

MACQUARIE

Form ADV Part 2A: Firm brochure  
MIRA Americas, Inc.

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This brochure provides information about the qualifications and business practices of MIRA Americas, Inc. If you have any questions about the contents of this brochure, please contact us at +1 212 231 1000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about MIRA Americas, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Referring to MIRA Americas, Inc. as a registered investment adviser does not imply a certain level of skill or training of its officers.

## **Item 2: Material Changes**

This page contains the following material changes relevant to MIRA Americas, Inc. (the “Registrant” or “Manager”) since the completion of its last annual update to Form ADV Part 2A dated June 2018.

This Brochure of the Registrant has been updated to reflect substantial revisions to the existing risk factors in Item 8 and potential conflicts of interest in Item 11.

The Registrant, at any time, may update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form).

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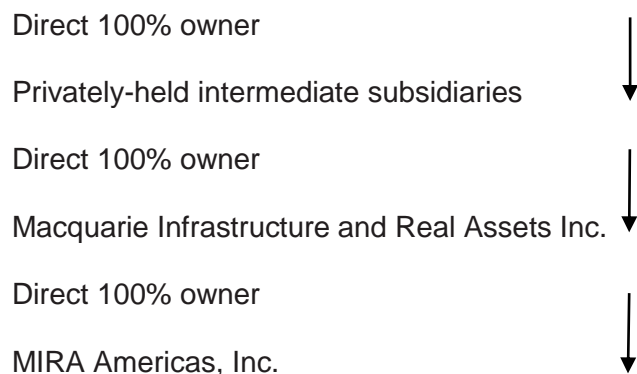
## Item 4: Advisory Business

### ***A. Advisory Firm***

MIRA Americas, Inc. (the “Registrant” or “Manager”), the registered investment adviser, is a Delaware corporation. It was incorporated on March 16, 2016.

The Registrant is ultimately owned by Macquarie Group Limited (“MGL”), the ultimate parent of the Macquarie Group, a multi-national financial services company, via the following holding structure:

Macquarie Group Limited  
(Australian Securities Exchange listed entity, stock code ASX: MQG)



The Registrant is an entity within Macquarie Infrastructure and Real Assets (“MIRA”), one of three divisions within Macquarie Asset Management.

### ***B. Advisory Services Provided***

The Registrant provides investment management services to the Partnerships (as defined below), including advising on the general and day-to-day operations of the Partnerships and the allocations of the Partnerships’ investment programs among the Underlying Funds and Direct Investments (each as defined below). The Registrant has the authority to make investment

allocation and management decisions for the Partnerships on a discretionary basis. As used herein, “Underlying Fund” is generally meant to reference a MIRA-managed fund in and/or alongside which the Partnerships may invest; however, where the context requires, “Underlying Fund” may also reference a MIRA-managed fund alongside (but not in) which the Partnerships may invest. As used herein, “Direct Investment” is generally meant to reference investments alongside MIRA-managed private regional infrastructure funds, or alongside MIRA where no such fund exists, in discretionary direct investment opportunities made available to the Partnerships by such funds or MIRA.

MIRA Infrastructure Global Solution GP LLC, a Delaware limited liability company is the general partner (the “MIGS I General Partner”) of MIRA Infrastructure Global Solution, L.P. (“MIGS I LP”), a Delaware limited partnership, and its alternative vehicles, parallel funds and/or feeder funds (collectively, “MIGS I”) and is a 100% commonly controlled affiliate of the Registrant.

MIRA Infrastructure Global Solution II GP, LLC, a Delaware limited liability company, is the general partner (the “MIGS II General Partner”) of MIRA Infrastructure Global Solution II, L.P. (“MIGS II LP”), a Delaware limited partnership, and its alternative vehicles, parallel funds and/or feeder funds (collectively, “MIGS II” and together with MIGS I, the “Partnerships”) and is a 100% commonly controlled affiliate of the Registrant.

MIGS I is no longer accepting capital commitments from new investors. MIGS II commenced the offering of its interests in September 2018.

The Partnerships and Co-Investment Clients (as defined herein) and related vehicles invest in and divest interests in infrastructure assets through negotiated transactions in operating entities (or holding entities thereof). The MIGS I General Partner is the general partner of MIGS I LP and MIGS AIV, L.P., an alternative investment vehicle of MIGS I LP. MIGS (ECI) GP, LLC, a Delaware limited liability company, is the general partner of MIGS (ECI) AIV, L.P., an alternative investment vehicle of MIGS I LP. The MIGS II General Partner is the general partner of MIGS II LP and MIGS II AIV L.P., an alternative investment vehicle of MIGS II LP. MIGS II (ECI) GP, LLC, a Delaware limited liability company, is the general partner of MIGS II (ECI) AIV, L.P., an alternative investment vehicle of MIGS II LP, and MIGS II IDF PV, L.P., a parallel vehicle of MIGS II LP.

### ***C. Tailored Advisory Services and Restrictions***

The Registrant provides services tailored to the specific needs of the Partnerships based on the investment objectives, and applicable restrictions, set forth in the Partnerships’ limited partnership agreements (the “Partnership Agreements”). The Registrant does not tailor its services to individual investors in the Partnerships.

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

The Registrant does not participate in wrap fee programs.

## ***E. Assets under Management***

The amount of assets under management ("AUM") as at December 31, 2018 is:

Discretionary:	\$1,237,919,765
Non-Discretionary:	\$81,030,285
Total:	\$1,318,950,050

## **Item 5: Fees and Compensation**

### ***A. Compensation***

The Registrant is entitled to receive an asset-based management fee ("Management Fee") from each of the Partnerships as described in the private placement memoranda of the Partnerships.

The Registrant has agreed and may agree in the future to a reduced Management Fee rate with certain investors in the Partnerships, including employees of the Macquarie Group (as defined below) or a feeder fund formed therefor, based on factors such as the timing of the investor's capital commitment to a Partnership, use of a common consultant, the size of the investor's commitment or its investment relationship with the Macquarie Group or other funds managed by entities that are part of the Macquarie Group (see also Fees Payable to Macquarie; Direct Investment Relationships under Item 11). As used herein, the "Macquarie Group" or "Macquarie" means MGL and its worldwide subsidiaries and affiliates.

The Partnerships will bear a management fee at the level of each Underlying Fund in accordance with the management fee terms applicable to such Underlying Fund. However, while an Underlying Fund's general partner (the "Underlying GP") is affiliated with Macquarie, the overall management fee burden borne by the Limited Partners with respect to such Underlying Fund will be offset and reduced by Management Fees payable with respect to the Partnerships by an Underlying Fund while the Underlying GP is affiliated with Macquarie and, if necessary, the Manager (or an affiliate of the Manager) will rebate previously paid Management Fees or make other payments to Limited Partners to ensure this result. In the event an Underlying GP is removed, Limited Partners will bear the management fee on a pass-through basis and will not be charged at the MIGS level.

### ***B. Payment of Fees***

The Management Fee is expected to generally be paid out of current income and disposition of proceeds of the Partnerships and, to the extent necessary, from called capital commitments to

the Partnerships, which will reduce undrawn capital commitments in accordance with the terms of the Partnership Agreements. To the extent the Partnerships enter into credit facilities, Management Fees may also be paid by drawing on such credit facilities, which would cause the Partnerships to incur expenses that will be borne by the Limited Partners.

### ***C. Other Fees***

The Registrant, the General Partners, Underlying GPs or the managers of Underlying Funds ("Underlying Managers") may receive (1) directors' fees, transaction fees and monitoring fees from persons in which the Partnerships acquire or hold investments and, (2) set-up, arranging, funding, monitoring, organization, directors', break-up, topping, commitment and other similar fees from persons in which the Partnerships acquire or hold investments (or seek to acquire or hold investments) ("Other Fees") but, for the avoidance of doubt, excluding fees, commissions and mark-ups paid to affiliates of the Registrant (including, with respect to (a)-(d) below, the Macquarie Capital division of the Macquarie Group, and with respect to (e) below, those businesses currently conducting business under the Macquarie Insurance Facility business units), with respect to (a) financial advisory, investment banking, commercial banking, mergers and acquisitions advice, (b) restructuring or other similar advisory services, (c) lending or providing debt facilities, (d) debt or equity underwriting services, hedging or other services related to foreign exchange, interest rates or commodities, (e) vendor, insurer or broker commissions and rebates, (f) payments for services provided by Macquarie, the General Partners, the Registrant or any of their respective Affiliates to portfolio companies that, if such services had been provided to the Partnerships, would have constituted partnership expenses and (g) any salary, bonus, stock options or other compensation granted or paid by portfolio companies to employees within the MIRA Division who serve in a bona fide, non-director management capacity at any such portfolio company.

The total Management Fee borne by the Partnerships will be reduced by an amount equal to Other Fees (including in some instances through a reduction of management fees payable by the Partnerships to Underlying Managers).

To the extent such Other Fees do not reduce the Management Fee payable by the Partnerships to Underlying Managers, such Other Fees are netted of amounts otherwise payable by the Partnerships, first by reducing reimbursements for Fund expenses incurred by the General Partners or Registrant, and second reducing future Management Fees. Other Fees that reduce the Management Fee payable by the Partnerships to Underlying Managers are similarly netted with respect to the Underlying Funds. In addition, the Partnerships pay certain fees to third-party consultants (including consultants or employees of legal or other advisers introduced or arranged by the Registrant and/or its affiliates that regularly provide services to the Partnerships and/or one or more portfolio companies or affiliates of the General Partners), and such fees, if related to the business of the Partnerships, a portfolio company thereof or the General Partners' or Registrant's operations related thereto, are borne by the Partnerships or portfolio company, as applicable, without offset against the Management Fee as described

herein and, thus, are not covered by the Management Fee. These third-party consulting services and the providers thereof may be provided exclusively from the offices of the Registrant in a secondee, consultant or other similar structure or arrangement. The Registrant and/or the General Partners generally have discretion over whether to charge fees to or require other compensation from (or seek reimbursement from) the Partnerships and/or a portfolio company in connection with services provided by such third-party consultants. The receipt by third-party consultants of such fees or other compensation may give rise to conflicts of interest between the Partnerships, on the one hand, and the Registrant and/or its affiliates, on the other hand. In addition, third parties co-investing with the Partnerships may pay (i) affiliates of the Registrant a transaction-based fee and/or (ii) the Registrant or an affiliate of the Registrant management, performance or other similar fees. Any of these situations subject the Registrant and/or its affiliates to potential conflicts of interest.

#### ***D. Payment of Fees in Advance***

Management Fees are payable by the Partnerships to the Registrant quarterly in advance.

The management agreement may be terminated for cause by the Partnerships in certain circumstances such as the commission of fraud or wilful misconduct, criminal conduct or a material breach of the agreement. Additionally, the management agreement shall be terminated if the General Partners are removed with or without cause by the limited partners.

#### ***E. Compensation for Sale of Securities or Other Investment Products***

Neither the Registrant nor any of its supervised persons receives any compensation for the sale of securities or other investment products. All forms of compensation are outlined in Item 5.A and Item 5.C.

#### ***F. Expenses***

The Partnerships will pay (or reimburse the General Partners and their affiliates for) all expenses related to the operation and administration of the Partnerships, including, without limitation, (i) all out-of-pocket fees, costs and expenses, if any, incurred in developing, assessing, negotiating, structuring, acquiring, trading, settling, monitoring, holding and disposing of actual Direct Investments and capital commitments to and investments in the Underlying Funds, costs of related information management and trading systems, including without limitation any financing, legal, auditing, accounting, advisory, consulting, other third-party and/or any travel, accommodation, meal and reasonable entertainment expenses in connection therewith, deposits funded thereon, brokerage commissions, research and quotation service fees and expenses, costs of related information management and trading systems, custodial expenses, the costs of expert networks within the scope of the Partnerships' investment objectives, the costs of organizing meetings among the Registrant's investment team and portfolio company management teams, the costs of memberships and participation in industry associations and attending industry conferences and events within the scope of the



Partnerships' investment objective, costs of subscription or data services used in connection with making/monitoring investments and other investment costs and any other out-of-pocket amounts incurred with respect to actual Direct Investments and Underlying Fund Interests (including the costs and expenses of co-investment transactions to the extent such costs and expenses are not borne by co-investors) or the capital commitments to, or investments in, the Underlying Funds, each as determined in good faith by the General Partners, (ii) all out-of-pocket fees, costs and expenses, if any, incurred in connection with offering co-investment opportunities, including the formation of a consortium, incurring transaction costs, and/or any travel, accommodation, meal and reasonable entertainment expenses in connection therewith, in each case to the extent such fees, costs and expenses have not been allocated to such parties, (iii) out-of-pocket fees, costs and expenses of any administrators, custodians, depositaries (including a depositary appointed pursuant to AIFMD or any law, rule or regulation as implemented in any relevant jurisdiction, including any equivalent law, rule or regulation resulting in the event the United Kingdom ceases to be a part of the European Union), consultants (including Third Party Consultants), counsel (including the cost of outside legal counsel in connection with attending the Manager's board meetings, investment committee meetings and LPAC meetings), auditors, accountants, brokers, agents, valuation experts, data providers and other professional advisers (including the audit and certification fees and the costs of preparing, printing and distributing reports to Partners and costs of related information management systems), (iv) all out-of-pocket costs and expenses incurred while developing potential Direct Investments which are not ultimately made, including (A) any legal, tax, accounting, advisory, consulting or other third-party expenses, any research and quotation service fees and expenses and any travel, accommodation, meal and reasonable entertainment expenses, (B) all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for such a proposed Direct Investment and (C) any reverse break-up, termination and other similar fees and any deposits or down payments of cash or other property that are forfeited by the Partnerships or any acquisition vehicle thereof, in connection with such proposed or potential Direct Investment (including any co-investor's share of any such expenses to the extent not paid by such co-investors), (v) fees, costs and expenses related to the organization or maintenance of any intermediate entity used to acquire, hold or dispose of any Investment or otherwise facilitating the Partnerships' investment activities, including without limitation any travel, accommodation, meal and reasonable entertainment expenses related to such entity; the salary and benefits of any non-Macquarie personnel reasonably necessary for the maintenance of such entity; and other overhead expenses in connection therewith, (vi) brokerage commissions, prime brokerage fees, custodial expenses, agent bank and other bank service fees and other investment costs, fees and expenses actually incurred in connection with actual Direct Investments, (vii) all out-of-pocket fees, costs and expenses, if any, incurred in connection with offering and underwriting co-investment opportunities, including organizing and documenting co-investment vehicles, the formation of a consortium, incurring transaction costs, and/or any travel, accommodation, meal and reasonable entertainment expenses in connection therewith, in each case to the extent such fees, costs and expenses have not been allocated to such parties, (viii) the costs and expenses of any lenders, investment banks and other financing sources, (ix) any insurance, indemnity or

litigation expense, such as judgments, amounts paid in settlement of and expenses relating to litigation, arbitration or other form of dispute resolution, of the Partnerships, the General Partners, the Manager or any affiliate, director, manager, officer, employee, member, partner, shareholder, delegate, agent or contractor of any of them, (x) the out-of-pocket expenses of the LPAC (including the fees and expenses of counsel and other advisers retained by the LPAC to advise on a matter if the General Partners or the Registrant has requested the LPAC approve or take an action with respect to such matter), (xi) any taxes, fees or other governmental charges levied against the Partnerships, (xii) interest on and fees and expenses arising out of all borrowings and hedging arrangements made by the Partnerships, including, but not limited to, the arranging thereof, (xiii) the out-of-pocket expenses incurred in connection with complying with provisions in side letters entered into with Combined Limited Partners, including “most favored nations” provisions, (xiv) expenses of winding down and liquidating the Partnerships, (xv) any expenses and costs incurred in connection with obtaining an independent or third-party valuation of Direct Investments, Underlying Fund Interests or other assets, (xvi) reasonable out-of-pocket expenses of meetings of the LPAC and of Limited Partners of the Partnerships (including Fund meetings held pursuant to the Partnership Agreement and travel expenses incurred by personnel of the General Partners and/or Manager in connection therewith), including the costs of any resolution passed by Limited Partners of the Partnerships (excluding the costs of any time spent in relation to any such meeting) and entertainment and other costs of the annual meeting determined by the General Partner in good faith to be reasonable, (xvii) “partnership expenses” and “organizational expenses” of any Underlying Fund (which may be broader than this definition), (xviii) any out-of-pocket legal or other expenses incurred in connection with the Partnerships’ legal and regulatory compliance with U.S. federal, state, local, non-U.S. or other law and regulation (including the expenses of complying with any reporting obligations imposed on the Manager as a result of the Partnerships’ Direct Investments and investments in Underlying Funds or other assets including, without limitation, Form PF, Form BE-13, reports to be filed in connection with the requirements of the U.S. Commodity Futures Trading Commission and reports, and/or any initial compliance or further administrative or other filings (including preparation, distribution or filing of any filings or reports) contemplated by AIFMD or any similar law, rule or regulation including any equivalent law, rule or regulation resulting in the event that the United Kingdom ceases to be a part of the European Union), and/or other regulatory filings of the Manager and its affiliates relating to the Partnerships’ activities or a Limited Partner’s jurisdiction, (xix) the costs of any litigation, directors and officers liability, errors and omissions liability or other insurance and indemnification relating to the affairs of the Partnerships, (xx) Partnership Expenses of any Underlying Fund (which may be broader than this definition) and (xxi) to the extent not paid by a Feeder Fund or Corporation, its Feeder Fund or Corporation expenses.

Investors in the Partnerships are allocated their pro rata share of such additional fees and expenses.

From time to time, the General Partners will be required to decide whether costs and expenses are to be borne by the Partnerships, on the one hand, or the General Partners and the

Registrant, on the other, and/or whether certain costs and expenses should be allocated between or among the Partnerships, on the one hand, and Underlying Funds, on the other. Certain expenses may be suitable for only the Partnerships, an Underlying Fund or another Macquarie-advised Fund and borne only by such fund, or, as is more often the case, expenses may be allocated pro rata among the Partnerships, Underlying Funds and other Macquarie-advised Funds even if the expenses relate only to particular vehicle(s) and/or investor(s) therein. The General Partners will make such judgments in a manner that it determines to be fair and reasonable in good faith, notwithstanding its interest in the outcome, and may make corrective allocations should it determine that such corrections are necessary or advisable.

## **Item 6: Carried Interest and Side-By-Side Management**

The General Partners or affiliates thereof are or may in the future become entitled to receive carried interest ("Carried Interest") from each applicable Partnership pursuant to the Partnerships' limited partnership agreements among the General Partners and investors. The Carried Interest component for MIGS II IDF PV, L.P. is paid in the form of a performance fee.

The Partnerships will bear distributions of carried interest or similar incentive fees to any Underlying GP or affiliate thereof (the net amount of such distributions to such Underlying GP or affiliate being referred to herein as "Underlying Carried Interest") in accordance with the terms applicable to such Underlying Fund, which may vary from the distribution priorities. However, for an Underlying GP that is affiliated with Macquarie, the Underlying Carried Interest to such Underlying GP or affiliate thereof borne by Limited Partners with respect to such Underlying Fund ("Macquarie-Affiliated Underlying Carried Interest") will be taken into account in the distribution priorities. Accordingly, to achieve this result, any Carried Interest payable by the Partnerships to the General Partners will be offset and reduced by any Macquarie-Affiliated Underlying Carried Interest payable with respect to the Partnerships at an Underlying Fund, and, if necessary, the General Partners (or an affiliate of the General Partners) will rebate previously paid Carried Interest to Limited Partners or make other payments to Limited Partners to ensure this result.

