

**FORM ADV PART 2A: FIRM BROCHURE**

**NewMile Capital LLC**

855 West 46<sup>th</sup> Street, Miami Beach FL, 33140

**December 12, 2024**

This brochure (this "Brochure") provides information about the qualifications and business practices of NewMile Capital LLC. If you have any questions about the contents of this Brochure, please contact NewMile Capital LLC at 551-206-4114. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Registration as an investment adviser does not imply that NewMile Capital LLC or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

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

**Item 2. Material Changes**

There are no material changes to report as this is NewMile Capital LLC initial Brochure.

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**Item 4. Advisory Business**

NewMile Capital LLC (the “Firm”) is a Delaware limited liability company that was formed in August 2024. The Firm is principally owned and controlled by John Nelligan, Alain Toto, and Eric Bail, its managing members (the “Principals”).

Following registration with the SEC, the Firm intends to provide discretionary investment advice to one or more private funds (collectively, the “Funds”). The Firm will also serve as a sub-adviser to a private fund of another investment adviser (the “Sub-Advised Fund”). References throughout this document to “clients” refer to the Funds and the Sub-Advised Fund and any other private funds that the Firm may advise in the future.

Client accounts will be managed in accordance with their own investment and trading objectives, as described in their respective offering documents and governing agreements (collectively, the “Governing Documents”). The Firm does not expect that it will permit investors in the Funds to impose limitations on the investment activities described in the Funds’ Governing Documents. Under certain circumstances, the Firm may contract with a client to adhere to limited risk and/or operating guidelines imposed by that client. The Firm would negotiate such arrangements on a case-by-case basis. (*See Item 16 - Investment Discretion.*)

One of the Firm’s related persons (the “NewMile’s GP”) will serve as the general partner to certain Funds.

The Firm does not participate in wrap fee programs.

The Firm does not have regulatory assets under management, but it expects to have, within 120 days of the effective date of its initial registration, regulatory assets under management sufficient to allow it to remain eligible for registration with the SEC. The Firm does not expect to manage any assets on a non-discretionary basis.

**Item 5. Fees and Compensation**

The Firm’s fees and compensation will be described in each client’s Governing Documents.

Upon registration the Firm expects to be paid a fixed negotiated fee from the investment manager of the sub-advised fund. Investors should refer to the respective Fund Governing Documents for a description of the fee charged by the investment manager.

The Firm also expects that the NewMile GP will be entitled to receive carried interest from the Funds, as further described in *Item 6 – Performance-Based Fees and Side-By-Side Management*.

The Funds will be expected to bear their own organizational and operating expenses, including, without limitation, investment expenses. See the applicable Fund’s Governing Documents.

For information on brokerage and transaction costs, see *Item 12 - Brokerage Practices*.

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

The Firm expects that the NewMile GP will be entitled to receive carried interest from the Funds. Carried interest is a performance-based form of compensation in which the NewMile GP is entitled to receive a

specific share of the profits earned by a Fund after its investors have realized a preferred rate of return on their investments in the Fund. The Firm or its affiliates will have the right to waive or modify the carried interest with respect to any investor.

Performance-based compensation arrangements create an incentive for the Firm to recommend investments that may be riskier or more speculative than those that would be recommended under a different compensation arrangement.

Initially, the Funds are expected to be the Firm's only clients and they operate through a parallel fund structure. To the extent that the Firm advises additional client accounts in the future, performance-based compensation arrangements could also create an incentive for the Firm to favor accounts with higher compensation rates over other accounts when allocating investments. Accordingly, if the Firm manages additional client accounts in the future, it will adopt and follow procedures designed and implemented to ensure that all clients are treated fairly and equitably.

#### **Item 7. Types of Clients**

Investors in the Funds are generally expected to be high net worth individuals and institutional investors that qualify as "accredited investors" (as defined in Rule 501 under the Securities Act of 1933, as amended) and qualified purchasers. The minimum initial investment in the Funds will be determined by the Firm and set forth in the Funds' Governing Documents. The Firm may waive such minimum under certain circumstances.

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

##### *Methods of Analysis and Investment Strategies Generally*

The Funds expect to focus on private equity investments in capital-light financial services and related business services companies in the lower middle market. The investment strategy is value-oriented, focusing on niche sub-sectors in which the investment team has considerable knowledge and experience, while emphasizing downside protection and the preservation of capital. The investment team's value-oriented approach seeks to identify opportunistic valuation entry points in growth opportunities where they are the first institutional investor alongside founders and management.

**Investing in securities involves risk of loss that clients and investors should be prepared to bear.**

##### *Risk Factors*

An investment with the Firm will be speculative and will involve a high degree of risk. There can be no assurance that the investment objectives of any client account will be achieved or that a client account will generate positive returns. The Funds will have substantial limitations on investors' ability to withdraw or transfer their interests or shares, and no secondary market for the Funds' interests or shares exists or is expected to develop. In pursuing its investment objective, the Firm intends to utilize various investment techniques, including incurring leverage. These techniques can, in certain circumstances, increase significantly the adverse consequences to which a client account may be subject. Prospective clients and investors are strongly urged to review the applicable Governing Documents carefully and consult with their own financial, legal and tax advisers before investing with the Firm.

#### **Item 9. Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the Firm's advisory business or its management.

**Item 10. Other Financial Industry Activities and Affiliations**

As noted above, the NewMile GP will serve as the general partner to certain Funds.

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

The Firm will adopt a Code of Ethics, which will be designed to help ensure that it conducts its business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, the Firm's Code of Ethics will set forth standards of conduct for its employees to ensure that they conduct their business on the Firm's behalf in a manner that enables the Firm to fulfill its fiduciary duty to its clients.

