
FORM ADV PART 2A BROCHURE: Item 1 – Cover Page

NATIONAL PRIVATE SHARES, INC
5000 T-Rex Avenue, Suite #300
Boca Raton, FL 33431

Telephone: (561) 981-1000

www.yournational.com/private-shares

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This Brochure provides information about the qualifications and business practices of National Private Shares, Inc. (“NPS”). If you have any questions about the contents of this brochure, please contact us at 561-981-1000. 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.

NPS is an SEC-registered investment adviser. Registration as an investment adviser does not imply any level of skill or training.

Additional information about NPS also is available on the SEC’s website at www.adviserinfo.sec.gov. The searchable IARD number for NPS is 299487.

Our Brochure may be requested, free of charge, by contacting NPS’s Compliance Department at 561-981-1000. Our Brochure is also available on our web site, www.yournational.com/private-shares.

Item 2—Material Changes

Not applicable. This is the first brochure filed by NPS.

Item 3 -Table of Contents

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Item 4 – Advisory Business

National Private Shares, Inc. (“NPS”) is a subsidiary of National Holdings Corporation (NHLD), a publicly traded entity. Further information about NHLD is available on the SEC’s website at sec.gov.¹¹

NPS was formed in 2018, and provides investment advisory services to private funds only.

The following paragraphs describe our services and fees. As used in this Brochure, the words “we”, “our” and “us” refer to NPS.

As of December 31, 2018, we managed approximately \$486,000,000 in client assets on a non-discretionary basis, and no client assets on a discretionary basis.

TYPES OF ADVISORY SERVICES

NPS provides non-discretionary investment advisory services to private funds.

Each series of each private fund advised by NPS is established primarily to purchase, directly and/or indirectly, securities issued by a single privately held early or developmental-stage company. Accordingly, NPS provides investment advice with respect to limited types of investments.

National’s Private Shares platform allows investors access to private companies pre-initial public offering. Many private companies, especially those in Silicon Valley, limit their shareholder count and typically require a large initial investment. This prevents many investors from investing in many of these companies until they go public. Our investment structure, which uses private funds to hold shares of these private companies, takes up only one slot in the private company’s capitalization tables, and allows investors to indirectly invest in the private companies by purchasing membership interests in the private funds at lower dollar amounts.

If the private company eventually goes public, the private fund may liquidate the position or distribute the shares to members, depending upon market conditions and valuation of the investment.

National’s Private Shares team targets well known, venture capital backed companies, that we anticipate are within 24 months of an initial public offering

NPS tailors its advisory services to the individual needs of each private fund client by monitoring the performance and status of the portfolio company investment held by each private fund, and only making distributions when market conditions and valuations are

appropriate. Investors in private funds have no ability to select, veto or cause the sale or other disposition of any investment by any fund or to determine the timing of any distribution or liquidation of a fund or its assets, or the decision of a fund to seek additional capital contributions or admit new investors. The detailed terms, strategies, and risks applicable to investors in the private funds are described in the private fund's organizational documents and offering memorandum. NPS may act as adviser to new private funds created in the future.

Fees associated with the private funds may include an annual management fee and carried interest as described in the private funds' offering documents. See Items 5, "Fees and Compensation" and 6, "Performance-Based Fees and Side-By-Side Management. In addition, the private funds pay operating expenses and other costs of the funds, including fund formation costs. Details of the fees and costs associated with the private funds are included in the documentation specific to each fund.

Private fund interests advised by NPS may not be held in advisory accounts advised by National Asset Management, Inc. ("NAM"), an affiliated investment adviser.

Item 5 - Fees and Compensation

Fees associated with private funds for which NPS acts as adviser include an annual management fee and/or carried interest, and are governed by the investment management agreement between NPS and the private fund's manager. As such, NPS does not have a single fee schedule. The fees set out in the investment management agreement are not negotiable.

Annual management fees and/or carried interest are deducted from private fund assets. Any management fees are deducted from private fund assets on an annual basis, while any carried interest is deducted at the time of any distribution of fund assets to investors.

See Item 6 "Performance-Based Fees and Side-by-Side Management" for more information regarding the carried interest. In addition, each private fund pays operating expenses and certain other costs of the fund, including brokerage costs. Details regarding the fees and costs associated with each private fund are detailed in the documentation specific to each fund. Details regarding the brokerage costs that the private funds will pay are described in Item 12 "Brokerage Practices."

