



## **Form ADV Part 2A**

### **Item 1 - Cover Page**

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This Form ADV Part 2A (the “Brochure”) provides information about the qualifications and business practices of Argosy Capital Group, Inc. (“Argosy Capital”) and its affiliated advisers Argosy Credit Management, L.P. (“ACM”), Argosy Management, LP (“AM”), Argosy Real Estate Management, LP (“AREM”) and Argosy Strategic Management, L.P. (“ASM”, and, collectively, with ACM, AM, AREM and Argosy Capital, “Argosy”). Argosy Capital does business under the name “Argosy Capital” and is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”). ACM, AM, AREM and ASM are relying advisers of Argosy Capital. If you have questions about the contents of this Brochure, please contact us at (610) 971-9685 or [mlyren@argosycapital.com](mailto:mlyren@argosycapital.com). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Argosy is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

Argosy Strategic Management, L.P., a Delaware limited partnership, began operations on April 1, 2019 and is the investment manager of Argosy Strategic Partners I, L.P., a newly formed Delaware limited partnership and private investment fund (the “Secondaries Fund”), which held its first closing for outside investors on June 28, 2019.

Argosy Real Estate Opportunity Zone I, L.P., a newly formed Delaware limited partnership and private real estate investment fund (“AROZ I”), held its first closing on December 10, 2019 and held an additional closing on December 24, 2019. Argosy Real Estate Management, LP is the investment manager of AROZ I.

Item 8 contains new disclosure regarding the Secondaries Fund as well as additional risks relating to Argosy.

### **Item 3 – Table of Contents**

Item 1- Cover Page.....	1
Item 2- Material Changes.....	2
Item 3- Table of Contents.....	3
Item 4- Advisory Business.....	4
Item 5- Fees and Compensation.....	4
Item 6- Performance-Based Fees and Side-By-Side Management.....	6
Item 7- Types of Clients.....	7
Item 8- Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 9- Disciplinary Information.....	11
Item 10- Other Financial Industry Activities and Affiliations.....	11
Item 11- Code of Ethics.....	12
Item 12- Brokerage Practices.....	13
Item 13- Review of Accounts.....	13
Item 14- Client Referrals and Other Compensation.....	13
Item 15- Custody.....	14
Item 16- Investment Discretion.....	14
Item 17- Voting Client Securities.....	14
Item 18- Financial Information.....	15

#### **Item 4 – Advisory Business**

Argosy Capital Group, Inc., a Delaware corporation (“Argosy Capital” or “we”), is an adviser to private equity, credit and real estate private investment funds (the “Funds”) with its principal place of business in Wayne, Pennsylvania. Argosy Capital was established in 1990 and operates under the Argosy Capital, Argosy Private Equity, Argosy Credit and Argosy Real Estate brands. Argosy has been registered as an investment adviser with the SEC since 2012. Argosy Management, L.P., a Delaware limited partnership (“AM”), is the investment adviser for the Argosy Private Equity funds. Argosy Real Estate Management, LP, a Delaware limited partnership (“AREM”), is the investment adviser for the Argosy Real Estate funds. Argosy Credit Management, L.P., a Delaware limited partnership (“ACM”), is the investment adviser for the Argosy Credit fund. Argosy Strategic Management, L.P., a Delaware limited partnership (“ASM”), is the investment adviser for the Argosy Secondaries Fund. Each of AM, AREM, ACM and ASM are relying advisers to Argosy Capital and are collectively referred to as the “Fund Advisors”. The general partners of the Funds are related persons of Argosy Capital and are relying advisers of Argosy Capital. Argosy Capital’s related entities (including AM, AREM, ACM, ASM and the Funds’ general partners) are wholly-owned by the employees, officers and owners of Argosy Capital. Argosy Capital and the Fund Advisors are collectively referred to as “Argosy”.

##### Principal Ownership

Argosy Capital is majority owned by Bruce E. Terker. Owners owning 25% or more of AM include Odyssey Capital Group, L.P., a Pennsylvania limited partnership (“Odyssey”), Kirk B. Griswold and John P. Kirwin, III. Owners owning 25% or more of AREM include Odyssey. Owners owning 25% or more of ACM include Odyssey. Owners owning 25% or more of ASM include Odyssey and Christopher Y. Kim. Odyssey is majority owned, directly and through trusts, by Mr. Terker and Cynthia G. Terker.

