark Rates. To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or reference rates, including the London Interbank Offered Rate ("**LIBOR**"), Secured Overnight Financing Rate ("**SOFR**") or other rates (each, a "**Benchmark Rate**"), the Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants have transitioned historical instruments and contracts away from LIBOR to new Benchmark Rates. This transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

Secondaries and other General Partner-Led Transactions. There continues to be a significant market for secondary sales, General Partner-led transactions, continuation funds, successor fund investments and other transactions, and the Adviser reserves the right to dispose of (or seek additional capital for) Fund investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase all or a portion of one or more investments that will continue to be managed by Basalt following the transaction. Such transactions are permitted to be undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where Basalt believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by Basalt and its affiliates) often on different terms than their original investment in the Fund. However, certain of such transactions are expected to involve: a limited partner investing (or being required to invest) additional capital in the existing Fund and/or other investment vehicles; a greater exposure to one or more particular portfolio companies; and/or a delay in the full liquidation of the Fund's investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (*i.e.*, a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of Basalt or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Basalt or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the relevant General Partner on the sale from an existing Fund in such transaction), their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, Basalt, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the subject investment(s). To the extent Basalt requires existing limited partners and/or new buyers to commit capital to a continuation fund or another Fund managed by Basalt in addition to the purchase amount paid in a transaction (including commitments to the relevant Fund in specified ratios to the purchase price), such requirement is expected to have a dilutive effect on the purchase price for the selling Fund and its limited partners. There can be no assurance that any such transaction will accurately reflect the fair market value of the investment(s) being sold. Further, the relevant General Partner is expected to be incentivized, including through the possibility of receiving additional compensation, to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances, Basalt reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that Basalt will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, Basalt reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents. Basalt is permitted to seek the consent of the relevant Fund advisory committee(s) to approve conflicts associated with such transactions and accordingly not all limited partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the relevant Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

Financial Institution Risk; Distress Events. An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a “**Financial Institution**”) of some or all of the Fund’s (or any portfolio company’s) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty (each, a “**Distress Event**”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, the Adviser, any General Partner, the Funds and/or any of the portfolio companies may be unable to access deposits,

borrowing facilities or other services, either permanently or for an indeterminate period of time. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Basalt to manage the Funds and their investments, and on the ability of Basalt, any Fund or any portfolio company to maintain operations, which in each case could result in operational burdens, significant losses and unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event a Fund is unable to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of the Fund to access capital contributions or otherwise); the inability of the Fund to acquire or dispose of investments, including at prices that the relevant General Partner believes reflect the fair value of such investments; and/or the inability of Basalt or portfolio companies to make payroll, fulfill obligations and/or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that Basalt will experience operational burdens and expenses, and a Fund or a portfolio company will incur additional expenses and/or delays in putting in place alternative arrangements and/or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). There can be no assurance that Basalt will be able to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, or that such remedies will be successful or avoid losses, delays or other negative impacts. The Funds and their portfolio companies are subject to additional risks in the event a Financial Institution utilized by investors of a Fund or suppliers, vendors, service providers or other counterparties of a portfolio company become subject to Distress Events, which could have a material adverse effect on a Fund, its investors or such portfolio companies, including the risk of investor defaults.

Many Financial Institutions require, as a condition to using their services (including lending services), that Basalt and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. Although Basalt seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, Basalt is under no obligation to use a minimum number of Financial Institutions with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

Social Media and Publicity Risk. The use of social networks, message boards, internet channels and other platforms has become widespread within the United States and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation, without independent or authoritative verification. Any such information or misinformation regarding Basalt, the Funds or one or more portfolio companies could have a material and adverse effect on the value of the Funds.