The existence of the General Partners' and Underlying GP's Carried Interest could be viewed as an incentive for the General Partners and Underlying GP and the participants in such program, respectively, to make or recommend riskier or more speculative investments for the Partnerships than would be the case in the absence of these arrangements. However, the capital commitment by Macquarie to the Partnerships and the Underlying Funds should help to mitigate such incentive. In addition, the manner in which a General Partner's entitlement to Carried Interest is determined may result in a conflict between its interests and the interests of investors in the Partnerships with respect to the sequence and timing of disposals of investments. If distributions are made of property other than cash, the amount of any such distribution will be accounted for at the fair market value of such property as determined by the General Partners in accordance with procedures set forth in the Partnership Agreement. An independent appraisal may not necessarily be required or obtained.

## **Item 7: Types of Clients**

The only investment advisory service provided by the Registrant is to act as the investment advisor to the Partnerships. The limited partners investing in the Partnerships are expected to include union and Taft Hartley plans, corporate, public and other pension plans, insurance companies, foundations and endowments, sovereign wealth funds, other financial institutions and high net worth individuals, which may include, directly or indirectly, senior executives or other employees of the Registrant and its affiliates.

While the Registrant does not impose a minimum balance as a condition to providing advisory services, the Partnerships generally imposes a \$10 million minimum investment for its investors, which may be waived in the sole discretion of the General Partners, including for Macquarie Group employees.

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

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

The Registrant expects to execute the Partnerships' investment strategy by investing in and alongside Underlying Funds and Direct Investments. The primary strategy to deploy the Partnerships' capital will be through commitments to the Underlying Funds in each of North America, Europe, Australia, Asia and Latin America for MIGS I and each of the Americas, Europe and Asia-Pacific for MIGS II (the "Target Geographies"). The secondary strategy to deploy the Partnerships' capital will be through commitments to Direct Investments alongside the Underlying Funds, their successor funds, where applicable, or alongside MIRA where no Underlying Fund that is open to new investors exists (e.g., where there is otherwise no MIRA-managed fund that is accepting new commitments). Direct Investments will be capped at 30% and 40% for MIGS I and MIGS II, respectively, of Fund Commitments. The Registrant will evaluate any such Direct Investment opportunities having regards to appropriate diversification in the Partnerships' portfolio, the presence of local MIRA teams through which to execute and manage the investment, MIRA competitive advantages and the investment's projected risk-adjusted returns, among other considerations. The Partnerships will only invest in a Direct Investment if a third party unaffiliated with Macquarie decides to participate in the same investment. The Investment Committee of the Registrant will determine commitments to the Underlying Funds and Direct Investments. Investment decisions of the Underlying Funds will be made by the investment committees of the Underlying Funds' managers (and not by the Investment Committee of the Registrant). The Underlying Funds will seek to invest primarily in equity and equity-related investments in core-plus and core infrastructure and infrastructure-related businesses in the Target Geographies. MIRA has formalized a policy that establishes restrictions on investment in coal-related businesses. The Underlying Funds may also pursue certain debt investments. The Underlying Fund investment teams and their

investment committees will seek to leverage MIRA's experience, expertise and networks in each market to access suitable investment opportunities based on project and market-specific investment factors, such as regulation and risk-return dynamics, among other factors.

An investment in the Partnerships entails a significant degree of risk and therefore should be undertaken only by investors capable of evaluating the risks of an investment in the Partnerships and bearing the risks such investments represent. Refer to Item 8 B. & C.: "Risk of Loss", for a description of material risks associated with an investment in the Partnerships.

The Registrant will advise the Partnerships to invest substantially all of its assets in or alongside the Underlying Funds and/or alongside MIRA in co-investment opportunities made available to the Partnerships in MIRA's sole discretion.

### ***B. & C. Risk of Loss***

The overall success of the Partnerships depends on, among other factors, (i) the ability of the Partnerships to effectively allocate its capital among the Underlying Funds and (ii) the ability of the managers of the Underlying Funds to successfully implement the investment programs of the respective Underlying Funds. Accordingly, the Partnerships will be highly dependent upon the expertise and abilities of MIRA and its management personnel, both those that have investment discretion over the Partnerships' assets and those that deploy capital within the various Underlying Funds.

The level of risk associated with the Partnerships' direct and indirect investments varies depending on the particular investment programs of the Underlying Funds utilized by MIRA. Each of the risks and conflicts set forth herein may or may not relate to any particular Underlying Fund. Potential investors in the Partnerships should consider the risks associated with each Underlying Fund prior to investing. Past performance information is not necessarily indicative of future results of any Underlying Fund, and there can be no assurance that the Partnerships will be able to implement its investment strategy, achieve its investment objectives or avoid substantial losses.

The following are some, but not all, of the considerations regarding risk factors that should be carefully evaluated related to an investment in the Partnerships.

#### ***No Assurance of Investment Return***

No assurance can be given as to the Partnerships' or any Underlying Fund's ability to choose, make and realize investments in any particular geography, industry sector, company or portfolio of companies or that the Partnerships will be able to implement its investment strategy or achieve its investment objective. There can be no assurance that the Partnerships will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the types of geographies, industries, companies and transactions described herein. With respect to actual direct or indirect investments, realization of an asset before the end of its



projected life or base-case underwriting assumptions may materially alter the actual returns realized by the Partnerships. Actual returns to investors in the Partnerships may be materially different than the target returns indicated in the Memorandum. Investors in the Partnerships will bear the Management Fee and all expenses related to the Partnerships' operations. Such fees and expenses will reduce the actual returns to investors. Most of the fees and expenses will be paid regardless of whether the Partnerships produces positive investment returns. If the Partnerships does not produce significant positive investment returns, these fees and expenses could reduce the amount of the investment recovered by a Limited Partner to an amount less than the amount invested in the Partnerships by such Limited Partner. There can be no assurance that any Limited Partner will receive any distribution from the Partnerships. Accordingly, an investment in the Partnerships should only be considered by persons who can afford a loss of their entire investment. Past performance of investment entities associated with Macquarie and/or entities associated with the Partnerships' investment professionals is not necessarily indicative of future results and provides no assurance of future results.

*Lack of Operating History*

In the case of MIGS II, the Partnership has recently commenced operations and therefore has limited operating history upon which prospective investors may evaluate its performance. The prior investment performance of Macquarie and its managed or sponsored investment funds, vehicles or accounts, as described herein, as with all performance data, can provide no assurance of future results. Moreover, MIGS II is subject to all of the business risks and uncertainties associated with any new fund, including the risk that it will not achieve its investment objective and that the value of an interest in MIGS II could decline substantially. Accordingly, prospective investors should not expect MIGS II to achieve results similar to prior Macquarie-managed or sponsored investment funds, vehicles or accounts. Prospective investors should note that (i) the investment focus of MIGS II will be significantly broader than that of other Macquarie-sponsored investment vehicles (other than MIGS I), (ii) certain of the persons making the investment decisions of MIGS II and the execution of transactions on its behalf will be different from those involved in other Macquarie-sponsored investment vehicles and (iii) other Macquarie-sponsored investment vehicles' (other than MIGS I's) investments were made under different market, economic and supply-demand conditions to those in which MIGS II is expected to operate.

Each individual investment team member has limited experience in the investment of capital across all of the regions MIGS II is expected to invest in. In particular, apart from MIGS I, no other Macquarie-managed or sponsored investment fund has undertaken to allocate across multiple regions in the manner of MIGS II. Accordingly, prospective investors should draw no conclusions from the transactional experience described in this Memorandum nor the performance of any other Macquarie-sponsored investment vehicles and should not expect MIGS II to achieve similar results. Certain senior members of the Registrant's investment team have also been involved in other investments by Macquarie-sponsored funds and/or have or have previously had responsibilities to other investment vehicles sponsored by Macquarie.

#### *Broad Investment Mandate*

Except as described generally in the Memorandum, as supplemented from time to time, limited partnership agreement, investment management agreement, subscription documents and other applicable constituent fund documents of the relevant Fund entity (the “Constituent Documents”). Except as described generally in the Partnerships’ limited partnership agreement, there are no material limitations on the instruments, markets or countries in which the Partnerships may invest or the specific investment strategies that may be employed on behalf of the Partnerships. In light of the Partnerships’ broad investment mandate, the Partnerships may make equity and/or debt investments that do not involve control or influence by MIRA over the underlying portfolio company. The Partnerships will be permitted to invest (and may actually invest) in any number of companies operating in a wide range of industries or activities. The Partnerships’ portfolio may be concentrated at various points in time, including, for example, with respect to the number of investments included in the portfolio (which will be particularly limited when the Partnerships commence their investing activities), the nature of such investments and the geographies or industry sectors represented by the companies in which the Partnerships invest. MIRA intends generally to apply the infrastructure investment strategy and investment process described herein to the Partnerships’ direct and indirect investments; however, MIRA may modify or depart from the infrastructure investment strategy and investment process described herein on an opportunistic basis if it identifies infrastructure investment opportunities that it believes are sufficiently attractive on a risk/reward basis. For example, while MIRA expects to focus on the target sectors identified in this Memorandum, the Partnerships may, directly or indirectly, invest in other sectors that are not discussed as target sectors in this Memorandum.

#### *Financial Market Fluctuations & Inflation Risks*

General fluctuations in the market prices of securities may affect the value of the Partnerships’ investments. Instability in the securities markets may also increase the risks inherent in such investments. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high-yield debt market or otherwise. Depending on the inflation assumptions relating to anticipated cash flows from an infrastructure project and their escalation factors, as well as the manner in which asset revenue is determined with respect to such project, returns from an investment may vary from those projected as a result of changes in the rate of inflation. Infrastructure assets are often highly leveraged and as a result are potentially exposed to adverse interest rate movements and increasing cost of debt. Unanticipated inflation in the cost of fuel, labor, resources and other inputs can also adversely affect the returns associated with investments. In addition, the regulatory regimes governing regulated infrastructure assets often use prevailing market interest rates in determining the allowed revenue that can be generated from these assets. As a result, revenue fluctuates with interest rate movements. Movements in interest rates may also affect the appropriate discount rate to be used to value investments, resulting in fluctuations in valuation. Infrastructure assets are vulnerable to local, national and worldwide economic cycles. This could affect the cash flow from investments as well as the prices at which the Partnerships, directly or indirectly, purchases or sells its investments.

Any deterioration of the global debt markets, any possible future failures of certain financial services companies and a significant rise in market perception of counterparty default risk and/or increases in interest rates and/or taxes will likely significantly reduce investor demand and liquidity for investment grade, high-yield and senior bank debt, which in turn is likely to lead some investment banks and other lenders to be unwilling or significantly less willing to finance new investments or to only offer committed financing for investments on less favorable terms than had been prevailing in the recent past. The Partnerships' ability to generate attractive investment returns for its Limited Partners may be adversely affected to the extent the Partnerships are unable to obtain favorable financing terms for investments. Any market turmoil, as well as a perceived increase in counterparty default risk, may have an adverse impact on the availability of credit to businesses generally and may lead to an overall weakening of the global economies, which in turn may adversely affect or restrict the ability of the Partnerships to sell or liquidate investments at favorable times or at favorable prices or otherwise have an adverse impact on the business and operations of the Partnerships.

*Enhanced Scrutiny and Potential Regulation of the Private Investment Fund Industry and the Financial Services Industry*

The Partnerships' ability to achieve its investment objectives, as well as the ability of the Partnerships to conduct its operations, is based on laws and regulations that are subject to change through legislative, judicial or administrative action. Future legislative, judicial or administrative action could adversely affect the Partnerships' ability to achieve its investment objectives, as well as the ability of the Partnerships to conduct its operations. Macquarie is subject to extensive regulation, including periodic examinations, by governmental agencies and self-regulatory organizations in the jurisdictions in which it operates around the world. These authorities have regulatory powers dealing with many aspects of financial services, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular activities. Many of these regulators, including U.S. and foreign government agencies and self-regulatory organizations, as well as state securities commissions in the United States, are also empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions, including censure, the issuance of cease-and-desist orders, the suspension or expulsion of an investment adviser from registration or memberships or the commencement of a civil or criminal lawsuit against Macquarie or its personnel.

There have been significant legislative and regulatory developments affecting the regulation of the alternative asset management industry. On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was signed into law. A key feature of the Dodd-Frank Act is the potential extension of prudential regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve") to U.S. nonbank financial companies that are not currently subject to such regulation but that are determined to pose risk to the U.S. financial system. The Dodd-Frank Act defines a "nonbank financial company" as a company that is predominantly engaged in activities that are financial in nature. The Financial Stability Oversight Council (the "FSOC"), an interagency body created by the Dodd-Frank Act to



monitor and address systemic risk, has the authority to subject such a company to supervision and regulation by the Federal Reserve (including capital, leverage and liquidity requirements) if the FSOC determines that such company is systemically important, in that it poses a risk to the U.S. financial system. The Dodd-Frank Act does not contain any minimum size requirements for such a determination by the FSOC, and it is possible that it could be applied to private funds, particularly large, highly leveraged funds.

The Dodd-Frank Act also imposes a number of restrictions on the relationship and activities of banking organizations with certain private equity funds and hedge funds and other provisions that will affect the alternative asset management industry, either directly or indirectly. Included in the Dodd-Frank Act is the so-called “Volcker Rule,” which takes the form of Section 12 of the Bank Holding Company Act of 1956, as amended. Among other things, the Volcker Rule prohibits any “banking entity” (generally defined as any insured depository institution, subject to certain exceptions including for depository institutions that do not have, and are not controlled by a company that has, more than US\$10 billion in total consolidated assets or significant trading assets and liabilities, any company that controls such an institution, a non-U.S. bank that is treated as a bank holding company for purposes of U.S. banking law and any affiliate or subsidiary of the foregoing entities) from sponsoring or acquiring or retaining an ownership interest in a private equity fund or hedge fund that is not subject to the provisions of the 1940 Act in reliance upon either Section 3(c)(1) or Section 3(c)(7) of the 1940 Act. The Volcker Rule also permits the Federal Reserve to require, by rule, that certain nonbank financial companies that have been determined to be systemically important by the FSOC and subject to supervision and regulation by the Federal Reserve (as discussed above) to comply with additional capital requirements for, and additional quantitative limits with regards to, such activities, although such nonbank financial companies are not expressly prohibited from engaging in sponsoring or investing in such funds. On December 10, 2013, the Federal Reserve and other federal regulatory agencies issued final rules implementing the principal components of the Volcker Rule. Prospective investors in the Partnerships that are banking entities should consult their bank regulatory counsel prior to making an investment.

The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private equity industry generally and/or on Macquarie or the Partnerships, specifically. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on Macquarie or otherwise impede the Partnerships’ activities. Other Macquarie divisions becoming subject to such regulations may also adversely affect the Partnerships.

The current regulatory environment in the United States may be impacted by future legislative developments, such as amendments to key provisions of the Dodd-Frank Act. For example, on May 24, 2018, the Economic Growth, Regulatory Relief and Consumer Protection Act (the “Reform Act”) was signed into law. Among other regulatory changes, the Reform Act amends various sections of the Dodd-Frank Act, including by modifying the Volcker Rule. The ultimate consequences of the Reform Act on the Partnerships and their activities remain uncertain, and it

remains unclear whether any other legislative or regulatory proposals will be enacted or adopted. In addition, it is not possible to determine the full extent of any impact on us or any of our portfolio investments of any such potential financial reform legislation, or whether any such proposal will become law.

Enactment of these reforms and/or other similar legislation could nonetheless have an adverse effect on the private investment funds industry generally and on Macquarie and/or the Partnerships specifically, and may impede the Partnerships' ability to effectively achieve its investment objectives. The Registrant, as a registered investment adviser under the Advisers Act, will be required to comply with a variety of periodic reporting and compliance-related obligations under applicable federal and state securities laws (including, without limitation, the obligation of the Registrant and its affiliates to make regulatory filings with respect to the Partnerships and its activities under the Advisers Act (including, without limitation, Form PF by the Relying Adviser)). In light of the heightened regulatory environment in which the Partnerships and the Registrant operate and the ever-increasing regulations applicable to private investment funds and their investment advisors, it has become increasingly expensive and time-consuming for the Partnerships and the Registrant and their affiliates to comply with such regulatory reporting and compliance-related obligations, including, without limitation, Form PF, Form BE-13, reports to be filed in connection with the requirements of the U.S. Commodity Futures Trading Commission and reports, and/or any initial compliance or further administrative or other filings (including preparation, distribution or filing of any filings or reports) contemplated by AIFMD or any similar law, rule or regulation including any equivalent law, rule or regulation resulting in the event that the United Kingdom ceases to be a part of the European Union and/or other U.S. and non-U.S. regulatory filings of the Registrant and its affiliates relating to the Partnerships' activities or a limited partner's jurisdiction. For example, Form PF requires that the Registrant report the regulatory assets under management of the Partnerships, and because the Partnerships will be required to bear the Partnerships' expenses relating to compliance-related matters and regulatory filings, the Partnerships will bear the costs and expenses of initial and ongoing Form PF compliance applicable to the Partnerships, including costs and expenses of collecting and calculating data and the preparation of such reports and filings. Such expenses are likely to be material, including on a cumulative basis over the life of the Partnerships. As part of a broader trend towards such increased scrutiny, the SEC has undertaken an exam initiative aimed at reviewing, among other things, the disclosure and allocation of fees and expenses by private fund advisers to their investors. The SEC is focused on uncovering material weaknesses in controls relating to the allocation and disclosure of fees and expenses. This enhanced scrutiny of private fund advisers may lead to further regulatory investigations and enforcement actions across the private investment funds industry generally, which will likely require the devotion of additional compliance-related resources by private fund advisers and make it increasingly costly for funds like the Partnerships to conduct their business. Any further increases in the regulations applicable to private investment funds generally or the Partnerships and/or the Registrant in particular may result in increased expenses associated with the Partnerships' activities and additional resources of the Registrant being devoted to such regulatory reporting and compliance-related obligations, which may

reduce overall returns for the limited partners and/or have an adverse effect on the ability of the Partnerships to effectively achieve its investment objective.

Furthermore, various federal, state and local agencies have been examining the role of placement agents, finders and other similar service providers in the context of investment by public pension plans and other similar entities, including investigations and requests for information, and in connection therewith, new and/or proposed rules and regulations in this arena may increase the possibility that the General Partners and their affiliates may be exposed to claims and/or actions that could require a limited partner to withdraw from the Partnerships. Relatedly, Macquarie may be required to provide certain information regarding some of the investors in the Partnerships to regulatory agencies and bodies in order to comply with applicable laws and regulations. In addition, as a publicly traded global alternative asset manager whose broad range of businesses includes the management of direct and secondary private equity funds, hedge funds, real estate funds, credit-oriented funds, mutual funds and other private investment funds, as well as the provision of various financial advisory, restructuring and fund placement services, Macquarie is from time to time subject to litigation and claims relating to its businesses, as well as governmental and/or regulatory inquiries, investigations and/or proceedings. While it is difficult to predict what impact, if any, the foregoing may have, there can be no assurance that any of the foregoing, whether applicable to Macquarie generally and/or the Partnerships and/or the Registrant specifically, would not have a material adverse effect on the Partnerships and their ability to achieve its investment objectives.

#### *AIFMD*

AIFMD as transposed into national law within the member states of the European Economic Area (the “EEA”), imposes requirements on non-EU AIFMs that market alternative investment funds (“AIF”) within the EEA.

