

Part 2A of Form ADV

Firm Brochure Dated March 27, 2020



I Squared Capital Advisors (US) LLC
600 Brickell Avenue, Penthouse, Miami, FL 33131
P: (786)-693-5700 F: (212) 339-5390
www.isquaredcapital.com

This brochure provides information about the qualifications and business practices of I Squared Capital Advisors (US) LLC ("ISQ"). If you have any questions about the contents of this brochure, please contact us at +1 786-693-5700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

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

Item 2: Material Changes

The following material changes have been made to this Disclosure Brochure since the last annual update to this document, which was filed on March 31, 2019:

- Item 5 has been updated to provide additional disclosure regarding our policies with respect to allocating certain expenses to the Funds, including Broken Deal Expenses, Operational Services Costs, External Management Compensation and Manager Support Services (as such terms are defined in Item 5).
- Item 5 has also been updated to provide additional disclosure regarding our practice of borrowing under the Funds' lines of credit prior to capital being called from the applicable Fund's investors.
- Items 6 and 12 have been updated to provide additional disclosure relating to the manner in which we allocate investment opportunities among our Funds.
- Item 8 has been updated to provide additional disclosure relating to the risks related to potential conflicts of interest.
- Item 10 has been updated to provide disclosure relating to a passive, non-voting, minority investment in the parent company of the adviser made by certain private funds affiliated with Dyal Capital Partners, L.P., a division of Neuberger Berman.

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

Item 3: Table of Contents

Item 2: Material Changes.....	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	5
Item 6: Performance-Based Fees and Side-by-Side Management	7
Item 7: Types of Clients.....	7
Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss.....	8
Item 9: Disciplinary Information	13
Item 10: Other Financial Industry Activities and Affiliations	13
Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading	14
Item 12: Brokerage Practices	14
Item 13: Review of Accounts	16
Item 14: Client Referrals and Other Compensation.....	16
Item 15: Custody	16
Item 16: Investment Discretion	16
Item 17: Voting Client Securities.....	17
Item 18: Financial Information.....	17
Item 19: Requirements for State-Registered Advisers	17

Item 4: Advisory Business

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

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

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

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

We do not tailor our investment advisory services to the needs of individual investors in the Funds. However, in accordance with common industry practice, a Fund or its general partner may from time to time enter into a “side letter” or similar agreement with an investor pursuant to which the Fund or its general partner grants the investor specific rights, benefits or privileges that are not generally made available to all investors.

As of December 31, 2019, we had a total of approximately \$21,501,679,417 of regulatory assets under management for the Funds, of which \$101,000,000 was managed on a non-discretionary basis.

Item 5: Fees and Compensation

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

In general, we are not compensated for our investment advisory services to the Co-Investment Vehicles. We do, however, receive a management fee based on a percentage of invested capital and carried interest distributions based on a share of net profits for the following two Co-Investment Vehicles: ISQ Cube Hydro Co-Investment Fund, L.P. and ISQ Asia Fund II, L.P., and we are likely to enter into similar arrangements in the future.

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

Expenses incurred by more than one Fund are typically allocated to the participating Funds *pro rata* based on their net asset values, participation on a specific investment, amount of committed capital or other methodology we deem appropriate and fair to all Funds.

We maintain a team of full-time operating directors ("**Operating Directors**") and part-time senior policy advisors ("**Policy Advisors**") and operating advisors ("**Operating Advisors**"). Each Operating Director, Policy Advisor, and Operating Advisor is entitled to compensation, which compensation may include director's and other fees, salary, incentive equity, stock awards, other non-cash compensation and

reimbursement of expenses at rates that we believe are on terms and at rates consistent with the standards set forth in the applicable Fund Governing Documents. (the cost of such compensation and related expenses, including any applicable overhead such as travel costs, temporary, semi-permanent or permanent housing or relocation costs, and any applicable overhead, such as accounting, network, communications, administration and other support benefits and office space, “**Operational Service Costs**”). Operational Service Costs may be allocated to the Funds and portfolio companies in accordance with the applicable Fund Governing Documents. Investors are urged to read such documents carefully for more information on the allocation of Operational Service Costs.

