

Item 1 – Cover Page

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This Brochure provides information about the qualifications and business practices of New Bond Street Investment Group LLC (“NBS”, “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.

NBS is registered as an investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

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

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### **Item 3 – Advisory Business**

NBS provides investment management services to, among other clients, an offshore specialty finance company and its subsidiaries (the “Client”) with a focus on lending and acquisition activities primarily in emerging European and Latin American markets. NBS’s principal owners are Francesco Piovanetti and Jorge R. Rodríguez.

The Client invests in a broad range of financial instruments, securities transactions, venture capital and real estate including lending and acquisition activities in global markets.

NBS has, subject to the supervision and consent oversight of the Client’s Board of Directors, broad discretionary authority to determine the type and amount of securities to be bought or sold, with such authority limited by the Client on a contractual basis.

NBS does not provide wrap fee programs.

For purposes of the ADV (and applicable definitions), NBS has approximately \$200 million assets under management, which are managed on a discretionary basis.

### **Item 4 – Fees and Compensation**

NBS receives a fixed management fee of \$960,000 per year from the Client, payable monthly in advance. In addition, the Client reimburses NBS for certain expenses incurred each month, including, without limitation, deal pursuit costs, filing fees, insurance costs, office facilities and related expenses subject to the approval of the Client’s Board of Directors. Furthermore, NBS’s management agreement with the Client provides for incentive fees for NBS as described in Item 5 below.

### **Item 5 – Performance-Based Fees and Side-By-Side Management**

NBS’s management agreement with the Client provides for various incentive fees for NBS if there are successful and accretive exits of the holdings of the Client.

### **Item 6 – Types of Clients**

NBS principally provides portfolio management, consulting and other services to corporations. Currently, NBS only considers clients which are financially sophisticated, and generally requires clients to qualify as accredited investors.

### **Item 7 – Methods of Analysis, Investment Strategies and Risk of Loss**

NBS uses fundamental analysis to determine which investments to make in the Client’s portfolio. NBS 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. In essence, 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

NBS, 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 NBS 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, NBS might invest in 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, NBS will also invest in strategies that include private placement offerings and venture capital which entail greater risk as these offerings have limited regulatory oversight, have less liquidity, and depend on the due diligence performed.

#### **Item 8 – 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 NBS or the integrity of NBS's management. NBS has no information disclosable under this Item.

#### **Item 9 – Other Financial Industry Activities and Affiliations**

NBS provides legal, compliance, accounting, information technology, telecommunications support and infrastructure, management, general administrative and clerical support, headquarter and back office services to various clients. NBS also provides advice to clients with respect to real estate, infrastructure assets, structured credit and leveraged finance.

#### **Item 10 – Code of Ethics**

NBS 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 NBS must acknowledge the terms of the Code of Ethics annually or as amended.

NBS anticipates that, in appropriate circumstances, consistent with the Clients' investment objectives, it will cause accounts over which NBS has management authority to effect, and will recommend to the Client or prospective client, the purchase or sale of securities in which NBS, its affiliates and/or clients, directly or indirectly, have a position of interest. NBS's employees and associated persons are required to follow NBS's Code of Ethics. Subject to observing this

policy and applicable laws, owners and employees of NBS and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for the Client. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of NBS 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 NBS'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 NBS and the Client.

NBS's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Jorge R. De Jesús at [jdejesus@arcocapital.com](mailto:jdejesus@arcocapital.com).

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

#### **Item 11 – Brokerage Practices**

NBS is not in the business of trading. However, in the few instances where a transaction for the Client requires the use of a broker/dealer, NBS 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, NBS must have determined that the fees charged by the broker or dealer are reasonable and competitive services rendered.

### **Item 12 – Review of Accounts**

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

NBS currently employs three (3) individuals that serve as reviewers of which one (1) is the Chief Executive Officer ("CEO"), one (1) is the Chief Financial Officer ("CFO"), and one (1) is the Senior Vice President Legal and Corporate Development ("SVP"). The CEO is responsible for the oversight and day to day operations of the entire portfolio, the SVP assists the CEO in the day to day oversight of several of the assets, new investment idea generation and preliminary legal and diligence review, while 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.

As mentioned above, NBS's investment management committee instructs each supervisor to report any anomaly or unscheduled event, as well as the progress of each investment. The investment management committee also provides the general and investment guidelines that should be followed by each supervisor.

NBS, on behalf of the Client, uses commercially reasonable efforts to cause the Client to issue quarterly and yearly financials.

### **Item 13 – Client Referrals and Other Compensation**

NBS does not compensate other financial professionals to refer clients to NBS for investment advisory services.

### **Item 14 – Custody**

NBS intends to comply with the Custody Rule by having an independent public accountant audit annually the Client. Audited financial statements are also provided to investors of the Client. Additionally, NBS causes the Client's cash and securities to be held by a qualified custodian.

### **Item 15 – Investment Discretion**

NBS 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. In all applicable cases, however, such discretion is exercised in a manner consistent with the stated investment objectives for the Client's account. NBS 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 contained in the relevant agreement between NBS and the Client and, also, in the policies (if any) established by the board of directors of the Client.

#### **Item 16 – Voting Client Securities**

NBS does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. NBS may provide advice to clients regarding the clients' voting of proxies and certain of NBS'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 17 – Financial Information**

NBS is materially dependent on the compensation paid by the Client under the management agreement to fund its operations and, in turn, provides management services to the Client. As such, if the Client defaulted on its payment obligations to NBS, it would be difficult for the manager to provide the management services to the Client on an ongoing basis.

Based on known facts and circumstances as of the date of this brochure, we believe that NBS has funds available to operate and meet its contractual commitments to the Client for the current term under the management agreement so long as the Client honors its monthly payment obligations to NBS thereunder.