



North Wall Capital

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

**NORTH WALL CAPITAL LLP**

September 2022

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51 – 53 Great Marlborough Street  
London  
W1F 7JT

+44 (0) 203 848 5330

<https://northwallcap.com/>

This brochure provides information about the qualifications and business practices of North Wall Capital LLP. If you have any questions about the contents of this brochure, please contact Ian Lokkerbol at [ian.lokkerbol@northwallcap.com](mailto:ian.lokkerbol@northwallcap.com) and/or +44 (0) 203 848 5330. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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



**Item 2. Material Changes**

Since our initial filing in June 2021 the Firm has entered a new-sub advisory arrangement with respect to the fund ECOM I LP, which is managed by an affiliate entity of the Firm, North Wall Capital Management Limited.

In September 2022 the Firm moved offices and this brochure was updated accordingly.

**Item 3. Table of Contents**

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

**Item 4. Advisory Business**

North Wall Capital LLP (hereinafter “North Wall”, “we”, “us”, “our” or the “Firm”) is a Limited Liability Partnership formed under the laws of the United Kingdom and Wales, (Partnership Number OC416870). North Wall was incorporated on 10<sup>th</sup> April 2017 and founded by its ultimate beneficial owner, Fabian Chrobog, Managing Partner and Chief Investment Officer. North Wall is authorised and regulated by the Financial Conduct Authority (“FCA”) in the U.K. and is registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment adviser. North Wall is exempt from registration with the U.S. Commodity Futures Trading Commission as a Commodity Pool Operator.

The Firm’s day to day management is carried out by the Partners, who comprise the Senior Management Team. Ian Lokkerbol is the Chief Operating Officer and the Chief Compliance Officer.

**Advisory Services**

The Firm’s investment strategy is to deliver risk adjusted returns by sourcing and structuring a concentrated but diversified portfolio of investments in the European private capital and credit markets and invests primarily in private credit transactions originated by its team. Transactions may also include positions in the secondary market.

North Wall provides investment advisory services on a discretionary basis to a Guernsey protected cell company which is made up of a single legal entity comprising a number of protected cell vehicles. The Firm launched its first formal structure (a Guernsey protected cell company “Eiger Funding”) in June 2018 to house single deal co-investments. As transactions scaled, North Wall Capital set up strategy-specific closed-ended fund structures, also in Guernsey, including funds focusing on the acquisition of Spanish real estate assets, the diesel emissions scandal, e-commerce lending and a diversified, opportunistic vehicle. North Wall additionally provide discretionary investment management services pursuant to investment management agreements to private funds and Guernsey protected cell companies. The Firm has full discretion over the capital deployed into the strategies for some of its clients, subject to the mandates. North Wall is also sub-adviser to a number of private funds. These vehicles are collectively known as the “Fund” or “Clients” in this Brochure.

In the future, the Firm intends to advise separately managed account clients on behalf of institutional investors (each an “SMA”).

The investment objective and strategy for the Funds are fully described in the offering documents. In providing its core investment strategies North Wall is able to tailor certain aspects of its discretionary advisory services to meet the individual needs of the private fund structures or SMAs. Where a client is subject to specific restrictions, the services will be tailored accordingly if such restrictions do not alter the investment strategy or approach of North Wall. Documents may contain certain investment restrictions (e.g., the amount of capital that may be invested in any single investment)

The total amount of assets managed on a discretionary basis currently is \$971,138,933. The Firm does not manage any assets on a non-discretionary basis but has an arrangement whereby it provides non-discretionary advisory services to a US based investment manager. The Firm does not participate in any wrap fee programs.

**Item 5. Fees and Compensation**

The fees applicable to each of the Funds are set forth in detail in the corresponding Offering Documents. A brief summary of such fees is provided below.

**Management Fee**

North Wall’s fees and compensation are described in the Investment Management Agreement (“IMA”) or equivalent, entered into with each Client. North Wall typically charges a Client an asset-based fee based on committed and invested capital (the “Management Fee”) pursuant to an agreed upon schedule. Management fees are charged at rates ranging

from 1% to 2%. based on each investor's or limited partner's capital contribution to the fund vehicle including factors such as committed and invested capital. The Firm may also receive performance-based compensation.

