



SMART INFRASTRUCTURE MANAGERS

Smart Infrastructure Managers, LLC

Form ADV

Part 2A Brochure

September 5, 2019

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Washington, DC, 20004

This brochure (“**Brochure**”) provides information about the qualifications and business practices of Smart Infrastructure Managers, LLC. If you have any questions about the contents of this Brochure, please contact Smart Infrastructure Managers, LLC by phone at (202) 753-8733 or by email at rvmah@simanagers.com.

Registration as an investment adviser with the U.S. Securities and Exchange Commission (“**SEC**”) does not imply a certain level of skill or training. In addition, the information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about SIM is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This is the Firm's initial filing of the Form ADV Part 2A. As such, there are no material changes to report.

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Item 4: Advisory Business

Smart Infrastructure Managers, LLC (the “**Manager**”) was founded by Managing Partner, Rob Mah, and has been in business since July 3, 2018. The Manager and Smart Infrastructure Partners GP I LLC (the “**General Partner**”) are collectively referred to herein as “**SIM**” or the “**Firm**”.

SIM is the investment adviser to Smart Infrastructure Partners LP, an Ontario limited partnership (the “**Core Fund**”), and SIP Co-Investment Partners LP (the “**Co-Investment Fund**”). The investment period is the earlier of (i) 5 years from the Initial Closing (which may be extended with the consent of the LPAC); and (ii) the date on which the obligation of the Limited Partners to make capital contributions for new portfolio investments is terminated.

SIM will also be managing a co-investment fund to which BDC Development Company Inc. (together with its affiliates “**BDC**”) has made a capital commitment of up to \$20 million (the “**BDC Co-Investment Fund**”), which will invest in the same opportunities as the Core Fund and the Co-Investment Fund.

Additionally, in order to facilitate investment by certain investors (including employees of SIM or its affiliates or their designees), the General Partner (or an affiliate thereof) may create parallel investment entities (“**Parallel Funds**”) that will, generally invest and divest proportionally on the basis of outstanding capital commitments in all portfolio investments.

Finally, if the General Partner reasonably determines in good faith that for legal, tax, regulatory or other reasons it is in the best interests of any or all the Partners, the General Partner may require or, in its discretion allow, any Limited Partner to invest in the Core Fund through one or more intermediate entities affiliated with the General Partner that are established for the purpose of investing in the Core Fund or a Parallel Fund (each a “**Feeder Fund**”) including, without limitation, requiring such Limited Partner to contribute its interest in the Core Fund to such Feeder Fund in exchange for an interest in such Feeder Fund. Certain Limited Partners may be designated as Feeder Funds in the General Partner’s sole discretion as provided for in the Core Fund Agreement. Feeder Funds may also be used in connection with alternative vehicles. Prospective investors should consult with their own advisers as to the consequences of making an investment indirectly in the Core Fund through a Feeder Fund.

The Core Fund, Co-Investment Fund, BDC Co-Investment Fund, Parallel Funds, Feeder Fund, and any alternative vehicles are collectively referred to as “**the Funds**” in this Brochure.

The Firm seeks to accomplish its Funds’ investment objectives generally by investing primarily in equity and equity-related investments, initially in smart infrastructure in transportation, energy and communications, including, smart cities, smart roads, smart rail, smart ports and airports, smart transport, smart lighting, and smart data transmission and storage facilities principally located in North America and Europe.

Investors in the Funds (“**Investors**”) should refer to the relevant vehicle’s offering document, including the appendices thereto, and other governing documents (collectively, the “**Governing Documents**”) for definitive and more detailed information regarding the matters described in this

Brochure. The Core Fund or the General Partner, on its own behalf or on behalf of the Core Fund, may enter into side letters or other agreements with individual Limited Partners which have the effect of establishing rights under, or altering or supplementing, the terms of the Core Fund Agreement and any Subscription Agreement.

The Firm does not participate in wrap fee programs.

As of the filing of this Brochure, the Firm does not have any regulatory assets under management.

Item 5: Fees and Compensation

The Firm receives compensation for the Core Fund based on assets under management. 2.00% per annum on unpaid capital commitments during the investment period (including any extensions), and 2.00% per annum on invested capital. The General Partner of the Core Fund receives compensation based on carried interest. 20% of distributions of investment proceeds on a deal-by-deal basis subject to a full return of capital contributions plus a preferred return to Limited Partners of 8%.

The terms of the Co-Investment Fund will differ from those of the Core Fund, including in respect of management fees and carried interest amount. There will be no management fee payable in respect of services provided by the Manager to the Co-Investment Fund. The General Partner of the Co-Investment Fund receives compensation based on carried interest. 10% of distributions of investment proceeds on a deal-by-deal basis subject to a full return of capital contributions plus a preferred return to Limited Partners of 8%.

The Letter Agreement (as defined and summarized in Item 10) commits BDC in respect of the BDC Co-Investment Fund to a 2.00% per annum management fee during a five-year commitment period and thereafter on outstanding invested capital with a 20% share by the General Partner in the profits of the vehicle.

The General Partner may in its sole discretion give certain persons an opportunity to invest in one or more Portfolio Investments alongside the Core Fund, the Co-Investment Fund and, in certain circumstances, the BDC Co-Investment Fund. The terms of any such direct investment, including the management, performance and other fees and/or carried interest applicable to such direct investment, if any, will be separately negotiated by the General Partner (or an affiliate thereof) and the potential direct investor.