##### Advisory Services

The Fund Advisors serve as investment advisers to the Funds and their investment advice is limited to advising the Funds. The Funds are marketed primarily to institutional investors and high net worth individuals. The Fund Advisors are appointed as investment adviser of the respective Funds and the duration of such appointments lasts for the duration of the Funds. The Fund Advisors manage the Funds on a discretionary basis, with the exception of two real estate Funds. The investment strategies and restrictions relating to the Funds are set forth in each Fund’s private placement memorandum and/or limited partnership agreement.

Argosy currently does not tailor advisory services to the individual needs of a client, although, under certain circumstances, it may do so in the future. In the event Argosy is engaged to manage separately managed accounts, Argosy will do so pursuant to investment management agreements, which will specify the terms of the engagement of Argosy. Pursuant to such agreements, clients may impose restrictions on investing in certain securities or certain types of securities.

As of December 31, 2019, Argosy managed assets of approximately \$1,377,792,593.

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

Argosy Capital and the Fund Advisors are private fund managers. The Funds are neither registered under the Investment Company Act of 1940, as amended, nor are their interests registered under the Securities Act of 1933, as amended. Accordingly, interests in the Funds are offered exclusively to investors satisfying the applicable eligibility and suitability requirements either in private placement transactions

within the United States or in offshore transactions. No offer to sell the Funds is made by the descriptions in this Brochure and the Funds are available only to investors that are properly qualified.

### Management Fees

Argosy charges investors in the Funds is an annual management fee that can range from 0% to 2.25% of aggregate capital commitments to a Fund during the investment period and then of contributed capital until the Fund is fully liquidated. Argosy may elect to waive a portion or all of a Fund investor's management fee and Argosy or its affiliates may not be charged a management fee with respect to their commitments or invested capital. Management fees are generally not negotiable other than in rare circumstances. Management fees are typically paid quarterly in advance, and deducted from the Fund's account. If there are insufficient assets, Argosy will issue a capital call notice to investors. Management fees are generally not refundable absent certain circumstances described in the Fund's limited partnership agreement.

### Performance-Based Compensation

In addition to the management fee, Argosy or its affiliates may also be paid performance-based compensation as more fully described in "Item 6 – Performance Based Fees and Side-by-Side Management".

### Additional Fees and Expenses

Investors in the Funds typically bear their pro rata share of fees, costs and expenses incurred in the organization, operation and administration of the Fund. Fund Expenses are outlined below and more specifically described in the private placement memorandum and/or limited partnership agreement for each respective Fund.

Organizational costs and expenses borne by the Funds include, legal, accounting and other professional costs and out-of-pocket expenses including travel expenses related to the offering of the Fund's interests (but excluding any costs or fees payable to placement agents assisting with the sale of the Fund's interests). The Fund's private placement memorandum and/or private placement memorandum may cap the amount of organizational expenses borne by the Fund and any organizational expenses exceeding such cap may offset the management fee payable to the Fund's investment manager.

Operational and administrative expenses borne by a Fund include (a) the organization, administration and liquidation of alternative investment and parallel vehicles, (b) all legal, accounting, custodial, and third-party consulting fees for services rendered to or for the benefit of the Fund, (c) all expenses, costs, and liabilities incurred in connection with the identifying, structuring, negotiating, purchasing, owning, developing, improving, managing, monitoring, readying for sale, servicing, sale, proposed sale, other disposition, or valuation of investments considered for the Fund (including research (including the cost of subscription services used in conducting research), and due diligence in connection therewith), including, but not limited to, broken deal expenses that are incurred after an indication of interest, letter of intent or term sheet has been issued with respect to such potential investment if such potential investment does not become a portfolio investment, travel and entertainment expenses incurred in connection with the foregoing, conference registration expenses incurred in connection with the foregoing, membership fees, costs and expenses for organizations that provide research and educational materials in connection with the foregoing, fees, costs and expenses relating to conferences held for operating partners, legal fees and expenses, filing fees and expenses, accounting fees and expenses, audit fees and expenses, third party consulting fees and expenses (including fees and expenses related to services from commercial real estate information companies), fees and expenses related to Argus (or similar) software or any asset