Executive officers and other management personnel of certain portfolio companies may be employed by us instead of being employed directly by such portfolio companies, so that such personnel may be deployed by us to do work for other portfolio companies. Each such portfolio company may bear the costs of compensation and related expenses (collectively, “**External Management Compensation**”) of any such personnel, as permitted the applicable Fund Governing Documents. All such External Management Compensation will be borne by the Fund or one or more portfolio companies.

In addition to the foregoing, we may from time to time engage one or more portfolio company executives or other management personnel affiliated with a Fund’s investments to provide services in respect to other assets, which may include investments held by other Funds. In such event, we may cause the applicable Fund or the relevant portfolio company to be reimbursed for any allocable costs of compensation or related expenses incurred in connection with such engagement, as permitted by the applicable Fund Governing Documents.

We may also make employees of the adviser available to provide finance/accounting, tax, legal, compliance, human resource, information technology, client services, paralegal, health, safety, environmental, social, corporate governance, corporate secretary, trade settlement, and other support services to portfolio companies that would otherwise have been performed by third parties or internal portfolio company personnel (“**Manager Support Services**”). We may seek reimbursement from a Fund or a portfolio company for such Manager Support Services, as permitted by the applicable Fund Governing Documents.

To the extent that we or any of our affiliates or employees receives any transaction, director’s, management, monitoring, break-up, and other similar fees or compensation in connection with a Fund and its investments, other than Operational Service Costs, External Management Compensation, and reimbursement for Manager Support Services, 100% of the Fund’s *pro rata* portion of any such fees, net of unreimbursed transaction expenses incurred by us or our affiliates, will be applied to reduce the management fee payable to us by the Fund for the following quarterly period. To the extent such offsets would reduce the management fee for a given quarterly period below zero, such offsets will be carried forward and reduce future installments of the management fee.

The Funds’ investments generally require extensive due diligence activities prior to investment. These expenses may include, among others, expert consulting, accounting, legal and other professional fees, submission costs, travel expenses, and other costs incurred in conducting due diligence and financial analysis. Such expenses may be quite substantial, even for investments that are not ultimately consummated (“**Broken Deal Expenses**”). Broken Deal Expenses will generally be borne solely by the Global Funds (except for amounts that are treated as manager expenses under

the applicable Fund Governing Documents), even if co-investors were being sought or in some cases have agreed to participate had the transaction been consummated. Such co-investors include those with whom we have pre-existing relationships, as well as co-investors that have participated in other completed transactions. By generally bearing the Broken Deal Expenses, the Global Funds provide a potential benefit to other co-investors in the Global Funds' investments. Please see "*Item 8 – Methods of Analysis, investment Strategies and Risk of Loss*" below for additional information on allocation of Broken Deal Expenses.

The applicable Fund Governing Documents have provisions that allow the Funds to borrow money for investment and other purposes. Such borrowings may be made prior to capital being called from the applicable Fund's investors. This mechanism may defer investor capital calls and provides a form of leverage that can have the effect of amplifying the Fund's reported net internal rate of return (IRR), particularly in the early years of the Fund's investment cycle. Such borrowings can also accelerate the date upon which the Fund's preferred return will be achieved for purposes of determining when we are entitled to begin receiving carried interest distributions from the Fund. Interest payments and other fees and expenses incurred in respect of such borrowings are partnership expenses and such expenses will decrease a Fund's net returns over time. The terms of each Fund's borrowing arrangements and borrowings outstanding, if any, are disclosed to the investors in the quarterly and annual financial statements of each Fund.

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

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

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

Item 7: Types of Clients

We provide investment advice to the Funds. Investors in the Funds include public and private pension plans, insurance companies, sovereign wealth funds, funds-of-funds, family offices, and other institutional investors.