The Core Fund will pay (or reimburse the General Partner and its affiliates for) all expenses related to the operation and administration of the Core Fund, including, without limitation, (i) all out-of-pocket fees, costs and expenses, if any, incurred in developing, negotiating, structuring, acquiring, monitoring, holding and disposing of portfolio investments, including without limitation any financing, legal, auditing, accounting, advisory, consulting, other third-party and/or any travel and accommodation expenses in connection therewith, deposits funded thereon, brokerage commissions, research and quotation service fees and expenses, custodial expenses, the costs of memberships and participation in industry associations within the scope of the Core Fund's investment objective and other investment costs and any other out-of-pocket amounts incurred with respect to such portfolio investments, as determined in good faith by the General Partner, (ii) out-of-pocket fees, costs and

expenses of any administrators, custodians, consultants, counsel, 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), (iii) all out-of-pocket costs and expenses incurred while developing potential portfolio 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 and accommodation expenses, (B) all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for such a proposed portfolio investment, and (C) any deposits or down payments of cash or other property that are forfeited in connection with such a proposed portfolio investment (“**Broken Deal Expenses**”), (iv) 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 portfolio investments, (v) any insurance, indemnity or litigation expense, such as expenses relating to litigation, arbitration or other form of dispute resolution, of the Core Fund, any Parallel Fund, the General Partner or any affiliate, director, manager, officer, employee, member, partner, shareholder, delegate, agent or contractor of any of them (vi) the out-of-pocket expenses of the LPAC (including its counsel and advisory expenses), (vii) any taxes, fees or other governmental charges levied against the Core Fund, (viii) interest on and fees and expenses arising out of all borrowings and hedging arrangements made by the Core Fund, including, but not limited to, the arranging thereof, (ix) expenses of liquidating the Core Fund, (x) any expenses and costs incurred in connection with obtaining an independent or third-party valuation of portfolio investments or other assets, (xi) any expenses and costs and reasonable out-of-pocket expenses of meetings of the LPAC and of Limited Partners and limited partners of any Parallel Fund (including the annual meeting of their limited partners) which are not concurrent with the annual meeting of the Core Fund, including the costs of any resolution passed by Limited Partners, and limited partners of any Parallel Fund (excluding the costs of any time spent in relation to any such meeting), (xii) any out-of-pocket expenses incurred in connection with the Core Fund’s legal and regulatory compliance with applicable law and regulations (including the expenses of complying with any reporting obligations imposed on the General Partner as a result of the Core Fund’s Portfolio Investments or other assets, and (xiii) to the extent not paid by a Feeder Fund, its Feeder Fund expenses.

The Fund will pay and bear all expenses related to its operations. The amount of these partnership expenses will be substantial and will reduce the actual returns realized by Limited Partners on their investment in the Fund (and may, in certain circumstances, reduce the amount of capital available to be deployed by the Fund in investments). Fund expenses include recurring and regular items, as well as extraordinary expenses for which it may be hard to budget or forecast. As a result, the amount of Fund expenses ultimately called or called at any one time may exceed expectations. As described further in the Core Fund Agreement, partnership expenses encompass a broad swath of expenses and include all expenses of operating the Fund. Although organizational expenses are separately categorized under the Core Fund Agreement, ongoing partnership expenses to be borne by the Partners and not classified as organizational expenses include costs that relate to organizational matters. Expenses to be borne by the General Partner are only limited to those items specifically enumerated in the Core Fund Agreement, and all other costs and expenses in operating the Fund will be borne by the Limited Partners. From time to time, the General Partner will be required to decide how to allocate expenses, notwithstanding its interest in the outcome, and may make corrective allocations should it determine that such corrections are necessary or advisable.

SIM's agreement with BDC provides for a \$20 million capital commitment by BDC to: (i) fund SIM's start-up expenses, (ii) fund formation and fund-raising expenses, and (iii) invest in Digital Infrastructure projects sponsored by SIM through a co-invest vehicle alongside the Core Fund (BDC Co-Investment Fund). This agreement commits BDC, in respect of the BDC Co-Investment Fund, to a 2.00% per annum management fee during a five-year commitment period and thereafter on outstanding invested capital with a 20% share by the General Partner in the profits of the vehicle.

The General Partner may allocate any expenses of the Core Fund among the Core Fund, the Co-Investment Fund and the BDC Co-Investment Fund and all other Alternative Vehicles, Parallel Funds or Feeder Funds in a manner that the General Partner determines to be reasonable in its discretion.

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

As described in Item 5 above, the General Partner will receive carried interest-based compensation with respect to the Core Fund and the Co-Investment Fund. Parallel Funds will share proportionately in expenses (including, without limitation, organizational expenses), on the basis of available capital, other than expenses that are specifically attributable in the good faith judgment of the General Partner to the Core Fund or a particular Parallel Fund. The terms of Parallel Funds may differ from those of the Core Fund.

Each Fund pays a carried interest which may create an incentive for the General Partner to make more speculative investments and make different decisions regarding the timing and manner of the realization of such investments, than would be made if such carried interest were not allocated to the General Partner. To mitigate any potential conflicts, the Firm's policies and procedures require investment decisions to be made in the best interest of the Funds.

The Firm has developed policies to address conflicts of interest that include the allocation of investments, which are described in further detail in **Item 12**.

Item 7: Types of Clients

SIM's clients are the Funds, which operate as exempt investment pools under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the "**Investment Company Act**").

An investor in a Fund must be an "**qualified purchaser**" as defined in Section 2(a)(51) of the Investment Company Act.

The minimum capital commitment by investors in the Core Fund will be \$10 million or any smaller amount agreed to by the General Partner in its sole discretion. The Co-Investment Fund, as a Parallel Fund, will be open to each investor that has made a Capital Commitment of at least \$50 million to the Core Fund on the Initial Closing on an up to 3:1 ratio, and an up to 2:1 ratio for Capital Commitments to the Core Fund of at least \$50 million on a Subsequent Closing. BDC may make a capital commitment to the BDC Co-Investment Fund in an amount equal the lesser of (i) up to 10% of total Capital Commitments to the Core Fund and (ii) \$20 million (subject to the Letter Agreement) to the BDC Co-Investment Fund by the Final Closing Date. The General Partner may require or, in

its discretion, allow certain investors to invest in a Parallel Fund in lieu of or in addition to the Core Fund, subject to the terms of the partnership agreement or similar governing document of such Parallel Fund.