At North Wall's sole discretion, the Management Fee may be waived, reduced, or calculated differently with respect to certain investors or Limited Partners. Reasons for differing management fee terms may include the quantum of the funds invested, the duration for which the funds are entrusted to the Advisor, the terms of performance-based fees agreed to by the investor, and reasons deemed to be strategic in the sole discretion of the Advisor.

The frequency with which a Client will be charged a Management Fee, and whether the Management Fee will be deducted from the account or the Client will be billed, will be subject to the terms of the IMA between North Wall and the Client.

#### ***Other Types of Fees or Expenses***

In addition, each Client is responsible for custody fees, administration fees, legal, operational expenses, audit expenses, research expense and brokerage fees in addition to North Wall Capital's charges.

The Firm is responsible for and shall pay, or cause to be paid, all of their own ordinary administrative and overhead expenses, including, without limitation, all costs and expenses related to rent, furniture, fixtures, equipment, office supplies, clerical expenses and all salaries, bonuses and benefits paid to, or on behalf of, personnel of the Firm.

Generally, North Wall may have a pre-determined limit on its ordinary or extraordinary operating expenses. In such instances Client approval will be sought for excess expenditure. North Wall's and Client's actual annual operating expenses are provided to each Client or Investor, as required.

Neither the Firm nor its employees accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

Please also see Item 12: Brokerage Practices below.

#### **Item 6. Performance-based Fees and Side-By-Side Management**

The Firm requires any incentive allocation or performance-based fee to comply with Rule 205-3 of the Investment Advisers Act of 1940 (the "Advisers Act"), meaning each Investor and/or SMA Client must be a "Qualified Client" as defined by the Rule.

North Wall is entitled to receive performance-based compensation from its Clients as described in Item 5. Since North Wall manages multiple Client accounts, including accounts with different fee arrangements, performance-based fee arrangements may create an incentive for the Firm to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

North Wall has procedures designed and implemented to ensure that its Clients are treated fairly, and to prevent this conflict from influencing its investment decisions. The Firm will endeavour to allocate investment opportunities amongst Clients in a fair and equitable manner, taking into accounts the relevant Client's investment objectives, capital constraints and other relevant factors

North Wall is entitled to a performance-based fee based on the returns generated to the Client. The structure of any performance fee is subject to negotiation and agreement with the Client and documented in the IMA or pertinent agreement. The Performance Fee/hurdle may vary from 10% (8% hurdle rate) to 20% (8% hurdle rate). North Wall only earns a performance fee once the investor has received their capital invested back plus a preferred return. After the investor has receive the preferred return, North Wall receives a catch up fee, then profits are split between North Wall

and the Investor based on the split define in the fund offering documentation. The performance fee is only earned of realised gains.

Any other incentive arrangements for Investment Advisory Services will be discussed in detail in each Client's IMA or other pertinent agreement.

#### **Item 7. Types of Client**

North Wall clients are as described in Item 4 above, and the Funds are generally open to, among others, institutional investors, pension plans, endowments, financially sophisticated individuals, and other sophisticated investors. A US investor must be an "accredited investors" as defined in Regulation D under the Securities Act of 1933, as amended, and a "qualified purchaser" under the Investment Company Act of 1940, as amended (the "Investment Company Act"). The Firm generally requires, with some exceptions, that may be granted at the sole discretion of North Wall, that investors in the Eiger Funding vehicles invest no less than 100,000 in EUR, GBP or USD. Investors in other funds are required to make an investment of at least 2,500,000 in EUR, GBP or USD.

Each SMA will meet certain sophistication requirements and minimum initial investment requirements will vary depending on the agreement with the Client and are at the Firm's discretion.

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

##### **Investment Objective**

The Firm's investment objective is to deliver attractive risk-adjusted returns by sourcing and structuring a concentrated but diversified portfolio of investments in the private capital and credit markets. North Wall seek to identify and invest in opportunities that, in the opinion of the team, combine strong downside protection with attractive upside exposure. We are an opportunistic credit investor focusing on asset-backed, cash-backed and SME opportunities in Western Europe. We seek to identify opportunities within the sponsor-less space where there is less competition from specialist private credit funds, such as direct lending funds. We will also invest in alternative asset types including, litigation funding, distressed investments, private equity, and other types of assets.