Conflicts of Interest

The Adviser and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, legal, management and other services to Funds and portfolio companies. The Adviser will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of the Adviser conducting its activities, the interests of a Fund likely will conflict with the interests of the Adviser, one or more other Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, the Adviser will determine all matters relating to structuring transactions and Fund operations using its best judgement considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

During the investment period of a Fund, all appropriate investment opportunities will be pursued by the Adviser principals through such Fund, subject to certain limited exceptions. Without limitation, the Adviser principals currently advise, and expect in the future to advise, several other investments similar to those in which a Fund will be investing, and expect to recommend certain relevant investment opportunities or resources to those investments. The Adviser's principals and the Adviser's investment staff will continue to monitor and provide advice regarding such investments until their realization. Such other investments that Adviser provides advice to generally have the potential to compete with companies acquired by a Fund. Following the investment period of a Fund, the Adviser's principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an advisory opportunity is received that is unsuitable for a Fund, in the Adviser's sole discretion, the Adviser and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity.

The Adviser expects to be presented with certain 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 the Adviser. In determining which investment vehicles should participate in such investment opportunities, the Adviser and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one Fund in a portfolio company have the potential to create certain conflicts of interest and also raises the risk of using the assets of one Fund to support positions taken by another Fund.

The Adviser must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. The Adviser generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Governing Documents, as well as certain other factors. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund generally reserves the right to invest together with other Funds advised by an affiliated adviser of the Adviser in the manner set forth in the Governing Documents. Basalt 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 such obligations and reserves the right to take into consideration certain

factors as noted above. In other circumstances, during the period that a portfolio company is owned by a Fund, it could become a suitable investment for one or more other Funds due to size, revenue, earnings, change in business focus or other characteristics.

Following such determination of allocation among Funds, Basalt reserves the right to offer co-investment opportunities to one or more potential co-investors, including vendors, service providers and/or other third parties, as determined by the Governing Documents, Side Letters and Basalt's procedures regarding allocation.

Furthermore, Basalt or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund investors, and Basalt's allocation decisions likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and Basalt expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund, and Basalt expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the "most favoured-nation" provisions of a Fund's Governing Documents and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund's Governing Documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that personnel and related persons of the Adviser and its affiliates make capital investments in or alongside certain Funds, the Adviser and its affiliates are subject to potentially conflicting interests in connection with these investments. Although a prospective co-investor's willingness to invest in future Funds may be considered by Basalt, it will not be the sole determining factor considered by Basalt in identifying co-investors. There can be

no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favourable as it would have been had such conflict not existed.

Basalt'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 Basalt will allocate investment opportunities in a manner that it believes is fair and equitable to the relevant 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 favourable as they would be if the potential conflicts of interest to which Basalt expects to be subject, discussed herein, did not exist.

In certain cases, the Adviser will have the opportunity (but, subject to any applicable restrictions or procedures in the Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, Basalt will not receive any additional compensation for identifying such transferees, and will use its discretion to select such transferees based on suitability and other factors, and unless required by the Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. The Adviser and its affiliates reserve the right to express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions taken for one or more Funds may adversely affect other Funds.

Subject to any relevant restrictions or other limitations contained in the Governing Documents, Basalt will allocate fees and expenses in a manner that it believes is fair and equitable to the applicable Funds under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion. In exercising such discretion, Basalt expects to be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles receiving the benefit of such expenses (in the relevant General Partner's sole discretion) and eligible to reimburse expenses of that kind. In all such cases, subject to applicable law and legal, contractual or similar restrictions, expense allocation decisions generally will be made by Basalt using its best judgement, considering such factors as it deems relevant, but in its

sole discretion to be fair and equitable across these vehicles. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining which Funds or co-invest vehicles benefit (or the extent to which they benefit) from the relevant service relating to the expense, or whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size or, in certain circumstances, determining whether a particular expense has greater benefit to a Fund or the Adviser. The Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected in certain cases to result in the Funds bearing different levels of expenses with respect to the same investment. Further, Basalt reserves the right to consider each relevant Fund's strategy as a component of its allocation of investment expenses, and as a general matter will not allocate expenses associated with one Fund's equity investment to a different Fund's credit investment, or vice versa, even if the two investments are in the same portfolio company.