The Funds rely on certain exclusions from the definition of “investment company” in the Investment Company Act of 1940, as amended. Accordingly, none of the Funds is registered as an investment company with the SEC.

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

As discussed in Item 4 and in each Fund’s Governing Documents, the Firm seeks to accomplish its Funds’ investment objectives generally by investing primarily in equity and equity-related investments, initially in smart infrastructure in transportation, energy and communications, including, smart cities, smart roads, smart rail, smart ports and airports, smart transport, smart lighting, and smart data transmission and storage facilities principally located in North America and Europe. The Funds do not invest in new issues.

Access to appropriate and attractive deal flow is a key factor for successful smart infrastructure investing. The Firm expects smart infrastructure investment opportunities to come from a broad range of sources, including, for example:

- (i) proprietary opportunities arising out of the BDC strategic relationship;
- (ii) relationships that SIM’s co-founders, senior advisors and other team members maintain with industry participants, governments and other sources; and
- (iii) active dialogue with investment bankers and other professional advisors in the industry.

A critical part of the investment process is the performance of extensive due diligence. The Firm believes this enables the Fund to: (i) assess and mitigate risks where possible; (ii) thoroughly discuss and strategize approaches to maximize value; and (iii) analyze the operational efficiencies of an opportunity. This thorough process includes, but is not limited to:

- (i) onsite visits with management;
- (ii) access to the relevant BDC domain experts and databases;
- (iii) analysis of the market opportunity;
- (iv) review of historical and projected financials;
- (v) review of sales & marketing strategy;
- (vi) legal review of the opportunity;
- (vii) management, customer, vendor, and competitor references when possible; and
- (viii) use of outside consultants and advisors, when appropriate.

Risks

No Assurance of Investment Return.

No assurance can be given as to the Fund’s ability to choose, make and realize investments or that the Fund will be able to implement its investment strategy or achieve its investment objective. There can be no assurance that the Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing. With respect to actual Portfolio 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 Fund. Actual returns to investors in the Fund may be materially different from the target returns for Portfolio Investments. The Fund will pay the Management Fee and Carried Interest Amount and will bear all expenses related to its operations. Such fees are expected to reduce the actual returns to investors. Fees and expenses will be paid regardless of whether the Fund produces positive investment returns. If the Fund 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 Fund by such Limited Partner. There can be no assurance that any Limited Partner will receive any distribution from the Fund. Accordingly, an investment in the Fund should only be considered by persons who can afford a loss of their entire investment.

Lack of Operating History.

The Fund has not commenced operations and therefore has no operating history upon which prospective investors may evaluate its performance. Moreover, the Fund 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 the Fund could decline substantially.

Risk of Limited Number of Investments; Lack of Diversity.

The Fund may participate in a very limited number of investments, and, as a consequence, the aggregate return of the Fund may be substantially and adversely affected by the unfavorable performance of even a single investment. If certain Portfolio Investments perform unfavorably, for the Fund to achieve above-average returns, one or a few of its Portfolio Investments must perform very well. There are no assurances that this will be the case. Limited Partners have no assurance as to the degree of diversification in the Fund's investments, either by the sector, geographic region or asset type. To the extent the Fund concentrates investments in a particular company, security, asset class, geographic region or currency, its 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.

Highly Competitive Market for Investment Opportunities.

The activity of identifying, completing and realizing attractive investments that fall within the Fund's investment objectives is highly competitive and involves a high degree of uncertainty and will be subject to certain market conditions. The Fund will be competing for investments with other investment funds, as well as companies, public equity markets, individuals, financial institutions, strategic buyers and other institutional investors. Further, a number of private equity and infrastructure funds have been formed (and many existing funds have grown in size), which compete in the "smart" 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 and more personnel than the Fund. There can be no assurance that the Fund's intended strategy of sourcing proprietary or exclusive investment opportunities through relationships of the General Partner will be successful. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the Fund, which may also require the Fund 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 Fund and potentially adversely affecting the terms, including price, upon which investments can be made. The Fund may incur bid costs on investments which may not be successful. As a result, the Fund may not recover all of its bid costs, which would adversely affect returns. There can be no assurance that the Fund will be able to locate, consummate and exit investments that satisfy the Fund's rate of return objectives or realize upon their values, or that the Fund will be able to invest fully its committed capital. The General Partner may pursue a wide variety of investment strategies and may modify or depart from the General Partner's initial investment strategy, investment process and investment techniques as it determines appropriate and practicable to accomplish the Fund's overall investment objective.

Real Estate Risks.

Some or all of the Fund's Portfolio Companies may be subject to the risks inherent in the ownership and operation of assets or business that derive a substantial amount of their value from real estate and real estate-related interests. These types of underlying interests are typically illiquid. Deterioration of real estate fundamentals may negatively impact the performance of such Portfolio Companies. 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 General Partner.

Land Title Risk.

Certain Portfolio Companies may require large areas of land to install and operate their 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 Portfolio Companies. In addition, the grantor's fee interests in the land which 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, a Portfolio Company'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 Portfolio Company's right to the leases and easements required to operate such Portfolio Company's business. 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 Portfolio Company's assets 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 a Portfolio Company or require relocation of Portfolio Company assets. If any Portfolio Companies 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 lien holder of a land parcel, or damage arising from the conduct of superior leaseholders, such Portfolio Company's operations and revenues may be adversely affected. In addition, any declaration of native title or other indigenous rights in respect of land on which Portfolio Companies' assets are

located, or through which Portfolio Companies' assets are accessed or operated, may adversely affect the owner or occupier of that land. It may not be possible to mitigate against or remove a risk associated with indigenous claims.

