

**Item 1 – Cover Page**

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This Brochure provides information about the qualifications and business practices of Arco Global Management, LLC, formerly known as New Bond Street Investment Group LLC, (“AGM”, “us” or “we”). If you have any questions about the contents of this Brochure, please contact us at (787) 993-9650. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “Commission” or the “SEC”) or by any state securities authority.

AGM is registered as an Investment Adviser with the SEC and not with any state securities authority. Registration of an Investment Adviser does not imply any level of skill or training. Additional information about AGM is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Pursuant to SEC rules, we are required to update our Brochure at least annually and provide you with a summary of any material changes since the previous annual amendment. Accordingly, we have prepared this updated Brochure dated March 30, 2018. The last annual update of our Brochure was March 24, 2017.

Material Changes since our last annual update:

- Item 1 – We changed our name from “New Bond Street Investment Group LLC” to “Arco Global Management, LLC”.
- Item 4 – Change in ownership so that Francesco Piovanetti is the only principal owner.

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#### **Item 4 – Advisory Business**

AGM currently provides investment and asset management services to an offshore permanent capital vehicle (the “Client”) with a focus on real estate, lending and acquisition activities primarily in emerging European and Latin American markets. AGM’s principal owner is Francesco Piovanetti.

AGM has been the investment adviser of the Client since April 2017 when it became the successor adviser of Bond Street Management LLC (“BSM”). In turn, BSM was the investment manager of the Client since 2012, when it replaced Arco Capital Management LLC (“ACM”) as manager. The principal owner of AGM was also a principal owner of Bond Street Management LLC and of Arco Capital Management LLC, which in turn managed the Client since its inception.

The Client invests in a broad range of financial instruments, publicly traded securities, structured credit, venture capital, private equity and real estate transactions, including lending, mezzanine finance and acquisition activities in global markets, including cryptocurrencies, tokens or other digital assets.

AGM has, subject to the supervision and oversight of the Client’s board of directors, broad discretionary authority to determine the type and amount of securities, assets or investments to be bought or sold. AGM’s principal owner is also the sole member of the Client’s board of directors.

AGM does not provide wrap fee programs.

As of December 31, 2017, AGM has approximately \$27.7 millions of regulatory assets under management, which are managed on a discretionary basis.

#### **Item 5 – Fees and Compensation**

AGM receives a fixed management fee of \$960,000 per year from the Client, payable quarterly in advance. In addition, the Client reimburses AGM for certain expenses incurred each month, including, without limitation, deal pursuit costs, filing fees, insurance costs, office facilities, taxes and other expenses paid on behalf of the Client, subject to the oversight of the Client’s board of directors. Furthermore, and to facilitate the Client’s cash management function, it may also make advances to AGM so that the latter pays for certain of the Client’s recurring or one-off expenses directly.

In addition to the management and performance fees discussed in this item and Item 6, AGM may earn other fees for other services provided to the Client, including deal related fees, consulting, property management, acquisition or disposition of assets, finder’s fees, one-off transaction fees, bonuses or supervisory fees related to certain assets of the Client.

To the extent that the management agreement is terminated by the Client prior to the end of the relevant billing period, any unearned fee will be refunded to the Client. Furthermore, AGM's management agreement with the Client provides for incentive fees to AGM as described in Item 6 below.

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

The fees charged by AGM could be deemed to be higher than the fees typically charged by other advisers for services similar to those provided by AGM to the Client.

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

Our management agreement with the Client provides for the payment of various incentive or performance based fees (including fees based on a share of capital gains or capital appreciation of the assets of the Client) if certain thresholds or performance metrics on the exit or monetization of various assets are met.

We do not currently manage side-by-side accounts which are charged performance based fees, on the one hand, and another type of fee (including flat fees) on the other.

### **Item 7 – Types of Clients**

AGM principally provides portfolio, asset management and consulting services to pooled investment vehicles and private funds whose underlying investors are financially sophisticated and meet the definition of "qualified client" as defined by the relevant rules of the SEC. AGM may also provide such services to high net worth individuals or persons (natural or legal) which also qualify as accredited investors.

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

AGM uses fundamental analysis to determine which investments to make in the Client's portfolio. AGM defines fundamental analysis as the thorough analysis of key business factors relevant to a given investment. These key business factors include: analysis of financial statements, earnings, dividends, management structure, competitive advantages, product offerings, competitors and markets. This method of analysis evaluates the overall condition of the company to determine whether it is a sound investment. Despite the fundamental analysis performed by AGM, any investment in securities carries market risk and investors may lose their principal investment.

The investment strategy used for certain private and public investments of the Client includes both capital preservation and growth. Seeking capital preservation with limited risk involves investing in passive strategies using fixed income products, including, but not limited to, senior, mezzanine and subordinated loans and real estate; whereas growth strategies involve active and risky strategies using stocks, and stock options, as well as private company and venture capital investments.

While AGM will not generally engage in day-trading or behalf of clients, active strategies may entail additional risk due to a greater frequency in transactions, which may involve additional brokerage fees, transaction costs, and taxes.