As a result of the Funds' controlling interests in portfolio companies, the applicable General Partner's board and/or its affiliates typically have the right to appoint portfolio company board members (including current or former Adviser personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. Portfolio company board members are permitted to approve compensation and/or other amounts payable to the Adviser and/or its affiliates. Unless such amounts are subject to the Governing Documents' offset provisions, they will be in addition to any Management Fees or carried interest paid by a Fund ultimately to the Adviser.

Additionally, a portfolio company will typically reimburse the Adviser or service providers retained at the Adviser's discretion for expenses (including without limitation travel expenses) incurred by the Adviser or such service providers in connection with its performance of services for such portfolio company. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by the Adviser's personnel. This subjects the Adviser and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time may be substantial. The Adviser determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, any fee paid or expense reimbursed to the Adviser or such service providers generally is subject to engagement letters with service providers and the relevant Fund and in the case of the Adviser, any such reimbursement requires submission of receipts by the Adviser or its personnel. These factors help to mitigate related conflicts of interest.

The Adviser and/or the relevant General Partner generally exercise their discretion to recommend to a Fund or to a portfolio company thereof that it contracts for services with certain service providers, and such service providers are expected to include: (i) the Adviser, such General Partner or a related person thereof (which is permitted to include another portfolio company of such Fund or another Fund), (ii) an entity with which the Adviser, such General Partner or their affiliates or current or former personnel has a relationship or from which the Adviser, such General Partner or their affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers or (iii) certain limited partners or their affiliates. For example, Basalt expects to be presented with opportunities to receive financing and/or other

services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. This discretion subjects Basalt to conflicts of interest, because although Basalt selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Basalt has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Basalt, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Basalt), would favour such retention or continuation even if a better price and/or quality of service could be obtained from another person. Basalt will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although Basalt generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Additionally, Basalt expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships and the timing of services these persons have the potential to have information advantages relative to other investors or co-investors, and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors. Based on the foregoing factors, limited partners should not expect service providers to Basalt or any Fund to provide services that will be the most beneficial to any limited partner. Whether or not Basalt has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

The Adviser and/or its affiliates reserve the right to employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by the Adviser and/or its affiliates; conversely, current or former personnel or executives of the Adviser and/or its affiliates are expected to serve in significant management roles at portfolio companies or service providers recommended by the Adviser. Similarly, the Adviser, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former personnel, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Adviser and/or its affiliates, and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Adviser entities, whether or not relating to financing Adviser personnel obligations to fund General Partner commitment obligations) to Adviser personnel and their estate planning vehicles. The Adviser expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide the Adviser information about markets and industries in which the Adviser operates (or is

contemplating operations) or will provide other services that are beneficial to the Adviser or one or more other Funds. The Adviser expects to be subject to a potential conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to a Fund or its portfolio companies.

The Adviser, its affiliates, and equity holders, officers, principals and personnel of the Adviser and its affiliates reserve the right to buy or sell securities or other instruments that the Adviser has recommended to a Fund. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Personnel and related persons of the Adviser have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies, directly or indirectly (including through funds sponsored by other private fund managers), and therefore expect to have additional potential conflicting interests in connection with these investments.

A Fund's General Partner generally is permitted to receive a distribution in kind from the Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the General Partner as carried interest (which generally will be made using the value of the relevant securities on the date of distribution). In such circumstances, there is a potential conflict of interest between the General Partner (and its beneficial owners) and the relevant Fund's limited partners. For example, the General Partner and its beneficial owners may intend to hold the investment for a different time period than Basalt deems suitable for the Fund. Although the General Partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Fund's disposition thereof, neither the relevant Fund nor its limited partners will benefit from the increase, and over time the economic benefit to the General Partner and its beneficial owners could exceed the value of the General Partner's *pro rata* interest in the Fund and the amount of carried interest owed. To the extent the beneficial owners of the General Partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its limited partners.

