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**FORM ADV PART 2A: FIRM  
BROCHURE**

Macquarie Infrastructure and  
Real Assets Inc.

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This brochure provides information about the qualifications and business practices of Macquarie Infrastructure and Real Assets 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 Macquarie Infrastructure and Real Assets Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Referring to Macquarie Infrastructure and Real Assets 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 Macquarie Infrastructure and Real Assets Inc. ("MIRA Inc." or the "Relying Adviser") since the completion of its last annual update to Form ADV Part 2A dated June 29, 2016.

- Non-discretionary assets under management of MIRA Inc. were substantially reduced due to the sale of investments by certain co-investment clients of MIRA Inc.

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## Item 4: Advisory Business

### A. Advisory Firm

Macquarie Infrastructure and Real Assets Inc. ("MIRA Inc." or the "Relying Adviser") is a Delaware corporation. It was incorporated in May 2007 and was registered with the SEC from April 11, 2008 to June 25, 2015.

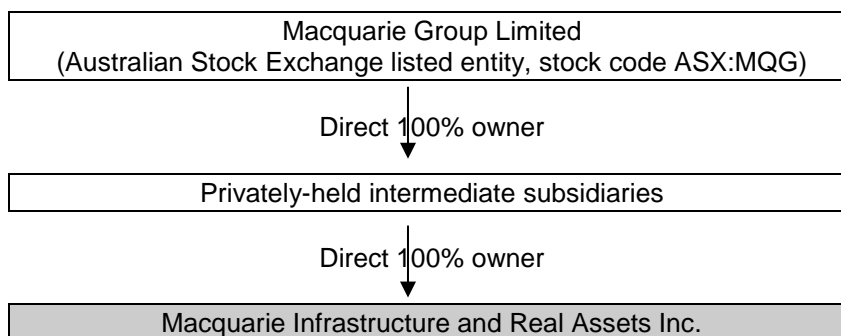
MIRA Inc. withdrew its SEC registration on June 25, 2015 because it no longer satisfied the conditions for registration pursuant to the Investment Advisers Act of 1940 (the "Advisers Act"). Due to non-discretionary advisory services provided to certain co-investment clients (as further described below), the Board of Directors of MIRA Inc. deemed it to be in its best interests, pursuant to the 2012 ABA No-Action Letter, to operate as an unregistered "relying adviser" to Macquarie Infrastructure Partners Inc., an investment adviser registered with the SEC since April 11, 2008 (the "Registrant").

MIRA Inc. qualifies as a "relying adviser" because:

- it and the Registrant advise only private funds and separate account clients that are "qualified clients" as defined under the Advisers Act;
- each of MIRA Inc.'s "supervised persons" are "persons associated with" the Registrant, both as defined under the Advisers Act;
- the Registrant has its principal office and place of business in the U.S.;
- the advisory activities of MIRA Inc. is subject to the Advisers Act and examination by the SEC; and
- the Registrant and MIRA Inc. operate under a single Code of Ethics, written policies and procedures, and Chief Compliance Officer in accordance with the Advisers Act.

This Part 2A of Form ADV of MIRA Inc. will be included in the annual Form ADV filing of the Registrant.

The Relying Adviser 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:



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

The Relying Adviser provides non-discretionary investment supervisory services to clients ("Clients") with respect to the ownership and operation of companies in infrastructure and other industries, including those clients co-investing alongside the Macquarie Group or investment funds managed by affiliates of the Relying Adviser ("Funds"). The Relying Adviser's investment advisory services consist of monitoring the performance of portfolio companies for Clients, and advising Clients regarding disposition opportunities.

The Relying Adviser will advise Clients primarily investing in operating or holding companies in the infrastructure and other industries, including other investment entities that invest in operating companies such as partnerships or limited liability companies ("Portfolio Investments"). Equity-related securities may include preferred stock, warrants, convertible debt, partnership or similar interests in operating companies or holding companies, options and other derivative type securities. While not its principal focus, the Relying Adviser may from time-to-time advise Clients on investments in (a) cash instruments or short-term debt instruments, prior to a Client's investment, reinvestment or distribution of proceeds or (b) real estate-related securities.

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

Advisory services are tailored to the specific needs of Clients. These arrangements, and any relevant restrictions, are outlined in individual advisory agreements entered into between the Relying Adviser and each Client.

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

The Relying Adviser does not participate in wrap fee programs.

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

The Relying Adviser provides continuous and regular supervisory and management services to a portfolio of client assets. The amount of assets under management ("AUM") as at 31 March 2017 is:

	AUM US\$
Discretionary:	\$0.00
Non-Discretionary:	\$1,863,500,000
Total:	\$1,863,500,000

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

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

The Relying Adviser charges Clients fees that can be determined as a percentage of cash flow generated by an investment and/or a percentage of profits, if any, the Co-Investment Client realizes from investments in excess of a specified hurdle rate. The Relying Adviser may also charge Clients asset based management fees that can be determined as a percentage of net asset value or a percentage mark-up of costs incurred by the Relying Adviser.