management software, and other fees and expenses (to the extent not subject to reimbursement), (d) costs and liabilities incurred in connection with litigation or other extraordinary events, directors and officers liability and other insurance and indemnity expenses, (e) all taxes, fees and other governmental charges payable by the Fund, expenses incidental to the transfer, servicing and accounting for the Fund's cash and securities, including all charges of depositories and custodians, and all expenses incurred by the tax matters partner, or a similar role under applicable state or local tax law, (f) communications expenses, (g) all expenses and costs associated with limited partner meetings (including one-on-one meetings with limited partners), (h) all expenses and costs of the Fund's board of advisors, (i) brokerage commissions, custodial expenses, appraisal fees, and other investment costs actually incurred in connection with actual or proposed investments and temporary investments; (j) technology, hardware, consulting, and software expenses related to the development and maintenance of the Fund's specific trading and valuation models and systems, (k) expenses of liquidating the Fund and its subsidiaries, (l) expenses incurred in connection with maintaining the Fund's books of account and the preparation of audited or unaudited financial statements required to implement the provisions of the Partnership Agreement or by any governmental authority with jurisdiction over the Fund (including fees and expenses of independent auditors, accountants and counsel, the costs and expenses of preparing and circulating reports and any fees or imposts of a governmental authority imposed in connection with such books and records and statements) and other routine administrative expenses of the Fund or its subsidiaries, including, but not limited to, the cost of the preparation of applicable tax returns of the Fund, cash management expenses, insurance expenses and legal fees and expenses, and (m) all expenses incurred in connection with any indebtedness of the Fund or other credit arrangement (including any line of credit, loan commitment or letter of credit for the Fund or related to any investment (or any underlying asset)).

Certain costs and expenses for products and services used in connection with the business of the Fund and other entities managed by the Fund Advisors or their affiliates are incurred on an aggregate basis and are allocated among the Fund and such entities as further described in the Fund offering documents. Fund expenses do not include the expenses of the Funds' general partners, Fund Advisors or their affiliates with respect to their general overhead, such as salaries and rents.

#### Fees for the Sale of Securities

Argosy does not receive, directly or indirectly, any compensation from the sale of securities or investments that are purchased or sold for client accounts. Argosy is compensated through the stated management fee, performance fee, and/or other additional fees and expenses (if any) agreed upon in the relevant investment management agreement and/or limited partnership agreements for each Fund.

#### Other Compensation

Argosy personnel may receive certain benefits as a result of their work for Argosy and its clients including discounts on products and services from portfolio companies in which Argosy clients are invested, including hotel discounts, and other travel benefits obtained while traveling on behalf of clients such as airline miles. Such discounts and benefits are retained by Argosy personnel, who may use such benefits for their personal use, and the value of such benefits are not reimbursable to Argosy's clients.

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

#### Carried Interest

The fee arrangement for the Funds typically includes a performance fee (payable to an affiliate of Argosy), referred to as "carried interest", on profits (net of fees and expenses) after the portfolio has achieved certain return hurdles as more fully described in the private placement memorandum and/or

limited partnership agreement of the respective Fund. The carried interest is deducted from the Fund's account at the time of distribution. Performance fees are generally not negotiable.

Such performance-based compensation may create an incentive for the Fund Advisors to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. In addition, Argosy's investment personnel are typically compensated on a basis that includes a performance-based component.

#### Side-by-Side Management

Argosy manages multiple Funds both in the same strategy as well as different strategies. Parallel Funds are managed in parallel with the main Fund and investments are allocated pro rata. Argosy also manages co-invest entities that may invest in particular investments made by the main Fund and its parallel funds. Conflicts only arise in the event there are co-investment opportunities within a strategy that would be available to one or more of the Funds in that strategy or be available to other investors in the Funds, related parties or third parties. For example, where a closed Fund would not have enough capital to fund a follow-on investment but such investment is suitable for an open Fund in the same strategy. Additionally, certain Funds within a strategy may have higher or more favorable performance-based compensation arrangements than other accounts. When the Fund Advisors and its investment personnel manage more than one Fund a potential exists for a Fund with higher or more favorable performance-based compensation to be favored over another. Accordingly, such conflicts may be addressed in limited partnership agreements for the Funds and, additionally, Argosy has adopted and implemented policies and procedures intended to address such conflicts of interest.

