

# DISCLOSURE BROCHURE

Form ADV Part 2A

Item 1

December 13, 2019

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This brochure provides information about the qualifications and business practices of GSP Capital Management LLC (the “Firm”). If you have any questions about the contents of this brochure, please contact the Chief Compliance Officer at the telephone number listed above. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “SEC”) or by any state securities authority. Additional information about the Firm is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is submitting this brochure in conjunction with its application to become a federally registered investment adviser. Registration as an investment adviser with the SEC does not imply any level of skill or training.

## **Item 2.**

### **Material Changes**

This brochure was prepared in connection with the Firm's initial application for investment adviser registration and, as such, there have been no material changes to the Firm to disclose. In the future, this Item will disclose a summary of any and all material changes that have occurred between regular annual and any other-than-annual updating amendments to the Form ADV.

### **Item 3.**

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## **Item 4.**

### **Advisory Business**

#### **Ownership**

The Firm, a Delaware limited liability company, is an investment advisor that was founded in 2019 to capitalize on potential investments in professional sport franchises, their related assets and other sports-related activities. The Firm is a wholly owned subsidiary of Galatioto Sports Partners LLC (“GSP”), a Delaware limited liability company. GSP is owned by its founder, Salvatore Galatioto, and Emigrant Bancorp, Inc., a Delaware corporation. Emigrant Bancorp, Inc., is a wholly owned subsidiary of New York Private Bank & Trust Corporation, a Delaware-chartered trust company.

#### **Our Clients and Investment Program**

The Firm provides investment advisory services to a pooled investment vehicle, and may in the future establish one or more pooled investment vehicles structured as parallel funds, co-investment funds or related investment vehicles (together, the “Fund” or “Client”), that will invest in non-controlling, minority interest stakes in entities owning professional sports franchises and their affiliated assets, an asset class that has previously been inaccessible on a broad and diversified basis. Subject to applicable league rules and ownership restrictions, the Fund, advised by the Firm, will have the ability to invest in franchises in major American sports leagues, as well as the ability to directly invest in other sports-related opportunities, such as sports franchises in other leagues, esports teams and companies, sports technology companies and minor league and overseas sports franchises. The Fund will primarily focus on making investments in Major League Baseball (“MLB”) franchises but may also seek to invest in one or more franchises of other sports leagues and in other sports-related enterprises.

The Fund is subject to the investment objectives, terms and limitations outlined in offering documentation for the Fund, which includes but is not limited to a confidential private placement memorandum, subscription documents and operating agreements of the Fund (collectively, the “Governing Documents”). While the Firm provides investment advisory services to the Fund in line with the Fund’s focus on the asset classes and strategies discussed throughout this brochure, the Firm will not necessarily limit the types of investments on which it plans to advise the Fund, except as expressly set forth in the Governing Documents.

The Firm tailors its investment advisory services to meet the Fund’s investment strategy, return profile, time horizon and other related objectives, as set forth in the Governing Documents.

From time to time and subject to the limitations set forth in the Governing Documents for the Fund, the Firm may raise or establish additional pooled investment vehicles that may pursue investment objectives similar to or that deviate from the investment strategies and objectives of the Fund. Each of those Funds will be subject to the terms set forth in their own respective Governing Documents and will also be advisory Clients of the Firm. It is expected that any additional advisory Clients will be managed in a manner similar to the Fund, as set forth in more detail in their own respective Governing Documents. The Firm may update this brochure from time to time to reflect changes to its business that may occur by virtue of the establishment of new Client relationships.

The Firm does not participate as a sponsor or portfolio manager to any “wrap fee” programs.

As previously noted, as of the date of this brochure, the Firm did not have any regulatory assets under management; the Firm is applying for registration upon the basis that it reasonably expects to have in excess of

\$100 million of regulatory assets under management within 120 days of the approval of its application for registration by the SEC. The Firm will take all steps necessary to preserve its eligibility for SEC registration. The Firm will file an update amending its Form ADV and this brochure once the Firm has attained the requisite regulatory assets under management. The Firm anticipates computing its managed assets in the same manner as it calculates its regulatory assets under management.

## **Item 5.**

### **Fees and Compensation**

As compensation for its advisory services to the Fund, the Firm will receive advisory fees that are calculated based on a fixed rate or percentage of the Fund's committed capital or invested capital (the "Advisory Fee"). During the Investment Period, the Advisory Fee is calculated as a percentage per annum of the aggregate commitments of investors. Thereafter, the annual Advisory Fee is calculated as a percentage per annum of the "outstanding capital bases" of the members (as such term is defined in the Governing Documents). Fees charged with respect to certain members will not increase or decrease the Advisory Fees that may be paid by other members of a Fund. The Firm and/or certain of its affiliates will also receive incentive-based compensation ("Carried Interest") based on realized gains from investments, subject to agreed-upon preferred return rates and claw-back provisions. The Firm receives Advisory Fees directly from the Fund, typically paid on a quarterly basis. Carried Interest is typically deducted in accordance with a distribution waterfall and not on a pre-determined schedule and paid to the Carried Interest recipient.