The Relying Adviser's fees are separately negotiated with each Client. The Relying Adviser's fees are paid pursuant to advisory agreements between the Relying Adviser and its Clients.

***B. Payment of Fees***

Clients are charged fees at such time as any profits from their investments in excess of a specified hurdle rate are realized.

***C. Other Fees***

No additional fees are paid to the Relying Adviser by Clients in connection with advisory services provided. In certain cases however, Clients may pay fees to an affiliate of the Relying Adviser for advisory services rendered and due diligence provided with respect to their investments.

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

Clients are not permitted to pay fees in advance of advisory services being provided.

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

Neither the Relying Adviser 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.

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

Refer to Item 5: Fees and Compensation.

The existence of the Relying Adviser's ability to earn performance compensation from Clients could be viewed as an incentive for the Relying Adviser to make or recommend riskier or more speculative investments for a Client than would be the case in the absence of these arrangements. However, the capital commitment by Macquarie Group to the Funds participating in such transactions should help to mitigate such incentive. In addition, the manner in which the Relying Adviser's entitlement to performance compensation is determined may result in a conflict between its interests and the interests of Clients with respect to the sequence and timing of disposals of investments.

**Item 7: Types of Clients**

The Relying Adviser generally provides investment advisory services to the following types of clients:

- Pension and profit sharing plans
- Corporations/business entities

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

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

The Relying Adviser assists its Clients to achieve attractive financial returns by focusing on value creation opportunities in targeted infrastructure and other sectors by using senior management's knowledge, experience and network of relationships within infrastructure and other industries.

The Relying Adviser believes that rigorous due diligence is critical to assessing and assisting its Clients with investment opportunities. The Relying Adviser's diligence process typically includes conducting meetings with an operating company's management and analyzing the operating company itself. The analysis generally includes an analysis of the company's historical performance and a review of the company's actual performance versus budget. The Relying Adviser will assist its Clients to develop financial models for proposed investments based on projected financial results. However, its clients are ultimately responsible for deciding whether to pursue investments. Client's investments are expected to vary with respect to size, type of security, and use of leverage. The Relying Adviser may assist its Clients to partner with other institutional investors, strategic investors or other similar investors. Additional involvement may include regular consultations with management, participating in corporate governance, assisting with the development of business and strategic plans, and identifying and recruiting top level management.

Additional sources of information employed by the Relying Adviser in assessing investment opportunities for its clients include: financial newspapers and magazines, research materials, corporate rating services, annual reports, prospectuses and filings with the SEC and company press releases.

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

The Relying Adviser will advise Clients primarily investing in operating or holding companies in the infrastructure and other industries whose principal place of business is located in North America. These investments will be subject to the risks incidental to the ownership and operation of infrastructure projects, including risks associated with the general economic climate, geographic or market concentration, the clients' ability to manage the investment, government regulations, and fluctuations in interest rates.

In addition, general economic conditions in North America, as well as conditions of domestic and international financial markets, may adversely affect operations. In particular, because of the long lead-time between the inception of a project and its completion, a well-conceived project may, as a result of changes in investor sentiment, the financial markets, economic or other conditions prior to its completion, become an economically unattractive investment.

### ***Environmental Risks***

The operations of Portfolio Investments are subject to numerous statutes, rules and regulations relating to environmental protection. There is the possibility of existing or future environmental contamination, including soil and groundwater contamination, as a result of the spillage of hazardous materials or other pollutants.



Under various environmental statutes, rules and regulations of the appropriate jurisdiction, a current or previous owner or operator of real property may be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of hazardous materials. The presence of these hazardous materials on a property could also result in personal injury, property damage or similar claims by private parties.

Persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of those materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person.

Any liability of Portfolio Investments resulting from non-compliance or other claims relating to environmental matters could have a material adverse effect on the value such Portfolio Investments.

#### *Toll Rates Risk*

Users of the toll roads, bridges, tunnels and subways operated by Portfolio Investments may react negatively to any adjustments to the applicable toll rates, or public pressure may cause relevant government authorities to challenge the toll rates. Motorists may react adversely to toll rates, for example, by avoiding tolls or refusing to pay tolls, resulting in lower traffic volumes and reduced toll revenues. In addition, 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 forego planned rate increases. The Relying Adviser cannot guarantee that government bodies with which Portfolio Investments have concession agreements will not try to exempt certain vehicle types or classes of users from tolls or negotiate lower toll rates. If public pressure or government action forces Portfolio Investments 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, financial condition and results of operations could be materially and adversely affected.