##### **Investment Process**

Our investment process has been developed over many years of European investment experience. Our deal teams identify investment themes that North Wall believes could generate opportunistic investments, which can be related to specific industries or trends identified in a European market. We source potential transactions via our network of investment banks, operating partners, capital raising advisory firms, accountancy firms, lawyers and other potential transaction intermediaries.

Our investment professionals conduct extensive analysis and due diligence to determine which of these investment opportunities provides an investable risk/reward proposition. The diligence process carried out by our investment professionals may include, but is not limited to, analysis of publicly available information, forensic accounting, valuation work, on-site information gathering and analysis of company specific, sector specific, and general market trends. The team also include a full ESG review in investment due diligence.

North Wall conducts an analysis of the investment exit strategy at the initial underwriting stage and the market for potential refinancing and exit opportunities are monitored on an ongoing basis.

Investment Guidelines are monitored regularly to ensure the portfolio is appropriately constructed. If the Investment Guidelines are breached, the Investment Committee is notified, and remedial action is immediately taken. North Wall undertakes regular portfolio reviews to stress for interest rate, currency and factor risks.

##### **Risk of Loss**

Clients and investors should understand that all investments are subject to risks and that the return and the principal value of investments fluctuate depending on general market conditions and other factors, so that from time to time the value of an investment may be worth more or less than its original cost. The Client should be prepared to bear the risk of loss if they desire to sell their investment at a time when its value is worth less than the original cost. Further, depending on the types of investments, there may be varying degrees of risk. They should be prepared to bear investment loss including the loss of your original principal.

Prospective investors are urged to consult their professional advisers and review any offering materials and/or IMAs before deciding to make an investment.

**Dependence on Key Personnel.** The success of the Clients depends upon the ability of the Firm's CIO to develop and implement trading decisions that achieve the Client's investment objectives. The loss of services of Mr. Chrobog could adversely affect the Clients.

**General Credit Risks/Credit Opportunities.** We invest primarily in credit opportunities, a significant portion of which may be illiquid investments including private instruments structured as loans, bilateral bonds, preferred equity or other private credit-like instruments. In addition, we invest in other debt instruments or obligations that are not secured by collateral, and, thereby, we may be exposed to losses resulting from default and foreclosure of any such investments. Therefore, the value of underlying collateral, if any, the creditworthiness of borrowers and the priority of liens are each of great importance in determining the value of our investments. No guarantee can be made regarding the adequacy of the protection of our security, if any, in the debt instruments in which we invest.

**Interest Rate.** Clients may be exposed to interest rate risks. These risks occur when there are fluctuations in the interest rates of the main currencies of each security or other financial assets of the Clients.

**Currency Risk.** The value of investments may be affected by a variation in exchange rates in the Clients where investments are possible in a currency other than the U.S. Dollar.

**Real Estate Risks.** Investments in real estate are subject to various risks, including adverse changes in local, national or international economic conditions or regulations, changes in supply of or demand, the financial conditions of parties involved, available financing, changes in interest rates, exchange rates, or real estate tax rates. Other variables include acts of God, uninsurable losses, war, terrorism and other factors which are beyond the control of the Firm. Non-performing real estate investments may require a substantial amount of workout negotiations or restructuring, which may entail, among other things, a substantial write-down in the value of such asset and may impact the value of the participation in the relevant investment vehicle or portfolio company. However, even if an asset is performing as expected, a risk exists that upon maturity of financing, refinancing will not be available. Valuations of real estate assets are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the commercial real estate market.

**Availability of Suitable Investments.** The success of our investment activities depends on our ability to identify overvalued and undervalued investment opportunities and to manage market exposure risk. Identification and exploitation of the investment strategies we pursue involve a high degree of uncertainty. No assurance can be given that we will be able to identify suitable investment opportunities in which to deploy all of our capital.