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

NPS may receive compensation from the private funds it advises in the form of carried interest.

Carried interest arrangements create an incentive for NPS to recommend securities that are riskier or more speculative than would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor private funds that have a higher carried interest over other private funds in allocating investment opportunities. To address this conflict of interest, we have instituted policies and procedures that require us to allocate investment opportunities to applicable funds, if they are suitable, fairly and without regard to whether and how much carried interest may be received from the fund.

Carried interest arrangements are described in detail in each private fund's offering memorandum and operating agreement.

Item 7 - Types of Clients

NPS provides investment advisory services to private funds only. The minimum investment amount for each private fund is specified in each private fund's offering memorandum and operating agreement.

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

Methods of Analysis

Investment decisions are made through NPS's Commitment Committee, which is comprised of members appointed by the CEO, President or the CCO. The Commitment Committee reviews due diligence performed by the designated supervisor regarding positions for funds, reviews potential conflicts of interest, and approves/disapproves positions before an acquisition is made. A list of the members of the Committee is maintained by the Corporate Secretary. NPS's commitment committee is currently comprised of Ms. Kay Johnson, and Messrs. William Groeneveld, Sagiv Shiv, Tom Kowalczyk and Glenn Worman.

The Committee reviews the relevant terms of any transaction being proposed prior to initiating the transaction. In the event any member of a Committee objects to a proposed transaction, the Committee arranges for a meeting to discuss the transaction. Following such discussion, the transaction may be approved by majority vote of the Committee members, with such restrictions, if any, as the Committee may impose. The Committee is free to use any recognized investment strategy/evaluation methodology it sees fit to apply given the facts and circumstances of each particular investment being evaluated.

Investment Strategies

As noted above, each series of each private fund advised by NPS is established primarily to purchase, directly and/or indirectly, securities issued by a single privately held early or developmental-stage company. Once the commitment committee selects a privately held company for investment, the investment is held until an event in which the privately held company distributes money, such as when it gets sold to another company or a new set of investors, when it pays a dividend, or when it is listed on a stock exchange or other public trading platform.

Risk of Loss

Investing in securities of early and developmental-stage private companies involves a significant risk of loss that clients should be prepared to bear. NPS does not represent or guarantee that any methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. NPS cannot offer any guarantees or promises that an investor's financial goals and objectives will be met. Past performance is not an indication of future performance.

Described below are some particular risks associated with the private funds advised by NPS. Risk is inseparable from return. Every investment involves some degree of risk, and both the degree of risk and the type of risk varies depending on the investment. The principal risk of any investment is that despite any comprehensive analysis the security will not perform as desired. This can be due to, among other things:

- *Market risk:* the success of each private fund investment will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws, trade barriers, currency fluctuations and controls, and national and international political circumstances. These factors may affect the level of volatility of securities prices and the liquidity of investments held by private funds. Such volatility or illiquidity could impair profitability or result in losses;
- *Risk Inherent in Investing in Early and Developmental Stage Companies:* Each investment made by a private fund managed by NPS involves a high degree of risk. In general, financial and operating risks confronting both early and developmental-stage companies, as well as more mature expansion-stage companies, are significant. Many early and developmental-stage companies go out of business every year. It is difficult to know how companies will grow, if at all, or what changes may occur in the market. While potential returns should reflect the perceived level of risk in any investment situation, there can be no assurance that any fund will be adequately compensated for risks taken. A loss of an investor's entire investment is possible and no profit may be realized. Early-stage and development-stage companies often experience unexpected problems with product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing which may not be available through institutional private placements or the public markets. In addition, the markets that such companies target often are highly competitive and in many cases the competition consists of larger companies with access to greater resources. The percentage of companies that survive and prosper is small. Investments in more mature companies in the expansion or profitable stage involve substantial risks. Such companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire other businesses, or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing, and general management of these activities;
- *Lack of Portfolio Company Information:* The information made available to NPS

regarding the portfolio companies can be very limited. Further, NPS can be subject to confidentiality obligations prohibiting it from sharing such information with investors. As portfolio companies are privately held, they are not subject to the same disclosure and reporting obligations of publicly traded companies. Prospective investors in any private fund managed by NPS may not be provided with financial, operational, or other information that may be important in making an investment decision. NPS does not assume any responsibility for the accuracy or completeness of such information;