Clients may invest in Portfolio Investments that derive substantially all of their revenues from collecting tolls from vehicles using such roads, tunnels or bridges. The toll rates that are applicable to such roads, tunnels or bridges are set forth in the respective concession agreements entered into by the relevant company and the relevant government body. In the future, the relevant government bodies may seek to limit such Portfolio Investments' ability to increase, or may seek to reduce, toll rates outside the scope of the respective concession agreements, as a result of factors such as general economic conditions, negative consumer perceptions of increases in toll rates, the prevailing rate of inflation, traffic volume and public sentiment about prevailing toll rates.

#### *Unforeseen Events Risk*

The use of the infrastructure assets may be interrupted or otherwise affected by a variety of events outside the Relying Adviser's control, including serious traffic accidents, natural disasters (such as fire, floods, earthquakes and typhoons), man-made disasters (including terrorism), defective design and construction, slope failure, bridge and tunnel collapse, road subsidence, toll rates, fuel prices, environmental legislation or regulation, general economic conditions, labor disputes and other unforeseen circumstances and incidents. Certain of these events have affected toll roads, bridges, tunnels and other infrastructure assets in the past, and if the use of the infrastructure assets operated by Portfolio Investments is interrupted in whole or in part for any period as a

result of any such events, the revenues of such Portfolio Investments could be reduced, the costs of maintenance or restoration may increase, and the overall public confidence in such infrastructure assets could be reduced. There can be no assurance that such Portfolio Investments' insurance would cover liabilities resulting from claims relating to the design, construction, maintenance or operation of the toll roads, bridges, tunnels or other infrastructure assets, lost toll revenues or increased expenses resulting from such damage.

*Change of Law and Sovereign Risk*

The concessions of certain Portfolio Investments are granted by government bodies and are subject to special risks, including the risk that the relevant government bodies will exercise sovereign rights and take actions contrary to the Portfolio Investment's rights under the relevant concession agreement. There can be no assurance that the relevant government bodies will not legislate, impose regulations or change applicable laws or act contrary to the law in a way that would materially and adversely affect the business of such Portfolio Investments.

*Greater Scrutiny and Regulation of the Private Equity Industry*

[There has been significant legislative and regulatory developments affecting, as well as enhanced governmental scrutiny over, the regulation of the private equity industry. On July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), which includes the so-called "Volcker Rule" as a significant feature thereof, which may impact limited partners and prospective limited partners in the Partnerships that are banking entities. 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 a Client, 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 a Client's activities. 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. On January 20, 2017, Mr. Donald J. Trump became President of the United States. The full scope of President Trump's short-term legislative agenda is not yet fully known. These reforms and/or other similar legislation (both in the U.S. and outside the U.S., including in Europe) could increase compliance costs of a Client and have an adverse effect on the private fund industry generally and/or on Macquarie and a Client, including diverting attention of personnel and management teams of Clients and portfolio entities, and may place the Clients at competitive disadvantages to the extent portfolio entities are required to disclose sensitive business information.]

The deadline for the transposition of the European Union Alternative Investment Fund Managers Directive (the "Directive") into national law within the member states of the European Union (the "EU") was July 22, 2013. Subject to the availability of any applicable transitional relief, the Directive imposes new requirements on non-EU alternative investment fund managers which market alternative investment funds to professional investors within the EU. Implementation of the Directive (and/or the interpretation thereof) could expose the General Partners or a Partnership to conflicting regulatory requirements in the United States and the EU and its member states. The Directive may impose additional disclosure and reporting requirements in relations to the Clients and their investments, compliance with which may involve additional cost. It should be noted that the final scope and requirements of the Directive remain uncertain, and are subject to change as a result of enactment of EU secondary legislation, the issuance of any further national and/or EU guidelines with respect to the Directive and the interpretation thereof, and national implementing legislation in relevant EU member states.

There is therefore a material risk that regulatory agencies in the US or elsewhere may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in interpretation or enforcement thereof, that are specifically targeted at the private equity industry, or other changes that could adversely affect private equity firms and the funds they sponsor.

*Competition Risk and Alternative Infrastructure Assets*

Clients may invest in Portfolio Investments that construct or maintain and operate infrastructure assets in a competitive environment. Clients will compete with other consortia and companies for infrastructure investments. These competitors, which include large construction and engineering groups and financial investors, may have significant financial resources and may be able to present bids with competitive terms. As a result of such competition, Clients may have difficulty in making certain infrastructure investments, or, alternatively, Clients may make investments on economic terms less favorable than anticipated. If Clients fails to make new Portfolio Investments or makes Portfolio Investments under less favorable terms, Clients' financial condition and results of operations could be materially and adversely affected.