AIFMD allows member states to permit the marketing of non-EEA AIFs by non-EEA AIFMs to professional investors in accordance with local laws, provided that local laws meet the requirements of article 42 of AIFMD (the so-called national private placement regimes). There is no requirement for member states to operate or maintain a national private placement regime and, if they do, the member state is free to impose stricter rules than the minimum requirements of article 42 of AIFMD. Where national private placement is permitted, among other things:

- the AIFM must comply with article 22 of AIFMD (requirements relating to an annual report), article 23 of AIFMD (pre-investment and periodic disclosure to investors), article 24 of AIFMD (periodic reporting to regulators), and articles 26 to 30 of AIFMD if applicable (the provisions relating to the acquisition and control of non-listed companies and issuers, including the anti-asset-stripping rules, which apply restrictions on early distributions or reductions in capital in respect of EEA portfolio companies); and
- appropriate cooperation arrangements must be in place for the purposes of systemic risk oversight between the competent authorities of the member states where the AIF is marketed and the supervisory authorities of the third country where the AIFM is established and, if applicable, those of the country where the AIF is established.

At present, some EEA states do not operate a national private placement regime at all; some EEA states apply the minimum requirements; others require the minimum plus, e.g., the appointment of a depositary; and some require compliance with substantially all of AIFMD. Because each national private placement regime is a matter of national law, a non-EEA AIFM must comply with different regulatory requirements in different member states, both with respect to the initial process for seeking to market in that member state and, to some extent, with respect to ongoing compliance.

AIFMD's requirements may not apply to other funds that closed before the expiry of the transitional period (July 22, 2014), and they do not apply to vehicles that are not structured as AIFs. Where the Registrant has marketed the Partnerships in a member state in compliance with the national private placement regime resulting in investors from that member state investing in the Partnerships, the Registrant's ongoing compliance with the laws of that member state will continue until all of such investors dispose of their interests in the Partnerships. To comply with certain private placement regimes, registration in such jurisdictions may be required.

These requirements have the potential to adversely affect the operations of the Partnerships, including by (i) affecting the range of investment and realization strategies that the Partnerships are able to pursue, (ii) limiting the territories in which the Partnerships may seek investors and (iii) materially adding to the costs associated with compliance, monitoring and reporting over the life of the Partnerships.

The Partnerships will bear the costs and expenses of compliance with AIFMD and any related regulations, including costs and expenses of collecting and calculating data and the preparation of regular reports to be filed with EEA member states and other reports, disclosures, filings and notifications prepared in accordance with AIFMD. Compliance with AIFMD could expose the Registrant and/or the Partnerships to conflicting regulatory requirements in the United States.

The offer of interests in the Partnerships, insofar as such interests can be offered to investors domiciled or established in a member state of the EEA (as described above) is restricted to professional investors. A professional investor is an investor that is considered to be a "professional client", or who may, on request, be treated as a "professional client" within the meaning of Annex II to the Markets in Financial Instruments Directive (2014/65/EU) ("MiFID"). Notwithstanding that all marketing activity of the Registrant toward investors domiciled or established in the EEA shall be directed at investors who qualify as professional clients, such investors are not a "client" of the Registrant. The Registrant is not advising, making a recommendation or otherwise acting for investors or prospective investors with respect to an investment in the Partnerships and the Registrant will not be responsible for providing protections that would otherwise be provided in an advisory-client relationship.

#### *General Economic and Market Conditions*

The success of the Partnerships' investment activities will be affected by general economic and

market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Partnerships' investments), trade barriers, currency exchange controls and national and international political, environmental and socioeconomic circumstances (including wars, terrorist acts or security operations). Macquarie's financial condition may be adversely affected by a significant general economic downturn, and it may be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on Macquarie's business and operations and thereby could impact the Partnerships. Moreover, a recession, slowdown and/or sustained downturn in the U.S. or global economy (or any particular segment thereof) could adversely affect the Partnerships' profitability, impede the ability of the Partnerships' portfolio investments to perform under or refinance their existing obligations and impair the Partnerships' ability to effectively exit portfolio investments on favorable terms. Any of the foregoing events could result in substantial or total losses to the Partnerships in respect of certain portfolio investments, which losses will likely be exacerbated by the presence of leverage in a portfolio entity's capital structure.

The Partnerships' investment strategy and the availability of opportunities satisfying the Partnerships' risk-adjusted return parameters rely in part on the continuation of certain trends and conditions observed in the financial markets and in some cases the improvement of such conditions. Trends and historical events do not imply, forecast or predict future events and, in any event, past performance is not necessarily indicative of future results. There can be no assurance that the assumptions made or the beliefs and expectations currently held by the Registrant will prove correct and actual events and circumstances may vary significantly. An economic downturn could adversely affect the Partnerships' investments, may impair the Partnerships' ability to consummate transactions and may cause the Partnerships to enter into transactions on less attractive terms than those enjoyed by Macquarie's other funds.

Prospective investors should note that numerical information contained in the Memorandum, including without limitation, market data, have not been updated through the date hereof. For example, Macquarie believes that certain market data and information is likely to have changed from that included herein, but is not yet available.

*Dollar Denomination of the Partnerships' Interests*

The Interests are denominated in Dollars. Limited Partners subscribing for Interests in any country in which Dollars are not the local currency should note that changes in the value of exchange between Dollars and such currency may have an adverse effect on the value, price or income of the investment to such Limited Partner. Furthermore, contributions to the Partnerships and distributions from the Partnerships will be denominated in Dollars, and Limited Partners may incur transaction costs associated with the conversion of Dollars in their local currency. There may be foreign exchange regulations applicable to investments in foreign currencies in certain jurisdictions where the memorandum is being issued. The fees, costs and expenses incurred by Limited Partners in converting their local currency to U.S. dollars (if applicable) in order to meet drawdowns will be borne solely by such Limited Partner and will be



in addition to the amounts required by such drawdowns (and will not be part of or otherwise reduce their Capital Commitments and/or unused Capital Commitments, as applicable). Each prospective investor should consult with its own counsel and advisors as to all legal, tax, financial and related matters concerning an investment in the Partnerships.

*Currency and Exchange Rate Risks*

Certain of the Partnerships' Direct Investments and investments in the Underlying Funds, and the Partnerships' indirect investments through other Underlying Funds and the income received by the Partnerships with respect to all such investments, are expected to be denominated at least in part in currencies other than Dollars. However, the books of the Partnerships will be maintained, and capital contributions to and distributions from the Partnerships, including with respect to Carried Interest, generally will be made in Dollars. Accordingly, changes in currency exchange rates, costs of conversion and exchange control regulations may adversely affect the dollar value of investments, interest and dividends received by the Partnerships, gains and losses realized on the sale of investments and the amount of distributions, if any, to be made by the Partnerships. For example, any significant depreciation in the exchange rate of the Euro, Australian Dollar, Canadian Dollar, or any other currency in which the Partnerships make direct or indirect investments, against the Dollar, could adversely affect the value of distributions or proceeds on investments denominated in Euros, Canadian Dollars, Australian Dollars or such other currencies. In addition, certain countries in which the Partnerships may invest have implemented or may implement strict controls on foreign exchange, which may result in artificially pegged exchange rates that may distort the results of and returns on investments in such countries. Moreover, the Partnerships will incur costs and may experience substantial delays when, or be prohibited from, converting one currency into another. While the Registrant or the manager of an Underlying Fund may, but is not required to, enter into hedging transactions designed to reduce such currency risks, there can be no assurance that any such transactions would happen and/or achieve their intended results. Further, such hedging transactions could result in diminished returns (or increased losses on capital) to the extent overall returns are less than the Partnerships' or the Underlying Fund's costs or losses associated with such hedging transactions. See also "No Assurance of Investment Return" above and "Hedging Policies" below. The Partnerships may also experience gains attributable solely, or in large part, to favorable movements in exchange rates as of any date of valuation or realization of an investment, even despite a relatively adverse performance of the relevant investment.

*Registration under the U.S. Commodity Exchange Act*

Registration with the U.S. Commodity Futures Trading Commission (the "CFTC") as a "commodity pool operator" or any change in the Partnerships' operations necessary to maintain the General Partners' ability to rely upon the exemption from registration as described in the Partnerships' memorandum could adversely affect the Partnerships' ability to implement its investment program, conduct its operations and/or achieve its objectives and subject the Partnerships to certain additional costs, expenses and administrative burdens. Furthermore, any determination by the General Partners to cease or to limit investing in interests that may be

treated as “commodity interests” in order to comply with the regulations of the CFTC or to avoid registration as a commodity pool operator or a commodity trading advisor may have a material adverse effect on the Partnerships’ ability to implement its investment objectives and to hedge risks associated with its operations.

*Highly Competitive Market for Investment Opportunities*

The activity of identifying, completing and realizing attractive investments that fall within an Underlying Fund’s investment objectives, or a Direct Investment, is highly competitive and involves a high degree of uncertainty and will be subject to certain market conditions. Each Underlying Fund will be competing for investments with other investment funds, as well as corporations, business development companies (including, potentially, portfolio companies of an Underlying Fund or another MIRA-managed investment vehicle), public debt and equity markets, individuals, financial institutions, strategic buyers and other institutional investors investing directly or through affiliates. Further, a number of private equity and infrastructure funds have been formed (and many existing funds have grown in size) that compete in the general infrastructure asset class. Additional funds with similar objectives have been, and may be formed in the future, by other parties. Some of these competitors may have more relevant experience, greater financial resources, less expensive cost of capital, and more personnel than the Partnerships, the General Partners, the Registrant and Macquarie. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the Partnerships, which may also require the Partnerships potentially to participate in auctions more frequently and otherwise adversely affect the terms upon which investments can be made. The outcome of any such auctions cannot be guaranteed, thus potentially reducing the number of investment opportunities available to the Partnerships, and potentially adversely affecting the terms, including price, upon which investments can be made. There can be no assurance that Macquarie will be presented with or develop suitable investment opportunities for the Partnerships, including within any particular sector, geography, asset or transaction size or type. In addition, as more fully described herein, investment opportunities otherwise appropriate for the Partnerships may be shared or otherwise allocated (in whole or in part) to other Macquarie-managed or -sponsored investment funds (or limited partners therein), vehicles or accounts or divisions within Macquarie itself. The Partnerships expect to incur transaction costs associated with potential investments that will not be successfully completed. As a result, the Partnerships do not expect to recover all of its bid costs, which would adversely affect returns. There can be no assurance that the Partnerships will be able to locate, consummate and exit investments that satisfy the Partnerships’ internal rate of return objectives or realize upon their values, or that the Partnerships will be able to invest fully their committed capital. The Registrant may pursue a wide variety of investment strategies and may modify or depart from the Registrant’s initial investment strategy, investment process and investment techniques as it determines appropriate and practicable to accomplish the Partnerships’ overall investment objectives.

*Purchases from Distressed Developers*

A portion of the Registrant’s investment strategy includes potentially purchasing infrastructure

and infrastructure-related assets from financially distressed developers. In such circumstances, the competition for such investment opportunities may be particularly acute to the extent that such assets are provided for sale in connection with auction proceedings being conducted by a court in accordance with local bankruptcy proceedings. In such bankruptcy court-supervised auctions, the Partnerships may incur significant expenses identifying, investigating and attempting to acquire potential investments that are ultimately not consummated, including expenses relating to due diligence, transportation, extended competitive bidding processes, legal expenses and the fees of other third-party advisors. The inability to consummate any such transactions and the incurrence of broken-deal expenses with any such transactions not consummated may adversely affect the Partnerships' investment performance.

#### *Development Risks*

The successful development and construction of new, or expansion of existing, infrastructure projects entail a variety of risks (some of which may be unforeseeable at the time a project is commenced) and may require or result in the involvement of a broad and diverse group of stakeholders who will either directly influence or potentially be capable of influencing the nature and outcome of the project. Such factors may include: political or local opposition, governmental regulation, demographic changes, economic growth, increasing fuel prices, government macroeconomic policies, toll, tariff and other fee rates, social stability, technical obsolescence, competition from untolled or other forms of transportation, receipt of regulatory approvals or permits, site or land procurement, environment-related issues, labor disputes (such as work stoppages), acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, counterparty non-performance, changes in demand for products or services, defective design or construction, bankruptcy or financial difficulty of a major customer or supplier, project feasibility assessment, less than optimal coordination with public utilities in the relocation of their facilities, dealings with and reliance on third-party consultants, slower than projected construction progress and the unavailability or late delivery of necessary equipment, legal action from special interest groups, adverse weather conditions, unexpected construction conditions, and other construction risks. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of construction activities once undertaken, any of which could have an adverse effect on the Partnerships. When making an investment, value may be ascribed to infrastructure projects (new or expansion) that do not achieve successful implementation, potentially resulting in a lower than expected internal rate of return over the life of the investment. In addition, there are significant capital expenditures associated with the development and operation of infrastructure assets generally. Construction costs may exceed estimates for various reasons, including inaccurate engineering and planning, labor and building material costs in excess of expectations and unanticipated problems with project startup. Delays in project completion can result in an increase in total project construction costs through higher capitalized interest charges and additional labor and material expenses and, consequently, an increase in debt service costs and insufficient funds to complete construction. Delays may also result in adverse effects on the scheduled flow of project revenues necessary to cover the scheduled operations-phase debt service costs, lost opportunities, increased operations and



maintenance expenses and damage payments for late delivery. Investments under development or investments acquired to be developed may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. Market conditions and laws may change during the course of development that make such development less attractive than at the time it was commenced.

#### *Operations and Maintenance Risk*

As a general matter, the operation and maintenance of infrastructure assets involve various risks, many of which may not be under the control of the owner/operator, including labor issues, failure of technology to perform as anticipated, structural failures and accidents and the need to comply with the directives of government authorities. The operations of infrastructure assets and businesses may be exposed to unplanned interruptions caused by significant catastrophic events, such as cyclones, earthquakes, landslides, floods, explosions, fires, terrorist attacks, major plant breakdowns, pipeline or electricity line ruptures or other disasters. Operational disruption, as well as supply disruption, could adversely impact the cash flows available from these assets. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption may result in permanent loss of customers or other sources of revenue, substantial litigation or penalties for regulatory or contractual non-compliance. It is expected that portfolio companies will typically maintain insurance to protect against certain risks, where available on reasonable commercial terms, such as business interruption insurance that is intended to offset loss of revenues during an operational interruption. Such insurance would typically be subject to customary deductibles and coverage exclusions and/or limits and may not be sufficient to recoup all of a portfolio company's losses. Moreover, any loss from such events may not be recoverable under relevant insurance policies or may involve costly dispute resolution proceedings with insurers to obtain recoveries. Business interruption insurance is not always available, or economical, to protect the business from these risks. Industrial action involving employees or third parties may also disrupt the operations of infrastructure projects. Infrastructure projects are exposed to the risk of accidents that may give rise to personal injury, loss of life, damage to property, disruption to service and economic loss. Furthermore, once the infrastructure assets of an investment become operational, it may face competition from other infrastructure assets in the vicinity of the assets it operates, the presence of which depends in part on governmental plans and policies.

#### *Health and Safety Risk*

The employees and staff of infrastructure assets and businesses are exposed to health and safety risks that could result in death, permanent disability or other serious injury that may disrupt the operations of Investments, lead to economic loss, litigation or penalties for regulatory or contractual non-compliance and may also adversely impact the reputation of the Investment, the Partnerships and Limited Partners. Moreover, any loss from such events may not be recoverable under relevant insurance policies.

*Governmental and Regulatory Risks*

Infrastructure investments are subject to substantial government regulation, and governments have considerable discretion to implement regulations that could affect the business of infrastructure investing. In many instances, the operation or acquisition of infrastructure assets involves an ongoing commitment to or from a governmental agency, and the operation of infrastructure assets often relies on government permits, licenses, concessions, leases or contracts. The nature of these obligations and dependencies exposes the owners of infrastructure assets to a higher level of regulatory control than typically imposed on other businesses, especially given that governmental entities have considerable discretion to change or increase regulation of the operations of portfolio companies or to implement laws, regulations or policies affecting their operations, separate from any contractual rights that the government counterparties may have. The Partnerships may not receive the initial regulatory approval needed to acquire an investment, including after the Partnerships have incurred substantial costs pursuing such investment. Additional or unanticipated regulatory approvals, including, without limitation, with respect to renewals, extensions, transfers, assignments, restructurings, re-issuances or similar actions, may be required to acquire, refinance or divest infrastructure assets, and additional approvals may become applicable in the future due to a change in laws and regulations, a change in the portfolio company's customer(s), desire to expand the portfolio company's business or for other reasons. Furthermore, permits or special rulings may be required with respect to taxation, financial and regulatory related issues. There can be no assurance that a portfolio company will be able to (i) obtain all required regulatory approvals that it does not yet have or that it may require in the future, (ii) obtain any necessary modifications to existing regulatory approvals or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay in satisfying or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility or sales to third parties or could result in additional costs to a portfolio company and the Partnerships.

Additionally, where a portfolio company holds a concession or lease from the government, the concession or lease may restrict the portfolio company's ability to operate the business in a way that maximizes cash flows and profitability. The lease or concession may also contain clauses more favorable to the government counterparty than a typical commercial contract. For instance, the lease or concession may enable the government to terminate the lease or concession in certain circumstances without requiring payment of adequate compensation.

Permits and licenses are typically required to be maintained over the project's life. If a portfolio company fails to comply with these regulations or contractual obligations, it could be subject to monetary penalties or the Partnerships may lose their right to operate the affected portfolio company or both. Regulators may impose conditions on the operations and activities of the Partnerships' portfolio companies as a condition to granting their approval or to satisfy regulatory requirements. These conditions, which may be statutory in nature or may be tailored to a particular transaction, may limit or provide a disincentive for the Partnerships' portfolio companies to invest in competing industries or to acquire anticompetitive market power in a

particular market. In addition, the relevant governmental agencies may impose conditions of ongoing ownership or equivalent restrictions on the Partnerships with respect to the underlying infrastructure assets.

In the United States, the Committee on Foreign Investment in the United States (“CFIUS”) has the authority to review any investment that could result in control of a U.S. business by a foreign person as well as, under the recently enacted Foreign Investment Risk Review Modernization Act (“FIRRMA”), certain “other investments” by a foreign person in a U.S. business, including those that do not convey potential control, if the U.S. business (i) owns, operates, manufactures, supplies or services critical infrastructure; (ii) produces, designs, tests, manufactures, fabricates or develops one or more critical technologies; or (iii) maintains or collects sensitive personal data of U.S. citizens that may be exploited in a manner that threatens national security. Following the conclusion of the formal FIRRMA regulatory rulemaking process in the next six to twelve months, parties will be required to notify CFIUS at least 45 days before closing of transactions that would result in foreign ownership of a “substantial interest” in a U.S. business where (i) the U.S. business involves critical infrastructure, critical technology or sensitive personal data of U.S. citizens; and (ii) a foreign government has a “substantial interest” in a foreign party to the transaction. CFIUS recently announced a pilot program (the “Pilot Program”) authorized by FIRRMA, effective on November 10, 2018, that expanded CFIUS’s jurisdiction in advance of issuance of the final FIRRMA regulations by granting it the authority to review “other investments” made by a foreign person in a company involved in critical technologies related to specific industries and which affords the foreign person (i) access to any material nonpublic technical information in the possession of the U.S. business; (ii) membership or observer rights on or the right to nominate an individual to a position on the board of directors or equivalent governing body of the U.S. business; or (iii) any involvement, other than through voting of shares, in substantive decision-making of the U.S. business regarding the use, development, acquisition or release of critical technology. Transactions subject to the Pilot Program are subject to mandatory declaration requirements. Although FIRRMA and the Pilot Program include certain exceptions for U.S. national managed investment funds, FIRRMA may increase the number of transactions involving the Clients that would be subject to CFIUS review and investigation and the timing and substantive risks described below. Under the CFIUS regulations, transactions that are submitted for CFIUS review are subject to an initial 45-day review period potentially followed by a 45-day investigation, which, once the final FIRRMA rules are issued, may be extended by an additional 15 days in extraordinary circumstances, to determine the effects, if any, on national security of the proposed transaction. In determining whether to conclude action on a particular transaction, CFIUS has the authority to impose restrictions as a condition of clearing a transaction, including restrictions on the ownership, management and operation of infrastructure assets or companies by non-U.S. persons. CFIUS may also recommend to the U.S. President that an executive order be issued blocking a proposed transaction.