In respect of new advisory Clients, the Firm may enter into new or different investment advisory relationships, which may involve different compensation structures. A Fund generally will not receive the benefit of any new or different compensation structure of another Fund.

As set forth in the Governing Documents for each Fund, a Fund will generally bear all fees, costs and expenses, which may include or exclude placement fees, incurred in connection with the formation and organization of the Fund, the Firm or the Carried Interest recipient related to the Fund and the offering and sale of interests in the Fund, as determined in good faith by the Firm (including the preparation of Governing Documents, side letters and any similar agreements), including all related out-of-pocket legal, accounting, printing, electronic data room, travel, lodging, meal, event and filing fees and expenses. These formation and organizational fees, costs and expenses may be subject to limits or caps as set forth in the Fund's Governing Documents. Organizational and offering expenses in excess of a cap (if any) will be paid by the Firm or, alternatively, may be paid or reimbursed by a Fund and borne by the Firm through an offset against Advisory Fees. No interest will be paid by the Firm to any Fund for any amounts that may be reimbursed by the Firm.

The Fund will bear all the operating expenses and other fees and expenses incurred in relation to the Fund, other than the Firm's expenses (as described below). Such fees and expenses borne by the Fund will include, without limitation, (i) legal, accounting, audit, administrative, custodial, consulting, valuation and other professional fees and related expenses (including due diligence-related expenses); (ii) investment banking, brokerage, broken-deal, registration, qualification, finders, banking, custodial, depository, transfer, filing and similar fees or commissions, and fees and expenses of placement agents and finders for purchases and sales of portfolio securities; (iii) transfer, capital and other taxes, duties and costs incurred in acquiring, holding, selling or otherwise disposing of the Fund's portfolio investments; (iv) the Fund's allocable share of premiums and other costs of insurance (as determined by the Firm in consultation with the insurer or agent), including directors and officers liability insurance, errors and omissions liability insurance and a financial institution bond; (v) costs of meetings of the members of the Fund and the board and preparation, reproduction and distribution costs for financial statements, tax returns and other reports to members of the Fund and the board, the costs of establishing and maintaining an electronic portal for communications with members, and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund; (vi) investment-related travel, lodging, meal, entertainment and other out-of-pocket expenses; (vii) interest and other borrowing costs; (viii) external research expenses; (ix) indemnification expenses and the costs of any litigation, arbitration, mediation or other proceeding relating to the Fund's investments (including legal fees and the amounts of any judgments or settlements); (x) fees and costs of external valuers and appraisers of non-marketable securities

and other illiquid assets; (xi) annual retainers and meeting fees payable to and out-of-pocket expenses of members of the board; (xii) subject to certain exceptions set forth in the Governing Documents, any taxes, fees or other governmental charges levied against the Fund or its income or assets; (xiii) expenses relating to the organization and maintenance of any alternative investment vehicle or special purpose vehicle of the Fund; (xiv) costs incurred in relation to any amendments to, and waivers, consents or approvals sought pursuant to, the Governing Documents, including the preparation, distribution and implementation thereof; (xv) expenses relating to defaults by members with respect to their required capital contributions; (xvi) costs relating to protecting the confidential or non-public nature of any information or data; (xvii) fees and expenses (including legal and compliance consultant fees) relating to the preparation and filing of any reports to regulatory authorities relating to the Fund's investments and complying with laws and league rules applicable to the acquiring, holding, selling or otherwise disposing of the portfolio investments of the Fund; (xviii) costs incurred in connection with establishing and maintaining any credit facility, (xix) expenses of any hedging transactions; (xx) costs of winding up, liquidating and dissolving the Fund; and (xxi) any other fees, costs, expenses, liabilities or obligations incurred in relation to the Fund as are approved by the board. The Firm, GSP and their affiliates will each be entitled to reimbursement by the Fund for any organizational and offering expenses (subject to any applicable cap as set forth in the Governing Documents) and operating expenses that they pay on behalf of the Fund.

The Firm will pay all (i) costs and expenses incurred by it in providing for its operating overhead, including salaries of the Firm's employees and rent and other expenses incurred in maintaining the Firm's place of business, (ii) the costs of any appraisals required under the Fund's Governing Documents for investments which may involve a conflict of interest (subject to certain exceptions set forth in the Governing Documents, including with respect to any appraisals obtained in connection with the dissolution and winding up of the Fund) and (iii), unless provided for in the Fund's Governing Documents, placement fees incurred in connection with the marketing and sale of the interests in a Fund. The Fund also will not bear or pay any operating costs and expenses of the Carried Interest recipient, all of which will be paid by the Firm or its affiliates. Placement fees and the cost of any appraisal may be paid or reimbursed by the Fund and borne by the Firm through an offset against Advisory Fees, but such amounts will not be reduced below zero.