Furthermore, once infrastructure assets of Portfolio Investments become operational, they will face competition from other infrastructure assets in the vicinity of the assets they operate, the presence of which depends in part on government plans and policies. For example, an increase in the number and convenience of alternative routes and competition from other modes of transportation could reduce traffic on toll roads operated by Portfolio Investments thus materially and adversely affecting clients' performance. Such competition may materially and adversely affect Funds' business, financial conditions and results of operations.

*Development and Construction Risk*

The successful development and construction of new or expansion infrastructure projects entails 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, receipt of regulatory approvals or permits, site or land procurement, environmentally related issues, construction risks and delays (such as late delivery of necessary equipment), labor disputes (such as work stoppages), counterparty non-performance, 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 and adverse weather conditions and unexpected construction conditions. 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 a Client. Construction risk may be mitigated by provisions in the construction contract for payment of liquidated damages by the construction contractor, however, Clients may be exposed to any losses not covered by such provisions or to the financial failure of the contractor. Market conditions may change during the course of development that makes such development less attractive than at the time it was commenced.

*Demand and Usage Risk*

Although Clients will target assets with low demand, usage and throughput risk, residual demand, usage and throughput risk can affect the performance of Portfolio Investments. To the extent that

the Relying Adviser's assumptions regarding the demand, usage and throughput of assets prove incorrect, returns to Clients could be adversely affected.

*Operations and Maintenance Risk*

The long-term profitability of the assets in which Clients invest will be dependent upon the efficient operation and maintenance of such assets. Inefficient operations and maintenance may reduce returns to Fund investors. The operations of infrastructure assets and businesses are 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, substantial litigation or penalties for regulatory or contractual non-compliance. Moreover, any loss from such events may not be recoverable under relevant insurance policies. 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.

*Documentation and Other Legal Risk*

Infrastructure assets, and investments in or financing thereof, are usually governed by a complex series of legal documents and contracts. As a result, the risk of dispute over interpretation or enforceability of the documentation may be higher than for other investments.

*Inflation Risk*

Depending on the inflation assumptions relating to anticipated cash flows from a Portfolio Investment, as well as the manner in which asset revenue is determined with respect to such Portfolio Investment, returns from a Portfolio Investment may vary from those projected by the Relying Adviser as a result of changes in the rate of inflation.

*Valuation Risk*

Clients will rely upon the Relying Adviser for valuation of their assets. The Relying Adviser may engage qualified valuation professionals to assist in this determination, but it is not required to do so. Given the nature of the proposed Portfolio Investments, valuation may be difficult. There may be a relative scarcity of market comparables on which to base the value of Clients' assets.

*Leverage Risk*

Clients may invest in Portfolio Investments the capital structure of which may have significant leverage. While investments in leveraged companies offer the opportunity for capital appreciation, such investments may also involve a high degree of risk. Although the Relying Adviser will seek to use leverage in a manner it believes is appropriate under the circumstances, the leveraged capital structure of such Portfolio Investments will increase the exposure of such Portfolio Investments to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of Portfolio Investments and may impair such Portfolio Investments' ability to finance their future operations and capital needs and result in restrictive financial and operating covenants, including those that may prevent distributions to Clients. These

restrictive financial covenants may limit such Portfolio Investments' flexibility to respond to changing business and economic conditions. If a Portfolio Investment is unable to generate sufficient cash flow to meet principal and/or interest payments on its indebtedness or make regular dividend payments, the value of Clients' investment in such Portfolio Investment could be significantly reduced or even eliminated. Moreover, Clients may invest in securities that are not protected by financial covenants or limitations on additional indebtedness.

#### *Investment in Restructurings*

The success of a Client's investment strategy will, in some cases, depend, in part, on the ability of the Client to restructure and effect improvements in the operations of a Portfolio Investment or expand the operations of a Portfolio Investment. The activity of identifying and implementing restructuring programs and operating improvements at Portfolio Investments entails a high degree of uncertainty. There can be no assurance that a Client will be able to successfully identify and implement such restructuring programs and improvements.

#### *Illiquid Investment Risk*

Although Clients' investments may generate current income, the return of capital and the realization of gains, if any, from a Portfolio Investment generally will most likely occur only upon the partial or complete disposition of such Portfolio Investment. While a Portfolio Investment may be sold at any time, it is generally expected that the disposition of most of the Portfolio Investments will not occur for a number of years after such investments are made. Since investments in infrastructure assets are generally not liquid, it is unlikely that there will be a public market for the securities held by Clients at the time of their acquisition.