However, AGM may pursue on behalf of its clients strategies that use options and other derivate products which may entail additional risk as losses which may exceed those seen in the underlying security. Lastly, AGM may pursue on behalf of its client strategies that include private placement offerings, investments in private equity, structured credit, real estate and venture capital which entail greater risk as these offerings have limited regulatory oversight, have less liquidity, and depend on the due diligence performed.

Every strategy pursued by AGM on behalf of the Client entails a significant degree of risk and the Client and its underlying investors are advised to pay special attention to the sections of the respective disclosure document or offer to purchase or tender documents that have been delivered in due course which discuss risk factors, conflicts of interest and other investment considerations. Below please find a brief description of some of the applicable risks based on some of the investment products referenced above. These are qualified in their entirety to the disclosure included in the disclosure documents referenced above.

### **Risks Related to Emerging Markets Investments**

Risks particularly relevant to investments in emerging markets may include greater dependence on exports and the corresponding importance of international trade, higher risk of inflation, more extensive controls on foreign investment and limitations on repatriation of invested capital, increased likelihood of governmental involvement in, and control over, the economies, decisions by the relevant government to cease its support of economic reform programs or to impose restrictions, government corruption, and less established laws and regulations regarding fiduciary duties of officers and directors and protection of investors.

### **Risks Related to Real Estate Investments**

Real estate investments are typically long term investments that are subject to market risk, including the potential loss of principal invested. Real estate values are affected by a number of factors, including: (i) changes in the general economic climate or geopolitical conditions; (ii) local conditions (such as an oversupply of space or a reduction in demand for space); (iii) the quality and philosophy of management of properties; (iv) competition based on rental rates; (v) attractiveness and location of properties; (vi) financial condition of tenants, buyers and sellers of properties; (vii) quality of maintenance, insurance and management services; (viii) changes in operating costs; (ix) changes in interest rates and the availability of leverage which may render the sale or refinancing of properties difficult or impracticable; (x) uninsured losses or delays from casualties or condemnation; (xi) government regulations (including those governing usage, improvements, zoning and taxes); (xii) potential liability under changing environmental and other laws; (xiii) structural or property level latent defects; (xiv) acts of God; and (xv) other factors beyond the control of AGM.

## **Risks Related to Private Equity Investments**

Private equity is a common term for investments that are typically made in private or public companies through privately negotiated transactions, and generally involve equity-related financings that are intended to bring about some kind of change in a private business (*e.g.*, providing growth capital, recapitalizing a company or financing an acquisition). Private equity funds, often organized as limited partnerships, are the most common vehicles for making private equity investments. Investment in private equity involves the same types of risks associated with an investment in any operating company. However, securities issued by private partnerships tend to be more illiquid, and highly speculative. Private equity has generally been dependent on the availability of debt or equity financing to fund the acquisitions of their investments. Depending on market conditions, however, the availability of such financing may be reduced dramatically, limiting the ability of private equity to obtain the required financing.

## **Risks Related to Venture Capital Investments**

Venture capital is usually classified by investments in private companies that have a limited operating history, are attempting to develop or commercialize unproven technologies or implement novel business plans or are not otherwise developed sufficiently to be self-sustaining financially or to become public. Although these investments may offer the opportunity for significant gains, such investments involve a high degree of business and financial risk that can result in substantial losses, which risks generally are greater than the risks of investing in public companies that may be at a later stage of development.

## **Risks Related to Mezzanine Investments**

Structurally, mezzanine loans usually rank subordinate in priority of payment to senior debt, such as senior bank debt, and are often unsecured. However, mezzanine loans rank senior to common and preferred equity in a borrower's capital structure. Mezzanine debt is often used in leveraged buyout and real estate finance transactions. Typically, mezzanine loans have elements of both debt and equity instruments, offering the fixed returns in the form of interest payments associated with senior debt, while providing lenders an opportunity to participate in the capital appreciation of a borrower, if any, through an equity interest. This equity interest typically takes the form of warrants. Due to their higher risk profile and often less restrictive covenants as compared to senior loans, mezzanine loans generally earn a higher return than senior secured loans. The warrants associated with mezzanine loans are typically detachable, which allows lenders to receive repayment of their principal on an agreed amortization schedule while retaining their equity interest in the borrower. Mezzanine loans may also include a "put" feature, which permits the holder to sell its equity interest back to the borrower at a price determined through an agreed-upon formula. Mezzanine investments may be issued with or without registration rights. Like other high yield securities, maturities of mezzanine investments are typically seven to ten years, but the expected average life is significantly shorter at three to five years. Mezzanine investments are usually unsecured and subordinate to other obligations of the issuer.

## **Risks Related to Investments in Small- and Medium-Capitalization Companies**

Investments in small and medium capitalization companies may provide significant potential for appreciation, but they may also involve higher risks than do investments in securities of larger companies. For example, the risk of bankruptcy or insolvency is higher than for larger, "blue-chip" companies.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of AGM or the integrity of AGM's management. AGM has no information disclosable under this Item.

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

There is no information disclosable under this Item.