Telecommunications Sub-Sector Risks.

The Fund may make infrastructure-related investments in the telecommunications sector. Investment opportunities in the telecommunications sector are driven largely by consumer demand, technological advances, and improvements in data collection and storage. Changes in the development and proliferation of new technologies, data transmission and/or consumer demand, as well as changes in the prevailing global economy, may adversely affect the Fund's ability to identify and consummate attractive infrastructure-related investments in the telecommunications sector. Companies in this sector are subject to and can be adversely affected by prevailing regulations that vary in scope and complexity from region to region.

Transportation Sub-Sector Risks.

The Fund expects to make investments in infrastructure opportunities relating to the transportation sector, which may include investments relating to airports, roads, bridges and tunnels, port terminals, railroads, municipal transport, parking facilities and other public or private transportation-related infrastructure investments. The Fund's ability to make attractive transportation-related infrastructure investments may be subject to a variety of considerations, including general supply/demand trends, overall economic development and growth in the jurisdictions in which the Fund may make investments, general market conditions, socioeconomic changes, and changes relating to governmental spending and related policies. Any adverse or unexpected changes in such conditions could adversely affect the Fund's ability to consummate attractive transportation-related infrastructure investments and/or the performance of any Portfolio Investments in the transportation sector.

Strategic Asset Risks.

The Fund's Portfolio Companies may control investments that constitute significant strategic value to public or governmental bodies. Strategic assets are assets that have a national or regional profile, and may have monopolistic characteristics. The very nature of these assets could generate additional risks not common in other industry sectors. Given the essential nature of the services provided by strategic infrastructure assets, there is a higher probability that the services provided by such assets will be in constant demand. Should an owner of such assets fail to make such services available, users of such services may incur significant damage and may, due to the characteristics of the strategic assets, be unable to replace the supply or mitigate any such damage, thereby heightening any potential loss from third-party claims.

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 Fund to effectively consummate investments in or relating to such infrastructure projects. Alternatively, the General

Partner'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 announced, or engage with new, 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 General Partner deems favorable.

Rate Regulation.

Certain infrastructure assets may be subject to rate regulations that determine or limit the prices they may charge, particularly if a Portfolio Company 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 Portfolio Companies' profits being negatively affected and Portfolio Companies 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 Investments to reduce their toll rates, or to forgo planned rate increases.

The relevant governmental entities may seek to limit the Fund's 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 General Partner 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 Fund's business, financial condition and results of operations could be materially and adversely affected.

Environmental Risk.

National and local environmental laws and regulations affect the operations of infrastructure projects and companies. The Fund may invest in Portfolio Companies 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 Portfolio Companies or potential investments

and could create liabilities which did not exist at the time of acquisition and that could not have been foreseen. Compliance with such current or future environmental requirements does not ensure that the operations of Portfolio Companies will not cause injury to the environment or to people under all circumstances or that Portfolio Companies will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such 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 Portfolio Companies will at all times comply with all applicable environmental laws, regulations and permit requirements. Past practices or future operations of Portfolio Companies could also result in material personal injury or property damage claims.

Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners of a partnership (such as the Fund) subject to environmental liability.

Illiquid and Long-Term Investments. Investments in unlisted companies or projects can be difficult or impossible to realize. Although Portfolio Investments may generate current income, the return of capital and the realization of gains, if any, from a Portfolio Investment may not occur until the partial or complete disposition of such Portfolio Investment. While a Portfolio Investment may be sold at any time, it is not generally expected that this will occur for a number of years after the Portfolio Investment is made and may occur only through an in-kind distribution to Limited Partners at dissolution and liquidation of the Fund. It is unlikely that there will be a public market for the securities or interests held by the Fund at the time of their acquisition. Therefore, no assurance can be given that, if the Fund is determined to dispose of a particular Portfolio Investment held by the Fund, it could dispose of such Portfolio 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 Fund will generally not be able to sell the securities underlying Portfolio 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 Fund may be prohibited by contract or for regulatory reasons from selling certain securities or instruments for a period of time, and there can be no assurances that private purchasers of the Portfolio Investments will be found. Similarly, due to the nature of the underlying investments, the sale of such Portfolio Investments may be subject to various regulatory approvals. Furthermore, infrastructure investments by their nature are subject to industry cyclicality, 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 Fund or as otherwise provided in the Core Fund Agreement, Portfolio 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).

Investments Longer Than Term.

The Fund may make investments that may not be disposed of prior to the date the Fund will be dissolved, either by expiration of the Fund's term or otherwise. The General Partner has a limited ability to extend the term of the Fund, and the Fund may be required to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. In addition, there can be no assurance with respect to the time frame in which the winding up and the final distribution of proceeds to the Limited Partners will occur.

Risks of Less Established Companies.

The Fund may invest 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. Portfolio 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 Fund 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 Fund's other assets.

Operating and Financial Risk of Portfolio Companies.

Portfolio Companies could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment, or an economic downturn. As a result, companies which were expected to be stable may operate at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive positions, or may otherwise have a weak financial condition or be experiencing financial distress.

Borrowings and Leverage.