#### *Uncertainty of Estimates*

Estimates of natural resources reserves by qualified engineers are often a key factor in

evaluating certain infrastructure investments. The process of estimating natural resources reserves is complex, requiring significant decisions and assumptions in the evaluation of available geological, geophysical, weather, engineering, economic and other data for each reservoir or location. These estimates are subject to wide variances based on, among other things, changes in commodity prices and certain technical assumptions. Accordingly, it is possible for such reserve estimates to be significantly revised from time to time, which may create significant changes in the value of infrastructure assets utilized by the owners or buyers of such natural resources reserves.

*Demand/Usage Risk*

Demand, usage and throughput risk can affect the performance of infrastructure assets. Demand, usage and throughput depend on, and may be affected by, a wide variety of factors, such as demographic changes, economic conditions, commodity prices, government macroeconomic policies, tariffs, other usage or throughput-related fees, social instability, political or local opposition, technical obsolescence, acts of God, war, terrorism, changes in demand for products or services, slower than projected development progress and adverse weather conditions. To the extent that the Partnerships' assumptions regarding demand, usage and throughput prove incorrect, returns to the Partnerships could be adversely affected. Some of the investments may be subject to seasonal variations, including greater revenues and profitability during different seasons of the year. Accordingly, the Partnerships' operating results for any particular investment in any particular quarter may not be indicative of the results that can be expected for that investment throughout the year.

Moreover, portfolio companies may face competition from other infrastructure assets in the vicinity of the assets they operate. If portfolio companies are unable to compete successfully with such alternatives, the Partnerships' business, financial condition and results of operations could be materially and adversely affected.

*Land Title Risk*

Certain investments may require the proprietors of large areas of land to install and operate the equipment and associated infrastructure. The rights to use the necessary land may be obtained through freehold title, easements, leases and other rights of use. Different jurisdictions adopt different systems of land title, and in some jurisdictions it may not be possible to ascertain definitively who has the legal right to enter into land tenure arrangements with investments. In addition, the grantor's fee interests in the land that is the subject of such easements and leases are or may become subject to mortgages, securing loans, other liens (such as tax liens), and other lease rights of third parties (such as leases of oil, gas, coal or other mineral rights). As a result, an investment's rights under such leases or easements are or may be subject and subordinate to the rights of third parties. It is also possible that a default by the grantor under any mortgage could result in a foreclosure on the grantor's interest in the property and thereby terminate the investment's right to the leases and easements required to operate such investment. Similarly, it is possible that a government authority, as the holder of a tax lien, could foreclose upon a parcel and take possession of the portion of the investment located on such

parcel. The rights of a third party pursuant to a superior lease (such as leases of oil, gas, coal or other mineral rights) could also result in damage to or disturbance of the physical assets of an investment or require relocation of investment assets. If any investments were to suffer the loss of all or a portion of their underlying real estate interests or equipment as a result of a foreclosure by a mortgagee or other lienholder of a land parcel, or damage arising from the conduct of superior leaseholders, such investment's operations and revenues may be adversely affected.

#### *Real Estate Risks*

Some or all of the Partnerships' investments may be subject to the risks inherent in the ownership and operation of assets or businesses that derive a substantial amount of their value from real estate and real estate-related interests. Any declaration of native title or other indigenous rights with respect to land on which investments are located may adversely affect the owner or occupier of that land. These types of underlying interests are typically illiquid. Deterioration of real estate fundamentals may negatively impact the performance of such investments. Such changes in fundamentals could involve fluctuations as a result of general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in environmental and zoning laws, casualty or condemnation losses, environmental liability, regulatory limitations on rents, changes in neighborhood values, changes in the appeal of properties to tenants, the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, natural disasters, increase in interest rates and other factors that are beyond the control of the Registrant.

Additionally, the Partnerships may acquire assets in jurisdictions where indigenous rights (e.g., with respect to tribes or other dispossessed people/communities) to land exist. While the Partnerships will generally conduct due diligence in such jurisdictions to determine the extent to which investments may be affected by such rights, it may not be possible to mitigate against or remove a risk associated with indigenous claims. Additionally, any declaration of title with respect to government-protected land on which infrastructure assets or businesses are located may negatively affect the operation of those assets or businesses.

#### *Rate Regulation*

Certain infrastructure assets may be subject to rate regulations that determine or limit the prices they may charge, particularly if a portfolio entity is the sole or predominant service provider in its service area or provides services that are essential to the community. Unfavorable price determinations that may be final with no right of appeal or that, despite a right of appeal, are not successfully challenged, could result in its profits being negatively affected and portfolio entities not meeting initial return expectations. In particular, some portfolio companies may derive substantially all their revenues from collecting tolls from vehicles using roads, tunnels or bridges or from public transit fares. Users of the toll roads, bridges, tunnels, railroads and public transit systems that are operated by portfolio companies may react negatively to any adjustments to the applicable toll rates, for example, by avoiding tolls or refusing to pay tolls, resulting in lower traffic volumes and reduced toll revenues. Toll rates are typically set by the relevant concession



company and the relevant governmental entity. Adverse public opinion, or lobbying efforts by specific interest groups, could result in governmental pressure on portfolio companies to reduce their toll rates or to forgo planned rate increases.

The relevant governmental entities may seek to limit the Partnerships' ability to increase, or may seek to reduce, toll rates and fares as a result of factors such as general economic conditions in the country, negative consumer perceptions, the prevailing rate of inflation, traffic volume, and general public sentiment. Furthermore, the Registrant cannot guarantee that governmental entities with which portfolio companies have concession agreements will not try to exempt certain vehicle types from tolls or negotiate lower toll rates. If public pressure and/or government action forces portfolio companies to restrict their toll rate increases or reduce their toll rates, and they are not able to secure adequate compensation to restore the economic balance of the relevant concession agreement, the Partnerships' business, financial condition, and results of operations could be materially and adversely affected.

#### *Environmental Risk*

Infrastructure assets may be subject to numerous statutes, rules and regulations relating to environmental protection, and national and local environmental laws and regulations affect the operations of infrastructure projects and companies. The Partnerships may invest in investments that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements, and there can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. Standards are set by these laws and regulations regarding certain aspects of health and environmental quality, and they provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, joint and several obligations to remediate and rehabilitate current and former facilities and locations where operations are, or were, conducted or where materials were disposed of. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on investments or potential investments and could create liabilities that did not exist at the time of acquisition and that could not have been foreseen. Required expenditures for environmental compliance may have adversely impacted investment returns in a number of sectors in which the Partnerships may invest. Certain industries will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. Compliance with such current or future environmental requirements does not ensure that the operations of investments will not cause injury to the environment or to people under all circumstances or that investments will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such regulatory or legal requirements could lead to, among other things, government fines and stop-work injunctions and could have a detrimental impact on the financial performance of infrastructure projects. There can be no assurance that investments will at all times comply with all applicable environmental laws, regulations and permit requirements. Past practices or future operations of investments could also result in material personal injury or property damage claims. Any non-

compliance with these laws and regulations could subject the Partnerships and their investments to material administrative, civil or criminal penalties or other liabilities.

Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners of a partnership (such as the Partnerships) subject to environmental liability. However, a limited partner investor in the Partnerships may reduce its risk of such personal liability by avoiding activities with respect to the investments other than as specifically contemplated by the Partnership Agreement.

In addition, ordinary operation or the occurrence of an accident with respect to an infrastructure asset could cause major environmental damage, which may result in significant financial distress to such asset if not covered by insurance, and, even if covered by insurance, may have a detrimental effect on the applicable portfolio company and/or the Partnerships, resulting from adverse publicity related to such an incident and other similar results. In addition, persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person.

The Partnerships may also be exposed to substantial risk of loss from environmental claims arising from certain of its infrastructure investments involving undisclosed or unknown environmental, health or other related matters. Certain environmental laws and regulations may require that an owner or operator of an asset address prior environmental contamination, which could involve substantial cost. Such laws and regulations often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of environmental contamination. The Partnerships may therefore be exposed to substantial risk of loss from environmental claims arising with respect to their investments. Community and environmental groups may protest the development or operation of infrastructure assets, which may induce government action to the detriment of the Partnerships. Some of the most onerous environmental requirements regulate air emissions of pollutants and greenhouse gases; these requirements may particularly affect companies in the energy sector.

In addition, as consensus builds that global warming is a significant threat, initiatives seeking to address climate change through regulation of greenhouse gas emissions have been adopted by, are pending, or have been proposed before international, federal, state and regional regulatory authorities. Many industries (e.g., electrical power, mining, manufacturing and transportation) face various climate change risks, many of which could conceivably materially impact them. Such risks include (i) regulatory/litigation risk (e.g., changing legal requirements that could result in increased permit and compliance costs, changes in business operations, the discontinuance of certain operations and related litigation); (ii) market risk (e.g., declining market for products and services seen as greenhouse gas intensive); and (iii) physical risk (e.g., risks to plants or property owned or operated by a company confronted with rising sea levels, increased frequency or severity of storms, drought and other physical occurrences attributable to climate change). These risks could result in unanticipated delays or expenses and, under

certain circumstances, could prevent completion of investment activities once undertaken, any of which could have an adverse effect on the Partnerships.

*Governmental Budgetary Constraints; Reforms*

The success of public infrastructure projects is often dependent on governmental funding or subsidies. Governments typically have considerable discretion in determining the amount of funding or subsidies to allocate to such public infrastructure projects. Lack of governmental funding or subsidies due to governmental budgetary constraints could adversely impact the overall development and availability of public infrastructure projects, result in privatization of certain types of assets and/or otherwise result in an increase in competition among other providers of capital (e.g., private infrastructure investors) for such infrastructure assets, which may make it more difficult for the Partnerships to effectively consummate investments in or relating to such infrastructure projects. Despite ongoing underinvestment in infrastructure in the Target Geographies, the government may elect not to fund such underinvestment with private capital. Alternatively, the Registrant's success will also be driven, in part, by its ability to source and invest in private infrastructure projects. The availability of such private infrastructure projects may be highly dependent on governmental determinations to continue with, or implement, announced reforms regarding the means by which infrastructure construction is regulated or financed. As such, there can be no assurance that such private infrastructure projects will be available for investment on terms, which the Registrant deems favorable.

*General Investment Characteristic Risks*

The Partnerships will seek to invest in infrastructure businesses or projects that typically have some or all of the following investment characteristics: regulated or substantially contracted revenue streams; limited demand or usage risk, or usage risk driven primarily by favorable demographic factors; a low level of exposure to market competition due to natural monopoly characteristics, government regulation or contractual protections, natural geographic restrictions, high capital investment costs or other barriers to entry; businesses or assets that provide essential services that are less dependent on market conditions; investments that exhibit barriers to entry or completion, investments in long-life real assets; investments that can be financed with long-term, fixed-rate debt (often investment grade); investments that exhibit stable cash flows and relatively high cash distributions; and investments with multiple opportunities for exit. Whether and to what extent such characteristics exist with respect to a portfolio company are a matter of opinion and judgment, which may prove incorrect. Such characteristics are expected to help mitigate the risks associated with the Partnerships' investments, but there can be no assurance that perceived or expected mitigating characteristics associated with the Partnerships' infrastructure investments (e.g., low volatility, low correlation, high cash yield, strong downside protection, mitigation against rising interest rates, revenues keyed to inflation and an ability to control the timing and manner of exits) will be achieved or realized. The Partnerships may invest in any type of infrastructure investments (including infrastructure-related "opportunistic" investments), which may differ in form and structure (and may not have the characteristics described above) on a case-by-case basis, as the Registrant may determine are appropriate for the Partnerships in a given context, based on



prevailing economic and market conditions and other factors deemed relevant by the Registrant. There can be no assurance that any perceived benefits of infrastructure investments will be realized, and the Partnerships' investments may not exhibit the forgoing characteristics.

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

The Partnerships may participate in a limited number of investments, and, as a consequence, the aggregate return of the Partnerships may be substantially and adversely affected by the unfavorable performance of even a single investment. If certain investments perform unfavorably, for the Partnerships to achieve above-average returns, one or a few of their investments must perform very well. There are no assurances that this will be the case. Other than as indicated in the Memorandum with respect to the target allocations, Limited Partners have no assurance as to the degree of diversification in the Partnerships' investments, either by the sector, geographic region or asset type (although the Partnerships and each Underlying Fund is subject to certain investment guidelines as described herein and provided for in the Partnership Agreement). In particular, it is worth noting that the Partnerships may not make investments in any particular sector or asset type in each Target Geography, and that investments in a particular Target Geography may be particularly concentrated in a subset of the sectors or asset types that are within the Partnerships' and/or each Underlying Fund's investment objectives. To the extent the Partnerships concentrate investments in a particular company, security, asset type, sector, geographic region or currency their overall performance may become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto. Such concentration may involve risks greater than those generally associated with more diversified funds, including significant fluctuations in returns. Furthermore, positive performance of one Underlying Fund may be offset by negative performance in another Underlying Fund.

*Commodity Price Risk*

Investments may be subject to commodity price risk, including, without limitation, the price of electricity and the price of fuel. The operation and cash flows of any investment may depend, in some cases to a significant extent, upon prevailing or improving market prices for energy commodities (such as oil, gas, coal and power). Commodity prices have been, and are likely to continue to be, volatile and subject to wide fluctuations (as evidenced by the most recent precipitous decline in the price of oil throughout 2015), and such volatility may continue in response to any of the following factors: (i) relatively minor changes in the supply of and demand for oil, gas, coal or other commodities and inputs; (ii) market uncertainty; (iii) political conditions in international commodity producing regions; (iv) the extent of domestic production and importation of oil, gas or coal in certain relevant markets; (v) the level of consumer demand; (vi) the price of steel and the outlook for steel production; (vii) weather conditions; (viii) the competitive position of oil, gas or coal as a source of energy as compared with other energy sources; (ix) the industry-wide refining or processing capacity for oil, gas or coal; (x) the effect of foreign federal, state and local regulations on the production, transportation and sale of commodities; (xi) the expected consumption of coking coal in steel production, and (xii) the amount and character of excess electric generating capacity in a market area. Market prices of these energy commodities as well as other inputs may fluctuate materially depending on a

variety of factors beyond the control of the Registrant or the Partnerships, including, without limitation, weather conditions, foreign and domestic supply and demand, force majeure events, changes in law, governmental regulations, prices and availability of alternative fuels and energy sources, international political conditions including those in the Middle East, actions of the Organization of Petroleum Exporting Countries (and other oil- and natural gas-producing nations) and overall economic conditions.

*Risks Associated with Ongoing Changes in the Power Generation and Utility Industry*

The Partnerships may make certain investments in the utility industry. In many regions, the electric utility industry experiences competitive pressures, primarily as a result of consumer demands, technological advances, greater availability of natural gas and other factors. Selected pressure may exist where a wholesale market operates. A number of countries are considering, or implementing, methods to introduce and promote competition in the power generation and transmission industries. To the extent competitive pressures increase, the economics of independent power generation projects into which the Partnerships may invest may come under increasing pressure. In addition, utility asset owners may find it increasingly difficult to negotiate long-term procurement or sales agreements with counterparties, which may affect their profitability and financial stability.

*Energy and Natural Resources Regulatory Risk*

Many infrastructure sectors considered for investment by the Partnerships (including energy, water, regulated utilities) are subject to comprehensive U.S. and non-U.S. federal, state and local laws and regulations throughout the world. Present, as well as future, statutes and regulations could cause additional expenditures, decreased revenues, restrictions and delays that could materially and adversely affect the Partnerships' investments and the prospects of the Partnerships. There can be no assurance that (i) existing regulations applicable to investments generally or the portfolio companies will not be revised or reinterpreted; (ii) new laws and regulations will not be adopted or become applicable to portfolio companies; (iii) the technology and equipment selected by portfolio companies to comply with current and future regulatory requirements will meet such requirements; (iv) such portfolio companies' business and financial conditions will not be materially and adversely affected by such future changes in, or reinterpretation of, laws and regulations (including the possible loss of exemptions from laws and regulations) or any failure to comply with such current and future laws and regulations or (v) regulatory agencies or other third parties will not bring enforcement actions in which they disagree with regulatory decisions made by other regulatory agencies.

*Political and Societal Challenges*

Many infrastructure projects may be subject to siting requirements. Siting of projects is also frequently subject to regulation by applicable state, county and local authorities. For example, proposals to site an energy plant in a particular location may be challenged by a number of parties, including non-governmental organizations ("NGOs") and special interest groups based on alleged security concerns, disturbances to natural habitats for wildlife and adverse aesthetic impacts. Concerns can also arise regarding some of the techniques used in the extraction of

shale gas in order to enhance recovery, such as the use of natural gas hydraulic fracturing (also known as “fracking”), which may require governmental permits or approvals and which have recently been the subject of heightened environmental concerns and public opposition in some jurisdictions. The failure of any portfolio company or project to receive, renew or maintain any required permits or approvals or any inability to satisfy any requirement of any permits or approvals may result in increased compliance costs, the need for additional capital expenditures or a suspension of project operations.

#### *Asset-Level Management*

The day-to-day operational management of a Direct Investment’s business may be contracted to a third-party management company unrelated to the General Partners or the Registrant. Although the Direct Investment would generally have the ability to replace any such operator, the failure of such an operator to adequately perform operations, an operator’s breach of the applicable agreements, or an operator’s failure to act in ways that are in the Direct Investment’s best interest, could have a material adverse effect on the Direct Investment’s financial condition or results of operations. The failure of the third-party operator to make decisions, perform its services, discharge its obligations, deal with regulatory agencies or comply with laws, rules and regulations affecting the particular business, including environmental laws and regulations, in a proper manner could result in material adverse consequences to the Direct Investment and adversely affect the Direct Investment’s financial condition or results of operations. Should a third-party manager fail to perform under any applicable agreements between it and the Direct Investment, the Direct Investment may need to find a replacement manager, which replacement manager may be subject to governmental approval. A Direct Investment may not be able to replace the manager or do so on a timely basis, or if the Direct Investment is able to find a replacement manager, the replacement manager may demand terms that are unfavorable to the Partnerships.

#### *Direct Investment*

To the extent that day-to-day operation of a Direct Investment is not contracted to third-party managers, each Direct Investment’s day-to-day operations will be the responsibility of such Direct Investment’s management team. There can be no assurance that such management team will be able to operate the Direct Investment in accordance with the Partnerships’ plans and objectives.

