

Part 2A of Form ADV: Firm *Brochure*

# **Meridiam Infrastructure North America Corporation**

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**This brochure provides information about the qualifications and business practices of Meridiam Infrastructure North America Corp (the “Adviser”). If you have any questions about the contents of this brochure, please contact us at [info@meridiam.com](mailto:info@meridiam.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.**

**Registration with the SEC does not imply a certain level of skill or training. Additional information about the Adviser also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 -Material Changes**

This is the first ADV Part 2A (“Brochure”) prepared by Meridiam Infrastructure North America Corp and, therefore, there are no material changes to report here in Item 2. If in the future Meridiam Infrastructure North America Corp makes any material changes to this Brochure, this Item will include a summary of such material changes.

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#### **Item 4 - Advisory Business**

Meridiam Infrastructure North America Corporation (“MINA” or the “Adviser”) was formed in June 2009. The Adviser is wholly owned by Meridiam Infrastructure Managers Sarl (“MIM”).

Based on the calculation for “regulatory assets under management,” as of December 31, 2011, the Adviser had approximately \$393 million of assets under management that it manages on a discretionary basis, and no assets under management that it advises on a non-discretionary basis.

The Adviser provides infrastructure related investment advisory services to the two partnerships (the domestic partnership and the offshore partnership) that collectively comprise the Meridiam Infrastructure North America Fund II (the “Fund”). The Fund targets investments in a range of infrastructure transactions with a predominant focus on primary Public-Private Partnership (“PPP”) projects in the transportation, public sector facilities and accommodation, and environmental sectors and in related services fields. The principal geographic focus of the Fund’s investments is the United States and Canada. The Fund has a 25-year term, and its underlying investment philosophy will be to target long-term income from its investments and to target yields that represent a substantial premium over risk-free instruments and are attractive relative to the risk profile of the asset.

In providing advisory services to the Fund, the Adviser directs and advises the development of the investments, makes the investment and divestment decisions, manages the Funds assets and provides reports to Fund investors. The aforementioned services are performed in accordance with the terms of the advisory agreement between the Fund, the general partner and the Adviser.

In addition to the Fund, the Adviser also acts as investment adviser to certain co-investment vehicles, including parallel investment vehicles and alternative investment vehicles, which are set up to accommodate various types of investors in the Fund who have expressed an interest for co-investment opportunities (the “Co-Investment Vehicles,” along with the Fund, each a “Client,” and together, the “Clients”). The Adviser generally provides such co-investment advisory services based on the Adviser’s ability to generate co-investment opportunities alongside certain investments. The Adviser may also advise parallel investment vehicles and alternative investment vehicles for investors that are subject to restrictions on investments in certain securities or geographies.

## **Item 5 - Fees and Compensation**

### **The Fund**

#### **Management Fees**

The Adviser is paid an annual management fee by the Fund payable quarterly in advance. The annual management fee is based on a percentage of the total capital commitments during the Fund's commitment period and on invested capital after such commitment period. The percentage upon which the fee is calculated ranges from 0.5% to 2% over the life of the Fund.

#### **Success fees**

The Adviser shall be entitled to accept and retain for its own account any and all project success fees, arrangement fees and advisory fees.

#### **Placement Agent Fees**

The Fund will be liable for placement fees (if any) in respect of the establishment of the Fund, however an amount equal to the amount of such fees will reduce the management fee payable to the Adviser by the Fund.

#### **Promote Interest**

Certain employees of the Adviser can participate in a promote interest through the carried interest partner (the "Carried Interest Partner"). The Carried Interest Partner will be mainly owned by managers, employees, members, directors or partners of the Adviser and will receive incentive distributions. The Carried Interest Partner will make Commitments to the Fund in an amount equal to at least 0.2% of the aggregate commitments to the Fund.

#### **Expenses**

Expenses incurred in organizing and establishing the Fund and its affiliated entities formed in connection with the initial closing (but not investments) will be for the account of the Fund. Organizational expenses in excess of an agreed cap, if any, will be borne by the Adviser.

