

**Part 2A of Form ADV: Firm Brochure**

Argo Infrastructure Partners LP

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August 31, 2018

THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF ARGO INFRASTRUCTURE PARTNERS LP. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT [INFO@ARGOIP.COM](mailto:INFO@ARGOIP.COM). 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 ARGO INFRASTRUCTURE PARTNERS LP, IS AVAILABLE ON THE FIRM'S WEBSITE, [WWW.ARGOIP.COM](http://WWW.ARGOIP.COM).

WE MAY REFER TO OURSELVES AS "ARGO", "ADVISOR", A "REGISTERED INVESTMENT ADVISER" OR "RIA." YOU SHOULD BE AWARE THAT REGISTRATION WITH THE SEC OR A STATE SECURITIES AUTHORITY DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING. THE REGISTRATION DOES NOT IMPLY A RECOMMENDATION BY THE SEC OR ANY STATE SECURITIES AUTHORITY.

THIS COVER PAGE CONSTITUTES ITEM 1 TO THE ARGO INFRASTRUCTURE PARTNERS LP FIRM BROCHURE, FORM ADV, PART 2A.

## Item 2: Material Changes

The following “material changes” were made to this Brochure since our last delivery or posting of our Brochure on the SEC’s public disclosure website (“[IAPD](http://www.adviserinfo.sec.gov)”) at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov):

As part of an internal reorganization, the investment management duties of Argo Infrastructure Partners LLC (“AIP LLC”) are being assigned to Argo Infrastructure Partners LP (“AIP LP”). AIP LLC is the General Partner of AIP LP and both AIP LLC and AIP LP are 100% held by Argo LP.

Currently, our Brochure may be requested free of charge by e-mail at [info@argoip.com](mailto:info@argoip.com).

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## Item 4: Advisory Business

### **Ownership**

Argo Infrastructure Partners LP, (the "Adviser" or "Argo") was formed as a Delaware limited liability company in 2018, and is the successor to the advisory business of Argo Infrastructure Partners, LLC. The principal owner of Argo is Argo, LP, a limited partnership formed under the laws of the Cayman Islands. Argo provides direct and indirect investment advisory services to qualified clients ("Clients") located in the United States and off-shore. Argo advises Clients with respect to private equity investments in infrastructure, more specifically described below.

### **Services Offered**

Argo provides investment advisory services exclusively for Clients seeking direct and indirect investments in infrastructure. For most Clients, Argo will (i) identify, originate, underwrite and structure infrastructure investments, (ii) actively manage assets and oversee investment performance and risk management including monitoring, evaluation and making recommendations regarding the timing and manner of disposition of investments for Clients, (iii) direct Clients or be authorized and empowered on behalf of the Client to enter into such agreements or documents as may be necessary or advisable in order to implement such recommendations, and (iv) such other services related thereto as the Client may reasonably request. Argo's investment team has deep experience in infrastructure sectors relevant to its investment strategy and has developed an investment model that aligns the structure of the adviser/manager and investor relationship in a way that matches the needs of Clients with the specific features of long-term risk adjusted infrastructure investing.

Argo provides investment advisory services to its Clients specified in its agreements with Clients (collectively, the "investment advisory agreements"). Our investment advisory agreements are tailored to provide services to the Client in a manner consistent with the investment objectives of each Client and are tailored to the specific goals, objectives and operating guidelines of each Client. These investment guidelines may include targeted yield to investors, targeted investment size, use of leverage, geographic limitations, investment concentration restrictions and term restrictions and other risk mitigation requirements and investment criteria. The investment guidelines for Clients are additionally defined in the organizational documents for each investment including the organizational documents of each investment.

### **Wrap Programs**

The Adviser does not participate in wrap fee programs.

### **Assets Under Management**

As of August 31, 2018, the Adviser had approximately \$2.1 billion in assets under management.

The Adviser's discretion with respect to assets managed on behalf of Clients is specified in the individual investment advisory agreements between the Adviser and the Client. In some cases, the Adviser's discretion is qualified by the Client's retention of certain rights to review and approve specific items for investments. In other cases, the Adviser will have full discretion to manage the assets of the client.

## Item 5: Fees and Compensation

Compensation earned by Argo for the provision of services to its Clients is generally comprised of negotiated management fees based on a percentage of capital committed and contributed by the Client.

Management fees are payable quarterly in advance by each Client, based on the applicable management fee percentage and is based on both (a) aggregate capital commitments and (b) capital "at risk", as defined by the Client investment management agreements.

In addition, the Adviser may be entitled to continue to receive asset management fees as defined in the investment management agreements with Clients in circumstances where Clients terminate their investment management agreement with the Adviser prior to the expiration of defined time periods as set forth in the investment management agreements.