- *Lack of Information for Monitoring and Valuing the Funds' Assets:* NPS may only be able to obtain limited information about portfolio companies and, in some cases, may not be able to obtain information beyond the information that is publicly available. The portfolio companies determine the best way to keep the investment community updated on the progress of their businesses so NPS may not be aware of material adverse changes that have occurred with respect to certain of its investments. The value of any investment in a portfolio company could be significantly negatively affected by any such event. Further, NPS may have to make valuation determinations without the benefit of an adequate amount of relevant information. Prospective investors should be aware that as a result of these difficulties, as well as other uncertainties, any valuation made by NPS may not represent the fair market value of the securities acquired by any private fund;
- *Valuation of Portfolio Company Securities:* The portfolio companies are privately held companies. The valuations upon which the purchase prices of portfolio company securities are based may not represent the fair value of any given portfolio company or what could be realized upon a liquidation of such securities;
- *Equity risk:* Some of the private funds advised by NPS invest in equity securities of early and developmental-stage companies. Investments in equity securities generally involve a high degree of risk. Prices are volatile and market movements are difficult to predict. These price movements may result from factors affecting individual companies or industries. Price changes may be temporary or last for extended periods. The value of equity investments held by private funds may decline if their businesses do not perform well in the market. Prices of early and developmental-stage companies may be more sensitive to changes in current or expected earnings than prices of other stocks. Prices of stocks may fall or fail to appreciate regardless of movements in the overall securities markets. Some portfolio companies may be highly leveraged and the rights of any lenders or creditors will be senior to those of equity holders, thus subjecting equity holders to a greater risk of loss;

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- *Fixed income risks:* Some of the private funds advised by NPS invest in fixed income securities of early and developmental-stage companies. Investments in fixed income securities involve numerous risks such as credit, interest rate, reinvestment, and prepayment risk, all of which affect their price/value. These risks also bring the potential for a large amount of price volatility. In general, securities with longer maturities are more sensitive to interest rate changes. Additionally, the prices of high-yield, fixed income securities fluctuate more than high-quality debt issues. Prices for high-yield, fixed income securities are especially sensitive to developments affecting the company's business and to changes in the ratings assigned by rating agencies. Prices are often closely linked with the company's stock prices. High-yield securities can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, large sales by major investors, default, or other factors. In the event of a default, the investment may suffer a partial or total loss;
 - *Investment in Companies Dependent upon New Technological Developments and Market Adoption:* Many private fund series invest in the securities of portfolio companies that are dependent upon new technological developments and market adoption. The value of the private fund series interests may be susceptible to a greater risk of loss than an investment in a fund that invests in a broader range of securities. The risks faced by the companies purchased by the private funds series include, but is not limited to: rapidly changing science, business models and technologies; new competing products or services and improvements in existing products or services that may quickly render existing products or technologies obsolete; exposure, in certain circumstances, to a high degree of government regulation, making these companies susceptible to changes in government policy and failures to secure, or unanticipated delays in securing, regulatory approvals; scarcity of management, technical, scientific, research and marketing personnel with appropriate training; the possibility of lawsuits related to patents and intellectual property; and rapidly changing investor sentiments and preferences with regard to technology sector investments (which are generally perceived as risky);
 - *No Assurance of Returns:* Investors in any given private fund series will not receive a return on their investments unless and until the portfolio company distributes money. A private company typically distributes money when it gets sold to another company or a new set of investors, when it pays a dividend, or when it is listed on a stock exchange or other public trading platform. The portfolio companies purchased by the private funds managed by NPS may take a long time or never achieve one of these events. As such, there can be no assurance that investors will receive any returns from any given private fund series. The timing of profit realization, if any, is highly uncertain;