The Fund will bear all expenses related to its operations, including travel costs, fees and other out-of-pocket expenses directly related to the investigation of investment opportunities (whether or not consummated) or visits to the investors, the acquisition, ownership, financing, hedging or sale of its investments, taxes, fees of auditors and counsel, expenses of the Industry Committee

and the Advisory Board of the Fund, insurance, litigation expenses, expenses associated with the preparation and distribution of reports to investors and any extraordinary expenses. The Fund shall not bear the costs of ordinary and usual office overhead and compensation of the employees of the Adviser.

The private placement memoranda for the domestic and offshore limited partnerships that comprise the Fund include further details on fees and compensation and related matters impacting the Fund.

### **The Co-Investment Vehicles**

Where a Co-Investment Vehicle serves as a parallel investment vehicle to the Fund, the Adviser will receive management fees for providing advisory services to the Co-Investment Vehicle based on a percentage of capital commitments made to the Co-Investment Vehicle. The Adviser may also receive management fees based on a percentage of amounts invested by a Co-Investment Vehicle to the Fund.

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

Certain employees of the Adviser can participate in a promote interest through the carried interest partner, as described in more detail in Item 5 above. These employees may participate in the promote interest through the Carried Interest Partner both with respect to the Fund and the Co-Investment Vehicles. The participation in the promote interest by employees of the Adviser constitutes a performance-based or incentive fee arrangement. The Adviser will structure any such performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisers Act of 1940 (“Advisers Act”) in accordance with available exemptions therefrom, including the exemption set forth in Rule 205-3 under the Advisers Act.

While an incentive or performance-based fee arrangements could create an incentive for the Adviser to favor higher fee paying accounts over other accounts in the allocation of investment opportunities, the Adviser has designed and implemented procedures to ensure that all Clients are treated fairly and equitably, and to prevent this conflict from influencing the allocation of investment opportunities among Clients. Please see Item 5 for further information regarding performance based fees charged by the Adviser.

At this time, neither the Adviser nor its supervised persons manage on a side-by-side Client accounts that are charged a performance-based fee and Client accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee. As such, the Adviser and its supervised persons do not face any conflict of interest from managing both such types of accounts on a side-by-side basis at this time.

## **Item 7 - Types of Clients**

The Adviser provides its services to institutional investors that are either private funds or co-investment vehicles (please refer to Item 4 for a more detailed description of the Adviser's current Clients).

Neither of the partnerships that comprise the Fund is subject to registration or regulation under the Investment Company Act of 1940 (the "Investment Company Act"). The minimum investment in the Fund is \$5 million, unless an investor is a member of the Carried Interest Partner of the Fund or an investment lower than this minimum amount is otherwise approved by the Fund's General Partner.

Investors in private funds and other investment vehicles advised by the Adviser generally must be both (i) "accredited investors," as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, and (ii) "qualified purchasers," as defined in Section 2(a)(51) of the Investment Company Act and the rules thereunder.

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

### **Investment Strategies**

The investment strategy of the Fund and the Co-Investment Vehicles is focused on making investments in a range of infrastructure transactions with a predominant focus on primary PPP projects in the transportation, public sector facilities and accommodation, and environmental sectors and in related services fields, with a principal geographic focus on investments in the US and Canada.

The Adviser may, but shall not be obligated to, undertake hedging activities on behalf of the Fund with respect to its investments to protect Fund assets against fluctuations in currency exchange rates or interest rates. Any such hedging activities will be implemented solely to hedge against risks and not for speculative investment purposes.