#### *Currency Risk*

Clients' businesses will be subject to risks typical of an international business including, but not limited to, differing tax structures, and general foreign exchange rate volatility. To the extent the income and assets of a Portfolio Investment are denominated in local currencies, if the U.S. dollar appreciates relative to these currencies, including as a result of the devaluation of the non-U.S. currency, the U.S. dollar value of these investments is likely to be adversely affected. In addition, the ability to convert freely between the U.S. dollar and the local currencies may be restricted or limited from time to time, and there may be significant transaction costs associated with conversions between currencies. Finally, in certain jurisdictions, exchange rates and currency conversion may be controlled directly or indirectly by governments or other regulatory bodies. Entering into hedging transactions to mitigate the effects of currency and exchange rate risk may be impractical and expensive.

#### *Portfolio Investment Management Risk*

With respect to management at the Portfolio Investment level, many Portfolio Investments may rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the Portfolio Investment's performance. Although the Relying Adviser expects to monitor the management of each Portfolio Investment, the management of each Portfolio Investment will have day-to-day responsibility with respect to the business of such Portfolio Investment. Clients may contract the day-to-day operational management of a Portfolio Investment's business to a third-party management company unrelated to the Relying Adviser. Although the Portfolio 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 Portfolio Investment's

best interest, could have a material adverse effect on the Portfolio 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 Portfolio Investment and adversely affect the Portfolio Investment's financial condition or results of operations.

*Misconduct of Employees and of Third-Party Service Providers*

There have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years, and there is a risk that employee misconduct could occur with respect to a Client. Misconduct by employees or by third-party service providers could cause significant losses to a Client. Employee misconduct may include binding a Client to transactions that exceed authorized limits or present unacceptable risks and other unauthorized activities or concealing unsuccessful investments (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from actions by third-party service providers. In addition, employees and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting a Client's business prospects for future activities. It is not always possible to deter misconduct by employees or service providers, and the precautions the Relying Adviser takes to detect and prevent this activity may not be effective in all cases.

*Disposition of Private Investments Risk*

Many Clients' investments will involve private securities. In connection with the disposition of an investment in private securities, Clients may be required to make representations about the business and financial affairs of the Portfolio Investment typical of those made in connection with the sale of a business. Clients also may be required to indemnify the purchasers of such investment to the extent that any such representations are found to be inaccurate. These arrangements may result in the incurrence of contingent liabilities that may ultimately yield funding obligations that must be satisfied by the Clients to the extent of distributions made to such Clients or any unfunded Commitments.

*Control Position Risk*

Clients may obtain a majority ownership position or otherwise seek board representation and requisite shareholder rights that allow them to have input in decisions that potentially affect the operating value of each investment. As a result, Clients could, in some circumstances, be deemed to have control or be exercising influence over management and the strategic direction of Portfolio Investments in which it invests. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, 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 Investment could expose the assets of Clients to claims by such Portfolio Investment, its security holders and its creditors. While the Relying Adviser intends to manage the Portfolio Investments in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Clients may also make minority equity investments in Portfolio Investments where they may have limited influence. Such Portfolio Investments may have economic or business interests or goals that are inconsistent with those of Clients and Clients may not be in a position to limit or otherwise protect the value of their investment in such Portfolio Investments. Clients' control over the

investment policies of such Portfolio Investments may also be limited. This could result in Clients' investments being frozen in minority positions that incur substantial losses.

*Regulatory and Legal Risks*

Many, if not all, of Clients' Portfolio Investments will be in entities that are subject to substantial regulation by governmental agencies. In addition, their operations may often rely on governmental licenses, concessions, leases or contracts that are generally very complex and may result in disputes over interpretation or enforceability. If any Portfolio Investments fail to comply with these regulations or contractual obligations, they could be subject to monetary penalties or they may lose their rights to operate the underlying infrastructure assets, or both. Where their ability to operate an infrastructure asset is subject to a concession or lease from the government, the concession or lease may restrict their ability to operate the asset 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 (such as default by the Portfolio Investment) without requiring it to pay adequate compensation. In addition, government counterparties also may have the discretion to change or increase regulation of the operations of the Portfolio Investments or to implement laws, regulations or policies affecting their operations, separate from any contractual rights that the government counterparties may have. Governments have considerable discretion in implementing regulations and policies that could impact these Portfolio Investments, and may be influenced by political considerations and make decisions that adversely affect these companies and their operations.

Further, Clients' ability to acquire Portfolio Investments will often require consent of numerous government regulators. Increased regulation restricting the ownership or management of U.S. assets, particularly infrastructure assets, by non-U.S. persons, given the non-U.S. ultimate ownership of the Manager, may limit Clients' ability to pursue acquisitions.

*Public Disclosure Obligations*

A Client may be required to disclose confidential information relating to its Portfolio Investments and its financial results to third parties that may request such information if and to the extent required by federal, state or local law or regulation (either U.S. or non-U.S.) applicable to the Client or its investors, including those investors that are public agencies or governmental bodies. Such disclosure obligations may adversely affect certain investors, particularly investors who are not otherwise subject to public disclosure of information relating to the private holdings of funds in which they invest.