The General Partner expects to utilize leverage in connection with the Fund's operation (such as bridging capital calls) and investments. Utilization of the leverage will result in fees, expenses and interest costs to the Fund. While investments in leveraged companies and the use of leverage in financing transactions offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. Such leverage will increase the exposure of an investment to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the investment and may impair such investment's ability to finance its future operations and capital needs and result in restrictive financial and operating covenants, including those that may prevent distributions to the Fund. These restrictive financial covenants may limit such investment's flexibility to respond to changing business and economic conditions. While interest rate risk can generally be reduced through hedging, such as interest rate swaps or other mechanisms, there is sometimes residual exposure. Furthermore, the hedged debt only provides certainty for a specific time period, and there is no guarantee that future hedges will achieve the desired result. The Fund's assets, including any investments made by the Fund and any capital held by the Fund, are available to satisfy all liabilities and other obligations of the Fund. If the Fund or a Portfolio Company cannot generate adequate cash

flow to meet debt obligations or defaults on secured indebtedness, the lender may foreclose and the Fund could lose its entire investment in the security for such loan. If the Fund itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability. Because the Fund may engage in portfolio financings where several investments are cross-collateralized, multiple investments may be subject to the risk of loss. As a result, the Fund could lose its interests in several performing investments in the event such investments are cross-collateralized with poorly performing or nonperforming investments. In addition, there can be no guarantee that debt facilities will be available at commercially attractive rates throughout the term of the Fund or when due for refinancing, such that the Fund will be exposed to less favorable terms or rates upon a refinancing, or that any facilities negotiated will be fully utilized by the General Partner.

The Fund may, at any time before or after the end of the Investment Period, borrow funds to make investments on a leveraged basis and may withhold from distributions amounts necessary to repay such borrowings or to fund any guarantees (or other credit support obligations). Such debt exposes the Fund to refinancing, recourse and other risks. Liquidation of the Portfolio Investments at an inopportune time in order to satisfy such financial covenants could adversely impact the performance of the Fund and could, if the value of its Portfolio Investments had declined significantly, cause the Fund to lose all or a substantial amount of its capital. Moreover, if additional capital contributions were required to satisfy such financial covenants, this would effectively reduce the amount of capital available for other Portfolio Investments and could adversely affect the diversification of the Fund's portfolio. In addition, the interest expense and other costs incurred in connection with such borrowings may not be recovered by income from investments purchased by the Fund. If investment results fail to cover the cost of borrowings, the value of the portfolio held by the Fund would decrease faster than if there had been no such borrowings. Additionally, if the investments fail to perform to expectations, the interests of Limited Partners in the Fund will be subordinated to such leverage, which will compound any such adverse consequences. Further, to the extent income received from investments is used to make interest and principal payments on such borrowings, Limited Partners may be allocated income, and therefore tax liability, in excess of cash received by them in distributions. Borrowings may be secured by assignment of the obligations of the Limited Partners to make Capital Contributions to the Fund and a security interest in investments. The leverage may limit the Limited Partners' ability to use their interests in the Fund as collateral for other indebtedness.

U.S. tax-exempt investors should note that the use of leverage by the Fund may create unrelated business taxable income as defined in Sections 512 through 514 of the Internal Revenue Code ("UBTI").

Financial Market Fluctuations & Inflation Risks.

General fluctuations in the market prices of securities may affect the value of Portfolio 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 a Portfolio 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 Portfolio Investments, resulting in fluctuations in valuation.

Debt or Mezzanine Investments in Portfolio Companies.

The Fund 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 no 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 Fund's investment 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 Fund's investment in any such company.

General Economic and Market Conditions.

The success of the Fund's investment activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, as well as by changes in laws (including laws relating to taxation of the Fund's Portfolio Investments), trade barriers, currency exchange controls, rates of inflation, currency depreciation, asset reinvestment, resource self-sufficiency, emerging market volatility and national and international political, environmental and socioeconomic circumstances (including wars, terrorist acts, health crises or security operations). Any market turmoil, coupled with the threat of an economic slow-down, as well as a perceived increase in counterparty default risk, may have an adverse impact on the availability of credit to businesses generally, which in turn may adversely affect or restrict the ability of the Fund to sell or liquidate Portfolio Investments at favorable times or at favorable prices or which otherwise may have an adverse impact on the business and operations of the Fund, restrict the Fund's investment activities and/or impede the Fund's ability to effectively achieve its investment objective.

No assurance can be given that current or anticipated market conditions, trends or opportunities will arise or continue, as applicable. There can be no assurance that conditions in the global financial markets will not worsen and/or adversely affect one or more of the Fund's Portfolio Investments, its access to capital for leverage or the Fund's overall performance. The Fund's investment strategy and the availability of opportunities satisfying the Fund's risk-adjusted return parameters relies in part on the continuation of certain trends and conditions observed in the market for Portfolio Investments and the broader financial markets as a whole, 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 General Partner will prove correct and actual events and circumstances may vary significantly.

Lack of Liquidity for the Interests; No Market for Limited Partnership Interests; Restrictions on Transfers.

The Interests have not been registered under the 1933 Act, the securities laws of any state or the securities laws of any other jurisdiction and, therefore, cannot be resold unless they are subsequently registered under the 1933 Act and other applicable securities laws or an exemption from registration is available. Registration of the Interests under the 1933 Act or other securities laws may never be effected. An investment in the Fund is a long-term commitment. There is no public market for the Interests and one is not expected to develop. Accordingly, it may be difficult to obtain reliable information about the value of the Interests. A Limited Partner will not be permitted to assign or transfer its Interests without the prior written consent of the General Partner, which may be given or withheld in the General Partner's sole and absolute discretion. Except in extremely limited circumstances, voluntary withdrawals from the Fund will not be permitted. Limited Partners must be prepared to bear the risks of owning Interests and contributing capital for an extended period of time. Further, any stock or common equity interest offered in a listing or other liquidity event may be subject to restrictions on transfer, and in this regard a Limited Partner may be restricted from transferring any interests acquired in connection with such a listing or liquidity event liquidity event, including, among other limitations, to a Benefit Plan Investor, any Party in Interest or Disqualified Person (each as defined herein), or any affiliate of any such person.

Risks Arising from Provision of Managerial Assistance.