### **Methods of analysis**

To deliver an optimized portfolio, the Adviser undertakes a detailed investment process starting with an ongoing research and screening process of the PPP market to identify and analyze the projects which are currently being pursued or being put out for tender in North America. Any identified investment opportunity will then formally be presented by the team of professionals in charge (the “Investment Team”) to a management group who will determine whether the project will proceed further on the basis of the determination of the asset type/class, revenue profile, risk and return analysis, complexity of the project and timing of anticipated financial close primarily so as to ensure the transaction meets the Fund’s investment criteria. On behalf of the Fund and the Co-Investment Vehicles, the Adviser then begins negotiating and entering into formal arrangements with third-parties (contractors, operators, etc.) and the consortium of which the Fund has now become an equity member (the “Consortium”). The Adviser then enters the tender phase set forth by the public granting authority.

Prior to any official submission of an offer by the Consortium to the public authority, the terms of the final financing offer together with a detailed risk analysis will be described in an investment committee paper presented to the investment committee of the Adviser (the “Investment Committee”) for approval. If this last and final offer is accepted by the public authority, then the Consortium will typically enter into a negotiation phase as preferred bidder. At this stage, the Adviser will finalize all aspects of the financing offer with the other lenders to the project and prepare a final investment committee paper, which will be presented to the Investment Committee for approval.

If the financing offer by the consortium in which the Fund is sponsor is approved by the Investment Committee, then the Investment Team can proceed with the financial closing of the project with the other lenders and members of the consortium. Any investment which is successfully closed will then be closely monitored by the asset management department of the Adviser which will, among others, participate to board meetings at the level of the asset.

The Investment Team is assisted by external third party advisers for due diligence, structuring and negotiating any investment.

## **Risks**

Investing in securities involves risk of loss that Clients should be prepared to bear.

An investment in the Fund or in a Co-Investment Vehicle entails a degree of risk and is suitable only for sophisticated investors who fully understand and are capable of bearing the risks associated with an investment in the Fund or Co-Investment Vehicle (as applicable). Risks involved with the investment strategy of the Fund and the Co-Investment Vehicles include, among others:

- Liability for return of distributions
- Investment performance
- Fair value asset valuation
- Inability to realize current income
- Lack of complete control over investments
- Third-party and counterparty risk
- Early termination
- Uncertain asset valuation
- Currency risk
- Changes in market circumstances
- Adverse developments in the debt capital markets
- Regulatory risk
- Environmental risks
- Demand, usage and patronage risk
- Deflation, inflation and interest rate risk
- Construction and development risk
- Operational risk and catastrophic and force majeure events

The risks set forth below in summary fashion above are described in more detail in the private placement memoranda provided to investors in the domestic partnership and the offshore partnership that collectively comprise the Fund. In addition to risks related to our investment

strategy discussed above, there are other risks associated with investing in the Fund that are described in the private placement memoranda for the Fund.

**Item 9 - Disciplinary Information**

The Adviser has no information applicable to this item.

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

The Adviser shares certain officers and directors with related investment advisers of general partners that also manage infrastructure funds abroad.

Conflicts of interest can arise from the Adviser's activity where one or more investors in the Fund have interests in funds advised by related investment advisers of general partners. Any transaction or investment that can give rise to such conflict will be reviewed by the investors committee of each fund to validate the conditions (arms' length).

Any transaction involving a Client of the Adviser and an affiliate of the Adviser (a Principal Transaction) will involve a potential conflict of interest and will be subject to the requirements of Section 206(3) of the Advisers Act. Pursuant to policies and procedures adopted by the Adviser, the Adviser can seek to obtain the consent required by Section 206(3) for such a transaction by presenting the details of the transaction to the Fund's investors' committee (the "Advisory Board"). The Advisory Board must then provide its consent to the transaction, or the Adviser may not complete the transaction for the Fund. In addition, the Adviser may present a transaction that involves a potential conflict of interest to the Fund's industry committee for preliminary advice.