The foregoing discussion of certain risk factors attempts to identify the material risks related to Portfolio Investments but does not purport to be an exhaustive list or a complete explanation of all of the risks involved in an investment in a Portfolio Investment.

## Item 9: Disciplinary Information

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

There are no such actions with respect to the Relying Adviser or any of its management persons.

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

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

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

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

## Item 10: Other Financial Industry Activity and Affiliations

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

Neither the Relying Adviser 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-dealer

In the regular course of business, Macquarie Capital (USA) Inc., an affiliated broker-dealer, assists the Relying Adviser in advising on the sourcing, funding and executing private transactions in the U.S.

#### Other investment adviser

The Macquarie Group controls other related persons that may meet the definition of investment adviser but do not have a direct business relationship with the applicant and are not listed in Form ADV Part 1, sections 7A and 7B.

Certain employees of the Relying Adviser are seconded to the Registrant to assist the Registrant with investment supervisory services that it provides to its Clients.

#### Banking or thrift institution

The Funds, which will co-invest alongside the Clients, may borrow from Macquarie Bank Limited ("MBL"), an Australian bank affiliated with the Relying Adviser.

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 Relying Adviser.



## **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 Relying Adviser are subject to the provisions contained in the Relying Adviser's Code of Ethics ("Code"). The Code outlines the Relying Adviser'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 a client 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 a client; 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 Relying Adviser is a wholly-owned subsidiary of Macquarie Group Limited ("MGL"), the ultimate parent of the Macquarie Group, a multi-national financial services company. As a diversified global investment, financial, advisory and funds management firm, the Macquarie Group engages in a broad range of financial activities including securities underwriting, sales and trading, lending, merchant banking, financial advisory services, investment research, asset management and other activities. Notwithstanding the Macquarie Group's commitment to the Clients, investors should be aware that in the ordinary course of business, the Macquarie Group engages in activities where its interests or the interests of its clients may conflict with the interests of a Client, and that such conflicts may not always be resolved in favor of a Client. Furthermore, as the Relying Adviser may provide advisory services to multiple Clients related to the same investments, Clients should be aware that in the ordinary course of business, the interests of Clients may conflict with the Relying Adviser, and that such conflicts may not always be resolved in favor of a Client.

### ***Investment by the Relying Adviser, Macquarie Investment Vehicles and Macquarie Group Clients***

Under certain circumstances, the Clients may be offered an opportunity to make an investment in connection with a transaction in which the Macquarie Group, a Macquarie Group client or a specialized investment vehicle managed by the Macquarie Group ("Macquarie-managed

Investment Vehicle”) is expected to or seeks to participate, or in a company in which the Macquarie Group, a Macquarie Group client or a Macquarie-managed Investment Vehicle already holds an investment. To the extent the Relying Adviser exercises any discretion in these transactions conflicts of interest may exist between the Clients’ interests and the interests of such co-investors in managing these investments and approving significant corporate matters.

In certain instances, the Clients may make an equity or other subordinated investment in a Portfolio Investment that has issued or is issuing a senior mezzanine or debt security to the Macquarie Group, a Macquarie Group client or a Macquarie-managed Investment Vehicle. For example, a Macquarie-managed Investment Vehicle may make a mezzanine investment or a loan to a Portfolio Investment in which the Clients have an equity investment. In negotiating the terms and conditions of any such mezzanine investment or loan or in addressing any subsequent amendments, such Macquarie-managed Investment Vehicle will have interests that will conflict with those of the Clients (see also *Conflicts with Portfolio Investments* below).

If a Portfolio Investment in which the Clients and the Macquarie Group, a Macquarie Group client or a Macquarie-managed 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). For example, a debt holder may be better served by a liquidation of the issuer in which it will be paid in full, whereas an equity holder would prefer a reorganization that could create value for the equity holders.

Co-investment arrangements typically include pre-emption and tag-along and drag-along rights in favor of other members of the Macquarie Group or Macquarie-managed Investment Vehicles, including rights which are triggered on removal of the Macquarie Group companies as manager or advisor or if the manager or advisor ceases to be part of the Macquarie Group. Where such arrangements are put in place they are approved by the Client. In addition, contract counterparties such as lenders may impose similar conditions of ongoing involvement by the Macquarie Group and its removal may have adverse consequences such as an acceleration of loan repayments.