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- *Minority Investments:* Portfolio company investments made by the private funds managed by NPS often represent a minority stake in a privately held company. As is the case with minority holdings in general, such minority stakes that a private fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. A private fund may also invest in companies for which the private fund has no right to appoint a director or otherwise exert significant influence. In such cases, the fund will be reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the fund is not affiliated and whose interests may conflict with the interests of the fund;
 - *Illiquidity of Investments:* Portfolio company securities are often subject to significant transfer restrictions. Further, in the event that NPS determines to make distributions of portfolio company securities to investors, there is often no market through which the securities may be sold, and even if there were such a market, the transfer of such securities is likely to be subject to significant restrictions described in the documents pursuant to which the fund will acquire the securities. In addition, portfolio company securities will not be registered under U.S. federal securities laws or qualified under any state securities law, and the securities are sold in reliance upon exemptions under such laws. Even if the securities are registered, they may remain subject to contractual transfer restrictions and lock-ups for a period of time following such registration. Therefore, investors who receive portfolio company securities in a distribution by a private fund may be unable to liquidate such securities, even though an investor's personal financial condition may call for such a liquidation. Therefore, investors who require liquidity in their investments should not invest in the private funds;
 - *Dependence on Public Offering Market:* The investment strategy of each private fund is based in large part upon the portfolio company's ability to become a candidate for an initial public offering. Accordingly, each private fund's ability to realize attractive returns is highly dependent upon the state of the securities markets in general and the initial public offering market in particular. Changes in the securities markets and general economic conditions, including economic downturns, a general downturn in the technology markets, fluctuations in interest rates, the availability of credit, inflation, and other factors may affect the value of investments of a private fund. The market for public offerings is cyclical in nature and, accordingly, there can be no assurance that the securities markets will, at any point in time, be receptive to public offerings. Any adverse change in the market for public offerings could have a material adverse effect on a private fund and could severely limit a private funds' ability to

realize its investment objective. If such markets are not available to enable a private funds to dispose of its portfolio company securities, the private fund may be required to hold such investment for an indefinite period of time;

- *Additional Funds:* Portfolio companies may need additional funds for development or operations beyond any funds provided by a private fund. Such additional funds may be critical to preserving or enhancing the investment value of the portfolio company. The failure of a portfolio company to receive additional investment may potentially jeopardize its continued viability. A private fund may not have any additional funds to provide to the portfolio company. No assurance can be given that any portfolio company will have access to additional capital in order for it to be successful. Further, portfolio company securities often represent common shares of the company. In the event that a portfolio company issues additional shares of capital stock in the future - including options or warrants to purchase capital stock or preferred stock - there will be dilution to portfolio company stockholders, and holders of common shares in the portfolio company may experience substantial dilution in their ownership. In the event that a portfolio company is sold, holders of common shares in the portfolio company will be subject to distributions as determined by the portfolio company's liquidation preference;
- *Diversification and Concentration Risk:* The primary purpose of each private fund is to invest in portfolio company securities. No private fund will provide investors with a broad investment portfolio and any unfavorable performance of the portfolio company securities will have a disproportionately adverse effect on the private fund in comparison with a broadly diversified portfolio. An investment in a private fund will not be suitable for investors seeking diversification in investments or across industries;
- *Long-term Commitment Required:* A commitment to a private fund is a long-term investment. Because of the lack of a public market for private fund interests and restrictions on their transfer, investors should be willing to hold their interests until the liquidation of the private fund;
- *Illiquidity; Restrictions on Transfer and Withdrawal:* An investment in any private fund managed by NPS will be highly illiquid. Except in certain very limited circumstances, investors will not be permitted to transfer their private fund interests or withdraw from the private fund without the prior written consent of NPS. NPS may grant or withhold such consent in its sole discretion. Further, NPS may be subject to contractual restrictions prohibiting it from granting any such consent to a transfer prior to a portfolio company's initial public offering (or other liquidity event).

Therefore, investors may be prohibited from transferring their private fund interests prior to any such initial public offering (or other liquidity event). The transferability of private fund interests will also be subject to certain restrictions contained in the applicable operating agreement and restrictions on resale imposed under applicable securities laws. In addition, transferees of private fund interests must also be “accredited investors” within the meaning of Rule 501 of Regulation D under the Securities Act and “qualified clients” under the Advisers Act. There will be no public market for the private fund interests;

- *Small capitalization companies:* private funds may invest in smaller and less established companies. Both debt and equity securities of such issuers tend to be more volatile than larger, more established companies. Such volatility could adversely impact performance;
- *Concentration:* Each private fund series generally holds a single position in an issuer engaged in one or a few industries. This increases the risk of loss relative to the market as a whole.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of NPS or the integrity of NPS's management. The individual Form ADV Part 2B contains disclosures with respect to portfolio managers.