Finally, the Adviser is entitled to receive payment for certain expenses from Clients related to a) establishment expenses (e.g. formation of the legal infrastructure necessary to establish the operational infrastructure related to the Adviser's advisory services provided to Clients), b) ongoing expenses related to the Adviser's business and its services to Clients and c) specific transaction-related expenses incurred in accordance with detailed budgets prepared for and approved by Clients, and d) other expenses as set forth in the investment management agreements with Clients.

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

The Adviser does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the managed assets); however, the Adviser generally will act as or be affiliated with the managing member or other management entity having direct control over each project invested in by Clients, and such general partner is entitled to receive performance-based distributions (e.g. "carry"). This may present a conflict of interest and give the Adviser an incentive to recommend certain investments or the timing of exits to maximize either management fees or capital gains. This conflict of interest is mitigated by the fact that each investment project and all fees and expenses authorized in connection with the management and disposition of such investment is defined by contractual terms negotiated as part of the formation of the underlying project entities managing the investment projects.

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

Argo currently offers investment advisory services to select Institutional Clients. Advisory relationships are formed to provide the Clients with access to a specific investment strategy within the target infrastructure sector.

Each Client investment management agreement is negotiated individually. All of Argo's Clients qualify as both (1) "qualified purchasers" as defined for purposes of Section 3(c)(7) of the Investment Company Act of 1940, and (2) as "accredited investors," as defined in Regulation D under the Securities Act of 1933.

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

### ***Methods of Analysis***

Argo uses a range of methods to identify, analyze and assess potential and existing investment opportunities. Generally, analytical methods used by the investment team can include economic forecast models, cash-flow models, other financial modeling and simulation, risk sensitivity analysis, fundamental, technical, and cyclical analysis. In addition to Argo's investment team, which has extensive sector transaction experience, Argo may employ specialist consultants to assist in the evaluation of potential investments.

***Investment Strategies and Process***

The investment criteria as set out under the terms of each Client investment advisory agreement guide the screening and selection of target opportunities. Argo's investment strategies target investment in infrastructure. Investments are made after the implementation of a transaction process that includes pre-screening of potential investments, rigorous diligence and active management of the closing process, all in accordance with investment guidelines set forth in each Client's investment advisory agreement. Once assets are acquired the Argo team focuses on actively managing the investment including active risk management of all strategic, operational and financial performance criteria of the investment.

***Risk Factors***

As with any type of investing, Argo's investment strategy involves risks. The following risk factors should be carefully considered by prospective investors in determining whether to invest in Argo's investment strategy and infrastructure projects included in this strategy. The following list is not a complete list of all risks involved in connection with an investment.

***No Assurance of Investment Return***

While infrastructure investments may offer the opportunity for cash flow and capital appreciation, such investments may also be sensitive to recessions, general economic and business conditions and increased interest rates. There is no guarantee that any of the capital contributed to a project will be returned or distributed to the investors. Any investments in infrastructure projects may decline in value.

***Governmental & Regulatory Risks Generally***

Changes by regulatory authorities and governments related to investments could impact revenues, growth, and performance outcomes for the Client. For example, in many instances, the operation or acquisition of such assets involves an ongoing commitment to or from a governmental agency, and the operation of infrastructure assets often relies on government permits, licenses, concessions, leases or contracts. The nature of these obligations and dependencies expose the owners of such assets to a higher level of regulatory control than typically imposed on other businesses, resulting in government entities having significant influence over such owners and companies.

***Counterparty Risk***

Counterparty risk is the risk of loss due to a counterparty's default. Counterparties are third parties that enter into contracts either directly with the Adviser or its affiliates or with other entities formed to effect transactions involving investments of Clients' funds. The long-term financial performance of Clients' investments is partially dependent on the creditworthiness and performance of counterparties with regard to a variety of agreements and arrangements. If a counterparty is unable or chooses not to meet its obligations, financial or otherwise, the investments may be adversely impacted.

***Regulatory Approvals/Consents***

The Adviser may recommend an investment for a Client in a renewable generation project or similar type of asset that may not receive the initial regulatory approval or license needed to acquire or otherwise operate an investment, including after substantial costs have been incurred pursuing such investment. Additional or unanticipated regulatory approvals, including, without limitation, renewals, extensions, transfers, assignments, reissuances or similar actions, may be required to acquire or operate infrastructure assets, and additional approvals may become applicable in the future. While the Adviser's strategy is to limit exposure to permitting risk, in certain limited instances the Adviser may recommend incurring permitting risk. There can be no assurance that a portfolio company will be able to (i) obtain all required regulatory approvals that it does not yet have or that it may require in the future, (ii) obtain any necessary modifications to existing regulatory approvals, or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments

thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could impact the investment.