#### **Item 7 – Types of Clients**

Argosy's clients are the Funds, which are investment funds that are privately-offered to investors which include institutions, fund of funds, banks, family offices, and high net worth individuals.

Some of the Funds require investors to make a minimum commitment amount ranging from \$250,000 to \$10 million. Such minimums may be waived at the discretion of the general partner of the Fund.

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

##### Private Equity Funds

Argosy Private Equity's ("Argosy PE") investment strategy is to focus on the inefficient lower middle market for leveraged buyouts and growth financings. This market is less efficient than the market for larger transactions, creating an opportunity to invest in deals at more reasonable valuations. Also, due to the scale and nature of the businesses, often there is a greater opportunity to improve company performance and significantly grow shareholder value. By utilizing prudent capital structures which do not rely upon excessive levels of funded debt, implementing appropriate processes and controls, proactively developing and monitoring management teams, and providing strategic support and guidance, risk can be mitigated while supporting the primary drivers of value creation: revenue and EBITDA growth and professionalization of management and operations. Argosy PE believes that by "professionalizing" the management team, adding new customers to decrease concentration, making selective acquisitions and, ultimately, growing the company to the upper end of the lower middle market, an investment may be sold at a higher multiple of earnings.

Potential investments are subjected to analysis beginning with an initial screening and investment team approval to move forward. Next would come a company and management team visit followed by

extensive due diligence which includes cash flow modeling, market analysis, customer calls and management background checks. The last step is a unanimous decision to invest by the Argosy PE investment committee.

All private equity investments are subject to some degree of risk. A more fulsome set of risk factors are set forth in the private placement memorandums for the Argosy PE Funds. Argosy PE Funds' operations will be subject to risks which are generally incident to the operation of a private investment fund. These risks generally relate to: (a) the selection of investment opportunities; (b) the quality and performance of the management teams of companies in which investments are made; (c) general economic conditions; and (d) the ability to exit investments. An Argosy PE Fund's investments will involve a high degree of business and financial risk that can result in a loss of the Fund's entire investment in a portfolio company. In order to realize profits, which may be distributed to the Fund's investors, the Argosy PE Funds will be dependent upon profitably exiting its investments in portfolio companies.

To mitigate the aforementioned risks, as discussed previously, Argosy PE performs extensive due diligence on the portfolio companies and management teams. In addition, Argosy PE continues to be involved in managing the portfolio companies by participating on portfolio companies' boards of directors either as directors or observers. To manage the risks related to economic conditions and the ability to exit, Argosy PE will seek to structure investments with a view to capital preservation and to develop a portfolio with an attractive balance of current income and equity upside. Transactions will therefore utilize a variety of instruments, including subordinated debt and equity securities. An investment in a business may be made in the form of subordinated debt, preferred equity, common equity or a combination of these securities. For subordinated debt investments, the exit is generally driven by maturity dates on the subordinated debt. For preferred and common equity investments, the exit is driven by put rights (whereby Argosy PE has the ability to put its investment back to the portfolio company for purchase), redemption rights (whereby the portfolio company has to redeem the investment at a predetermined time after investment) or by a sale of the entire company (whereby Argosy PE sells its securities upon sale of the company). Argosy PE will use a disciplined approach to valuations, seeking to make investments at reasonable multiples of price to EBITDA and will seek to employ reasonable multiples of funded debt. Utilizing this disciplined approach reduces the impact of economic cycles and lending environments on returns and liquidity. Nevertheless, Argosy PE may make investments in companies with higher EBITDA multiples and leverage, if they determine that the opportunity has attractive risk-return characteristics. For an extensive list of related risks, please refer to the private placement memorandums for the Argosy PE Funds.

### Real Estate Funds

Argosy Real Estate's ("Argosy RE") investment strategy is focused on creating value at the asset level through opportunistic redevelopment, development, or repositioning of properties, resulting in high margins, low cost bases, and multiple exit strategies throughout the lifecycle of each investment. Argosy RE also seeks to acquire high-quality assets with in-place or near-term cash flow and growth potential through a moderate level of value-add improvements. Argosy RE primarily invests in joint ventures with local operating partners in high barrier-to-entry markets throughout the United States. Argosy RE intends to pursue opportunistic value-added strategies that are not reliant on cap rate compression or financial engineering to generate yield and therefore should be subject to a lesser degree of systemic risk. Argosy RE may invest in equity and distressed debt with the intent to foreclose for the acquisition, redevelopment, or development of residential/commercial real estate. Argosy RE purchases well-located assets from financially distressed or motivated sellers. Argosy RE focuses on underserved "middle-market" transactions requiring \$5 to \$20 million of equity.