The General Partner will use reasonable best efforts to avoid having the assets of the Fund constitute Plan Assets (as defined herein) and may, in this regard, elect to either (i) limit equity participation by Benefit Plan Investors to less than 25% of the total value of each class of equity interests in the Fund, or (ii) operate the Fund as a "venture capital operating company" (a "VCOC") within the meaning of regulations promulgated under ERISA. Operating the Fund as a VCOC would require, among other things, that the Fund obtain rights to substantially participate in or influence the conduct of the management of a number of the Portfolio Companies. The Fund may designate one or more directors to serve on the board of directors of one or more Portfolio Companies as to which it obtains such rights. The designation of directors and other measures contemplated could expose the assets of the Fund to claims by a Portfolio Company, any external security holders and its creditors. While the General Partner intends to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Cyber Security Breaches and Identity Theft.

The information and technology systems of the General Partner, the Manager and Portfolio Companies 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, the Fund 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 the Fund's 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 the Fund's 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.

Recycling; Reinvestment.

Undrawn Capital Commitments may be increased (i) by the amount of any capital contributed by the Partners for a Portfolio Investment to the extent that the amount of such capital has been returned (A) within eighteen months of making such Portfolio Investment (either from Current Proceeds or Disposition Proceeds) as a result of a sale, dividend, refinancing, disposition or other distribution relating to such Portfolio Investment, including a return of capital used to fund a Bridge Financing, (B) in lieu of its application toward such Portfolio Investment in the event that the General Partner determines that a proposed Investment in respect of which Partners have made Capital Contributions will not be consummated or that the amount of Capital Contributions made exceeds the amount required to consummate such proposed Portfolio Investment, or (C) in connection with a syndication by the Fund of a portion of a Portfolio Investment to any co-investor, and (ii) as otherwise described in the Core Fund Agreement. In addition, any amount drawn down to pay the Management Fee, Fund expenses or organizational expenses will reduce Undrawn Capital Commitments but, to the extent Combined Limited Partners receive subsequent distributions during the Investment Period, will (without duplication) be added back to Undrawn Capital Commitments and will be subject to recall. Accordingly, during the term of the Fund, Limited Partners may be required to make Capital Contributions in excess of their Capital Commitment and to the extent such recalled amounts are reinvested in investments, a Limited Partner will remain subject to investment and other risks associated with such investments.

In-Kind Distributions.

Investors should be aware that dispositions may also take the form of in-kind distributions to the Limited Partners. When securities or other assets are distributed to the Limited Partners, such Limited Partners generally would be unable to protect their interests as effectively as the Fund. In certain circumstances provided for in the Core Fund Agreement, securities or other assets of the Fund may be distributed that are not marketable or are otherwise illiquid. The risk of loss and delay in liquidating securities or other assets distributed in-kind will be borne by the recipient Limited Partners, with the result that such Limited Partners may receive less cash than was reflected in the fair value of such securities or other assets as determined by the General Partner pursuant to the Core Fund Agreement.

Limited Access to Information.

Limited Partners' rights to information regarding the Fund will be limited. In particular, it is anticipated that the General Partner will obtain certain types of material information from Portfolio Companies that will not be disclosed to Limited Partners because such disclosure is prohibited for contractual, legal or similar obligations outside of the General Partner's control. Decisions by the General Partner to withhold information may have adverse consequences for Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to transfer its Interests may have difficulty in determining an appropriate price for such Interests. Decisions to withhold information also may make it difficult for a Limited Partner to monitor the General Partner and its performance. Additionally, it is expected that Limited Partners who designate representatives to participate on the LPAC may, by virtue of such participation, have more information about the Fund and Portfolio Investments in certain circumstances than other Limited Partners generally and may be disseminated information in advance of communication to other Limited Partners generally.

The risks described above are not a complete list of all risks associated with the Funds' investment strategies. In addition, as a Fund's investment program develops and changes over time, an investment in such Fund may be subject to additional and different risk factors.

Investors should refer to a Fund's Governing Documents for a more complete description of the risks involved in investing in such Fund.

Item 9: Disciplinary Information

The Firm and its management persons have not been involved in any legal or disciplinary events that are material to an Investor's evaluation of the Firm's investment advisory business or the integrity of the Firm's management.

Item 10: Other Financial Industry Activities and Affiliations

Neither the Firm nor any of its management persons is registered or has an application pending to register as (i) a broker-dealer or a registered representative of a broker-dealer or (ii) a futures commission merchant, a commodity pool operator, a commodity trading adviser or associated person of the foregoing.

SIM has a strategic relationship with BDC. The following summarizes the principal terms of the letter agreement between SIM and BDC dated January 7, 2019 (the "**Letter Agreement**"), as applicable to the Fund:

- (i) An exclusive right granted by BDC and its direct or indirect affiliates (collectively, "BDC" or the "BDC Companies") to SIM in respect of all digital infrastructure project investment opportunities identified by, or otherwise made known to, the BDC Companies. SIM will have a 30-day right of first offer with regard to all digital and smart infrastructure in transportation, energy and communications including, smart cities, smart roads, smart rail, smart ports and airports, smart transport, smart lighting, and smart data transmission and storage facilities principally located in North America and Europe ("**Digital**

Infrastructure Projects”) and related deal flow identified by, or otherwise made known to the BDC Companies. SIM will not pursue any opportunities presented by BDC with third party EPC providers without BDC’s written permission.