### ***Conflicts with Portfolio Companies***

Officers and employees of the Macquarie Group will serve as directors of certain Portfolio Investments and, in that capacity, will be required to make decisions that consider the best interests of such Portfolio Investments and their shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a Portfolio Investment, actions that may be in the best interest of the Portfolio Investment may not be in the best interests of the Clients, and vice versa. Accordingly, in these situations, there will be conflicts of interests between such individual’s duties as an officer or employee of the Macquarie Group and such individual’s duties as a director of the Portfolio Investment. Conflicts will also arise in cases where the Clients make an equity or other subordinated investment in a Portfolio Investment that has issued or is issuing a senior mezzanine or debt security to the Macquarie Group or one or more Macquarie Investment Vehicles. In negotiating the terms and conditions of any such mezzanine investment or loan or in addressing any subsequent amendments, the Macquarie Group or such Macquarie Investment Vehicle will have interests that will conflict with those of the Co-Investment Clients. If an issuer in which the Co-Investment Client and the Macquarie Group or one or more Macquarie Investment Vehicles 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).

### ***Principal Transactions and Brokerage***

The Macquarie Group or a Macquarie-managed Investment Vehicle may sell securities or other financial instruments to or buy them from a Fund or Client, or act as a counterparty in foreign exchange, financing, swap and derivative transactions ("Principal Transactions"). To the extent that the Relying Adviser exercises any discretion on behalf of the Clients in these transactions, the consent of the Client, or of the IAC, independent directors or similar governing body of the relevant Fund would be required. An IAC is a committee comprised of representatives of a fund's non-Macquarie Group investors organized to make certain decisions on behalf of the investors in accordance with procedures specified in each fund's constituent documents. The Relying Adviser or an affiliate of the Relying Adviser may engage in swap, derivative and foreign exchange transactions solely for hedging purposes that are not classified as Principal Transactions and therefore are subject to categorical pre-approvals if certain conditions are met.

The Clients may execute securities transactions with a broker-dealer affiliated with the Relying Adviser if the manager of the Fund alongside which the Client invests determines that the use of such broker-dealer is in the best interest of the Fund.

### ***Allocation of Investment Opportunities***

MGL and members of the Macquarie Group will offer investment opportunities to other members of the Macquarie Group, including the Relying Adviser and its clients that fall within the investment objective of the Funds, and/or other Macquarie-managed Investment Vehicles. Such allocations typically will take into account the investment return, geographic scope, investment strategies, investment size and such other factors as MGL or such member of the Macquarie Group may reasonably deem relevant. None of MGL or the other members of the Macquarie Group outside the Macquarie Infrastructure and Real Assets ("MIRA") division are obligated to offer or share any investment opportunity with the Relying Adviser, its Clients or a Fund and none of the Relying Adviser, its Clients or a Fund will have any priority in respect of investment opportunities provided or created by Macquarie. Certain Macquarie-managed Investment Vehicles have priority over the Clients with respect to acquisition opportunities that are made available to the MIRA division.

### ***Advisory Activities***

In the regular course of business, affiliates of the Relying Adviser may be engaged to act, or may seek to act, as a financial advisor to third parties in connection with the sale or purchase of securities or businesses meeting the Clients' investment objectives. If a Client acted as a buyer notwithstanding the retention of an affiliate of the Relying Adviser by any other party to the transaction, certain conflicts of interest would be inherent in the situation, including those involved in negotiating a purchase price.

The Macquarie Group may provide services to the Clients in connection with: (i) equity and/or debt financings; (ii) the acquisition, disposition or sale of Portfolio Companies or assets or businesses held by Portfolio Companies; (iii) securities underwritings; and/or (iv) other financial advisory services, including hedging and swap arrangements. The Macquarie Group typically receives arms-length fees for such services.

### ***Other Activities***

Members of the Relying Adviser's team will devote such time to the Clients as the Relying Adviser, in its sole discretion, deems necessary to carry out the Relying Adviser's responsibilities with respect to its Clients. A number of members of the Relying Adviser's team may spend a

significant portion of their time on matters unrelated to the Clients, including as officers or employees of affiliates of the Relying Adviser and related to Macquarie Group's existing investments and other investment funds. As a result of the foregoing, conflicts of interests may arise in allocating the time of the members of the Relying Adviser's team.

Officers, employees and affiliates of the Relying Adviser may invest, directly or indirectly, and in some cases have invested, in certain Funds and Portfolio Companies.

Macquarie Insurance Facility ("MIF"), a program run by affiliates of the Relying Adviser, may leverage the combined purchasing demand of the Macquarie Group and its portfolio businesses (which may include Portfolio Investments) and third-party clients to negotiate agreements with unaffiliated vendors such as insurance companies and brokers, and when a Portfolio Investment participates, may receive a commission or other payment from the vendor and/or a broker involved in obtaining the business, subject to percentage caps on such commissions and rebates that must be approved on or prior to the receipt of any such commissions and rebates. For Portfolio Investments, the applicable portfolio company and not the Relying Adviser makes the decision whether to use MIF. MIF operates in the U.S. through the legal entity, Commerce and Industry Brokerage, Inc.