#### *Illiquid and Long-Term Investments*

Investments in infrastructure assets are generally less liquid and involve a longer holding period than traditional private equity investments, which are themselves often considered illiquid and long-term. Investments in unlisted companies or projects can be difficult or impossible to realize. Although investments may generate current income, the return of capital and the realization of gains, if any, from an investment may not occur until the partial or complete disposition of such investment. While an investment may be sold at any time (subject to lock-up periods that may be agreed to with third parties), it is not generally expected that this will occur for a number of years after the investment is made and may occur through an in-kind distribution to Limited

Partners at dissolution and liquidation of the Partnerships. It is unlikely that there will be a public market for the securities or interests held by the Partnerships at the time of their acquisition. Therefore, no assurance can be given that, if the Partnerships are determined to dispose of a particular investment, it could dispose of such investment at a prevailing market price, and there is a risk that disposition of such investments may require a lengthy time period or may result in distributions in-kind to investors. The Partnerships will generally not be able to sell the securities underlying investments publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases, the Partnerships may be prohibited by contract or regulatory reasons from selling certain securities or instruments for a period of time, and there can be no assurances that private purchasers of investments will be found. Similarly, due to the nature of the underlying investments, the sale of such investments may be subject to various regulatory approvals. Furthermore, infrastructure investments by their nature are subject to industry cyclicalities, downturns in demand, market disruptions and the lack of available capital for potential purchasers and are therefore often difficult or time-consuming to liquidate. Upon dissolution of the Partnerships or as otherwise provided in the Partnership Agreement, investments may be distributed in-kind so that Limited Partners may then become minority shareholders in a number of unlisted companies (and, as a consequence, be unable to protect their interests effectively).

#### Non-Controlling Investments and Limited Rights as Shareholder; Co-Investment Risk

The Partnerships may hold non-controlling interests in certain portfolio companies and, therefore, may have limited ability to protect their interests in such companies and to influence such companies' management. This could result in the Partnerships' investments being frozen in minority positions that incur substantial losses. In such cases, the Partnerships will be significantly reliant on the other sponsors of the transaction, if any, and on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Partnerships are or are not affiliated and whose interests may conflict with the interests of the Partnerships. In addition, the Partnerships expects to co-invest with financial, strategic or other third-party co-investors through joint ventures or other entities. Investments alongside co-investors, including alongside an Underlying Fund, another MIRA-managed vehicle or MIRA itself, will involve additional risks that may not be present in investments where a co-investor is not involved, including the possibility that a co-investor or co-investors may have interests or objectives that are inconsistent with those of the Partnerships or may be in a position to take actions contrary to the Partnerships' investment objectives or may become bankrupt or otherwise default on their obligations and such investment may involve risks in connection with such third-party involvement, including the possibility that a third party may be in a position to take (or block) action in a manner contrary to the Partnerships' investment objectives or may have financial, legal or regulatory difficulties resulting in a negative impact on such investment. In addition, the Partnerships may in certain circumstances be liable for the actions of its third-party and/or affiliated co-investors. In those circumstances where such third parties involve a management group or strategic investor, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements. Investments made with third parties in joint ventures or other entities also may

involve carried interests/performance fees and/or other fees payable to such third-party partners or co-investors. Additionally, the use of grants or other tax-related incentives may be limited in the case of minority or non-controlling investments. There can be no assurance that such minority shareholder rights will be available or that such rights will provide sufficient protection of the Partnerships' interest.

#### *Control Position Risk*

MIRA will generally seek to acquire positions of significant influence. The Partnerships, however, are permitted to acquire minority stakes or make investments where the Registrant shares influence with other parties (including other MIRA parties), in which case the Registrant will seek appropriate governance protections (such as negative control rights) with regard to the Partnerships' relative participation. Accordingly, the Partnerships and/or Underlying Funds may make investments from time to time that allow the Partnerships to acquire control (either positive or negative) or otherwise exercise significant influence over management and the strategic direction of portfolio companies as described in this Memorandum. The exercise of control over a company imposes additional risks of liability for environmental damage, workplace accidents, failure to supervise management and other types of liability in which the limited liability characteristic of business operations generally may be ignored. The exercise of control over a portfolio company could expose the assets of the Partnerships to claims related to such portfolio company, its shareholders and their creditors. While the Registrant intends to manage the Partnerships in a manner that will minimize the exposure of these risks, the possibility of successful claims cannot be precluded.

#### *Risks of Less Established Companies*

The Partnerships may invest directly or indirectly in portfolio companies that may (i) have little or no operating history, (ii) have a checkered financial history, (iii) offer services or products that are not yet ready to be marketed, (iv) be operating at a loss or have significant fluctuations in operating results, (v) be engaged in rapidly changing business environments, (vi) need substantial additional capital to set up internal infrastructure, hire management and personnel, commence construction, support expansion or achieve or maintain a competitive position, or (vii) otherwise be smaller or less established than other entities. Investments in such entities may involve greater risks than are generally associated with investments in more established entities. Such portfolio companies may have a greater variability of returns, and a higher risk of failure, than more established companies. Such companies also may face intense competition, including competition from companies with greater financial resources; more extensive development, manufacturing, marketing and service capabilities; and a larger number of qualified managerial and technical personnel. To the extent there is any public market for the securities or instruments held by the Partnerships with respect to such enterprises, such securities or instruments may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies or enterprises tend to have lower capitalization and fewer resources, and, therefore, often are more vulnerable to financial failure. Such companies or enterprises also may have shorter or no operating histories on which to judge future performance and in many cases, if operating, will have



negative cash flow. There can be no assurance that any such losses will be offset by gains (if any) realized on the Partnerships' other assets.

#### *Hedging Policies*

The Partnerships and certain portfolio companies may employ hedging techniques designed to reduce risks, such as from adverse movements in prices, inflation, interest rates, currency exchange rates or general stock exchange movements. These transactions may involve the purchase and sale of commodities or commodity futures, the use of forward contracts, swap agreements, put and call options, floors, collars or other arrangements. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Significant among these risks include counterparty risks as well as adverse price movements. Such transactions may be difficult to value, may be illiquid and may be subject to wide swings in valuation caused by changes in the price of commodities or other underlying assets. Thus, while the Partnerships may benefit from the use of these hedging mechanisms, unanticipated changes in prices, inflation, interest rates, currency exchange rates or stock exchange movements may result in a poorer overall performance for the Partnerships than if the Partnerships or portfolio companies had not entered into such hedging transactions. In addition, suitable hedging instruments may not continue to be available at a reasonable cost. Because the Registrant expects to manage its use of such transactions on behalf of the Partnerships to avoid registration with the CFTC as a "commodity pool operator", the Partnerships may not be able to engage in certain hedging transactions that the Registrant may otherwise have recommended. See also "Registration under the U.S. Commodity Exchange Act" above.

#### *Debt or Mezzanine Investments in Portfolio Companies*

The Partnerships may make investments in debt or convertible debt securities of portfolio companies. Such debt may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness, and there is not expected to be any minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including, without limitation, investor demand, changes in the financial condition of portfolio companies, government fiscal policy and domestic or worldwide economic conditions.

The Partnerships' investments in any mezzanine securities may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity and are not expected to be rated by a credit rating agency. Mezzanine investments generally are subject to various risks including, without limitation: (i) a subsequent characterization of an investment as a "fraudulent conveyance" under relevant creditors' rights laws, possibly resulting in the avoidance of collateral securing the investment or the cancellation of the obligation representing the investment; (ii) the recovery as a "preference" of liens perfected or payments made on account of a debt in certain periods before a bankruptcy filing; (iii) equitable subordination claims by other creditors; (iv) so-called "lender liability" claims by the issuer of the obligations;

and (v) environmental liabilities that may arise with respect to collateral securing the obligations. Additionally, adverse credit events with respect to any portfolio company, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership or distressed exchange, can significantly diminish the value of the Partnerships' investment in any such company.

With respect to debt securities of an issuer held by the Partnerships, there is no assurance that another Macquarie division or fund (outside of MIRA) would not have a holding in debt securities of the same issuer. Where the holdings of such Macquarie division or fund have senior priority over the debt securities held by the Partnerships, there is a risk that such Macquarie division or fund may vote their holdings in a manner that may adversely affect the Partnerships.

#### *General Risks of Investment in Emerging Markets*

Potential investors should be aware that capital invested by the Partnerships directly or indirectly in emerging markets will be subject to risks connected with the ownership and management of investments in emerging markets. The Partnerships' investments will be subject to the direct and indirect consequences of political, economic and social factors and other uncertainties, including the risks of expropriation, nationalization, renegotiation or nullification of existing contracts, changes in taxation policies, currency exchange restrictions and political and social instability in the countries in which it invests. Investors should recognize that investment activities in emerging markets involve a high degree of risk and special considerations not typically associated with investing in more developed and stable environments, including, but not limited to, those set forth below. Participation in the Partnerships, due to its investments in emerging markets, is thus suitable only for investors capable of understanding the specific risks involved. The overall value of the investments will be affected by the various jurisdictions' distinctive economic, political and regulatory environment, including, without limitation, interest rate levels, inflation, currency movements, the availability of financing in local markets, as well as changes to the legal environment.

#### *Cyber Security Breaches and Identity Theft*

Macquarie's and portfolio companies' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If these systems are compromised, become inoperable for extended periods of time or cease to function properly, Macquarie, the Partnerships and/or a portfolio company may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Macquarie's, the Partnerships' and/or a portfolio company's operations 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). Such a failure could harm Macquarie's, the Partnerships' and/or a portfolio company's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance. In addition, the SEC has made cyber



security an area of regulatory focus. Among items that may be reviewed by the SEC inspection staff are advisers' policies and procedures designed to address computer security, identity theft and business continuity. The growing threat to the industry posed by cyber security breaches, coupled with expanding regulatory oversight, may increase expenses associated with the Partnerships' activities and reduce overall returns for the Limited Partners.

#### *Changes in Data Protection Laws and Regulations*

The Clients and their respective affiliates and/or service providers and, in due course, certain of the Clients' portfolio investments (the "Relevant Data Parties", and each a "Relevant Data Party") may each receive, store, process and use personal information and other personal data. The European Union General Data Protection Regulation ("GDPR") entered into force on 25 May 2018. The GDPR imposes more stringent EU data protection requirements and provides for greater penalties for noncompliance. Certain violations of the GDPR may result in administrative fines up to 20,000,000 Euro, or in the case of an undertaking, up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher. Any failure by the Relevant Data Parties to comply with their privacy and data protection related obligations may result in significant liability, which could have an adverse effect on the reputation of the Relevant Data Parties and their business, thereby potentially having an adverse effect on investors in the Partnership. The costs of compliance with, and other burdens imposed by, the GDPR and other applicable data protection laws will be borne (whether directly or indirectly) by the Clients in certain circumstances and may, therefore, affect any returns which that would otherwise be available to investors.

The California Consumer Privacy Act of 2018 (the "California Privacy Act"), which was passed in June 2018 and comes into effect in January 2020, grants consumers a right to request that a business disclose the categories and specific pieces of personal information that it collects about the consumer, the categories of sources from which that information is collected, the business purposes for collecting or selling the information, and the categories of third parties with which the information is shared. The California Privacy Act further grants consumers a right to request that a business that sells a consumer's personal information, or discloses it for a business purpose, disclose the categories of information that it collects and the identity of third parties to which the information was sold or disclosed, among other rights. The far reaching impact of the California Privacy Act across many business lines provides an additional layer of compliance for certain of the Clients and their respective affiliates.

#### *Other Statements*

The General Partners and their affiliates and employees have made, and may in the future make, oral and written statements or expressions of intent or expectation to investors in the Partnerships or their affiliates or acknowledge statements by such persons ("Other Statements") regarding the Partnerships or MIRA's activities pertaining thereto. These may include, for example, the anticipated or expected allocation and terms of co-investment opportunities, the anticipated or expected allocation of investment opportunities to the Partnerships generally and other topics often addressed in legally binding side letters. Although such Other Statements are

not legally binding, such Other Statements may influence allocation and other decisions of the General Partners and their affiliates and employees with respect to the operations and investment activities of the Partnerships and may influence a prospective investor's decision as to whether to invest in the Partnerships. By virtue of not being legally binding obligations, such Other Statements will not be considered side letters for purposes of any most-favored-nation's provisions in actual side letters of the Partnerships. There can be no assurance that the arrangements spelled out in Other Statements will not have an adverse effect on the Partnerships or any Limited Partner.

#### *Brexit*

The UK formally notified the European Council of its intention to leave the European Union ("EU") on March 29, 2017. Under the process for leaving the EU contemplated in article 50 of the Treaty on the European Union, the UK will remain a member state until a withdrawal agreement is entered into, or failing that, two years following the notification of the intention to leave, unless there is agreement to extend this period. Under guidelines published by the European Council, the negotiations will be conducted broadly in two phases. The first phase is intended to ensure an orderly withdrawal from the EU. The second phase of negotiations will be directed toward a framework for a future relationship between the UK and the EU. Assuming it will take two years to negotiate a withdrawal agreement and outline a framework for a future relationship, the UK will remain a member state subject to EU law with privileges to provide services under the single market directives until at least March 29, 2019. However, given the size and importance of the UK's economy, uncertainty about its legal, political and economic relationship with the EU may be a source of instability, create significant currency fluctuations, and/or otherwise adversely affect international markets or other cross-border co-operation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise) for the foreseeable future including during negotiations and beyond the date of the UK's withdrawal from the EU. For businesses that depend on the free movement of goods or the provision of cross-border services between the UK and the EEA (as currently constituted), the outcome of negotiations on the future relationship could have adverse consequences. A tariff on goods, the inability or restriction to provide cross-border services, changes in fiscal cooperation (withholding tax), restrictions on movements of employees, etc., all have the potential to materially impair the profitability of a business, require it to adapt or even relocate. Uncertainty about the way in which the many and complex issues will be resolved (whether by agreement or through the absence of any agreement) could adversely affect the Partnerships, the performance of their Investments and their ability to fulfil their investment objectives. Were any other member state to decide to withdraw from the EU that could exacerbate such uncertainty and instability and may present similar and/or additional potential risks.

## **Item 9: Disciplinary Information**

### ***A Criminal or Civil Action***

There is no such action with respect to the Registrant or any of its management persons.

### ***B. Administrative Proceedings before a Regulatory Agency***

There are no such proceedings with respect to the Registrant or any of its management persons.

### ***C. Proceedings before a Self-Regulatory Agency***

There are no such proceedings with respect to the Registrant or any of its management persons.

## **Item 10: Other Financial Industry Activity and Affiliations**

### ***A & B. Other Registrations***

James Cowan, the Chief Executive Officer of the Registrant, is a registered representative with the Ontario Securities Commission. Andrea Mody, the Chief Operating Officer of the Registrant, is a registered representative of Macquarie Asset Management Solutions, a division of Delaware Distributors, L.P. ("MAMS"), an affiliated broker-dealer and FINRA member. James Cowan also serves on the board of directors of Macquarie Infrastructure and Real Assets (Sales) Canada Ltd., a Canadian exempt market dealer ("EMD") and James Cowan is the Ultimate Designated Person of the EMD. Accordingly, conflicts may arise in the availability and allocation of management and other professional resources between the Partnerships and these affiliations. Personnel responsible for the affairs of the Partnerships intend to devote such time as is reasonably necessary to conduct the business affairs of the Partnerships in an appropriate manner.

Macquarie Insurance Facility ("MIF"), a facility run by affiliates of the General Partners, the Underlying Funds and Manager, seeks to leverage the combined purchasing demand of Macquarie, Macquarie-managed funds and their portfolio businesses (which may include the Partnerships, Underlying Funds, Direct Investments and portfolio companies) to negotiate agreements with unaffiliated vendors such as insurance companies and brokers. When the Partnerships, an Underlying Fund, a Direct Investment or a portfolio company utilizes MIF, MIF may receive a commission from the vendor and/or a broker involved in obtaining the business. The amounts so received by MIF will not be subject to the offset provisions as provided in the Constituent Documents. For portfolio companies, the applicable portfolio company and not the Manager makes the decision whether to use MIF. MIF operates in the U.S. through the legal entity, Commerce and Industry Brokerage, Inc.

Other than as described above, neither the Registrant nor any of its management persons are registered, or have an application pending to register, as a broker-dealer, a futures commission merchant, a commodity pool operator, a commodity trading advisor, or a registered representative or associated person of the foregoing entities.

## ***C. Affiliations***

### *Broker-dealers*

MAMS primarily seeks third parties to invest in MIRA-managed funds. In the regular course of business, MAMS may assist the Registrant in advising on the sourcing, funding and executing private transactions in the U.S. and, potentially also in raising funds from third party investors to co-invest alongside other MIRA-managed funds, including the Underlying Funds. From time-to-time, the Registrant may also use affiliated entities in foreign jurisdictions for similar purposes, including the following: (i) Canada – Macquarie Infrastructure and Real Assets (Sales) Canada Ltd., (ii) the European Union and the UK – Macquarie Infrastructure and Real Assets (Europe) Ltd., (iii) Hong Kong – Macquarie Funds Management Hong Kong Ltd., (iv) Korea – Macquarie Securities Korea Limited (v) Japan – Macquarie Asset Management Japan Co., Ltd. and (vi) Australia – Macquarie Fund Advisers Pty Limited.

### *Other investment advisers*

The Partnerships will invest in the Underlying Funds, which are managed by Affiliates of the Manager. Certain other clients of Macquarie Infrastructure Partners Inc. ("MIP Inc."), a separately SEC-registered investment adviser and affiliate of the Registrant, invest in and co-invest alongside the Underlying Funds in certain investments. Certain employees of Macquarie Infrastructure and Real Assets Inc., the parent company of the Registrant, are seconded to the Registrant. The Macquarie Group controls other related persons that may meet the definition of investment adviser and are listed in Form ADV Part 1, Schedule D, Section 7A, but is not referenced herein because the relationship or arrangement is not material, nor does it create a conflict, to the Registrant's business or the Partnerships.

### *Banking or thrift institution*

The Partnerships may borrow from Macquarie Bank Limited, an Australian bank affiliated with the Registrant, or affiliates thereof.

Refer to Item 11 B., C. & D.: Potential Conflicts of Interest, for a description of material conflicts potentially created by these relationships and how such conflicts are addressed by the Registrant.

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

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

All officers, directors and employees of the Registrant are subject to the provisions contained in the Registrant's Code of Ethics ("Code"). The Code outlines the Registrant's policies and procedures regarding standards of conduct, personal investment transactions, and handling of material, non-public information.

The Code contains several restrictions and procedures designed to eliminate conflicts of interest surrounding personal investment transactions including: (i) filing of initial and annual holdings reports; (ii) a prohibition against personally acquiring securities in an initial public offering or private placement without prior approval; (iii) a prohibition against supervised persons purchasing or selling any security on a day during which there is a “buy” or a “sell” order from the Partnerships for that security until such order is executed or withdrawn; (iv) a prohibition against supervised persons purchasing or selling a security within seven days before or after that security is bought or sold by the Partnerships; and (v) a prohibition against supervised persons profiting from the purchase and sale, or sale and purchase, of the same (or equivalent) securities within 30 days.

If an employee possesses non-public price-sensitive information about or affecting a financial product, or the issuer of any financial product, that employee is prohibited from buying or selling such financial product, or advising or procuring any other person to buy or sell such financial product.

A copy of the Code will be provided to any client or prospective client upon request.

### ***B., C. & D. Potential Conflicts of Interest***

The Registrant is a wholly-owned indirect subsidiary of Macquarie Group Limited, the ultimate parent of the Macquarie Group. As a diversified global investment, financial, advisory and funds management firm, Macquarie engages in a broad range of financial activities, including securities underwriting, sales and trading, lending, financial advisory services, investment research, asset management and other activities. Notwithstanding Macquarie’s commitment to the Partnerships, investors should be aware that in the ordinary course of business, Macquarie engages in activities where its interests or the interests of its clients may conflict with the interests of the Partnerships, Limited Partners, Underlying Funds, Underlying Fund limited partners, Direct Investments and portfolio companies, and that such conflicts may not always be resolved in favor of the Partnerships or Limited Partners.