- (ii) In the case of entities over which SIM (through the General Partner) will exercise or exercises management control by virtue of the Fund’s investment, the BDC Companies shall have the exclusive right to perform the installation, construction or related project delivery services, e.g., engineering, procurement and construction; engineering, procurement construction management or project/construction management or similar services) subject to the BDC Companies demonstrating that the services would be performed on terms and conditions that, based on objective criteria determined by SIM in its discretion acting reasonably, are supportive of anticipated investment pro forma returns. In the case of entities over which SIM (through the General Partner) does not exercise management control by virtue of the Fund’s investment, SIM shall use its reasonable efforts to cause such entities to enter into exclusive negotiations with such entity for such services (collectively the **“BDC Rights”**). The BDC Companies may not pursue any Digital Infrastructure Projects presented by SIM with third party sources of finance without SIM’s written permission.
- (iii) The BDC Companies will not have a role in SIM’s investment decisions made in respect of the Fund.
- (iv) The Letter Agreement provides for a \$20 million capital commitment by BDC to: (i) fund SIM’s start-up expenses, (ii) fund formation and fund-raising expenses, and (iii) invest in Digital Infrastructure Projects sponsored by SIM through a co-invest vehicle alongside the Core Fund, through the BDC Co-Investment Fund. The Letter Agreement commits BDC in respect of the BDC Co-Investment Fund to a 2.00% per annum management fee during a five-year commitment period and thereafter on outstanding invested capital with a 20% share by the General Partner in the profits of the vehicle. BDC will retain discretion as to which investments it elects to be included in the vehicle, which are principally envisaged to be those in which the BDC Companies would perform works as described in (ii) above.
- (v) Until July 7, 2021, (i) none of the BDC Companies will invest in or sponsor a private equity fund or similar vehicle the primary purpose of which is investing in digital infrastructure projects in North America and Europe; and (ii) SIM will not enter into any partnership or similar agreement with any competitor of the BDC Companies, provided that SIM may retain other construction companies and development managers that are competitors to the BDC Companies in respect of a project for which the BDC Rights does not apply.
- (vi) BDC will have the right to approve any limited partner in the Fund, not to be unreasonably withheld.
- (vii) The General Partner, as well as each of the Limited Partners of the Core Fund will be required to represent in writing (as part of their subscription for Interests) that they have made no reliance on the BDC Companies in making their decision to make a capital commitment.

As described in Item 4, the Firm is affiliated with the Funds' General Partner. The Firm serves as the investment manager to the Funds, and each General Partner is the general partner of, and receives carried-interest-based compensation from, its respective Fund. Certain of the Firm's partners, officers, employees, affiliates and their respective family members may invest directly in the Funds. Investments in the Funds made by these persons may not be subject to the management fees or carried interest-based compensation described in Item 5 above.

Employees of the Firm may serve as directors and officers of certain portfolio companies, and in that capacity, will be required to make decisions that consider the best interests of such portfolio companies and their respective shareholders, including the Funds. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interests of the portfolio company may not be in the same best interests of the Funds that are shareholders, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individuals' duties as an employee of the Firm and such individuals' duties as a director or officer of such portfolio company.

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

The Firm has adopted a Code of Ethics (the "**Code**") that is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "**Advisers Act**"). The Firm's Code covers standards for business conduct, confidentiality of client information, personal trading limitations, preventing against insider trading, reporting of personal securities transactions, social media policies, political contribution policies and restrictions on gifts and business entertainment items, among other things.

The Code applies to all Firm personnel and sets forth a standard of business conduct that takes into account the Firm's fiduciary duty as an investment adviser to its Funds. The Code requires Firm personnel to comply with applicable federal securities laws, and to promptly bring any violations of the Code to the attention of the Firm's Chief Compliance Officer. All personnel are provided with a copy of the Code and are required to acknowledge receipt and understanding of the Code on at least an annual basis.

All Firm personnel must provide an initial list of personal securities accounts and holdings. Thereafter, the Firm requires its personnel to report their securities transactions on a quarterly basis and to disclose their securities holdings on an annual basis. The Code also includes insider trading policies and procedures that are designed to prevent the improper use of material, non-public information. Such policies and procedures generally prohibit the Firm and its personnel from trading for the Funds or themselves in securities of an issuer while in possession of material, non-public information about the issuer. Violations of the Code may result in remedial actions, including, but not limited to, fines, censure, suspension or termination.

The Firm will provide a copy of its Code to any existing or prospective Investor upon request to its Chief Compliance Officer by phone at (202) 753-8733 or by email at rvmah@simanagers.com.

If any matter arises that the Firm determines in good faith to constitute an actual conflict of interest, the Firm may take such actions as may be necessary or appropriate, within the context of a Fund's applicable Governing Documents, to ameliorate the conflict.

As explained in Item 4 above, the Firm serves as the investment manager to the Funds. The Firm and certain of its partners, officers, employees, affiliates and respective family members may invest directly in the Funds, which investments may not be subject to management fees or carried-interest-based compensation. The Firm recognizes the potential conflicts of interest that may arise when such persons invest in the Funds. The Firm addresses these potential conflicts through its Code, which requires the Firm to act in the best interest of the Funds, through regular monitoring of the Funds' portfolios and through its other policies and procedures, including the allocation policy as further described in Item 12.

Item 12: Brokerage Practices

The primary investment objective of the Fund is to generate attractive risk-adjusted returns principally through equity and equity-related investments in smart infrastructure in North America and Europe. To the extent SIM transacts in public securities, it intends to select brokers based on the broker's ability to provide best execution for a Fund.

To the extent the Firm transacts in public securities it intends to select brokers based upon the broker's ability to provide best execution for the Funds. The Firm is generally authorized to make the following determinations, subject to the Funds' investment objectives and restrictions, without obtaining prior consent from the relevant Fund or any of their investors: (1) which securities or other instruments to buy or sell; (2) the total amount of securities or other instruments to buy or sell; (3) the executing broker or dealer for any transaction; and (4) the commission rates or commission equivalents charged for transactions.

In making its decisions regarding the allocation of brokerage transactions for the Funds, the Firm will consider a variety of factors including but not limited to: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker-dealer or counter party; and (iv) the competitiveness of commission rates in comparison with other broker-dealers. Although the Firm generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

From time-to-time, the Firm uses the services of brokers in connection with transactions in private securities transactions. In such situations, the brokers are compensated on a per share or percentage basis, each of which is negotiated on a case-by-case basis.