**Small and Medium Capitalization Companies.** We may invest in the debt and other securities of companies with small to medium-sized market capitalizations. While such companies may provide significant potential for appreciation, such investments, involve higher risks in comparison to investment in larger companies. The risk of bankruptcy or insolvency of many smaller companies is higher than for larger, "blue-chip" companies. In addition, investment in some medium or small capitalization securities, may be considered illiquid and may underperform the large capitalization securities.



**Liquidity Risk.** Liquidity risks arise when a particular instrument is difficult to sell. Some securities or other financial assets that the Clients may invest in, may be difficult to sell within the desired timescale, during certain periods or in specific market segments.

**Risks Arising from Investment in Corporate Debt.** Bonds, notes, and debentures issued by corporations may pay fixed, variable, or floating rates of interest, and may include zero-coupon obligations. Corporate debt instruments may be subject to credit rating downgrades. and/or we may be paid interest in kind in connection with investments in corporate debt. Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, we may experience substantial losses.

**Risks Arising from Investment in Stressed Debt.** Stressed issuers are issuers that are not yet deemed distressed or bankrupt and whose debt securities are trading at a discount to par, but not yet at distressed levels. The market prices of stressed and distressed instruments are highly volatile, and the spread between the bid and the ask prices of such instruments is often unusually wide.

**Institutional Risks; Counterparty Risk.** Institutions will have custody of the assets of the Clients. Certain of our assets will be exposed to the credit risk of the dealers, brokers and exchanges through which we deal, whether we engage in exchange-traded or off exchange transactions. These firms and/or financial institutions, regardless of how large or well capitalized, may encounter financial difficulties that impair the operating capabilities or our capital position. If any broker-dealer or other financial institution holding the Client's assets were to become bankrupt or insolvent, it is possible that we would be able to recover only a portion, or in certain circumstances, none of the Client's assets held by such bankrupt or insolvent entity.

**Cybersecurity.** The Firm and the Clients are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and unintentional damage or interruption in service. A cybersecurity breach could expose the Firm to substantial costs, civil liability, and regulatory inquiry and/or action. In addition, as the Firm does not directly control the cybersecurity systems of third-party service providers, there can be no assurance that the cybersecurity practices of these providers will protect the Firm or the Clients.

**Public Health Emergencies and Pandemics, such as COVID-19.** Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as the current outbreak of COVID-19, have impacted market volatility. Future pandemics and public health emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Firm's clients. In addition, governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy of the Firm and client investment objectives. In addition, the operations of the Firm itself may be significantly impacted, or even temporarily halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency. Similar disruptions may occur in respect of the Firm's service providers and counterparties, which could also negatively impact the clients.

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

The Firm has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

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

North Wall and its employees are not registered, nor have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, or commodity trading adviser. The Firm operates pursuant to the exemptions to registration provided by Commodity Futures Trading Commission Rule 4.13(a)(3).

The Firm acts as sub-adviser to private funds managed by North Wall Capital Management Limited, which is notified to the SEC as an Exempt Reporting Adviser. The Firm shares common owners, officers, partners, employees, consultants or persons occupying similar positions.

Neither North Wall nor any of its management persons have any other relationship or arrangement that is material to or causes a conflict with the Firm's advisory business or to its clients.

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

North Wall has adopted a "Code of Ethics" that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees' personal trading of securities. The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Clients first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Firm's Code of Ethics; and
- Employees are prohibited from trading either in their personal accounts or client accounts on the basis of material non-public information.

All personal securities transactions, other than those specifically exempted within the Code of Ethics, are required to be pre-approved by the Chief Compliance Officer.

Employees are required to submit to the Chief Compliance Officer an initial and annual report listing their reportable securities and a quarterly report of such transactions.

We will provide a copy of our Code of Ethics to our Clients as well as investors, or any prospective investor, upon request.

**Item 12. Brokerage Practices**

As an adviser and a fiduciary to the Clients, we require that the Clients' interests must always be placed first and foremost, and our trading practices and procedures prohibit unfair trading practices and seek to disclose and avoid any actual or potential conflicts of interests or resolve such conflicts in the Client's favour. We have adopted the following policies and practices to meet the Clients' fiduciary responsibilities and to ensure our trading practices are fair to all Clients and that no Fund or Client Account is advantaged or disadvantaged over any other.