Argosy RE follows due diligence, underwriting, and investment review processes, which identify and mitigate potential transactional risks. The due diligence process includes both local and macroeconomic real estate market research, financial analyses and legal and environmental reviews. The last step is a unanimous decision by the Argosy RE investment committee.

All real estate investments are subject to some degree of risk. A more fulsome set of risk factors is set forth in the Argosy RE private placement memorandums, which should be carefully reviewed prior to investing in any Fund. In general, real estate investments are relatively illiquid and, therefore, Argosy RE will tend to limit its ability to vary the Fund's portfolio promptly in response to changes in economic or other conditions. Given Argosy RE's investment strategy, other risks include, but are not limited to, changes in the financial conditions of its tenants, changes in zoning, building, environmental and other governmental laws, changes in operating expenses, changes in real estate tax rates, changes in interest rates, changes in the availability and terms of debt financing, increases in the availability of supply of property relative to demand, energy prices, the ongoing need for capital improvements, changes in construction costs, and construction risks. Argosy RE can only attempt to mitigate these risks through a disciplined thesis of comprehensive upfront due diligence, hands-on asset management, appropriate joint venture structuring, and appropriate use of leverage among other means. Therefore, while Argosy RE will make investments utilizing such a thesis, there is no guarantee that the assumptions underlying its cashflow projections will be accurate. Investors have no assurance that Argosy RE investments will yield the returns expected by the Fund's management.

Risk mitigation is one of the key principles of Argosy RE's investment strategy. Argosy RE uses multiple tactics in its risk management process in order to protect investor capital. Minimizing carrying costs of an investment property is essential in maintaining a low cost basis and thus better allowing the potential for high margin returns to the investors. Argosy RE will execute this risk mitigation through prudent capital structures and through due diligence of potential property expenses. For development or redevelopment investments, Argosy RE will implement disciplined phasing in order to preserve capital and better manage the delivery of product to meet absorption. In all investments, Argosy RE requires operating partner co-investment to align interests and incentivize optimum execution.

### Credit Fund

Argosy Credit's ("Argosy Credit") investment strategy is to acquire a diversified portfolio of credit opportunity, distressed debt and similar special opportunity investments, including: (i) investments in performing and non-performing debt instruments such as bank loans secured by business assets and/or real estate; (ii) opportunistic investments in instruments structured as, among other things, senior secured debt, junior secured debt, unsecured mezzanine financing, preferred equity, debtor-in-possession (DIP) financing, bridge loans or letters of credit; (iii) direct and indirect investments targeting niche financial asset classes including, without limitation, equipment leases, receivables, financial claims, trade claims, litigation claims, and distressed municipal securities; (iv) investments in liquidations, corporate restructurings and in/post-bankruptcy equities; (v) investments in residential and commercial real estate including directly or as a result of foreclosure on underlying loans; (vi) the utilization of various derivative instruments such as forward contracts, options, futures, and swaps, for hedging purposes; and (vii) other investment instruments and strategies related to the instruments set forth in clauses (i) through (vi) above (collectively, "Investments"). In addition to direct investments, Argosy Credit also may form joint ventures and special purpose vehicles in order to acquire and aggregate difficult-to-service loans or assets such as equipment leases. Argosy Credit will invest a substantial portion of the Fund's assets in distressed securities acquired in the secondary market and issued by companies that may be attempting an out-of-court restructuring, undergoing a restructuring while in bankruptcy, or that are healthy but have short-term cash flow or liquidity problems. Further, the Fund may originate loans to small to middle-market companies as well as loans to other debtors.

Argosy Credit follows due diligence, underwriting, and investment review processes, which identify and mitigate potential transactional risks. The due diligence process includes analyzing the value of the underlying collateral, the cash flows of the business and the financial strength of any guarantors associated with the investment to ensure that the opportunity is consistent with the Fund's risk-adjusted investment philosophy. The last step is a unanimous decision by the Argosy Credit investment committee.