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

### **Code of Ethics and Personal Trading**

The Adviser has adopted a Code of Ethics (the “Code”). The Code incorporates the following fiduciary principles that all supervised persons of the Adviser are expected to uphold:

- Supervised persons must place the interests of the Clients , and avoid serving their own personal interests or the Adviser’s interests ahead of the interests of the Clients;
- all personal securities transactions of the Adviser’s supervised person must be conducted in a manner consistent with the Code, and any actual or potential conflicts of interest or abuse of any supervised person’s position of trust and responsibility must be avoided;
- supervised persons must not take inappropriate advantage of their positions;
- information concerning the identity of securities and financial circumstances of the Clients, including the Funds’ limited partners and information regarding companies in which the Adviser is considering making an investment on behalf of the Clients, must be kept confidential;
- independence in the decision-making process must be maintained at all times; and
- supervised persons must at all times comply with applicable federal and state securities laws and regulations.

In addition, the Adviser has adopted formal policies and procedures relating to (1) insider trading, (2) privacy of personal financial information, (3) “pay to play” and (4) anti-money laundering regulations.

Further, the Adviser has established policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems fair and equitable. These include restrictions on personal trading imposed by the Code, requirements to pre-clear certain types of investment transactions, reporting and monitoring of employee personal trading activity, and monitoring for any transactions or trading patterns by the Adviser’s supervised persons for any actual or perceived conflicts of interest. Clients may request a copy of the Code by contacting the Adviser at the address or telephone number listed on the first page of this Brochure.

### **Participation or Interest in Client Transactions**

The Adviser’s management persons may make significant commitments and investments in the Fund. These investments by management of the Adviser align their interests with the interests of the Fund’s limited partners. Because they place their personal investments at risk alongside the Fund’s capital, the Adviser’s management has an incentive to avoid risk of loss and apply

operating practices designed to increase the value of the Fund's portfolio investments, thereby avoiding conflicts of interest.

There may be circumstances where the Fund and a Co-Investment Vehicle co-invest in a portfolio investment. In these instances, the Adviser has in place policies to ensure that that the transaction is in the best interest of each of the Fund and the Co-Investment Vehicle, and that there are no conflicts of interest between the Fund, the general partner, the Co-Investment Vehicle, or the Adviser. Where such a transaction constitutes a Principal Transaction (as discussed in Item 10 above), the Adviser will seek to obtain the required consent for such a transaction by presenting the details of the transaction to the Fund's Advisory Board, which then must provide its consent to the transaction.

## **Item 12 - Brokerage Practices**

Although the Fund and Co-Investment Vehicles generally purchase and sell securities only in privately negotiated transactions, the Adviser does have full discretionary authority to make decisions regarding which securities are bought and sold; the prices paid or received; the brokers, dealers or investment banks to be used, if any, for a particular transaction; and the commissions or fees to be paid. While the Adviser does not expect to engage brokers to effect transactions in publicly traded securities, the Adviser could do so. In any such instances, the Adviser's authority is limited by its own internal policies and procedures and each of the Fund's or the Co-Investment Vehicle's investment guidelines.

In the very limited circumstances where a Fund or Co-Investment Vehicle purchases or sells public securities, the Adviser will seek to obtain best execution in selecting to brokers or dealers to execute such transactions, based on numerous factors, and not necessarily the lowest cost. Such factors include but are not limited to:

- the ability of brokers or dealers to effect the transaction;
- the broker's or dealer's facilities, reliability and financial responsibility; and
- the provision by the brokers of capital introduction, marketing assistance, commitment of capital, access to company management and deal flow.

In selecting brokers to effect transactions for the Clients, the Adviser evaluates the quality of broker dealers' past executions and their ability to successfully effect the execution of the transaction being contemplated.

The Adviser does not receive research or other products or services, other than, in rare cases, execution from a broker-dealer or a third party in connection with a portfolio investment of a Fund or Co-Investment Vehicle involving publicly traded securities. The Adviser does not routinely recommend, request or require that the Fund or Co-Investment Vehicle direct the Adviser to execute transactions through a specified broker-dealer. The General Partner of the Fund directs the Fund to select broker-dealers for any transactions in publicly-traded securities. The Adviser does not receive Client referrals from any broker or dealer. There are no purchase or sales orders of securities that are aggregated for various Client accounts.