The Governing Documents provide the Adviser with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that in each case have the potential to affect Basalt's compensation. In making such determinations, the Adviser is subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for the Adviser or its affiliates to make investments and to hold investments longer than otherwise would be the case in the absence of the relevant Fund's Management Fee and carried interest compensation arrangements. The Adviser expects to be incentivized to cause a Fund to make, hold, value and/or dispose of investments (and to delay or forego a determination that the investments are Impaired Value Investments) in order to receive greater ongoing Management Fees and, potentially, earlier and/or larger carried interest distributions than would otherwise be the case.

Where the Management Fee is calculated taking into account the valuation of an investment, the Adviser will have an incentive to make determinations that result in the continued payment of, or

a higher, Management Fee. Where the Governing Documents do not require Management Fees to be reduced in connection with investment reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, the Adviser is incentivized to pursue such transactions. Additionally, the amount of carried interest owed to the relevant General Partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are Impaired Value Investments, and the relevant General Partner expects to be subject to related potential conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value Investment, within the requirements of the relevant Governing Documents.

The Adviser's wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by the relevant General Partner or its affiliates in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the relevant General Partner's determination that an investment is an Impaired Value Investment, and except as set forth in the Governing Documents, neither the General Partner nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the Fund's holding period. The General Partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the Governing Documents. As a general matter, the standards for determining Impaired Value Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of Basalt's compensation is dependent in part on an investment's status as an Impaired Value Investment, the relevant General Partner faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although the Adviser intends to operate in accordance with the Governing Documents, as well as its valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

Basalt reserves the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of Basalt's compensation, none of which generally will be subject to the "most-favored nation" provisions of a Fund's Governing Documents), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund's advisory committee, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, as well as economic procedural and other terms.

Basalt is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners (*e.g.*, based on commitment amount to a Fund or the timing thereof, the ability of a limited partner to provide sourcing or other services to Basalt, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Basalt, its affiliates and personnel, or the

Funds). Side Letters also are expected to relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds. Except in the circumstances and on the timing required by Governing Documents and/or applicable law, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the relevant General Partner, the Adviser or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject Basalt to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's advisory committee result in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or of limited partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments, or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although believed to be unlikely, excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

In borrowing on behalf of a Fund, Basalt is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the relevant General Partner called capital, and thus could result in the Owners and certain other Adviser personnel or

related persons receiving carried interest sooner than it would without borrowing. In addition, when the Management Fee is calculated as a percentage of invested capital, a limited partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

Although the Governing Documents generally contain broad exculpation and indemnification provisions, Basalt will not interpret such provisions to constitute a waiver of any person's non-waivable federal fiduciary duties to the relevant Fund under the Advisers Act. The relevant liability standards under insurance coverage procured by Basalt are expected to vary by carrier, and such standards are expected to vary depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages are expected to vary from relevant liability and/or indemnity standards in the Governing Documents. Investors generally will be responsible for insurance premiums, as set forth in the Governing Documents, regardless of whether the liability and/or indemnity standards in Basalt's insurance coverage are higher or lower than that set forth in the Governing Documents.

Any of these situations subjects the Adviser and/or its affiliates to potential conflicts of interest. The Adviser attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by the Adviser's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a manner it believes to be fair and equitable manner to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, the Adviser will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, each General Partner consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

ITEM 9: DISCIPLINARY INFORMATION

The Adviser and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Adviser is affiliated with the Sub-Adviser, as well as other Basalt entities which are deemed to be investment advisers registered with the SEC under the Advisers Act pursuant to Basalt Infrastructure Partner's registration in accordance with SEC guidance. These entities operate as a single advisory business together with Basalt Infrastructure Partners and, collectively, serve as managers and/or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, personnel, consultants or persons occupying similar positions.

The Sub-Adviser, maintains a separate registration as an investment adviser with the SEC. The Sub-Adviser is a Delaware limited liability company, which is wholly-owned by the Adviser. The Sub-Adviser has entered into a sub-advisory agreement with the Adviser, pursuant to which the Sub-Adviser will provide investment advisory services to the Adviser in respect of U.S. and Canadian investment opportunities suitable for the Funds.