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

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

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

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

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

- Risks Associated with the Funds' Investment Strategies:
 - o The investment strategies pursued by the Funds involve making illiquid private investments in a relatively small number of infrastructure projects. As a result, each Fund's portfolio tends to be highly concentrated, and the failure of even one of these investments could have a materially adverse impact on a Fund's overall performance.
 - o The competition for sourcing investments for the Funds is becoming increasingly intense. There can be no assurance that ISQ will be able to source a sufficient number of suitable investments at reasonable valuations to achieve a Fund's investment objective. In particular, ISQ encounters competition from other entities having similar investment objectives. Potential competitors include other investment funds and corporations, business development companies, other

infrastructure funds, strategic industry acquirers and other financial investors investing directly or through affiliates. The infrastructure investing landscape is rapidly evolving and additional investment funds with similar objectives have been formed or have announced their formation and additional investment funds may be formed in the future by other related or unrelated parties. Some of these competitors may have more relevant experience, greater financial resources or more personnel than ISQ. These competitors may also be seeking to dispose of infrastructure assets at the same time as ISQ, thereby creating competition for potential buyers.

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

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

- The debt securities and other interests in which the Funds may invest may include secured or unsecured debt at various levels of an issuer’s capital structure, which may be subordinated to substantial amounts of senior indebtedness. In addition, the debt securities in which the Funds may invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity, and may not be rated by a credit rating agency. Debt securities are also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a “fraudulent conveyance” under relevant creditors’ rights laws, (ii) so-called lender liability claims by the issuer of the obligations, and (iii) environmental liabilities that may arise with respect to collateral securing the obligations. The Funds’ investments may be subject to early redemption features, refinancing options, prepayment options, or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Funds earlier than expected, resulting in a lower return to the Funds than anticipated or underwritten. In addition, depending on fluctuations of the equity markets and other factors, warrants and other equity securities may become worthless. Accordingly, there can be no assurance that the Funds rate of return objectives will be realized.
- A public health crisis such as the recent outbreak of COVID-19 can have unpredictable and adverse impacts on global, national and local economies, which can in turn negatively impact our Funds and their investment performance. Disruptions to commercial activity (such as the imposition of quarantines or travel restrictions) or, more generally, a failure to contain or effectively manage a public health crisis, may adversely impact the businesses of the Funds’ portfolio companies. In addition, such disruptions can negatively impact the ability of ISQ’s personnel to effectively identify, monitor, operate and dispose of investments. Finally, such disruptions have contributed to, and may continue to contribute to, extreme volatility in financial markets. Such volatility could adversely affect ISQ’s ability to raise capital for the Funds, find financing for the Funds’ portfolio companies or identify potential purchasers of the Funds’ investments, all of which could have material and adverse impact on the Funds’ performance. The impact of a public health crisis is difficult to predict and presents material uncertainty and risk with respect to the Funds’ performance.

- Risks Associated with Investing in Interests in the Funds:

- Investments in the Funds are illiquid, and interests in a Fund may not be transferred without the prior consent of the general partner and the satisfaction of certain other conditions. Investors in the Funds should be able and prepared to maintain their investments in the Funds over the entire life of the Fund. Investments in infrastructure assets are generally less liquid and involve a longer holding period than traditional private equity investments, which are often considered to be illiquid and long-term.
- While ISQ seeks to make investments for which there is a clear exit strategy, it is not generally expected that the Funds will be able to dispose of any investments for a number of years after the investment is made, during which time the Funds may be exposed to unfavorable developments affecting its investments. If the Funds are unable to realize its investments in a timely fashion, the returns to investors could be materially adversely affected.
- An investment in the Funds is a passive investment. As limited partners, investors in the Funds have no control over the day-to-day operations of the Funds, including investment and disposition decisions, and have limited rights to protect themselves if they are dissatisfied with the manner in which a Fund is being operated. Investors are highly dependent on the investing skills and management abilities of ISQ to achieve success.
- The valuation of the Fund's investments is a difficult task that relies heavily on ISQ's business judgment. Although ISQ maintains stringent policies, procedures and financial controls over the valuation process (including independent review by the Funds' auditors), there can be no assurance that the Funds will be able to realize their investments at a price that is commensurate with the value at which such investments have been carried on the Fund's books.
- ISQ manages each Fund in a manner that is consistent with the best interests of the Fund, which is not necessarily consistent with the best interests of each individual investor in the Fund. In particular, ISQ may structure investments so as to maximize tax efficiency for the Fund, but which may not be the most tax advantageous structuring possible for an individual investor, depending on that investor's own particular facts and circumstances.
- No guarantee or representation can be made that a Fund will achieve its investment objective or that limited partners will receive a return of their capital. All investing involves a risk of loss and the investment strategies pursued by the Funds could lose money over short or even long periods. Prospective and existing investors are advised to review the offering materials and other constituent documents for full details on each applicable Fund's investment, operational and other actual and potential risks.