On October 26, 2015, NAM consented to an Order of the U.S. Securities and Exchange Commission ("SEC") in an administrative proceeding initiated under the Investment Advisers Act of 1940 ("Advisers Act"). As described in the Summary section of the Order, the proceeding concerns several disclosure and compliance-related violations and events during the years from 2008 through 2012. The Order found that NAM (1) failed to disclose to advisory clients in writing or obtain client consent to over 21,000 securities trades executed in a principal capacity, (2) failed to report in its SEC filings and timely disclose to clients the disciplinary histories of several of its associated persons, (3) failed to properly enforce its Code of Ethics when its then CEO, several directors, and many of its employees failed to submit hundreds of required reports on their personal securities trading to NAM, (4) failed to adopt and implement compliance policies and procedures reasonably designed to prevent violations of certain provisions of the Advisers Act and the rules thereunder, and (5) failed to conduct one required annual review of its compliance policies and procedures. NAM agreed to the imposition of a censure, a civil monetary penalty of \$200,000, and certain undertakings, including the appointment of an independent compliance consultant to review and make recommendations regarding certain parts of NAM's compliance policies and procedures. The Order did not find an intent to deceive. It did find that NAM refunded to its clients the inappropriately assessed markups and markdowns on the 21,000 trades, took prompt remedial action, and cooperated with the SEC's investigation.

Item 10 – Other Financial Industry Activities and Affiliations

Affiliated Investment Adviser

NPS is affiliated with NAM, which is also an SEC-registered investment adviser. Private fund interests advised by NPS may not be held in advisory accounts advised by NAM

Affiliated Broker-Dealers

NPS is affiliated with National Securities Corporation (“NSC”). Some management persons of NPS are registered representatives of NSC. NSC acts as a placement agent for the private funds advised by NPS/NSC affiliates, and receives commissions for the sale of interests in the funds as described in the offering documents for the funds.

Other Potential Conflicts of Interest

In addition to the advisory services described above, NPS may in the future participate in or sponsor other investment vehicles, and service additional advisory accounts or clients. We may also decide to engage in other businesses. The private fund(s) and our affiliates may also decide to engage in other businesses. Investment opportunities available to the private funds are not made available to other NPS clients.

Item 11 – Code of Ethics; Participation or Interest in Client Transactions and Personal Trading

NPS has adopted a Code of Ethics for all supervised persons of the firm to codify requirements to act at all times consistent with their fiduciary duty and to establish reporting requirements. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on trading on the basis of inside information, restrictions on the acceptance of significant gifts, and the initial, quarterly, and annual reporting of personal securities holdings and trading activity, among other things. All supervised persons at NPS must acknowledge the terms of the Code of Ethics annually, and when it is amended. NPS's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting NPS's Chief Compliance Officer.

NPS's supervised persons are required to follow NPS's Code of Ethics. NPS's officers, directors, and employees of NPS and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for NPS's clients and at or about the same time as clients, subject to applicable laws. NPS addresses front-running risks and other conflicts of interest through supervisory reviews that monitor whether an access person's personal trading is consistent with recommendations made to clients.

Item 12 – Brokerage Practices

The Custodians and Brokers We Use

NPS selects the broker-dealers used to execute trades for private fund clients. When selecting such broker-dealers, NPS may consider the following:

- Execution factors, including execution speed;
- Quality of overall execution services provided by the broker-dealer;
- Creditworthiness, business reputation and stability of the broker-dealer;
- Ability and willingness to correct trade errors;
- Promptness and accuracy of confirmation statements; and
- Ticket charges by the broker-dealer.

NPS, on an annual basis, evaluates broker-dealers currently utilized, using the above factors, and in that connection reviews best execution reports provided by the account custodians that demonstrate their own compliance with best execution requirements and order routing.

NPS does not have any formal soft-dollar arrangements.

Item 13 – Review of Accounts

NPS portfolio managers monitor private fund portfolio company investments on an ongoing basis. Investors in private funds advised by NPS receive quarterly account statements and annual audited financial statements by a qualified accountant within 120 days of the end of the fiscal year of the fund and upon liquidation.

Item 14 – Client Referrals and Other Compensation

Compensation for Client Referrals

NPS does not pay compensation to affiliated or unaffiliated persons (solicitors) for referring clients to NPS. However, as noted above, NSC acts as placement agent for the private funds advised by NPS and managed by NSC affiliates, and receives commissions for the sale of interests in the funds as described in the offering documents for the funds. In addition, the managers of the private funds are also affiliated with NPS and receive payment for their management services in accordance with the offering documents for the funds.