Among other things, the Firm's Code of Ethics will: (i) govern personal trading by the Firm's employees, (ii) contain the Firm's policies with respect to gifts and entertainment, (iii) contain the Firm's policies regarding certain outside activities of its employees set forth the manner in which employees may report violations of law or the Firm's policies and procedures. The Firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

*Personal Trading Policy*

Employees will generally be prohibited from engaging in personal trading without obtaining prior written consent from the Firm's Chief Compliance Officer (the "CCO") for certain types of securities transactions. Additionally, employees will be required to provide the CCO with periodic reporting relating to their trading activity and personal accounts. The Firm's policies relating to personal trading will also generally apply to an employee's spouse or minor child, or an immediate family member of an employee living in the same household as such employee.

*Participation or Interest in Client Transactions*

The Firm will make available to qualified prospective investors the opportunity to invest in the Funds. The Firm expects that its Principals will have significant personal investments in the Funds. In addition, the Firm expects the NewMile GP, its affiliate, to be entitled to receive carried interest from the Funds.

The Firm will not engage in a principal transaction unless it has determined that the transaction is in the relevant clients' best interests and has obtained client consent in accordance with the Firm's written procedures and applicable law.

**Item 12. Brokerage Practices***Selection of Brokers*

The Firm's advisory business will generally involve privately-negotiated transactions in which best execution obligations do not arise in the same context as transactions in publicly-traded securities. With

respect to such private transactions, the Firm believes it will fulfill its best execution responsibilities through careful evaluation and negotiation of the terms of each such transaction.

With respect to those limited situations in which the Firm's clients purchase, sell or distribute publicly-traded securities through a broker-dealer, the Firm will seek "best execution" in selecting a broker-dealer to execute such transactions, taking into account a number of factors, which may include, among others: price, the ability of a broker to affect the transactions, a broker's reliability and financial responsibility and the range and quality of services provided and products offered (e.g., research services, news and quotation services, publications and corporate access), quality and timeliness of market information provided.

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

The Firm does not currently have any formal soft dollar arrangements. If the Firm determines to engage in soft dollar transactions in the future, the Firm intends to comply with the provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended.

#### *Brokerage for Client Referrals*

The Firm does not anticipate directing client brokerage business to brokers for the purposes of such brokers referring prospective investors to the Firm.

### **Item 13. Review of Accounts**

#### *Review of Accounts*

Client portfolios are expected to be reviewed, and their performance analyzed, by the Principals on a regular basis. In addition, the Principals and the CCO are expected to regularly review client portfolios to confirm that the securities held by them remain consistent with their investment strategies, objectives and guidelines.

Pursuant to "side letter" or other agreements, the Firm may provide certain investors with access to more frequent and/or more detailed information regarding the Funds' securities positions, performance, finances, and management and/or other information about the Funds or the Firm (including notifications of redemptions from a Fund by the Firm and/or its personnel), possibly enabling such investors to better assess the prospects and performance of the Funds.

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

The Firm does not expect that it will receive any economic benefits from third parties in connection with the provision of investment advice to the Funds.

The Firm does not compensate any third-party marketers for introductions to potential investors or clients.

### **Item 15. Custody**

For purposes of Rule 206(4)-2 under the Investment Advisers Act of 1940 (the "Custody Rule"), the Firm will be deemed to have custody over the Funds' assets. In accordance with the Custody Rule, a qualified

custodian is not required to deliver quarterly account statements to the Funds or their respective investors as long as: (i) the Funds are audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the Funds' audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (iii) the Firm delivers such annual audited financial statements to investors within 120 days after the end of each Fund's fiscal year.

**Item 16. Investment Discretion**

The Firm will have discretionary authority to manage securities and other investments on behalf of client accounts. The investors in the Funds generally will not be able to place any limits on the Firm's authority beyond the limitations set forth in their respective Governing Documents. Under certain circumstances, the Firm may contract with a client to adhere to limited risk and/or operating guidelines imposed by the client. The Firm would negotiate such arrangements on a case-by-case basis.

**Item 17. Voting Client Securities**

The Funds will generally invest in private companies which typically do not issue proxies. Under certain limited circumstances, however, the Firm may be required to vote proxies solicited by Fund portfolio companies. In these situations, the Firm will vote proxies in the best interest of the Funds, which generally means voting to maximize the value of the portfolio companies for the Funds.

To the extent that the Firm trades in public securities in the Funds, the Firm will generally have voting discretion over such securities. Clients are generally not able to direct their votes in a particular situation. The Firm has adopted proxy voting policies and procedures, which are summarized below.

In the absence of specific voting guidelines from the client or conflicts of interest, the Firm will vote all proxies in the best interests of each client, which may result in different voting results for proxies for the same issuer. In addition, the Firm may determine to abstain from voting a proxy if the Firm believes that such action is in the best interests of a particular client. The Firm may take into account the following factors, among others, in determining if a specific proposal is in the best interests of a particular client: (i) management of the issuer's views and recommendations on such proposal; (ii) whether the proposal may have the effect of entrenching existing management and/or making management less responsive to shareholders' concerns (e.g., instituting or removing a poison pill, classified board of directors and/or other anti-takeover measure); and (iii) whether the Firm believes that the proposal will fairly compensate management for its and/or the issuer's performance. If the Firm deems that the issue being voted upon is not material for the Firm and its clients or determines that the cost of voting a proxy would exceed the expected benefit to clients, the Firm will not be obligated to vote on such matter.

Upon request by a client or investor, the Firm will disclose how such proxies were voted for securities owned by such client or Fund. A copy of the Firm's proxy voting policies and procedures is available to clients and investors upon request.

**Item 18. Financial Information**

The Firm is not required to include its balance sheet for its most recent fiscal year with this Brochure.



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

The Firm is not a state-registered adviser.