- Potential Conflicts of Interest

- In the course of sourcing investments, ISQ or the Funds will be required to enter into confidentiality agreements with third party firms or portfolio companies that may prohibit the Funds from publicly disclosing sensitive information relating to the third party firm, their investments and the portfolio companies. These arrangements could either restrict the information that the Funds are permitted to share with their investors or could possibly result in liabilities for the Funds where an investor that is required or compelled to publicly release information regarding its investments, such as pursuant to the U.S. Freedom of Information Act ("FOIA") or other similar state or local laws, publicly discloses such information in response to an information request or otherwise. ISQ may choose, but is not required, to decline such

investment opportunities in order to avoid the risk of exposing the Funds to these categories of liability. As a result, the Funds' investment flexibility may be constrained, which may adversely impact the aggregate returns realized by the Funds.

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

investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, ISQ will consider the investment and tax objectives of the Fund and its investors as a whole, not the investment, tax or other objectives of any investor individually.

- From time to time, we may form and operate investment vehicles through which we, or our senior managers and other employees, invest in investment opportunities that lie outside of the Funds' permissible investment universe. Our ability to do this is subject to provisions in the applicable Fund governing documents designed to prevent conflicts of interest between the Funds, other funds that we may manage and ourselves, and to ensure that our management team is devoting as much time and attention to the Funds as is necessary. Consistent with these requirements and other obligations we owe to the Funds, these investment vehicles are limited to investing in opportunities that are not appropriate for the Funds. Nevertheless, such investment vehicles will give rise to potential conflicts of interest to the extent their investment activities may compete with the interests of the Funds or their portfolio companies or they distract senior management from devoting sufficient time and attention to the Funds.
- Risks Associated with Cybersecurity
 - ISQ's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals or power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. ISQ has implemented various measures to manage risks relating to these types of events; nevertheless, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, ISQ may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in ISQ's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including information relating to clients and investors (and the beneficial owners of investors). Such a failure could harm ISQ's reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. Additionally, any failure of ISQ's information, technology or security systems could have an adverse impact on its ability to manage the private investment funds referred to herein.

Item 9: Disciplinary Information

Not applicable.

Item 10: Other Financial Industry Activities and Affiliations

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

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

Other than as described below, neither we nor any of our management persons have any relationship or arrangement that is material to our advisory business or to the Funds with any

related person who is a broker-dealer, municipal securities dealer or government securities dealer or broker; investment company or other pooled investment vehicle; other investment adviser or financial planner; futures commission merchant, commodity pool operator or commodity trading advisor; banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of limited partnerships.

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

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

In October 2019, funds affiliated with Dyal Capital Partners, L.P., a division of Neuberger Berman, acquired a passive, indirect, non-voting minority interest in I Squared Capital, LLC ("I Squared Capital"), which is the parent company of the adviser. I Squared Capital was previously a Cayman Islands exempt limited company and was converted to a Cayman Islands limited liability company prior to the closing of the transaction. There were no changes in the strategy, management team, investment team, investment process or day-to-day operations of the adviser or any of the relying advisers as a result of this transaction.