We shall have the authority to select and appoint custodians of the assets of the Fund and Clients. The Firm's authority is limited by its own internal policies and procedures and each Client's investment guidelines.

***Best Execution***

As an investment advisory firm, we have a fiduciary duty to seek best execution for client transactions. Neither North Wall nor any of its affiliates will receive any commissions generated by a Client's trading activities. In selecting an appropriate broker-dealer to effect a Client trade, North Wall seeks to obtain best execution, taking into consideration a broker-dealer's execution capabilities and expertise, in addition to the price of the security offered by the broker-dealer. As a matter of policy and practice, we seek to obtain best execution for client transactions, i.e., seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances. North

Wall will in its sole discretion select broker-dealers to execute Client transactions based on a totality of the circumstances, including any or all of the factors outlined above.

Our investment team meets annually to formally review all counterparties. Counterparties are selected as part of our Best Execution Policy.

***Soft Dollars***

As a UK investment manager impacted by MiFID II regulations North Wall would pay for all and any research received. The Firm does not currently have and does not intend to maintain any soft dollar arrangements.

***Allocation of Investment Opportunities***

As a fiduciary, the firm must allocate investment opportunities among its Clients in a fair and equitable manner and ensure that no Client is improperly favored over any other Client.

We will seek to allocate orders and investment opportunities in accordance with its allocation procedures. When allocating trades, the Firm considers each Client's investment strategy, objectives, and any relevant restrictions. Where the Firm deems an investment opportunity to be suitable for more than one Client, the Firm will typically allocate on a pro rata basis although will consider the suitability of allocation for each Client, taking into account their investment objective, investment guidelines and restrictions, current portfolio holdings, concentration and liquidity considerations, for example.

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

The Client Accounts are reviewed on a daily basis by the CIO and portfolio manager to confirm that the securities held are suitable and consistent with each Client's objectives and strategies. In addition, personnel on North Wall's operations team also monitor the Clients to help ensure conformity with investment objectives and guidelines. North Wall engages in active management of its Clients and reviews transactions, positions and cash balances on a daily basis.

**Account Reporting**

We distribute an audited financial report with respect to the previous fiscal year to all Fund investors within 120 days of fiscal year end. We also distribute quarterly unaudited net asset value statements, quarter-end performance reports, and a quarterly investor letter to all Investors.

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

We do not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for client referrals.

The Firm may occasionally enter into solicitation agreements with unaffiliated and affiliated third parties. North Wall may compensate certain third parties in return for U.S. Client solicitations. The fees are paid by the Firm, and not by Clients. Any such arrangements must comply with SEC Rule 206(4)-3.

The Firm currently has a solicitation agreement with PJT Partners LP (formerly Park Hill Group LLC), an unaffiliated third party for U.S. Client solicitation.

**Item 15. Custody**

To the extent we have custody with respect to the assets of a Fund, we will comply with Rule 206(4)-4 under the U.S. Investment Advisers Act of 1940, as amended, including, as applicable, by meeting the conditions of the annual audit provision. Under that provision, upon completion of the fund's annual audit, the adviser is required to distribute the fund's audited financials to fund investors within 120 days of the fund's fiscal year end.

North Wall will not have physical custody of any client assets. It does not have 'deemed' custody as it has no authority over the assets other than the investment advisory authority in accordance with the relevant investment mandates and has agreements in place with external custodians.

**Item 16. Investment Discretion**

We have full discretionary authority with respect to some or all of our Clients, including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities. Prior to assuming full discretion in managing Client assets, North Wall enters into an investment management agreement that sets forth the scope of its discretion. Additionally, the Firm may have full discretion with respect to selecting the broker-dealers to be used for transactions and the commissions to be paid to those broker-dealers. These terms are established in the investment offering documentation for each Client.

**Item 17. Voting Client Securities**

To the extent that we are delegated proxy voting authority on behalf of our Clients, we will comply with our proxy voting policies and procedures that are designed to ensure that such proxies are voted in the best interest of the Clients. The Fund investors may not direct voting of proxies.

Upon request, we will provide Clients and Fund investors with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast by the pertinent Fund or other Client account.

**Item 18. Financial Information**

The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.