All credit investments are subject to some degree of risk. A more fulsome set of risk factors is set forth in the Argosy Credit private placement memorandums, which should be carefully reviewed prior to investing in any Fund. In general, credit investments are relatively illiquid and, therefore, will tend to limit Argosy Credit's ability to vary its portfolio promptly in response to changes in economic or other conditions. Given Argosy Credit's investment strategy, other risks include, but are not limited to, risks related to holding distressed loans, general lending risks such as default, lender fraud and interest rate risk, lender liability risks, illiquidity risks, risks relating to purchasing securities issued by issuers in bankruptcy, risks relating to complex instruments such as asset-backed securities, convertible securities and other structured finance securities and derivatives, and currency and other economic market risks.

Argosy Credit can only attempt to mitigate these risks through a disciplined thesis of comprehensive upfront due diligence, hands-on asset management, appropriate deal structuring, and appropriate use of leverage among other means. Therefore, while Argosy Credit will make investments utilizing such a thesis, there is no guarantee that the assumptions underlying its return projections will be accurate. Investors have no assurance that Argosy Credit investments will yield the returns expected by the Fund's management.

Risk mitigation is one of the key principles of Argosy Credit's investment strategy. Argosy Credit uses multiple tactics in its risk management process in order to protect investor capital including attempting to limit the Fund's invested capital in any one investment to less than 15% of its aggregate capital commitments.

### Secondaries Fund

Argosy Strategic Partners' ("Argosy Strategic") investment strategy is to acquire a diversified portfolio of secondary opportunity investments, including: (i) limited partnership interests in alternative investment funds, with primary investment strategies in buyout, venture, real estate, mezzanine, distressed debt, energy and fund of funds; (ii) direct and indirect interests in venture-backed companies; (iii) restructurings of alternative investment funds; (iv) stakes in general partners' interests of their respective alternative investment funds; (v) primary commitments to alternative investment funds partnership interests in investment funds; and (vi) direct interests in companies on a secondary basis. Argosy Strategic focuses on underserved secondary transactions requiring \$50,000 to \$2,000,000 of equity.

Argosy Strategic follows due diligence, underwriting, and investment review processes, which identify and mitigate potential transactional risks. The due diligence process includes analyzing the underlying assets within a given investment fund or company, the credibility of the general partner of the investment fund (if applicable), the audited reports of the investment fund or company audited financials, general macroeconomic research, and legal reviews. The last step is a unanimous decision by the Argosy Strategic investment committee.

All secondary investments are subject to some degree of risk. A more fulsome set of risk factors is set forth in the Argosy Strategic private placement memorandum, which should be carefully reviewed prior to investing in any Fund. In general, secondary investments are relatively illiquid and, therefore, Argosy

Strategic will tend to limit Argosy Strategic's ability to vary its portfolio promptly in response to changes in economic or other conditions. Given Argosy Strategic's investment strategy, other risks include, but are not limited to, changes in valuations by the underlying funds' managers, limited information on the underlying assets, passive investment approach yielding minimal control over underlying assets, and illiquidity risks.

Risk mitigation is one of the key principles of Argosy Strategic's investment strategy. Argosy Strategic can only attempt to mitigate these risks through a disciplined thesis of comprehensive upfront due diligence, appropriate deal structuring and disciplined focus on portfolio diversification. Therefore, while Argosy Strategic will make investments utilizing such a thesis, there is no guarantee that the assumptions underlying its return projections will be accurate. Investors have no assurance that Argosy Strategic investments will yield the returns expected by the Fund's management. Argosy Strategic uses multiple tactics in its risk management process in order to protect investor capital including attempting to limit the Fund's invested capital in any one investment to less than 10% of its aggregate capital commitments.

#### Additional Risks Relating to Argosy

*Cybersecurity Risk.* The information and technology systems of Argosy and of key service providers to Argosy and its clients may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Argosy has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for Argosy to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of Argosy or result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

*Effects of Health Crises and Other Catastrophic Events.* Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on clients' investments and Argosy's operations. For example, any preventative or protective actions that governments may take in respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, stress on markets and liquidity, and reduced or disrupted operations for client portfolio companies. In addition, under such circumstances the operations of the Adviser and other service providers could be reduced, delayed, suspended or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

#### **Item 9 – Disciplinary Information**

There are no applicable legal or disciplinary events relating to Argosy or our management persons.