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

We have a written Code of Ethics which applies to all of our employees and any person who enters into a significant consulting or other similar relationship with us that is not specifically exempted. Our Code of Ethics requires our employees to serve the best interests of our Clients in compliance with our status as a fiduciary, to comply with applicable federal securities laws, and to report any violations of our Code of Ethics promptly to our Chief Compliance Officer. Among other things, each of our employees must pre-clear certain personal securities transactions and must also provide annual securities holdings reports and quarterly securities transactions reports. Employees are also prohibited from purchasing securities from the restricted list. The Code of Ethics includes policies and procedures to prevent the misuse and disclosure of material non-public information and other confidential information, as well as policies and procedures addressing conflicts of interest; outside activities of employees; gifts and business entertainment; and political contributions.

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

Item 12: Brokerage Practices

We invest primarily in privately negotiated investments, although we may occasionally acquire, sell or distribute public securities on behalf of the Funds. When investing in privately negotiated

transactions, we believe we satisfy our best execution responsibilities through careful negotiation of the terms of the investment.

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

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

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

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

We maintain policies and procedures that are designed to ensure that all investment opportunities are, to the extent applicable, allocated among our Funds on a basis that over time is fair and equitable to each Fund relative to other Funds taking into account all relevant facts and circumstances. We may depart from this policy in a particular circumstance if it is determined that it would be appropriate to do so and that such a departure would nonetheless be consistent with our fiduciary duties to the Funds. We anticipate that, at most times, only one Global Fund will actively be seeking investment opportunities in new portfolio companies. However, where a new Global Fund has been formed, and a predecessor Global Fund still has capital available for investment in new portfolio companies, we will generally allocate investment opportunities in new portfolio companies to the predecessor Global Fund until the predecessor Global Fund has used up its remaining capital capacity for new investments. Such cross-fund sharing of investment opportunities may occur in circumstances deemed appropriate by us. A follow-on investment opportunity in an existing portfolio company will generally first be considered as an opportunity for the Fund(s) that has an existing investment in that portfolio company. To the extent that multiple Funds hold an interest in the same portfolio company, we will allocate any disposition opportunities with respect to that investment on a basis that is fair and equitable to each Fund relevant to other Funds taking into account all relevant facts and circumstances, including without limitation the relative ownership percentages of the clients in the applicable portfolio company.

Depending on the size and other relevant factors associated with an investment opportunity, investment allocation decisions may be further made with respect to potential co-investment in the investment opportunity. In making this determination, we will first ensure that the Fund(s) receive

the full amount of their desired allocation prior to offering any co-investment to any third party (whether a current investor, related party or otherwise). Following this allocation determination, we may evaluate possible co-investors based on all relevant factors, including those specific to the investment opportunity. Subject only to any applicable provisions in the Fund Governing Documents or side letters, we may but are under no obligation to offer co-investment opportunities to existing investors in the Funds on a *pro rata* basis or otherwise.

Item 13: Review of Accounts

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

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

Item 14: Client Referrals and Other Compensation

Historically, we have entered into arrangements in which third parties assist in our capital raising efforts in exchange for a fee. We typically pay a fee to these placement agents calculated as a percentage of the total funds raised by the placement agent, as specifically negotiated with the placement agent. Investors typically do not bear the cost of these referral fees as any such amounts paid reduce the management fees otherwise payable to us and our affiliates. We do not engage any placement agent or finder that is not duly registered with FINRA (or the corresponding non-US authorities, as applicable) or duly registered with the SEC as an investment adviser, as applicable. Our use of placement agents is disclosed in our offering materials.

Item 15: Custody

ISQ is deemed to have custody of the securities and other assets in certain of the Funds as a result of ISQ's control of the general partner or the managing member of the Funds. In accordance with the requirements of applicable law, ISQ has established custodial accounts with a "qualified custodian" who maintains physical possession of Funds' securities, cash and other assets. In addition, the financial statements of the Funds are audited by a nationally-recognized Public Accounting Oversight Board (PCAOB)- registered independent auditor and distributed to investors within 120 days of the applicable fiscal year-end of the respective Fund.

Item 16: Investment Discretion

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

Item 17: Voting Client Securities

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

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

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

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

Item 18: Financial Information

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

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

Item 19: Requirements for State-Registered Advisers

Not applicable.