Item 15 - Custody

NPS is deemed to have legal custody of the assets of the private funds it advises because of its relationship with the managers of the funds. Funds and securities that are acquired in transactions not involving public offerings may be un-certificated with ownership recorded on the books of the issuer or its transfer agent in the name of the private fund. Other securities of privately held companies will be held by a qualified custodian. Cash of private funds is held with Signature Bank or another qualified bank depository. Investors in such funds will receive annual audited financial statements by a qualified accountant within 120 days of the end of the fiscal year of the fund and upon liquidation.

Item 16 – Investment Discretion

NPS has the authority to select a custodian and, if applicable, broker-dealers for private fund clients, but otherwise exercises no discretion in connection with the advisory services it provides to private fund clients.

Item 17 – Voting Client Securities; Investor Class Action Law Suits

NPS will vote all securities held by private funds. NPS has adopted written policies regarding the voting of securities held in our private funds and will vote securities in accordance with those policies. The written policies are as follows:

Proxy Voting Guidelines – Private Funds – NPS is committed to voting proxies in a manner consistent with the best interests of its private fund clients. The Commitment Committee, whose members are appointed by the CEO, President or CCO, is responsible for ensuring proxies are voted on behalf of private fund clients. The Commitment Committee has sole authority over proxy voting decisions, meaning that private fund clients and investors cannot direct proxy votes in any proxy solicitations. Accordingly, for all private funds advised by NPS, it is the policy of NPS to vote proxies of public and private operating companies in accordance with the following guidelines, although the Commitment Committee may elect to vote in a manner that differs from these general guidelines:

Proxy Proposal Issue / Firm’s Voting Policy

Routine Election of Directors --For

Issuance of Authorized Common Stock --For

Stock Repurchase Plans --For

Reincorporation --For

Director Indemnification --For

Require Shareholder approval to issue Preferred Stock --For

Require Shareholder approval to issue Golden Parachutes --For

Require Shareholder approval of Poison Pill --For

Shareholders’ Right to Call Special Meetings --For

Shareholders’ Right to Act by Written Consent -- For

Shareholder Ability to Remove Directors With or Without Cause --For

Shareholders Electing Directors to Fill Board Vacancies --For

Majority of Independent Directors --For

Board Committee Membership exclusively of Independent Directors --For

401(k) Savings Plans for Employees --For

Anti-greenmail Charter or By-laws Amendments --For

Corporate Name Change --For

Ratification of Auditors --For

Supermajority Vote Requirement --Against

Blank Check Preferred --Against

Dual Classes of Stock --Against

Staggered or Classified Boards --Against

Fair Price Requirements --Against

Limited Terms for Directors --Against

Require Director Stock Ownership --Against

Reprice Management Options --Case by Case

Adopt/Amend Stock Option Plan --Case by Case

Adopt/Amend Employee Stock Purchase Plan --Case by Case

Approve Merger/Acquisition --Case by Case

Spin-offs --Case by Case

Corporate Restructurings --Case by Case

Asset Sales --Case by Case

Liquidations --Case by Case

Adopt Poison Pill --Case by Case

Golden Parachutes --Case by Case

Executive/Director Compensation --Case by Case

Social Issues --Case by Case

Contested Election of Directors --Case by Case

Stock Based compensation for Directors --Case by Case

Increase authorized shares --Case by Case

Tender Offers --Case by Case

Preemptive Rights --Case by Case

Debt Restructuring --Case by Case

Other Matters --Case by Case

If the Commitment Committee is aware of any potential or actual conflict of interest relating to a particular proxy proposal, the Commitment Committee must notify the Chief Compliance Officer before the vote; the Chief Compliance Officer will work with the Committee to address the issue.

The Commitment Committee may refrain from voting a proxy if in the fund's best interests, such as when the cost of voting the proxy exceeds the expected benefit to the fund. However, the decision to refrain from voting must be documented.

A copy of NPS's Proxy Policy is available to the private funds upon request from NPS's Chief Compliance Officer. Information about how any particular proxies were voted can be obtained from the Chief Compliance Officer.

Item 18 – Financial Information

Under no circumstances does NPS require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, NPS is not required to include a balance sheet.

As an advisory firm that has legal custody over private fund client assets, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. NPS has no additional financial circumstances to report.

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