#### **Relationship with the Underlying Funds**

The Partnerships will be a passive investor with no management authority with respect to any Underlying Investments. Neither the General Partners nor the Manager will have the opportunity to thoroughly evaluate Underlying Investments, and while the Manager will make an independent determination as to investing in a Direct Investment, all investment decisions with regards to an Underlying Investment will be made by the Underlying Fund. The Partnerships will be relying on the management skill of the Underlying Fund’s manager and/or adviser. In addition, the sourcing, diligencing, evaluation, financing, negotiation, management, monitoring and disposition policies of each Underlying Fund generally will be the responsibility of such Underlying Fund’s manager and will not require the consent of the investors of either such Underlying Fund or the Partnerships. Any changes in an Underlying Fund’s investment policies could be adverse to the Partnerships’, but the Partnerships will not have an ability to veto any

such change.

The amount of carried interest charged and/or management fees paid by the Partnerships are expected to exceed the carried interest charged and/or management fees paid by certain other potential co-investors in co-investment opportunities. Such variation may create an incentive for MIRA to offer a greater percentage of a co-investment opportunity to the Partnerships as a Direct Investment. Similarly, there may be instances where capital available for investment from other sources (due to the attractiveness of such co-investment opportunity to potential co-investors) is limited, and therefore a larger percentage of such co-investment opportunity may be offered to the Partnerships as a Direct Investment than would have otherwise been offered to it had additional capital been available from other sources, such as investors in Underlying Funds who are provided a priority allocation of any such co-investment opportunity on a management fee and carried interest free basis. Conversely, there may be instances where capital available for investment with respect to a particular co-investment opportunity from other sources is limited (due to the attractiveness of such co-investment opportunity to potential co-investors), and therefore a smaller percentage of such co-investment opportunity may be offered to the Partnerships as a Direct Investment.

#### Relationship with Macquarie and Other Funds Managed by Macquarie

The Partnerships are being formed to make direct and indirect investments in infrastructure and infrastructure-related assets and businesses as described in this Memorandum. Macquarie manages, on an independent and autonomous basis, several public and private equity funds, vehicles and accounts which it is currently investing on behalf of third-party investors, Macquarie and/or eligible employees, and will raise other public and private funds and other investment funds, vehicles and accounts in the future. Such funds, vehicles and accounts may from time to time, make investments that would be suitable for the Partnerships.

Investment opportunities sourced by or presented to any Macquarie entity whether inside or outside of MIRA will not be required to be presented to the Partnerships and may be made (in whole or in part) away from the Partnerships, including by an Underlying Fund, in which case, the Partnerships may indirectly participate therein.

The Partnerships expect to pursue co-investment opportunities that are made available to them by an Underlying Fund, another MIRA-managed vehicle or MIRA itself, subject to, in the case of the Underlying Funds and other MIRA-managed vehicles, such Underlying Fund's or MIRA-managed vehicle's existing or future obligations and/or assurances to provide priority access to co-investments to its limited partners, which such priority may result in the most attractive co-investment opportunities not being available to the Partnerships. In addition, Macquarie may choose to offer co-investment opportunities to strategic investors, some of which may have other relationships with Macquarie or be invested (or pursued by MIRA for investment) in MIRA-managed vehicles. Subject to the Target Allocations and Investment Limitations, the Registrant will determine the Partnerships' investment in each such co-investment opportunity if any such opportunities are made available to the Partnerships. With regard to MIGS I, the Partnership will not invest in a Direct Investment unless a third party unaffiliated with Macquarie exercises



investment discretion to participate in the same investment. With regard to MIGS II, the Partnership will not invest in a Direct Investment unless a third-party unaffiliated with Macquarie is either offered the opportunity to participate, or exercises investment discretion to participate, in the same securities for such Direct Investment or separate securities for such Direct Investment that the General Partners determine, in their good faith discretion, to have effectively the same material economic terms as the securities offered to the Partnerships; provided, that, for the avoidance of doubt, the foregoing shall be considered satisfied for any Direct Investment alongside an Underlying Fund that is made through a Side Car Fund. There can be no assurance that any co-investment opportunities will be made available to the Partnerships.

Such co-investment in a portfolio company with another MIRA-sponsored investment vehicle may present conflicts of interest for the Manager. For example, the other MIRA-sponsored investment vehicle may have a term that expires before that of the Partnerships and therefore may have a differing interest regarding the timing of disposition of a shared portfolio investment. In addition, the other MIRA-sponsored investment vehicle may have a different capability to participate in follow-on investments and otherwise provide financial support for the portfolio company.

Similarly, there may be instances where capital available for investment with respect to a particular co-investment opportunity from other sources (due to the attractiveness of such co-investment opportunity to potential co-investors) is limited, and therefore a larger percentage of such co-investment opportunity may be offered to the Partnerships as a Direct Investment than would have otherwise been offered to it had additional capital been available from other sources, such as investors in Underlying Funds who are provided a priority allocation of any such co-investment opportunity on a management fee and carried interest free basis.

#### Differences between Investing in the Underlying Funds and the Partnerships

As a Limited Partner in the Partnerships, the rights and benefits of each investor will differ from the rights and benefits of those investors that have invested in the Underlying Funds. Such differences and risks associated with such differences include, without limitation, the following:

- *Differing Calculations of Management Fees.* The Management Fee paid by the Partnerships to the Manager may exceed (or be less than) the management fees paid by an Underlying Fund or by other third-party co-investors investing in a Direct Investment, resulting in different net internal rates of returns with respect to any Direct Investments or Underlying Investments made by the Partnerships and such Underlying Fund or third-party co-investors, as applicable.
- *Differing Calculations of Carried Interest.* Carried interest paid by certain other limited partners of the Underlying Funds may be more or less than the Carried Interest borne by the Limited Partners, resulting in different net internal rates of returns with respect to Underlying Investments and the Underlying Funds.

- *Voting.* The Limited Partners will generally have no right to vote on matters at the level of the Underlying Funds. While the General Partners generally will seek to have the Partnerships' interest in such Underlying Fund voted in the same manner and proportions as the aggregate interests of the other limited partners of such Underlying Fund (so as to provide that the Partnerships will not be able to affect the outcome of any vote by the limited partners of such Underlying Fund), the Partnerships' vote may be directed by the LPAC. In many circumstances, such as a vote to remove MIRA as the General Partners of an Underlying Fund or terminate its investment period, the Underlying Fund's governing documents may preclude the Partnerships from voting. In addition, LPAC members may have interests in the Underlying Funds and generally other interests that may conflict with those of the Partnerships or the other Limited Partners. In voting as members of the LPAC, such Limited Partners owe no duties to the Partnerships or the other Limited Partners and may vote in a manner adverse to the other Limited Partners and the Partnerships. The Underlying Fund's terms may also be amended or certain of their limitations (e.g., concentration or geographic limitations) may be waived in certain cases by a vote of a majority in interest of such Underlying Fund's limited partners or the applicable Underlying Fund LPAC. As indicated above, the Partnerships may have limited ability to participate in, or effect the outcome of such votes, which may materially alter the nature of such Underlying Fund, either with respect to a particular Underlying Investment or Underlying Investments to be made generally by such Underlying Fund. In particular, any such waivers or amendments may result in the Partnerships having exposure to countries outside the Target Geographies or exposure to a Target Geography that may be significantly less or more than the Target Allocations.
- *Privity.* The Limited Partners will not be limited partners of any Underlying Fund, will have no direct interest in any Underlying Fund, will not be parties to, or have the opportunity to negotiate the terms of, any Underlying Fund's governing agreements, and, accordingly, will not have any direct rights thereunder and therefore will have no direct recourse against any Underlying Fund, their related vehicles, their managers, the Underlying GPs or any of their respective affiliates (other than the Manager, the General Partners and the Partnerships). The offering of Interests in the Partnerships does not constitute, and should not be considered, an offering of interests in any Underlying Fund. Limited Partners should note that none of the persons or entities responsible for the organization, control, management or operations of the Partnerships, in such capacity, has the power to legally bind or commit an Underlying Fund or Underlying GP, though some of these persons may separately serve in such a capacity with respect to an Underlying Fund. Moreover, none of the General Partners, the Manager and the Partnerships has the right to participate in the control, management or operations of any Underlying Fund. No Underlying Fund is responsible for the formation, control, management or operation of the Partnerships. No Underlying Fund or Underlying GP has participated or will participate in the offering of Interests, and none of the foregoing has or will have any responsibility for such offering. No

Underlying Fund or Underlying GP has endorsed, and none of them is or will be responsible for the preparation or contents of, and none has passed upon or made any representation with respect to the adequacy or sufficiency of this Memorandum.

- *Reporting.* The investors in Underlying Funds generally will receive periodic reporting which includes investment by investment performance and, in some cases, commentary on recent developments at a particular Underlying Investment. Limited Partners investing in the Partnerships will receive periodic reporting which will generally include investment performance of the Underlying Funds and the Direct Investments and, in some cases, commentary regarding the Underlying Funds. In addition, representatives of Underlying Fund investors on Underlying Fund LPACs may receive detailed information concerning various aspects of the activities of the Underlying Funds in connection with the performance of their responsibilities. Therefore, limited partners of the Underlying Funds or their representatives on Underlying Fund LPACs may receive additional or more detailed reporting regarding the Underlying Investments than the Limited Partners.

*Affiliate Advisory Client Relationships and Co-Investments*

In the course of its advisory business, Macquarie or its affiliate, including the Manager, may represent potential purchasers, sellers and other involved parties with respect to businesses, which may be suitable for investment by the Partnerships. In such a case, the client may require Macquarie or its affiliate to act exclusively on its behalf, thereby precluding the Partnerships from acquiring or investing in such business. Macquarie or its affiliate will be under no obligation to decline such engagements in order to make the investment opportunity available to the Partnerships. In connection with its advisory business, Macquarie may come into possession of information that limits its and the Partnerships' ability to engage in potential transactions. The Partnerships' activities may be constrained as a result of the General Partners' and/or Manager's ability to use such information. In certain sale assignments, the seller may permit the Partnerships to act as a buyer or investor, which would raise certain conflicts of interest inherent in such a situation. Macquarie and the Manager have long-term relationships with a significant number of corporations and their senior management. In addition, Macquarie advises and provides debt and equity capital market and other services to a large number of institutional clients, including leveraged buy-out and other private equity funds with investment objectives similar to or the same as those of the Partnerships and strategic buyers, both of which may be in a position to compete with the Partnerships for an investment opportunity. Moreover, Macquarie Asset Management, an operating group within Macquarie, manages private equity and hedge fund-of-funds, and as a result Macquarie and the Manager each maintain a number of relationships across the alternative asset class, including with potential buyers and sellers in private equity transactions. In determining whether to pursue a particular transaction on behalf of the Partnerships, these relationships will be considered by Macquarie or the Manager, and there may be certain potential transactions, which will not be pursued on behalf of the Partnerships in view of such relationships. For example, when Macquarie represents a buyer seeking to acquire a particular business, the Partnerships may be precluded from investing in

that business. There can be no assurance that all potentially suitable investment opportunities that come to the attention of Macquarie or the Manager will be made available to the Partnerships.

In addition, the Partnerships may co-invest with clients or potential clients of Macquarie, Macquarie-managed or sponsored investment funds or similar vehicles and/or separately managed accounts in particular investment opportunities and the relationship with such clients, funds, vehicles or accounts could influence the decisions made or the advice provided (as applicable) by the General Partners, the Manager and/or the personnel responsible for the affairs of the Partnerships with respect to such investments.

The Partnerships may seek to make investments with the expectation of offering a portion of its interests therein as a co-investment opportunity to Limited Partners and/or other third parties. Macquarie may seek to cause the Partnerships or MIRA to incur bid and diligence costs on behalf of potential co-investors, and the party underwriting such costs may receive a premium or cost mark-up if the transaction is consummated. MIRA will typically seek for any co-investors or potential co-investors to bear their share of Broken Deal Expenses, although MIRA may not be able to achieve this result, which may result in the Partnerships bearing a larger percentage of Broken Deal Expenses. Conversely, a potential co-investment opportunity that is not ultimately consummated may generate proceeds (e.g., due to reverse termination fees) that may not ultimately be shared with the Partnerships and/or the Limited Partners, notwithstanding that the Partnerships may have participated in such potential co-investment opportunity as a Direct Investment were such opportunity ultimately consummated.

*Diverse Combined Limited Partner Group*

The Combined Limited Partners may have conflicting investment, tax, regulatory and other interests with respect to their investments in the Partnerships. The conflicting interests of individual Combined Limited Partners may relate to or arise from, among other things, the nature of investments made by the Partnerships, the structuring or the acquisition of investments, or allocation of co-investment opportunities and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made or advice provided (as applicable) by the General Partners or the Manager, including with respect to the nature or structuring of investments, that may be more beneficial for one Combined Limited Partner than for another Combined Limited Partner, especially with respect to Combined Limited Partners' individual tax situations. In addition, the Partnerships may make investments, which may have a negative impact on, or compete with, related investments made by the Combined Limited Partners in separate transactions. In selecting, structuring and managing investments appropriate for the Partnerships, the General Partners will consider the investment and tax objectives of the Partnerships and their Partners as a whole, not the investment, tax or other objectives of any Combined Limited Partner individually.

Certain Combined Limited Partners will have representatives on the LPAC. The LPAC will have a role in certain matters regarding the Partnerships, including with respect to certain conflicts of

interest, in each case, as provided in the Partnership Agreement. The Partnership Agreement will provide that to the fullest extent permitted by law, (i) none of the members of the LPAC, nor the Limited Partners and/or investors in any Parallel Fund on behalf of whom such members act as representatives, if applicable, shall owe any duties (fiduciary or otherwise) to any other Limited Partner in respect of the activities of the LPAC, other than the duty to act in good faith and (ii) in taking or omitting to take any action, a member of the LPAC may act solely in the interests of the Limited Partners and/or investors in the Parallel Funds, which it represents, if applicable, and the same shall not be deemed (in and of itself) to violate its duty of good faith. Furthermore, members of the LPAC may have various business and other relationships with Macquarie and its affiliates. The presence of these other relationships may influence their decisions as members of the LPAC. To the extent Combined Limited Partners vote on any matter regarding conflicts or otherwise participate in matters involving a vote or action of the Combined Limited Partners (whether as a Combined Limited Partner or member of the LPAC), any Combined Limited Partner may have an interest in the Partnerships, Macquarie, or any other Macquarie-managed fund or account or a Portfolio Company (or be a lender, advisor or service provider to any of the foregoing) and, as a result, may not be motivated to vote solely in accordance with its interests related to the Partnerships. Moreover, such Combined Limited Partners are unrestricted from voting, and may affirmatively vote, in a manner that is adverse to the investments of other Combined Limited Partners and the Partnerships. Moreover, the Combined Limited Partners in the Partnerships generally vote, as such, based on Capital Commitments. Accordingly, action by one or more relatively large Combined Limited Partners in the Partnerships could affect the outcome of votes submitted to the Partnerships.

In addition, certain Combined Limited Partners may also be limited partners in other investment funds vehicles and accounts sponsored or managed by Macquarie. Limited Partners may also include affiliates of Macquarie (or owners of equity, debt or other interests in Macquarie), such as other investment funds, vehicle and accounts sponsored or managed by Macquarie, Macquarie personnel and/or employees, charities or foundations associated with Macquarie personnel and/or Macquarie employees and any such affiliates, funds or persons may also invest through the vehicles established in connection with Macquarie's co-investment rights. It is also possible that the Partnerships or the Partnerships' investments may be counterparties or participants in agreements, transactions (including co-investments) or other arrangements with a Combined Limited Partner or an affiliate of a Combined Limited Partner. Such Combined Limited Partners described in the previous two sentences may therefore have different information about, and relationships with, Macquarie and the Partnerships than Limited Partners not similarly positioned. Similarly, not all Limited Partners monitor their investments in vehicles such as the Partnerships in the same manner. For example, certain Limited Partners may periodically request from the General Partners information regarding the Partnerships and/or its portfolio investments that is not otherwise set forth in (or has yet to be set forth in) the reporting and other information required to be delivered to all Limited Partners. In such circumstances, the General Partners may provide such information to such Limited Partner, but just because it has provided such information upon request by one or more Limited Partners does not mean the General Partners will be obligated to affirmatively provide such information to all Limited



Partners (although the General Partners will generally provide the same information upon request and treat Limited Partners equally in that regard). As a result, certain Limited Partners may have more information about the Partnerships than other Limited Partners, and the General Partners will have no duty to ensure all Limited Partners seek, obtain or process the same information regarding the Partnerships and their portfolio investments.

#### *Carried Interest*

The existence of the General Partners' Carried Interest could be viewed as an incentive for the General Partners and the participants in such program, respectively, to make or recommend riskier or more speculative investments for the Partnerships than would be the case in the absence of these arrangements. However, the Capital Commitment by Macquarie should help to mitigate such incentive. If distributions are made of property other than cash, the amount of any such distribution will be accounted for at the fair market value of such property as determined by the General Partners in accordance with procedures set forth in the Partnership Agreement. An independent appraisal may not be required or obtained. In certain circumstances, the amount of Carried Interest will be calculated based on the fair market value of in-kind distributions.

In addition, the manner in which the General Partners' entitlement to Carried Interest is determined may result in a conflict between its interests and the interests of Limited Partners with respect to the sequence and timing of disposals of investments. For example, the ultimate beneficial owners of the General Partners are generally subject to U.S. federal and local income tax (unlike certain of the Limited Partners). The General Partners may be incentivized to operate the Partnerships, including to hold and/or sell investments, in a manner that takes into account the tax treatment of its Carried Interest. Investors should note in this regard the Tax Reform Act provides for a lower capital gains tax rate only in respect of investments held for at least three years. While the General Partners generally intends to seek to maximize pre-tax returns for the Partnerships as a whole, the General Partners may nonetheless be incentivized, for example, to hold investments longer to ensure long-term capital gains treatment and/or realize investments prior to any change in law that results in a higher effective income tax rate on its Carried Interest.

#### *Material, Non-Public Information*

As a result of the advisory, consulting and related activities of Macquarie, as well as investments made by Macquarie and its affiliates for their own account, Macquarie and its affiliates may acquire confidential or material non-public information and therefore be restricted from initiating transactions in certain securities that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold. Disclosure of such information to the General Partners, Manager and/or the personnel responsible for the affairs of the Partnerships will be on a need-to-know basis only, and the Partnerships may not be free to act upon any such information. Therefore, the Partnerships may not be provided access to material non-public information in the possession of Macquarie, which might be relevant to an investment decision to be made by the Partnerships, and the Partnerships may initiate a



transaction or sell an investment, which, if such information had been known to it, may not have been undertaken. In the event any material, non-public information is disclosed to a person responsible for the affairs of the Partnerships, the Partnerships may be prohibited by applicable securities laws and Macquarie's internal policies from acting upon any such information. In addition, since Macquarie maintains information barriers between the Partnerships and Macquarie's sales, trading and research departments, the trading activities of Macquarie, its affiliates outside of MIRA and their customers, the Manager and General Partner may not be given access to material non-public information in the possession of Macquarie which may be relevant to an investment decision to be made by the Partnerships. Policies and procedures implemented by Macquarie, from time to time (including as may be implemented in the future) to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may reduce the synergies across Macquarie's areas of operation or expertise that the Partnerships expects to draw on for purposes of pursuing, diligencing or evaluating investment and disposition opportunities and otherwise making decisions with respect to investments.