### ***Resolution of Conflicts***

Pursuant to the partnership agreements of the Funds, transactions whereby a Fund and Clients make an investment in which an investor in the Fund has a significant interest (as determined by the manager of the Fund) are generally subject to the approval of the Clients and of the members of the Fund's Independent Advisory Committee ("IAC"), independent directors or similar governing body. Transactions whereby a Fund and Client make an investment in which the Relying Adviser or one of its affiliates has a significant interest are subject to the approval of the Clients and of the Fund's relevant governing body. Certain related party transactions entailing the provision of services do not require such approval, provided that they satisfy certain parameters.

### ***Related Party Transaction Policy***

Related party transactions are required to be disclosed to and approved by investors, clients or their representatives pursuant to the limited partnership agreements of the Funds or standing policies and procedures.

### ***Joint Venture Partners***

Some of the third-party operators and joint venture partners with whom the Relying Adviser may recommend a client to co-invest with have preexisting investments or other commercial arrangements with Macquarie. The terms of these preexisting investments or other commercial arrangements may differ from the terms upon which a client invests with such operators and partners. To the extent a dispute arises between the Macquarie Group and such operators and partners, the Client's investments relating thereto may be affected.

### ***Service Providers***

The service providers or their affiliates (including any administrators, lenders, brokers, attorneys, consultants and investment banking firms) of Portfolio Investments may be investors in the Funds and/or sources of investment opportunities and co-investors or counterparties therewith. This may influence a Fund or Portfolio Investment management team deciding whether to select such a service provider. Notwithstanding the foregoing, transactions 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 a Fund or Relying Adviser believes to be of benefit to the transaction or the Portfolio Investment. Moreover, certain service providers (or their affiliates, including project developers, lenders, brokers, attorneys, consultants and investment banking firms) to a Fund, the Relying Adviser or Portfolio Investment may also provide services to or have other relationships with the Macquarie Group. These other services and relationships may influence a Fund, the Relying Adviser or Portfolio Investment in deciding whether to select such a provider to perform services for a Portfolio Investment (the cost of which will generally be borne directly or indirectly by a Client).

## **Item 12: Brokerage Practices**

Due to the nature of the investments made by the Clients, broker-dealers are not generally used for Client investment transactions. However, when executing investment transactions on behalf of a Client through a broker-dealer, the Relying Adviser, 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 Clients.

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

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

The Relying Adviser provides non-discretionary asset management advice to Clients with respect to the ownership and operations of companies in infrastructure and other industries, including those Clients co-investing in infrastructure companies alongside members of the Macquarie Group.

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

For Clients, the asset manager for the applicable Portfolio Investment reviews and monitors the performance of the Portfolio Investment and provides the Client with relevant asset performance information as agreed from time-to-time.

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

For Clients information is provided on request by such Clients or as otherwise agreed with each Client from time-to-time. This information can include cash flow models, asset valuation data and other information and documents requested by the Client. Additionally, Clients are provided with

Board packs from the portfolio companies in which they invest, containing management, financial and other information pertinent to their interest.

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

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

The Relying Adviser 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 Relying Adviser 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. In the event the Relying Adviser does enter into such arrangements it intends to comply with disclosure and other requirements applicable to such relationships under applicable laws, including but not limited to Rule 206(4)-3 under the Investment Advisers Act of 1940.

## **Item 15: Custody**

The Relying Adviser does not currently maintain custody of any client assets.

## **Item 16: Investment Discretion**

The Relying Adviser provides non-discretionary advice.

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

Clients primarily invest in private entities that typically do not issue proxies. For the limited circumstances where Clients hold publicly traded securities and the Relying Adviser receives proxies in connection with them, the Relying Adviser has adopted proxy voting policies and procedures contained in its Portfolio Management Policy (the "Policy") to address how the Relying Adviser will vote proxies, if applicable, for its clients. The Policy seeks to ensure that, if applicable, the Relying Adviser votes proxies (or similar instruments) in the best interest of its Clients, including when there may be material conflicts of interest in voting proxies. If the Relying Adviser determines that it is not in the best interests of a Client 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 Relying Adviser 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 Relying Adviser's complete Policy or, if applicable, information regarding how the Relying Adviser 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***

The Relying Adviser does not permit prepayment of fees. As such, it is not required to provide a balance sheet for the most recent fiscal year.

### ***B. Financial Conditions***

The Relying Adviser does not have discretionary authority [or custody of client funds] or securities, nor does it permit prepayment of fees.

### ***C. Bankruptcy***

The Relying Adviser has never been the subject of a bankruptcy petition.