## **Item 11 – Code of Ethics**

AGM has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duties to its Client. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, and personal securities trading procedures, among other things. All supervised persons at AGM must acknowledge the terms of the Code of Ethics annually or as amended.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of AGM will not interfere with (i) making decisions in the best interest of the Client, (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts and (iii) complying with applicable laws and regulations. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of AGM's clients. In addition, the Code of Ethics requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as the Client, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored under the Code of Ethics in order to reasonably prevent conflicts of interest between AGM and the Client.

AGM's employees and associated persons are required to follow AGM's Code of Ethics. Subject to observing this policy and applicable laws, owners and employees of AGM and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for the Client. As noted above, we have adopted the Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. When trading for personal accounts, supervised persons of AGMs may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its clients can



potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by AGM requiring reporting of personal securities trades by its supervised persons for review by the Chief Compliance Officer. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

AGM anticipates that, in appropriate circumstances, consistent with the Clients' investment objectives, it will cause accounts over which AGM has management authority to effect, and will recommend to the Client or prospective client, the purchase or sale of securities in which AGM, its affiliates and/or clients, directly or indirectly, have a position of interest.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

It is AGM's policy that the firm will not effectuate any principal or agency cross securities transactions for client accounts. AGM will also not cross trades between client accounts.

AGM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Francesco Piovanetti at [fpiovanetti@arcocapital.com](mailto:fpiovanetti@arcocapital.com).

## **Item 12 – Brokerage Practices**

AGM is not a broker/dealer or otherwise in the business of trading. However, in the few instances where a transaction for the Client requires the use of a broker/dealer, AGM will use its best judgment to choose the best broker or dealer most capable of providing the services necessary to obtain the most favorable execution. The full range and quality of services available will be considered in making these determinations. Best execution will be judged by many factors including the following: price (commissions included, if any), ability to execute and clear trades and quality of service regarding broad market coverage. In those instances where it is reasonably determined that more than one broker or dealer can offer the services needed to obtain the most favorable execution, consideration may be given to those brokers or dealers who supply investment research, statistical information and other services related to investment research. In all cases, AGM must have determined that the fees charged by the broker or dealer are reasonable and competitive services rendered.

## **Research and Other Soft Dollar Benefits**

AGM generally does not accept or use soft dollars and has no soft dollar arrangements at present.



### **Trade Aggregation**

AGM currently only has only one client so that it does cannot engage in the practice of aggregating trades of investments/securities.

### **Brokerage for Client Referrals**

AGM does not generally receive client referrals from brokers and does not select brokers based on referrals.

### **Item 13 – Review of Accounts**

AGM reviews its portfolio on a monthly and yearly basis. The monthly reviews are performed primarily to detect any anomaly in the portfolio or a major unscheduled event or development. Additionally, on a regular basis, AGM monitors and reviews news wires, selected newspapers, local market feedback obtained from AGM’s network of service providers, and research material provided by third parties to review current investment views and develop new investment ideas.

AGM currently employs two (2) individuals that serve as reviewers of which one is the Chief Executive Officer (“CEO”) and the other is the Chief Financial Officer (“CFO”). The CEO is responsible for the oversight and day to day operations of the entire portfolio, the day to day oversight of several of the assets, new investment idea generation and, with the assistance of outside advisors, preliminary legal and due diligence review. On the other hand, the CFO reviews potential investment opportunities’ impact on the managed fund and monitors the investments once they are underwritten. On average, the CEO has primary responsibility for 4 to 6 investments individually.

AGM uses commercially reasonable efforts to prepare and distribute to the Client quarterly and yearly financial reports, as well as periodic management reports and updates.

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

AGM does not compensate other financial professionals to refer clients to AGM for investment advisory services. Furthermore, no one who is not a client provides an economic benefit to us for providing investment advice or other advisory services to our clients.

### **Item 15 – Custody**

AGM seeks to comply with the SEC’s Custody Rule by having an independent public accountant audit annually the Client. Audited financial statements are also provided to investors of the Client. Additionally, AGM causes the Client’s cash and securities to be held by qualified custodians.

### **Item 16 – Investment Discretion**

AGM generally has discretionary authority at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold, subject to the supervision of the board of directors of the Client. AGM observes the investment policies, limitations and restrictions of its

clients when selecting securities and determining amounts to be invested on their behalf unless otherwise authorized by the Client's board of directors.

Any investment guidelines and restrictions with respect to management of the Client are generally contained in the relevant management agreement between AGM and the Client and, also, in the policies (if any) or minutes established by the board of directors of the Client.

### **Item 17 – Voting Client Securities**

AGM does not have any authority to and does not vote proxies on behalf of advisory clients. The Client retains the responsibility for receiving and voting proxies for all securities maintained in client portfolios. AGM may provide advice to clients regarding the clients' voting of proxies and certain of AGM's employees and/or officers may be authorized to vote on behalf of advisory clients in their capacities as officers or directors of said clients or their subsidiaries.

### **Item 18 – Financial Information**

We have no financial commitment or condition that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.

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

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

Not applicable.