#### *Other Fees*

The Manager and its affiliates may be entitled to receive cash and non-cash topping, commitment, break-up, termination, monitoring, directors', organizational, set-up, advisory or investment banking fees in connection with the purchase, monitoring or disposition of Direct Investments or from unconsummated transactions, including warrants, options, derivatives and other rights in respect of securities owned by the Partnerships. Limited Partners will receive the benefit from certain such fees only to the extent allocable to the Partnerships with respect to its Direct Investments (and not co-investors or other parties). Other Fees apportioned to other transaction participants (other than the Partnerships) will not be included in the determination of any reduction of Management Fees for the Partnerships. Moreover, such other participants may not incorporate corresponding reductions in management fees, such that Macquarie may retain the benefit of all or a greater amount of such portions of Other Fees compared to the Partnerships' allocable portion. The Manager may be incentivized to pursue larger transactions to earn fees from co-investors.

#### *Fees Payable to Macquarie; Direct Investment Relationships*

Macquarie may provide a broad range of pre- and post-acquisition advisory and consulting services to companies in which the Partnerships invests, and may receive compensation from purchasers, sellers or other parties prior to or upon the closing of certain investments by the Partnerships as compensation for services, including advice on valuing, structuring, negotiating and arranging financing for such transactions and may earn fees in connection with unconsummated transactions. Other compensation may include warrants to purchase an equity interest or other securities in the company for which the transaction is being undertaken. In addition, certain MIRA professionals may be seconded to Portfolio Companies, with their compensation paid directly by such Portfolio Company, and therefore borne indirectly by the Limited Partners. Except as stated in the Partnerships' memorandum, none of Macquarie's fees for any of the foregoing (including the compensation of seconded MIRA professionals) will be

shared with the Partnerships. In addition, Macquarie may act as underwriter or placement agent in connection with an offering of securities by investments in which the Partnerships has invested or as underwriter, placement agent or financial advisor in connection with the public or private sale of the Partnerships' investments and Macquarie generally will be paid customary fees for such services. The General Partners, the Manager or any of their affiliates within MIRA or any other Macquarie entity may engage and retain strategic advisors, consultants and other similar professionals who are not employees or affiliates of Macquarie and who may, from time to time, receive payments from, or allocations with respect to, investments. In such circumstances, such amounts will not be deemed paid to or received by the General Partners, the Manager and their affiliates or personnel within MIRA and will not be subject to the offset provisions as in Fund's memorandum.

Macquarie Insurance Facility ("MIF"), a facility run by affiliates of the General Partners, the Underlying Funds and Manager, seeks to leverage the combined purchasing demand of Macquarie, Macquarie- managed funds, their portfolio businesses (which may include the Partnerships, Underlying Funds, Direct Investments and Portfolio Companies) and third parties to negotiate agreements with unaffiliated vendors such as insurance companies and brokers. When the Partnerships, an Underlying Fund, a Direct Investment or a Portfolio Company utilizes MIF, MIF may receive a commission or rebate from the vendor and/or a broker involved in obtaining the business, subject to a cap on such commissions of 5% of the premium paid, unless the LPAC otherwise consents. The aggregate amount of such vendor/broker commissions will be disclosed to the LPAC on an annual basis. The amounts so received by MIF will not be subject to the offset provisions as described in Fund's memorandum. For portfolio companies, the applicable portfolio company and not the Manager makes the decision whether to use MIF. MIF operates in the U.S. through the legal entity, Commerce and Industry Brokerage, Inc.

MIF also has the ability to write insurance policies on behalf of certain insurance companies (the "MIF Insurance Program"). The only insurance company currently participating in the MIF Insurance Program is AIG, although in the future other insurers may be added and AIG may cease to participate. The Partnerships, an Underlying Fund, a Direct Investment or a Portfolio Company, as applicable, will engage an independent third party broker to canvas the insurance market to obtain bids from non-affiliated insurance companies for the placement of the Partnerships', Underlying Fund's, Direct Investment's or such Portfolio Company's insurance policies, as applicable, and MIF may determine in its discretion that the MIF Insurance Program will participate in such bidding process (but MIF is under no obligation to so participate). The Partnerships, Underlying Fund, Direct Investment or such Portfolio Company will select the most attractive overall proposal among the bids received. If the Partnerships, Underlying Fund, Direct Investment or a Portfolio Company chooses a proposal that includes insurance policies through the MIF Insurance Program (the Partnerships, Underlying Fund, Direct Investment or such Portfolio Company in such capacity, a "Participating Company"), the Participating Company will receive a 10% premium reduction on the portion of the premium on the insurance

policy written by MIF on behalf of the insurance companies participating in the MIF Insurance Program (but the insurance policy written by unaffiliated insurance companies outside the MIF Insurance Program will not receive this premium reduction). The insurance written as part of the MIF Insurance Program will mirror the pricing, terms and conditions set for the Participating Company by non-affiliated insurance companies outside of the MIF Insurance Program before applying the 10% premium reduction; MIF does not set the pricing or other terms of the insurance written as part of the MIF Insurance Program. A Participating Company will pay the entire premium less the premium reduction to its independent third party broker, who will then distribute such premium, less any amounts retained by the third party broker as its commission based fee (if any) pursuant to its agreement with the Participating Company, to MIF and the non-affiliated insurance companies writing insurance outside of the MIF Insurance Program; MIF will then periodically distribute its share of such premium to its participating insurance companies, less its fee of 10% of such premium, which MIF will retain in return for administering and managing the MIF Insurance Program. When the Partnerships, an Underlying Fund, Direct Investment or a Portfolio Company utilizes the MIF Insurance Program, the fee available to MIF under the MIF Insurance Program will not, without consent of the LPAC, exceed 18% of the MIF Insurance Program policy premium. The amounts received by MIF will not be subject to the offset provisions as described in Fund's memorandum. Irrespective of the fee paid to MIF under the MIF Insurance Program, the Participating Company will always receive a 10% premium reduction on the portion of an insurance policy written by the MIF Insurance Program compared to the premium paid to non-affiliated insurance companies outside of the MIF Insurance Program. Any fee payable to MIF under the MIF Insurance Program is in addition to any commission or other payment received by MIF under the preceding paragraph. The latest pricing terms are effective as of April 4, 2019 pursuant to a revised agreement with MIF.

The Manager and its affiliates can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Partnerships, which will not be subject to the Management Fee offset or otherwise shared with the Partnerships and/or Limited Partners. For example, airline travel or hotel stays incurred as Fund expenses typically may result in "miles" or "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not *de minimis* or difficult to value, inure exclusively to the personnel of the Manager and its affiliates (and not the Partnerships or Limited Partners) even though the cost of the underlying service is borne by the Partnerships and/or the portfolio companies.

Certain of the investment or other activities of Macquarie and its managed funds, investment vehicles and accounts (including with respect to Direct Investments) may compete, or otherwise give rise to potential conflicts of interest, with the Partnerships. As a general matter, Macquarie and its affiliates have interests that may not be aligned with those of MIRA or the Partnerships and have no duty to resolve any conflicts in favor of the Partnerships or to otherwise act in the interests of the Partnerships.

*Operating Executives, Consultants, Senior Advisors*

The Manager, Underlying Fund managers and their respective Affiliates engage and retain operating executives, consultants, senior advisors and other similar professionals who are not employees, personnel or affiliates of the Manager or an Underlying Fund manager (but may, in certain circumstances and/or limited roles, be exclusive to MIRA and/or the Manager and/or may share office space with MIRA) and who, from time to time, receive payments from, or allocations with respect to, Portfolio Companies (as well as from the Partnerships, in the case of consultants) for their services (including for serving on a Portfolio Company's board of directors). In such circumstances, such payments from, or allocations with respect to, Portfolio Companies and/or the Partnerships will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by the Manager, be deemed paid to or received by the Manager and such amounts will not be subject to the management fee offset provisions of the Partnership Agreement, and therefore, such payments will ultimately be borne by the Limited Partners. These operating executives, consultants, senior advisors and/or other professionals may have the right or may be offered the ability to co-invest alongside the Partnerships, including in those Investments in which they are involved, or otherwise participate in equity plans for management of any such Portfolio Company, and such co-investment and/or participation (which could have the effect of reducing the amount invested by the Partnerships in any Investment) may not be considered as part of Macquarie's co-investment rights. Additionally, and notwithstanding the foregoing, these operating executives, consultants, senior advisors and/or other professionals may be (or have the preferred right to be) investors in other MIRA entities. They may be compensated (including pursuant to retainers and expense reimbursement) by the Manager, the Partnerships and/or Portfolio Companies or otherwise uncompensated unless and until an engagement with a Portfolio Company develops. There can be no assurance that any of the operating executives, consultants, senior advisors and/or other professionals will continue to serve in such roles and/or continue their arrangements with Macquarie, the Partnerships and/or any Portfolio Companies throughout the term of the Partnerships.

*Other Affiliate Transactions*

Apart from transactions (including service contracts) that are expressly contemplated or approved by the Partnership Agreements of the MIGS I and MIGS II (including, without limitation, the acquisition of the Existing Investment (as defined in each of the MIGS I and MIGS II Partnership Agreements) at a price equal to capital contributions plus the Carrying Cost, co-investment, the receipt of, or contracts providing for, the Management Fee and Carried Interest, and as further provided for in the respective Partnership Agreements, including the insurer/vendor/broker rebates vendor/issuer/broker rebates and commissions described above and any transaction approved by the LPAC or a majority in interest of the Combined Limited Partners), the General Partners will cause the Partnerships and any controlled Direct Investment not to engage in any transaction (including services or contracts for which advisory fees are received by Macquarie and its affiliates) unless the terms of the transaction are determined in good faith to be on an arm's-length basis and on terms which are no less favorable to the Partnerships that would be obtained in a comparable transaction with an

unaffiliated third party; *provided*, that the terms of any transaction approved by the LPAC will conclusively be deemed to be on an arm's-length basis. Conflicts of interest may arise in connection with any co-investment or other affiliate transactions (including with respect to the timing, structuring and terms of such investment and its disposition). For example, conflicts could arise where the Partnerships invests in equity instruments of a Direct Investment while an affiliate invests in debt securities. In this circumstance, Macquarie may have conflicting interests as an equity holder, on the one hand, and as a debt holder, on the other. Other considerations include, for example, that if such Direct Investment goes into bankruptcy, becomes insolvent or is otherwise unable to meet its payment obligations or comply with its debt covenants, conflicts of interest could arise between the holders of different types of securities as to what actions the Direct Investment should take. In addition, conflicts may arise in determining the amount of an investment, if any, to be offered among potential investors and the respective terms thereof. There can be no assurance that the return on the Partnerships' investment will be equivalent to or better than the returns obtained by the other affiliates participating in the transaction.

From time to time, Macquarie may provide interim acquisition financing or other forms of credit in connection with an investment by, or otherwise act as a lender to, an entity in which the Partnerships, directly or indirectly, invests. The Partnerships may also borrow money from Macquarie from time to time as provided for by the Partnership Agreement. In addition, the Partnerships and Direct Investments also may participate as a counterparty with or as a counterparty to Macquarie or an investment vehicle formed by it in connection with currency and interest rate hedging, derivatives (including but not limited to swaps and forwards of all types), and other transactions. Subject to the provisions of the Partnership Agreement, by executing a subscription agreement for Interests in the Partnerships, a Limited Partner will consent to all such counterparty transactions with Macquarie. Although such transactions will be on terms that are determined in good faith to be on an arm's-length basis and on terms which are no less favorable to the Partnerships that would be obtained in a comparable transaction with an unaffiliated third party, it is possible that Macquarie's interests as a lender or counterparty could be in conflict with those of the Partnerships and the interests of its Limited Partners. The General Partners and the Manager, which are responsible for pursuing the Partnerships' investment objective, are affiliates of Macquarie and may encounter conflicts where, for example, a decision regarding the acquisition, holding or disposition of a Direct Investment is considered attractive or advantageous for the Partnerships yet poses a risk of economic loss of principal to Macquarie as lender or counterparty. If such conflicts arise, potential investors should be aware that certain business units of Macquarie may act to protect Macquarie's own interests as a lender or counterparty, or an Underlying Fund's or Portfolio Company's interests, in each case, ahead of the Partnerships' investment interests.

Further conflicts could arise once the Partnerships and other affiliates have made their respective investments. For example, if a Direct Investment goes into bankruptcy or reorganization, becomes insolvent or otherwise experiences financial distress or is unable to meet its payment obligations or comply with covenants relating to securities held by the Partnerships or by the other affiliates, such other affiliates may have an interest that conflicts



with the interests of the Partnerships. If additional financing is necessary as a result of financial or other difficulties, it may not be in the best interests of the Partnerships to provide such additional financing.

In connection with selling investments by way of a public offering, Macquarie may, subject to the provisions of the Partnership Agreement and requirements of applicable law, act as the managing underwriter or a member of the underwriting syndicate on a firm commitment basis and purchase securities from the Partnerships. Macquarie also may, on behalf of the Partnerships, effect transactions where Macquarie is also acting as a broker on the other side of the same transaction. In such circumstances, Macquarie may receive commissions from such agency cross-transactions, and has a potential conflict of interest regarding the Partnerships and the other parties to those transactions. Moreover, the Partnerships may execute the purchase and sale of securities through Macquarie as agent and may pay commissions to Macquarie. Macquarie may retain any commissions, compensation, or other profits, which may be made in such transactions. Sales of securities for the account of the Partnerships may be bunched or aggregated with orders for other accounts of Macquarie, including other investment partnerships. It is frequently not possible to receive the same price or execution on the entire volume of securities sold, and the various prices may be averaged which may be disadvantageous to the Partnerships. The General Partners (or the Underlying GP where applicable) will, subject to the provisions of the Partnership Agreement as well as the requirements of applicable law, approve any such transactions in which Macquarie acts as an underwriter, as broker for the Partnerships, or as broker on the other side of a transaction with the Partnerships or bunches or aggregates transactions with others only where it believes such transactions are fair and reasonable to the Partnerships and, by executing a subscription agreement for Interests in the Partnerships, a Limited Partner will consent to all such transactions.

By executing a subscription agreement, each Limited Partner will consent to all such counterparty transactions with Macquarie and its affiliates to the fullest extent permitted by law. The interests of Macquarie and/or its affiliates as a counterparty could be in conflict with those of the Partnerships and the interests of the Limited Partners.

#### *Other Trading and Investing Activities*

Certain of Macquarie's other investment funds, vehicles and accounts and Macquarie and its affiliates may invest in securities of publicly-traded companies that are actual or potential investments of the Partnerships. The trading activities of those other investment funds, vehicles and accounts may differ from or be inconsistent with activities undertaken for the account of the Partnerships in such securities or related securities. In addition, the Partnerships may not pursue an investment as a result of such trading activities by Macquarie, its affiliates or certain of Macquarie's other Macquarie- managed or sponsored investment funds, vehicles or accounts or clients. In addition, the trading activities of Macquarie and its clients in publicly-traded securities and the research recommendations of Macquarie with respect to publicly-traded securities may differ from, or be inconsistent with, the interests of and activities which are



undertaken for the account of the Partnerships in such securities or related securities. For example, the Partnerships may dispose of securities at a time when Macquarie's research is recommending a purchase of such securities. The Manager intends to make its own independent determination with respect to the trading activities of the Partnerships.

*Conflicts Related to Direct Investments*

Officers and employees of Macquarie will serve, and certain Combined Limited Partners may serve, as directors of certain Direct Investments and, in that capacity, will be required to make decisions that consider the best interests of such Direct Investment and its shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a Direct Investment, actions that may be in the best interest of the Direct Investment may not be in the best interests of the Partnerships, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an officer or employee of Macquarie, or as a Combined Limited Partner, and such individual's duties as a director of the Direct Investment. Conflicts will also arise in cases where the Partnerships makes an equity or other subordinated investment in a Direct Investment that has issued or is issuing a senior mezzanine or debt security to Macquarie or one or more of its clients or a Macquarie-managed or sponsored fund or other investment vehicle. In negotiating the terms and conditions of any such mezzanine investment or loan or in addressing any subsequent amendments, Macquarie or such client, fund or investment vehicle will have interests that will conflict with those of the Partnerships. If an issuer in which the Partnerships and Macquarie or one or more of its clients or a Macquarie-managed or sponsored fund or other investment vehicle hold different classes of securities encounters financial problems, decisions over the terms of any workout will raise conflicts of interest (including conflicts over proposed waivers and amendments to debt covenants and other terms).

The officers, directors, members, managers and employees of the General Partners and the Manager may trade in securities for their own accounts, subject to (i) the Manager's Code of Ethics which outlines the Manager's policies and procedures regarding standards of conduct, personal investment transactions, and handling of material non-public information and (ii) restrictions and reporting requirements as may be required by law or otherwise as determined from time to time by the General Partners or the Manager, as applicable. In addition, as a consequence of Macquarie's status as a public company, the officers, directors, members, managers and employees of the General Partners and the Manager may take into account certain considerations and other factors in connection with the management and advice with respect to of the business and affairs of the Partnerships and their affiliates that would not necessarily be taken into account if Macquarie were not a public company.

*Confidentiality; Confidential Information*

Macquarie may come into possession of material non-public information with respect to companies in which the Partnerships may be considering making an investment or companies that are Macquarie advisory clients. As a consequence, that information, which could be of benefit to the Partnerships, might become restricted to those other businesses and otherwise be

unavailable to the Partnerships. Additionally, the terms of confidentiality or other agreements with or related to companies in which Macquarie has or has considered making an investment or which is otherwise an advisory client of Macquarie may restrict or otherwise limit the ability of the Partnerships and/or its portfolio companies and their affiliates to make investments in or otherwise engage in businesses or activities competitive with such companies.

#### *Other Activities of Management*

The Partnerships do not have a team solely dedicated to the Partnerships. Macquarie personnel that are responsible for the affairs of the Partnerships intend to devote such time as is reasonably necessary to conduct the business affairs of the Partnerships in an appropriate manner and otherwise as may be required in accordance with the Partnership Agreement. However, Macquarie personnel, including all of those responsible for the affairs of the Partnerships, have commitments to, and will work on other projects unrelated to, the Partnerships, including Macquarie's existing investments and other investment funds, such as the Underlying Funds. Accordingly, conflicts may arise in the availability and allocation of management and other professional resources between the Partnerships and these other matters. The possibility exists that the companies with which one or more of such persons is involved could engage in transactions that would be suitable for the Partnerships, but in which the Partnerships might be unable to invest.

#### *Investment Committee Members*

Some of the current members of the Partnerships' Investment Committee lead one of MIRA's four regional infrastructure platforms. As such, the members of the Investment Committee may have conflicting interests with respect to their investment recommendations for the Partnerships. The conflicting interests of individual Investment Committee members may relate to or arise from, among other things, their compensation and/or professional advancement being tied to the capital of Underlying Funds within a particular Target Geography. This could be viewed as an incentive for the Investment Committee members to recommend a greater percentage of the Partnerships' available capital to a particular Target Geography than would be the case in the absence of these arrangements. While the current members of the Partnerships' Investment Committee have been identified, as indicated herein, the General Partners may in its sole discretion replace such Investment Committee members at any time. In the event of any such replacement, there can be no assurance that such replacements may not adversely affect the Partnerships' performance.