## **Item 13 - Review of Accounts**

### **Accounts**

The Adviser has engaged an independent certified public accountant of recognized national standing to act as the accountant for the Fund and the Co-Investment Vehicles. The Adviser delivers, within ninety (90) calendar days after the end of each Fiscal Year, to each investor in a Fund or Co-Investment Vehicle (i) a balance sheet, income statement and schedule of investments of the Fund or Co-Investment (as applicable) as of the end of such Fiscal Year and statements of operations, investor's equity and cash flow for such Fiscal Year, in each case prepared in accordance with generally accepted accounting principles together with the auditors' report thereon indicating that the audit was performed in accordance with generally accepted auditing standards, (ii) a summary description of each acquisition or disposition by the Fund or Co-Investment (as applicable) during such Fiscal Year, (iii) a statement of all distributions made to such Fund or Co-Investment (as applicable) Partner during the last fiscal quarter of such Fiscal Year and during such entire Fiscal Year and such investor's estimated equity value as of the end of such Fiscal Year, (iv) a valuation of the assets of the Fund or Co-Investment (as applicable) that have been owned, directly or indirectly, by the Fund or Co-Investment (as applicable) for at least one (1) year.

### **Valuation**

As of March 31, June 30, September 30 and December 31 of each Fiscal Year, and more frequently in the Adviser's discretion, the Adviser shall make sure the fair market value of the Fund's assets is determined. The fair market value will be expressed in U.S. Dollars and shall be determined on the basis of the valuation of the underlying assets of the Fund on each valuation day. On a quarterly basis, the Adviser sends investor reports, including unaudited financial statements, to the investors in the Funds and the Co-Investment Vehicles.

**Item 14 - Client Referrals and Other Compensation**

The Adviser does not pay compensation to any third parties for Client solicitations.

**Item 15 – Custody**

The Adviser is deemed to have custody of the Fund and Co-Investments Vehicles' cash and securities under Rule 206(4)-2 of the Advisers Act by virtue of its relationship with the General Partner of the Fund and the Co-Investment Vehicles and its ability to access assets of the Fund and Co-Investment Vehicles. Each Limited Partner of the Fund and Co-Investment Vehicles receives the audited financial statements prepared in accordance with GAAP within 90 days of the end of fiscal year.

**Item 16 - Investment Discretion**

The Adviser manages the Fund assets and the Co-Investment Vehicles on a discretionary basis. The Adviser does not provide any investment advisory services on a non-discretionary basis.

The Adviser has been delegated such discretion from the General Partner of the Fund and the Co-Investment Vehicles. Investors in the Funds and the Co-Investment Vehicles may negotiate restrictions or limitations on the Adviser's discretion to invest in certain types of securities or other investments. These restrictions would be set forth in the organizational documents of the Fund and/or the Co-Investment Vehicles.

## **Item 17 - Voting Client Securities**

The Adviser has implemented proxy voting policies and procedures that are designed to ensure that it votes client securities in the best interest of its clients and addresses how the Adviser will resolve any conflict of interest that may arise when voting client securities.

Clients grant the Adviser the exclusive right to vote Client securities on their behalf in the investment advisory contracts. In the unlikely event that a potential conflict does arise between the interests of the Adviser and/or its personnel and Clients, the Adviser has implemented policies and procedures to ensure that client securities are not voted in conflict with the interests of the Clients. If a perceived conflict of interest involves the Adviser, the Adviser's Chief Compliance Officer will determine if the conflict is material. If it is determined that the conflict is material, the Adviser will have no further input on the particular client securities vote. In the event that the 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.

Clients may obtain a copy of the Adviser's Proxy voting policies and procedures and its Proxy voting record upon request.

**Item 18 - Financial Information**

The Adviser is not aware of any financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.

**Item 19 – Requirements for State-Registered Advisers**

Not applicable.