### ***Leverage***

Some infrastructure projects may utilize a leveraged capital structure, which includes borrowing money to fund a portion of the project, thereby entitling a third-party to cash flow generated by such investments prior to the Clients receiving a return. Such strategies are designed to increase returns to investors. Fluctuations in unhedged interest rates may adversely affect the performance of the Client's investments. Use of borrowed funds to leverage acquisition involves financial risk and can multiply the effect of any increase or decrease in value of any investment. It may also increase the exposure of the investments to adverse economic factors, such as interest rate fluctuations, economic downturns and other circumstances that could cause deterioration in the condition of the investments.

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

Clients must bear the risk of limited liquidity for the duration of their investments. Investments in infrastructure assets generally involve a longer holding period than traditional private equity investments. It is unlikely that there will be a public market for the securities held by the Client at the time of their acquisition. The Client will generally not be able to sell its investments through the public markets. There can be no assurances that investments can be sold on a private basis. In addition, in some cases the Client may be prohibited by contract or legal or regulatory reasons from selling certain securities for a period of time. Furthermore, infrastructure investments by their nature are subject to industry cyclicity, downturns in demand, market disruptions, and the lack of available capital for potential purchasers and therefore may be difficult or time consuming to liquidate.

## **Item 9: Disciplinary Information**

In the past ten years, neither the Adviser nor any management person has been involved in any legal or disciplinary event that would be material to a prospective investor or Client in any evaluation of Argo's advisory business or the integrity of its management.

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

- A. Argo does not engage in activities requiring broker-dealer representation. Neither Argo nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or registered representative of a broker-dealer.
- B. Neither Argo nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Argo, through one or more affiliated companies, may provide services for compensation in connection with the origination of transactions for investment by certain Clients. Where such transactions are approved for investment, the affiliate may receive an origination fee in connection with the closing of the transaction. Such services are compensated for at rates comparable to or less than prevailing rates charged by independent third parties in the locale where the services are performed.

The Adviser, either directly or through its one or more affiliates, may act as general partner or managing member or investment manager for one or more project entities formed in connection with specific infrastructure investments. In such capacity, the Adviser may be entitled to certain contractual economic, governance, reporting and other rights. For example, the Advisor (directly or through such

affiliates) may receive a portion of the fees and distributions (including "carry") payable to such general partner. The interests of these general partner or managing member relationships may conflict with the interest of Clients.

In addition, the partners or employees of the Adviser and their respective affiliates may serve on the boards of directors of portfolio companies (or Project Entities) in which Clients invest. Serving in such capacity may give rise to conflicts to the extent that an employee's fiduciary duties to a portfolio company or project entity as a director may conflict with the interest of the Client. The officers, directors, members, managers, and employees of the Adviser may trade in securities for their own accounts, subject to restrictions and reporting requirements as may be required by law or otherwise determined from time to time by the Adviser.

- D. Neither Argo nor any of its management persons recommend or select other investment advisers for our Clients. We may select or recommend financial advisors to advise in various capacities. We do not receive compensation from such actions and we make selections based on various factors including inter alia each firm's professional qualifications to undertake such engagements. If we were to encounter a circumstance in which we believe we have a potential or actual conflict of interest in making such decisions, we would disclose it to our clients in advance of a decision on the engagement.

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

- A. Argo follows a Code of Ethics ("Code") that is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (the "Act"). A copy of Argo's Code of Ethics is available to current and prospective Clients upon request.

This Code establishes rules of conduct for all employees of Argo and is designed to, among other things, govern personal securities trading activities in the accounts of supervised persons. The Code also includes safeguards designed to avoid conflicts of interests that could adversely affect our clients. In addition to requiring compliance with the applicable securities laws, the Code establishes policies and procedures designed to prevent the misuse of material, non-public information (including information regarding Clients, Project Entities and investors in the Project Entities), and identifies activities that are either expressly prohibited or that require Chief Compliance Officer approval. Matters that could give rise to an appearance of impropriety, such as gift giving and solicitation, serving on boards of directors of public companies and political contribution payments and solicitation also require prior approval by the Chief Compliance Officer. The Code is based upon the principle that Argo and its employees owe a fiduciary duty to the clients to conduct their affairs, including personal securities transactions, in such a manner as to avoid:

- Serving employees' own personal interest ahead of those of the clients,
- Taking inappropriate advantage of their position with Argo, and
- Any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The purpose of the Code is to preclude activities that may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct.