The Firm does not participate in any soft dollar arrangements outside of receiving research available to other institutional investors. Research services received from brokers and dealers are supplemental

to the Firm's own research effort. Certain service providers or their affiliates (including, without limitation, any accountants, developers, property managers, administrators, lenders, brokers, attorneys, consultants, investment or commercial banking firms and certain other advisors and agents) of the Fund may be investors in the Fund and/or sources of investment opportunities and co-investors or counterparties therewith. 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 Fund, the General Partner, the Manager or any Limited Partner in the Fund or any entity in which the Fund has made a Portfolio 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 Fund. These other services and relationships may influence the General Partner in deciding whether to select such a provider to perform services for the Fund and its Portfolio Companies (the cost of which will generally be borne directly or indirectly by the Fund). Notwithstanding the foregoing, investment transactions for the Fund 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 Firm believes to be of benefit to the Fund, but it should be noted such service providers may not necessarily be the most cost effective or necessarily the best for every particular situation.

Item 13: Review of Accounts

The Fund's portfolio is under continuous review by the Firm. SIM has developed an asset management framework which will seek to put into place and maintain the following for all portfolio investments: appropriate business planning, performance reporting, governance and risk management. The Firm will aim to add value to portfolio investments through:

- (i) active representation on boards and committees;
- (ii) development and review of strategy, business and financial plans;
- (iii) management team improvements;
- (iv) aligning management compensation with the achievement of key goals;
- (v) governance enhancements;
- (vi) capital structure management;
- (vii) regulatory, government and other key stakeholder relationships;
- (viii) proactive ESG initiatives and oversight; and
- (ix) leveraging the operational and strategic expertise of the deal team and the Board of Advisors.

Generally, Fund Investors receive unaudited, condensed quarterly performance reports. In addition, Fund Investors receive audited financial statements on an annual basis. The Core Fund will furnish audited financial statements to all Partners within 120 calendar days (subject to reasonable delays in the event of the unforeseen late receipt of any necessary financial statements from any person in which the Core Fund holds Portfolio Investments) after the end of each fiscal year. Each Limited Partner will also be furnished with the unaudited financial statements of the Core Fund within 60 calendar days (subject to reasonable delays in the event of the late receipt of any necessary financial statements from any person in which the Core Fund holds Portfolio Investments) after the end of each of the first three fiscal quarters.

Item 14: Client Referrals and Other Compensation

The Firm does not compensate any person for Investor referrals, nor does it receive economic benefits from any third party for providing investment advisory services to the Funds. Any commissions, fees, costs and expenses payable to any placement agents or finders, which may be engaged in respect of the sale of Interests to Limited Partners, may, at the General Partner's election, either be borne by the General Partner and its affiliates, or be paid proportionately by the Core Fund, the Co-Investment Fund and the BDC Co-Investment Fund.

The General Partner does not generally expect or intend to charge any cash or non-cash fees in respect of: (i) setup or other origination fees in connection with the origination of a Portfolio Investment by the Core Fund or the General Partner, (ii) topping or break-up fees in connection with proposed but unconsummated Portfolio Investments, (iii) directors' or monitoring fees paid by a Portfolio Investment and (iv) commitment fees in connection with the Core Fund's commitment to make a Portfolio Investment (collectively, "**Other Fees**"). However, if such Other Fees are charged or earned by the General Partner or any of its affiliates or personnel, 100% of the Core Fund's share (pro-rated with all other investors in each Portfolio Company on the basis of their respective interest in such Portfolio Company) of any Other Fees, to the extent they exceed any out-of-pocket costs or expenses (including broken-deal expenses) in connection with such transactions incurred thereby, including any value-added, sales or similar taxes applicable to such fees, received by (i) the General Partner, and (ii) its affiliates or personnel in such fiscal year (the "Reduction Amount") shall reduce Management Fees payable by the Core Fund as outlined in its offering documents. The BDC Co-Investment Fund, each Parallel Fund and each Feeder Fund that is an affiliate of the General Partner may bear its share of Other Fees and receive a Reduction Amount, if applicable.

Item 15: Custody

The Firm will comply with the requirements of Rule 206(4)-2 of the Advisers Act (the "**Custody Rule**") with respect to the custody of Client funds and securities. The Firm and certain affiliates are deemed to have custody of the funds and securities of the Funds under the Custody Rule because, among other reasons, they have the authority pursuant to the Funds' Governing Documents to deduct advisory fees and pay expenses from Fund accounts.

Investors do not receive statements directly from the Funds' custodians. Instead, to comply with the Custody Rule, audited Fund financial statements prepared in accordance with U.S. generally accepted accounting principles are distributed to Investors annually.

Item 16: Investment Discretion

The Firm has discretionary authority to manage securities accounts on behalf of the Fund. The Firm is authorized to make transaction recommendations for the Fund, subject to the terms of the Funds' Governing Documents. As explained in Item 4 above, the Funds' investment strategies are set forth in detail in the Funds' Governing Documents. Fund investors must execute a subscription agreement in which they make various representations, including representations regarding their

suitability to invest. Each prospective purchaser will be required to represent that it is a “**qualified purchaser**” as defined in Section 2(a)(51) of the Investment Company Act.

Item 17: Voting Client Securities

It should be noted that the Firm generally does not trade in individual publicly traded securities. As such, the Firm does not anticipate voting proxies.

To the extent the Firm does vote proxies, the Firm understands and appreciates the importance of proxy voting. Where the Firm has discretion to vote the proxies of the Fund, it will vote any such proxies in the best interests of the Fund and Fund investors (as applicable) and in accordance with set compliance procedures.

If you would like detailed information on the Firm’s status as a voter of proxies or the manner in which any proxies were actually voted, please contact the Chief Compliance Officer at (202) 753-8733 or by email at rvmah@simanagers.com.

Item 18: Financial Information

The Firm has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its Funds.