#### *Joint Venture Partners*

Some of the third-party operators and joint venture partners with whom the Manager may elect to co-invest the Partnerships' capital have pre-existing investments or other commercial arrangements with Macquarie. The terms of these pre-existing investments or other commercial arrangements may differ from the terms upon which the Partnerships invests with such operators and partners. To the extent a dispute arises between Macquarie and such operators and partners, the Partnerships' investments relating thereto may be affected.

#### *Valuation Matters*

The value of all investments, or of property received in exchange for any investments, will be the fair values determined by the General Partners and/or Manager pursuant to guidelines prepared based upon U.S. generally accepted accounting principles and MIRA's internal valuation policies. The carrying value of an investment may not reflect the price at which the investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. Valuations are only estimates of future results that are based upon assumptions made at the time the valuations are developed and there can be no assurance that any projected results on which valuations may be based will be obtained, and actual results may vary significantly from the valuations. General economic, political, and regulatory and market conditions and the actual operations of the underlying portfolio company, which are not predictable, can have a material adverse impact on the reliability of such valuations. Additionally, under certain limited circumstances set forth in the Partnership Agreement, distributions in-kind of investments for which market quotations are not readily available may be made. The valuation of such investments, and the General Partners' Carried Interest in respect thereof, will be determined by the General Partners and/or Manager in accordance with procedures set forth in the Partnership Agreement. Certain employees of MIRA may have a portion of their compensation impacted by the Partnership's Direct Investments, which could create conflicts. The valuation of investments will affect the amount and timing of the General Partners' Carried Interest and, under certain circumstances, the amount of Management Fees payable to the Manager. The valuation of investments may also affect the ability of Macquarie to raise a successor fund to the Partnerships. As a result, there may be circumstances where the General Partners are incentivized to determine valuations that may be higher than the actual fair value of investments.

#### *Side Letters; Other Arrangements*

The General Partners and/or its Affiliates has entered into and may further enter into side letters or other similar agreements with particular Limited Partners or groups or categories of Limited Partners with respect to the Partnerships without the approval of any other Limited Partner, which would have the effect of establishing rights under, altering or supplementing the terms of the Partnership Agreement with respect to such Limited Partner or group or category of Limited Partners in a manner different or more favorable to such Limited Partner or group or category of Limited Partners than those applicable to other Limited Partners. Similarly, the Underlying GPs may enter into similar arrangements with the other limited partners of the Underlying Fund's without the approval of the General Partners or the Manager. Such rights or terms in any such side letter or other similar agreement may include, without limitation, (i) excuse rights applicable to particular investments or investments in certain jurisdictions (which may increase the percentage interest of other Limited Partners in, and contribution obligations of other Limited Partners with respect to, such investments), (ii) additional informational rights for a Limited Partner or additional reporting obligations of the Partnerships to such Limited Partner, including, without limitation, to accommodate special regulatory or other circumstances of such Limited Partner, (iii) waiver or modification of certain confidentiality obligations and/or documentation that might be requested by the General Partners for the benefit of lenders or other persons

extending credit to or arranging financing for the Partnerships, (iv) consent of the General Partners to certain transfers by such Limited Partner or other exercises by the General Partners of its discretionary authority under the Partnership Agreement for the benefit of such Limited Partner, (v) restrictions on, or special rights of such Limited Partner with respect to the activities of the General Partners, (vi) withdrawal rights due to legal, regulatory or policy matters, including matters related to political contributions, gifts and other such policies, (vii) other rights or terms necessary in light of particular legal, regulatory or public policy characteristics of a Limited Partner, (viii) economic rights, for example, with respect to any Carried Interest and/or Management Fees to be charged to the Limited Partners (including fee rebates), (ix) matters regarding such Limited Partner's right to participate in co-investment opportunities (including, without limitation, preferential allocation thereof and the terms and conditions related to such participation (including any Carried Interest and/or Management Fees that might have to be charged with respect thereto)), which may be structured through one or more co-investment vehicles established by the General Partners for the benefit of such Limited Partners or their Affiliates and which will not be viewed as Affiliates of the General Partners under the Partnership Agreement and which may participate in co-investments alongside the Partnerships relating to some or all of the co-investment opportunities available with respect to the Partnerships, (x) additional obligations and restrictions of the General Partners and the Partnerships with respect to the structuring of any Direct Investment (including with respect to alternative investment vehicles) in light of the legal, tax and regulatory considerations of particular Limited Partners, and (xi) preferential and/or priority access to, and economic and other terms applicable to, co-investment opportunities, including Management Fee and Carried Interest reductions in respect of the Partnership if a Limited Partner does not invest in a specified amount of Partnership or MIRA co-investments, which may incentivize the General Partners to present an investment opportunity as a co-investment to such Limited Partner and other investors with priority access co-investment rights rather than to the Partnership. Similar rights or terms may be granted with respect to parallel funds. Such side agreements may permit such Limited Partners to take actions on the basis of information not available to other Limited Partners (or the Partnerships) that do not have the benefit of such agreements. A copy of the applicable provisions of each side letter (without duplication) that is entered into by the Partnerships with the Limited Partners will be distributed in connection with the most-favored-nations side letter election process that will take place following the final closing. Moreover, notwithstanding the fact that a Limited Partner may have such a most-favored-nations provision in its side letter, such Limited Partner will not have the right to elect any rights or benefits: (a) unless such Limited Partner agrees to be bound by any obligations, restrictions or other terms related to such rights or benefits that have been agreed to with the investor initially granted such rights or benefits; (b) contained in any side letter entered into in connection with the admission of an investor and one or more of its affiliates to the Partnerships and one or more other investment vehicles and/or managed accounts sponsored or advised by MIRA of an overall arrangement with MIRA and which are provided in consideration for such overall relationship (which may involve a Limited Partner making a capital commitment to the Partnerships and a capital commitment to another investment vehicle managed by MIRA, including, for greater certainty, one or more funds or investment vehicles established and/or managed by MIRA for

such Limited Partner's benefit), which agreement, for greater certainty, may remain confidential and not shared with any other Limited Partners; (c) that relate to the LPAC; (d) established in favor of another investor by reason of the fact that such other investor is subject to any laws, rules, regulations or policies to which such Limited Partner is not also subject; (e) that are personal to another investor based solely on the place of organization or headquarters of, organizational form of, or other particular restrictions or considerations applicable to, such investor; (f) granted to an affiliate of MIRA (including, for this purpose, MIRA's professionals and employees (current and former), advisors and operating partners, any other fund or investment vehicle managed by MIRA and/or any related entities, vehicles and/or accounts associated with the foregoing) and/or (g) with respect to co-investment rights and related arrangements, (h) granted to Limited Partner because of its relationship with another Limited Partner (e.g., because both such Limited Partners are represented by the same consultant with respect to their investment in the Partnerships), (i) granted to another Limited Partner with a greater Capital Commitment and/or (j) granted on or before a certain date.

Any rights or terms so established in a side letter or other similar agreement with a Limited Partner will govern solely with respect to such Limited Partner (but not any of such Limited Partner's assignees or transferees unless so specified in such side letter) and will not require the approval of any other Limited Partner notwithstanding any other provision of the Partnership Agreement.

#### *Service Providers*

Certain service providers or their affiliates (including, without limitation, any accountants, developers, property managers, administrators, lenders, bankers, brokers, attorneys, consultants, investment or commercial banking firms and certain other advisors and agents) of the Partnerships, Macquarie or any of their affiliates may be investors in the Partnerships and/or sources of investment opportunities and co-investors or counterparties therewith and may also provide goods or services to or have business, personal, political, financial or other relationships with Macquarie. These service providers and their affiliates may contract or enter into any custodial, financial, banking, advising or brokerage, placement agency or other arrangement or transaction with the Partnerships, the General Partners, the Manager or any Combined Limited Partner in the Partnerships or any entity in which the Partnerships has made an investment. Similarly, these service providers and their affiliates may engage in competitive activities and may earn fees from or receive other consideration from such persons or entities, and may provide different advice or services, take different action from the advice or services they provide, or action they take, for the Partnerships. Moreover, certain service providers (or their affiliates, including project developers, lenders, brokers, attorneys, consultants and investment banking firms) to the Partnerships and their portfolio companies may also provide services to or have other relationships with Macquarie. These other services and relationships may influence the Manager in deciding whether to select such a provider to perform services for the Partnerships and their portfolio companies (the cost of which will generally be borne directly or indirectly by the Partnerships). At times, including if unrelated officers of a portfolio company have not yet been appointed, Macquarie may be negotiating and executing agreements



between Macquarie parties on the one hand and the portfolio company or its affiliates on the other hand, including management services agreements or similar agreements, which could entail a conflict of interest in relation to efforts to enter into terms that are arm's-length. Notwithstanding the foregoing, investment transactions for the Partnerships that require the use of a service provider, will generally be allocated to service providers on the basis of best execution, the evaluation of which may include, among other considerations, such service provider's provision of certain investment-related services and research that the Manager believes to be of benefit to the Partnerships, but it should be noted such service providers may not necessarily be the most cost effective or necessarily the best for every particular situation.

In addition, the General Partners may engage one or more fund administrators to perform certain functions in relation to the Partnerships, including but not limited to, coordination of the Partnerships' legal entity management function, execution and recordkeeping associated with applicable tax elections and filings, support for the General Partners' valuation process and support of certain investor correspondence, onboarding data management and reporting requests as well as data collection required for various regulatory reporting with which the Partnerships are obligated to comply. In certain circumstances, advisors and service providers, or their affiliates, may have different arrangements for services provided to Macquarie, the General Partners, the Manager or their affiliates as compared to services provided to the Partnerships and their Portfolio Companies due to a variety of factors, including, without limitation, volume of work, complexity of the overall transaction or matter, time commitment and/or seniority of staff involved, which may result in more favorable arrangements than those payable by the Partnerships or such Portfolio Companies.

#### *Participation in Co-Investments*

Prospective investors should note that the Manager may offer co-investment opportunities in its sole discretion, is not expected to offer co-investment with respect to all of the Partnerships' investments and may offer any such opportunities in its sole discretion, including for example, on the basis of the size of investor commitments to Macquarie's funds generally. Prospective investors should also note that investors are not required to participate in co-investments offered by the Manager and that the Manager may not offer all investors the opportunity to invest in any co-investments. Moreover, transaction-specific returns, and an investor's overall returns from its exposure to the Partnerships' investments, may be affected significantly by the extent to which such investor is offered and chooses to participate in co-investment opportunities and the economic and other terms offered to such investor. There is no guarantee, prediction or projection of the availability of future co-investment opportunities. Investing in the Partnerships does not give Limited Partners any rights, entitlements or priority to co-investment opportunities. The performance of co-investments is not aggregated with that of the Partnerships, including for purposes of determining the General Partners' Carried Interest or management fees under the Partnership Agreement.

#### *Possible Future Activities*

Macquarie may expand the range of services that it provides over time, including entering into



separately managed accounts to make infrastructure investments in the Target Geographies. Except as provided in the Partnership Agreements, Macquarie, the General Partners and the Manager will not be restricted in the scope of its business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. Macquarie has, and will continue to develop, relationships with a significant number of companies, financial sponsors and their senior managers, including relationships with clients who may hold or may have held investments similar to those intended to be made by the Partnerships. These clients may themselves represent appropriate investment opportunities for the Partnerships or may compete with the Partnerships for investment opportunities or Limited Partners for co-investment opportunities.

*Resolution of Conflicts*

To the extent the Registrant exercises any discretion on behalf of the Partnerships in these transactions, any conflicts of interest that arise between a Fund, on the one hand, and the Macquarie Group, any existing or future Macquarie investment vehicle or any of the Macquarie Group's clients, on the other hand, (i) will be resolved as set forth in the limited partnership agreement of the relevant Fund and/or the related policies of a Macquarie affiliate where applicable, or (ii) if not addressed by such agreements or procedures, will be discussed and resolved on a case-by-case basis by the relevant parties. Any such discussions will take into consideration the interests of the relevant parties and the circumstances giving rise to the conflict.

Any actual conflicts of interest that arise in relation to the Partnerships will be resolved in accordance with the Manager's conflicts management procedures, including, where required, by referral to the LPAC, the advisory committee of an Underlying Fund (an "Underlying Fund LPAC") or Limited Partners. If any matter arises that the General Partners determines in its good faith judgment constitutes an actual conflict of interest, the General Partners may take such actions as it determines in good faith may be necessary or appropriate to ameliorate the conflict (and upon taking such actions to the fullest extent permitted by law the General Partners will be relieved of any liability for such conflict and be deemed to have satisfied its fiduciary duties and acted in good faith with respect to such conflict). These actions may, but are not required to, include (i) disposing of the security giving rise to the conflict of interest, (ii) appointing an independent fiduciary to act with respect to the matter giving rise to the conflict of interest, or (iii) in connection with a matter giving rise to a conflict of interest with respect to an investment, consulting with the LPAC or relying on an Underlying GP's consultation with an Underlying Fund LPAC regarding the conflict of interest and either obtaining a waiver from such LPAC of the conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by such LPAC with respect to such conflict of interest. There can be no assurance that Macquarie will resolve all conflicts of interest in a manner that is favorable to the Partnerships. By acquiring an interest in the Partnerships, each Limited Partner (or participant in any parallel fund or feeder fund) will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any

liability arising from the existence of any such conflict of interest to the fullest extent of the law.

In addition, investors should note that the Partnership Agreement contains provisions that, subject to applicable law, (i) reduce or eliminate the duties, including fiduciary and other duties, to which the General Partners would otherwise be subject and (ii) waive duties or consent to the conduct of the General Partners that might not otherwise be permitted pursuant to such duties. Moreover, the General Partners will, notwithstanding any actual or perceived conflict of interest, be the beneficiary of any decision by it to provide indemnification (including advancement of expenses). Pursuant to the Partnership Agreement, an LPAC will be established and the General Partners may in certain situations choose to consult with or obtain the consent of the LPAC with respect to any specific conflict of interest, including, but not limited to, certain affiliate transactions and certain variations to the investment strategy of the Partnerships. If the LPAC or an Underlying Fund LPAC waives the conflict of interest or the General Partners acts in a manner, or pursuant to the standards and procedures, approved by the LPAC or an Underlying Fund LPAC with respect to the conflict of interest, then the General Partners, the Registrant and their affiliates will not have any liability to the Partnerships or investors therein for such actions taken by them, including actions in pursuit of their own interests, and will be deemed to have satisfied their fiduciary duties with respect to such actions. An Underlying Fund LPAC is not required to take into account any interest of the Partnerships and may have conflicting interests in connection with any such approvals or waivers sought by an Underlying GP.

#### *Joint Venture Partners*

Some of the third-party operators and joint venture partners with whom the Registrant or the General Partners may elect to co-invest the Partnerships' capital may have pre-existing investments or other commercial arrangements with Macquarie. The terms of these pre-existing investments or other commercial arrangements may differ from the terms upon which the Partnerships invests with such operators and partners.

#### *Conflicts Relating to Insurance*

The Partnerships may obtain insurance, which contains benefits to the General Partners and Manager as part of the overall proposal of terms offered by the provider to the Partnerships. The insurance provider may not be able to break out the cost of any such benefits to the General Partners and Manager so that those costs can be allocated to the General Partners and not the Partnerships. Thus, the Partnerships may bear the cost of insurance, which includes a benefit to the General Partners, and the Manager as part of the coverage provided. Other Macquarie clients may also share in the costs of insurance pro rata based on assets under management of the Partnerships and such other clients.

#### *Conflicts Relating to Existing Investments*

To the extent that MIRA has invested capital in an Underlying Fund, which is expected to be acquired by the Partnerships, Macquarie charges MIRA interest on the use of the capital used to make such investment, which may incentivize the General Partners to acquire MIRA's interest in such Underlying Fund sooner than it otherwise would have.

## **Item 12: Brokerage Practices**

Due to the nature of the investments made by the Partnerships, broker-dealers are not generally used for Fund investment transactions. However, when executing investment transactions on behalf of the Partnerships through a broker-dealer, the Registrant, will seek to obtain a combination of the most favorable commission and the best price obtainable on each transaction. Broker-dealers are selected primarily on the basis of their execution capability and trading expertise consistent with the effective execution of the transaction. Client referrals are not relevant to broker-dealer selection, given the nature of the Registrant's clients.

The Registrant does not engage in soft dollar or directed brokerage arrangements.

To the extent an investment is made for the Partnerships and one or more other funds, the Registrant may combine orders on behalf of the Partnerships with orders for other funds managed by its affiliates or in which it or its affiliates have an economic interest. In such cases, the Registrant and its affiliates generally aggregate orders so that each participating vehicle will receive the average price for each execution of a transaction. If an order for the Partnerships and one or more other funds cannot be fully executed, allocation shall be made based upon the Registrant's procedures for allocation of investment opportunities.

## **Item 13: Review of Accounts**

### ***A & B. Account Review***

The Registrant manages and supervises the accounts of the Partnerships. These accounts and investment positions are monitored on a current basis, and a complete list of the investment positions are more formally reviewed as necessary. The Registrant's Investment Committee meets at least quarterly to review new investment opportunities and monitors the Partnerships' investments.

### ***C. Client Reporting***

Limited Partners in the Partnerships will receive reporting as described in the Constituent Documents. In addition, investors in the Partnerships have access to an electronic investor portal containing copies of the reports and information described above, Constituent Documents and related items.

## **Item 14: Client Referrals and Other Compensation**

### ***A. Other Compensation***

The Registrant does not receive any economic benefit from anyone who is not a client in relation to the provision of investment advisory services to its clients.

### ***B. Compensation for Client Referrals***

From time to time, the Registrant and its affiliates may utilize both affiliated and non-affiliated, third party placement agents. Payment of a referral fee does not result in additional cost to the client.

### **Item 15: Custody**

The Registrant maintains custody of the Partnerships' assets and certain direct and indirect subsidiaries of the Partnerships in the applicable Fund's or subsidiaries' name with the following qualified custodians: the Bank of New York Mellon and the Northern Trust International Banking Corporation.

Account statements are sent from the custodians to the Registrant, where they are reconciled with the Registrant's accounts before financial information is disseminated to clients.

### **Item 16: Investment Discretion**

The Registrant has the authority to determine, without obtaining specific client consent, the securities or interests and the amount thereof to be bought or sold. Such authority is subject to the limitations set forth in the Partnership Agreement.

### **Item 17: Voting Client Securities**

The Partnerships invests primarily in private entities that typically would not issue proxies. For the limited circumstances where the Partnerships holds publicly-traded securities and receive proxies in connection with them, the Registrant has adopted proxy voting policies and procedures to address how the Registrant will vote proxies for its clients. The policy seeks to ensure that, if applicable, the Registrant votes proxies (or similar instruments) in the best interest of its clients, consistent with the client's investment objective including when there may be material conflicts of interest in voting proxies. If the Registrant determines that it is not in the best interests of the Partnerships to vote or that it is not in the best interests to vote on a particular proxy, it will document its reasons for such determinations. In the event that the Registrant determines it has an actual or potential conflict of interest, it will document it and ensure that such conflict is appropriately avoided, managed and/or disclosed. If you would like a copy of the Registrant's complete policy or, if applicable, information regarding how the Registrant voted proxies, please contact the Chief Compliance Officer and it will be provided to you at no charge.

### **Item 18: Financial Information**

#### ***A Balance Sheet***

Management Fees are payable by the Partnerships to the Registrant quarterly in advance. The

Registrant does not permit the prepayment of fees earlier than this. As such, it is not required to provide a balance for the most recent fiscal year.

***B. Financial Conditions***

There are no financial conditions likely to impair the Registrant's ability to meet its contractual obligations to its clients.

***C. Bankruptcy***

The Registrant has never been the subject of a bankruptcy petition.