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

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

Argosy has no relationships or arrangements with affiliates that are material to our advisory business or to our clients.

Argosy does not recommend or select other investment advisers for our clients or receive compensation, either directly or indirectly, from other advisers.

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

Argosy has adopted a Code of Ethics as part of its Compliance Manual that obligates Argosy and its supervised persons to put the interests of its clients before Argosy's own interests and to act honestly and fairly in all respects in their dealings with clients. The Code of Ethics addresses personal trade reporting, standards of conduct, and limitation and restrictions on gifts and entertainment. All Argosy employees must adhere to the Compliance Manual and all employee policies and procedures in place at Argosy. In addition to compliance with the Argosy's policies and procedures, all Argosy personnel are required to comply with applicable federal securities laws. A copy of our Compliance Manual is available to any client or prospective client upon request by contacting Argosy's Chief Compliance Officer.

Principals, officers and employees of Argosy and its related persons and affiliates are, or may be, investors in the Funds. As such, it is possible that Argosy could cause a Fund to buy or sell securities in which Argosy or one of its related persons has a financial interest. For example, Argosy could recommend that a Fund invest in a portfolio company in which another Fund previously invested in. Because Argosy will have a nominal ownership interest in both Funds, Argosy could have a potential conflict of interest in making such a recommendation. Argosy addresses this through approval from the Funds' advisory boards (comprised of significant investors in the applicable Fund) and disclosure to clients and Fund investors. It is also possible that an Argosy related person may co-invest alongside one of the Funds directly in a portfolio company or investment property. As a policy, the terms of such co-investments must be consistent with the terms of the Fund's investment, and we have adopted other conflict mitigating policies to eliminate or minimize the conflicts of interest in these arrangements.

Argosy has adopted a Personal Trading Policy that governs employees' ability to trade securities. Argosy also adopted policies and procedures to prevent the misuse of material, inside information (the "Insider Trading Policy"). These policies are designed to avoid conflicts of interest that may arise when Argosy personnel and members of their family engage in securities transactions for their own account. All Argosy employees must adhere to the Personal Trading Policy, the Insider Trading Policy and all other employee policies and procedures in place at Argosy. An employee may not buy or sell any security on the Argosy Restricted Securities list or any public security if he or she has material, nonpublic information about that security, without first obtaining approval from the Chief Compliance Officer. Employees must also obtain pre-clearance approval from the Chief Compliance Officer for each investment in, or purchase of, securities in a private placement or initial public offering prior to executing the trade. All employees must report to Argosy all of their personal security holdings annually and all personal security trading activities quarterly or provide copies of their brokerage statements. These policies and procedures cover all personal securities accounts and transactions of each Argosy officer, director and employee and their immediate family members residing in their household where they have a direct or indirect beneficial interest (as defined by SEC Rule 16a-1(a)(2)), including holdings by a spouse, minor children, trusts, foundations, and any account for which trading authority has been delegated to them.

Argosy's Compliance Manual includes policies and procedures regarding giving or receiving gifts and business entertainment between Argosy's related persons and certain third parties (e.g. vendors, portfolio company managers, fund investors, consultants, etc.) to mitigate the potential for conflicts of interest surrounding these practices. In general, Argosy limits the value of gifts that may be given or received by

related persons and requires the reporting of gifts received. Certain nominally valued and promotional gifts are excluded from the gifts policies as well as personal gifts in recognition of certain life events (weddings, births, significant religious events such as a bar mitzvah or ordination, etc.). There is no set dollar limit on business entertainment given or received, but business entertainment given or received with a market value exceeding a stated limit must be reported.

Argosy prohibits its related persons from making political contributions on behalf of Argosy, or from making political contributions for the purpose of securing or retaining business. Argosy maintains policies and procedures that set forth specific limitations as to whom related persons may make contributions and the amounts of such contributions, as well as pre-clearance requirements for political contributions.