The Adviser is also affiliated with Basalt Infrastructure Germany GmbH ("**Basalt GmbH**"), a German limited liability company. Basalt GmbH provides advice to the Adviser's registered investment adviser entities on behalf of non-U.S. based clients. Basalt GmbH is not required to be registered under the Advisers Act, but operates in compliance with certain related requirements and undertakings as prescribed by the SEC.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

The Adviser has adopted a Code of Ethics (the “**Code**”) pursuant to Advisers Act Rule 204A-1 that sets forth the ethical standards governing its business conduct and that of persons associated with the Adviser and Sub-Adviser. The Code describes policies regarding confidential client information and regulates personal trading activity, including requiring pre-approval of certain personal securities transactions. Securities holdings and transactions of the Adviser’s and Sub-Adviser’s members and personnel (“**Access Persons**”) and their immediate family members are periodically reported and reviewed to determine compliance with the requirements of the Code. The Code also contains other restrictions and reporting requirements designed to mitigate personal conflicts of interest. These provisions apply to all members and personnel of the Adviser and Sub-Adviser. All personnel are also required to comply with applicable federal securities laws and report violations of the Code. Personal securities transactions are required to be conducted in a manner that prioritizes the Fund’s interests in eligible investments.

A copy of the Code will be provided to any investor or prospective investor upon request using the contact information on the cover page of this Brochure.

The Adviser and its affiliated persons likely will come into possession of material non-public or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, the Adviser and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Adviser.

Accordingly, should the Adviser or any of its affiliated persons come into possession of material non-public or other confidential information with respect to public and non-public company, the Adviser generally would be prohibited from communicating such information to clients, and the Adviser will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Basalt personnel serving as directors of public companies and may restrict trading on behalf of a Fund.

Principals and personnel of the Adviser and its affiliates generally are expected to directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities generally are also expected to be presented to certain affiliates of the Advisers, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles, directly in a particular portfolio company or through an intermediate entity in a portfolio company’s structure. Such co-investment opportunities generally will be allocated in the manner described under “Methods of Analysis, Investment Strategies and Risk of Loss.”

The Adviser and its affiliates, principals and personnel expect to carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in a Fund, as well as give advice and recommend

securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. The Governing Documents and investment programs of certain Funds generally restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds or subject to limitations (*e.g.*, by time or percentage of capital deployed).

ITEM 12: BROKERAGE PRACTICES

Basalt focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Basalt reserves the right to distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, such as where a public trading market exists. Although Basalt does not intend to regularly engage in public securities transactions, to the extent it does so, it intends to follow the brokerage practices described below.

If Basalt sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Basalt. In such event, Basalt will seek to select brokers on the basis of best price and execution capability.

Basalt has no duty or obligation to seek in advance competitive bidding for the most favourable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavour to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Basalt generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with Basalt seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although the Adviser generally does not make use of such services at the current time and has not made use of such services since its inception.

ITEM 13: REVIEW OF ACCOUNTS

The Adviser has assigned a dedicated asset manager to each portfolio investment. Working with the portfolio company's management, the asset manager will set annual performance targets that are consistent with the short- and medium-term strategy of the investment case. Progress will be monitored objectively through detailed monthly reporting to track the operational and financial performance of the investment and provide for early identification of asset performance issues.

Each Fund generally will deliver to its limited partners: (i) annual audited financial statements and (ii) unaudited financial statements for the first three quarters of each fiscal year.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

The Adviser and/or its affiliates intend to provide certain business or consulting services to companies in a Fund's portfolio and expect to receive compensation from these companies in connection with such services. As described in the applicable Partnership Agreement, this compensation in many cases will offset a portion of the Management Fees paid by such Fund. However, in other cases (*e.g.*, reimbursements for out-of-pocket expenses directly related to a portfolio company), this compensation is in addition to Management Fees. *See* "Fees and Compensation."