Although neither Argo nor any of its related persons recommends to Clients, or buys or sells for Client account, securities in which Argo or a related person has a material financial interest, Clients should be aware that there may be occasions when the Adviser and its affiliates may encounter potential conflicts of interest in connection with a Client's activities, including certain conflicts of interest



relating to the participation of the Adviser and/or such affiliates in the general partnership or management of one or more project entities (as more fully described in Item 10 - Other Industry Activities and Affiliations). The following discussion enumerates certain potential conflicts of interest that should be carefully evaluated by Clients.

**Performance Incentives.** The existence of any carry or other economic interest in any project entity may create an incentive for the Adviser, or its affiliates to propose, or to make, more speculative investments than would otherwise be made in the absence of such performance-based compensation.

**Other Fees.** The Adviser and/or its affiliates may receive (i) acquisition fees for investments, (ii) fees for asset management services, and (iii) fees for advisory services provided to companies in which the Client has an interest. Additionally, the Adviser and its affiliates may receive fees relating to the Client's investments or from unconsummated transactions (i.e., break-up and early termination fees, director fees and organization, financing, divestment, and other similar fees).

- B. Except as described above, neither Argo nor any of its related persons invests in the same securities (or related securities, e.g. warrants, options or futures) that Argo or a related person recommends to Clients.
- C. Except as described above, neither Argo nor any of its related persons recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that Argo or a related person buys or sells the same securities for Argo's (or the related person's own) account.

## Item 12: Brokerage Practices

The Adviser does not generally purchase publicly traded securities. As a result, the Adviser does not contract with broker-dealers. The Adviser neither employs nor engages a securities broker-dealer for any transaction related to any investments. The Adviser does not have any soft dollar arrangements and does not expect to have this type of arrangement in the future.

## Item 13: Review of Accounts

The Adviser's asset management team monitors and reports on the performance of assets acquired and the Clients' investments on a regular and current basis. These professionals monitor operations, overall performance, financial performance, and set and drive the strategic direction of each infrastructure investment made.

Clients or their designated representatives in the Project Entities generally receive some or all of the following written reports:

- Quarterly Financial Statements
- Quarterly Performance and valuations
- Upon request (generally semiannual) update on investment operations and progress
- Annual investment business plans
- Annual audited financials
- Tax returns

All Clients are provided any ad hoc information or reports that are reasonably requested as well as updates on the operations of the Adviser.

## Item 14: Client Referrals and Other Compensation

As described in Item 5 (Fees and Compensation) and in Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading), in addition to management fees payable and carried interests allocable to the Adviser and its affiliates, the Adviser may in the future receive acquisition and ongoing advisory fees in connection with investment by its clients.

In the future, the Adviser may engage third parties to solicit investors for projects or for new Client relationships. We would require such third parties to disclose their compensation incentive to prospective new investors as part of their referral or solicitation process.

## Item 15: Custody

The Adviser may be deemed to have "custody" within the meaning of Rule 206(4)-2 under the Advisers Act, such as funds related to the operations of the individual infrastructure projects under the Adviser's or its affiliates management agreements with respect to project assets. In addition, the Adviser may have possession of certain funds in the form of a prepayment of certain anticipated expenses related to the origination of project opportunities and due diligence with respect to those opportunities.

Clients receive annual financial statements from third-party auditors engaged by the Adviser and account statements on a monthly basis directly from the qualified custodian bank holding such funds. Investors also receive financial reports for the project entities that comply with the requirements of the respective project documents. Investors should carefully review the reports and annual financial statements for each investment.

## Item 16: Investment Discretion

The terms of the investment management agreements entered into between Argo and each Client generally grant Argo discretion to make investments on behalf of the Client subject to investment guidelines established by the Clients and incorporated in the agreement and further qualified by rights that the Clients may have to review and approve investments as part of the investment process. As a result, subject to such guidelines, established limits and Client rights, Argo may determine which assets to purchase, when to sell the assets and how to manage the assets, including decisions related to capital improvements and leverage on the assets at the project entity level. The investment management agreement with respect to each Client, and the project entity documentation, including each project entity operating agreement, describes in each case the extent to which Argo has discretion over the investment decision.

## Item 17: Voting Client Securities

- A. The Adviser does not have authority to vote client securities, as noted in Part B below.
- B. The Adviser does not currently invest in publicly traded securities on behalf of its Clients, except for certain short-term investments that are cash equivalents with no voting rights.

## Item 18: Financial Information

- A. In general, Argo does not require or solicit prepayment of fees six months or more in advance.
- B. Argo has no financial commitment that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients.
- C. Argo has not been the subject of a bankruptcy petition at any time during the past ten years.

## Item 19: Requirements for State-Registered Advisers

Argo has registered with the SEC and is not required to be registered at the State level.