## **Item 12 – Brokerage Practices**

The Funds primarily invest in privately-offered portfolio company securities, real estate property securities, distressed private debt instruments, and secondary purchases or private investment funds and private company securities and therefore do not have regular interactions with brokers-dealers who execute trades on their behalf. On the occasions the Funds do need to utilize broker-dealers to execute trades, Argosy will obtain “best execution” (i.e., the Fund’s total cost or proceeds in each transaction are the most favorable under the circumstances). The SEC has stated that in deciding what constitutes best execution, the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution. In determining the abilities of a broker-dealer or bank to obtain best execution of portfolio transactions, Argosy will consider all relevant factors, including: the execution capabilities the transactions require; the ability and willingness of the broker-dealer or bank to facilitate the accounts’ portfolio transactions by participating for its own account; the importance to the account of speed, efficiency, and confidentiality; the apparent familiarity of the broker-dealer or bank with sources from or to whom particular securities might be purchased or sold; the reputation and perceived soundness of the broker-dealer or bank; and other matters relevant to the selection of a broker-dealer or bank for portfolio transactions for any account.

Argosy does not receive client referrals from broker-dealers, nor does it receive any “soft dollar” benefits. Additionally, Argosy does not have any directed brokerage practices.

## **Item 13 – Review of Accounts**

Argosy’s investment professionals monitor the Fund’s investments on a regular basis. Specifically, they maintain an active dialogue with portfolio company management teams, property operators or private fund general partners/investment managers. In some instances, this takes the form of serving on the portfolio company Board of Directors as a director or observer and regular meetings with property operators/developers. Typically, once an investment has been made, a senior investment professional (Principal or Partner level professional) is assigned primary responsibility for overseeing the relationship with and activities of the underlying portfolio investment.

Investors in Argosy’s Funds receive written quarterly reports. A typical report includes (i) portfolio performance; (ii) valuations of the underlying investments; (iii) new investments made since the last report; (iv) balance sheet; (v) income statement; (vi) statement of cash flows; (vii) statement of partner’s capital.

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

Argosy will sometimes receive a “board fee” from a portfolio company as compensation for serving on such portfolio company’s Board of Directors. The benefit of this compensation is passed directly to the applicable Fund by a reduction in the management fee that such Fund pays to Argosy in accordance with such Fund’s offering documents. Argosy does not receive any other type of benefit from non-clients for providing investment advice or other advisory services.

In certain circumstances, Argosy could receive fees for other non-investment advisory activities related to an investment that would otherwise be performed by third parties. To the extent Argosy receives fees for such services, they would not offset the management fee that the applicable Fund pays to Argosy and Argosy would be entitled to retain such fee in accordance with the such Fund’s offering documents.

For some of the Funds, Argosy may engage third-party solicitors (i.e. placement agents) for investor referrals. These engagements and any resulting investor solicitations will be structured to comply with the requirements of Rule 206(4)-3 under the Advisers Act and related SEC staff interpretations, as applicable.

## **Item 15 – Custody**

Argosy is deemed, in accordance with the Investment Advisers Act of 1940, as amended (the “Advisers Act”), to have custody of the assets of the Funds by virtue of our role as general partner or owner of the general partner to the Funds. Argosy maintains policies and procedures to comply with the requirements of Rule 206(4)-2 under the Advisers Act (the “Custody Rule”). Assets of the Funds are held by an independent qualified custodian. Certificated securities are held by an independent qualified custodian and private, uncertificated, securities are recorded on the books of the issuers in the name of the Fund. Argosy distributes quarterly reports to the Fund’s investors and the Funds are subject to an independent annual audit in order to meet the requirements of the Custody Rule.

## **Item 16 – Investment Discretion**

Argosy provides investment advisory services on a discretionary basis to the Funds, with the exception of Odyssey. Except for the general investment guidelines set forth in the Fund’s offering documents and investment management agreement, there are no limitations on the discretionary authority of Argosy. Argosy has the authority to determine: (i) the securities and investments to be purchased and sold for the Funds; and (ii) the amount and price of securities or investments to be purchased or sold for the Funds.

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

Argosy (or its affiliated entities) has authority to vote client securities by virtue of our role as general partner of the Funds. The investment committee of the applicable Fund will collaborate on any significant securities vote. If a conflict of interest arises, the investment committee will consult the advisory board (comprised of the Fund’s significant investors), if applicable. The investors in the Funds cannot direct the Fund’s vote. Given the nature of our investments and the securities in which we invest, proxy voting rarely occurs, if ever at all. Clients may obtain a copy of our proxy voting policies and procedures upon request.

**Item 18 – Financial Information**

Argosy has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and we have not been the subject of a bankruptcy proceeding during the past ten years.