Basalt reserves the right to enter into written solicitation arrangements in accordance with applicable law in the future with third parties. These arrangements (relating to U.S. investors and U.S.-domiciled Funds) generally are disclosed in the relevant Fund's Form D. Under a solicitation arrangement, Basalt is permitted to pay a referral fee to a third party when it successfully introduces Basalt to a Fund investor. The amount of compensation is expected to be based on a negotiated percentage of the capital committed as the result of successful introductions by the third party. The solicitation arrangement will not affect the amount of fees paid by a Fund investor.

ITEM 15: CUSTODY

Basalt generally expects that it will be deemed to have “custody” (within the meaning of Advisers Act Rule 206(4)-2 (the “**Custody Rule**”)) of funds or securities held in the name of one or more Funds, subject to certain exceptions set forth in the Custody Rule and related guidance, and intends to maintain such assets with the following qualified custodian(s):

- Barclays Bank PLC located in St Peter Port, Guernsey.

Investors should carefully review the statements they receive from the custodian and compare them to any statements regarding their accounts that may be provided by Basalt.

ITEM 16: INVESTMENT DISCRETION

The Adviser provides its advice on a non-discretionary basis to the relevant General Partner of a Fund, whose board of directors makes the investment decision on the Fund's behalf. Each General Partner will typically be a wholly-owned subsidiary of the Adviser. Each General Partner's board will typically consist of representatives of the Adviser and directors independent of the Adviser. Each Fund will be asked to agree to the terms of the foregoing arrangements as set forth in the documentation governing the client relationship. Investment objectives, strategies and restrictions will be reflected in the operational documents for each Fund. The Adviser's provision of non-discretionary advisory services in relation to the Funds will typically not be tailored to meet the individualized investment needs of any single Fund investor.

Pursuant to the terms of the Partnership Agreements, the General Partners and/or their affiliates have entered, and expect to enter, into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in the relevant Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons.

ITEM 17: VOTING CLIENT SECURITIES

The Funds primarily invest in private companies and such companies frequently do not have traditional shareholder voting rights which are generally exercised through proxies. However, each General Partner generally will have the opportunity to have a significant influence over portfolio company actions through its role as a representative of the applicable Fund that is expected to be a significant or controlling shareholder in such portfolio company. Therefore, whether exercising rights through traditional proxy votes, or through less conventional methods as an equity holder in a closely held corporation, the Adviser and the General Partners adhere to their fiduciary duty to take actions, including through votes, in a manner that they determine to be in the best interest of their clients, the Funds. The Adviser's fiduciary obligations are deemed to control, even in situations where there may be material conflicts of interest between the interests of the portfolio company (and hence the Fund), on the one hand, and the Adviser or the relevant General Partner on the other. However, the Adviser believes conflicts of interest should generally be minimized as it believes its interests are aligned with those of each Fund's investors, for example, through the principals' beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies or otherwise influencing portfolio company board action. The Adviser monitors for any potential conflict of interest that might exist between management's recommendation and client interests, and in the event such a conflict might arise, the Adviser intends to recommend that a proxy be voted in the manner which in its judgement and sole discretion is in the Fund's best interests. Additionally, a Fund's advisory committee is authorized to approve the Adviser's vote in a particular solicitation.

Because each Fund is expected to be represented on each of its portfolio companies' boards, it is anticipated that any shareholder proxies will be voted in accordance with management's recommendation. The Adviser does not consider service on portfolio company boards by the Adviser personnel or the Adviser's receipt of management or other fees from portfolio companies (as applicable) to create a material conflict of interest in voting proxies with respect to such companies.

To the extent that the Adviser has voted proxies for particular portfolio companies, a record of such votes is available upon request using the contact information on the cover page of this Brochure.

ITEM 18: FINANCIAL INFORMATION OF THE ADVISER

Basalt does not require prepayment of Management Fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.