Advisory Fees generally are paid quarterly in advance. Investors will be required to maintain commitments for the full term of the Fund. The interests are not redeemable or transferable, except pursuant to the terms of the Governing Documents of the Fund and any restrictions imposed by applicable securities law. Any Carried Interest distributions available for distribution are paid in arrears upon the disposition of an asset in accordance with the distribution waterfall in the Fund's Governing Documents.

## **Item 6.**

### **Performance-Based Fees and Side-By-Side Management**

As outlined in Item 5 of this brochure, the Firm and/or its related persons are generally entitled to receive Carried Interest distributions from the Funds based on investment gains after other distributions are made to the members of the Fund, as specified in the Governing Documents and where the investors in the Funds meet the qualification standards set forth in Rule 205-3 under the U.S. Advisers Act of 1940, as amended (the “Advisers Act”). The Funds generally have preferred returns or other performance hurdles before any distribution of Carried Interest may be made to the Carried Interest recipient. The Carried Interest and any performance-based compensation may motivate the Firm to make investments that are riskier or more speculative than those which would be made under a different compensation arrangement. Prospective investors should refer to the Fund’s Governing Documents for further disclosure regarding the potential conflicts associated with Carried Interest and performance-based compensation. The Firm has implemented internal controls and procedures to evaluate each investment opportunity in light of the Fund’s investment objectives.



## **Item 7.**

### **Types of Clients**

As described in Item 4, the Firm provides discretionary investment advice to its Client, the Fund. The Fund is a private, pooled investment vehicle that is excluded from the definition of an “investment company” under the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”). Among other suitability requirements, investors in the Fund are limited to individuals and entities that are “qualified purchasers” (or “knowledgeable employees”), as defined under Section 2(a)(51) of the Investment Company Act. The Fund is marketed exclusively to institutional investors and high net worth individuals that meet these criteria. In general, the minimum investment by an investor in the Fund is \$1 million; however, this minimum may be lowered or waived in the Firm’s sole discretion for one or more prospective investors.

## **Item 8.**

### **Methods of Analysis, Investment Strategies and Risk of Loss**

The Firm believes there are currently an increasing number of potential opportunities for investing in sports franchises. As the evolving market in professional team minority ownership develops and grows, the Firm believes that it and its supervised persons' experience and network of deep industry relationships with leading market participants will afford the Fund access to attractive investment opportunities within the space. When purchasing minority ownership interests, the Firm will seek to negotiate attractive entry prices and/or utilize innovative transaction structures/investment terms at the time of entry. These opportunities may arise in national and/or international markets.

Where possible and appropriate, co-investment opportunities may be made available to any investor. Details pertaining to the offering of any co-investment opportunities are set forth in the Governing Documents for the Fund. Investment opportunities may be allocated on such terms and conditions as the Firm may, in its sole discretion, determine. The Firm or its affiliates that are related persons may charge advisory and other fees with respect to any co-investment opportunity and may receive Carried Interest distributions. Certain restrictions on co-investments may also be imposed by the rules of any sports league in which the Fund seeks to invest.

There can be no assurance that the Firm and the Fund will achieve their investment objectives or that investment strategies employed by the Firm will be successful.

As a general matter, the Firm utilizes the methods of analysis and investment strategies described in the Governing Documents. Please see Item 4 for more information regarding the Fund's investment strategy and the Firm's advisory business. The information contained herein is a summary only and is not a complete list or explanation of all the potential risks that may be associated with an investment in the Fund or any Fund. The investment program of any Fund is speculative and entails risks, including risk of loss of the entire investment. Investors and prospective investors should refer to the Governing Documents for a more comprehensive overview of the Firm's methods of analysis and investment strategies and its potential risks. Investors in the Firm's Funds are encouraged to consult with their outside advisors with respect to an investment in any Fund.

#### **Certain Risks**

There can be no assurance that any Fund's investment objectives will be achieved, and actual investment results may vary substantially from the investment objectives. Investors should be prepared to bear these risks. No guarantee or representation is made that the Fund's investment program will be successful. The success of the Firm's investment activities will depend on its ability to identify and execute on investment opportunities that have the proper risk/reward balance and that meet the Fund's objectives.

An investment in the Fund involves a significant degree of risk. There can be no assurance that any targeted rate of return for the Fund will be achieved or that there will be any return of capital. The following are some of the key risk factors applicable to the Fund and its investment strategies. Investors should consult the Governing Documents for a more comprehensive list of risk factors.

#### *Restrictions on Transfer; No Market for the Interests; Illiquidity of Interests*

The interests offered by the Fund have not been registered under any U.S. federal or state securities laws or the securities laws of any other jurisdiction and, therefore, are subject to the restrictions on transfer contained in such laws. Investors will be required to maintain commitments for the full term of the Fund. The interests are not redeemable or transferable except pursuant to the terms of the Governing Documents of the

Fund. There will not be any market for the interests, and none is expected to develop. Consequently, investors may not be able to liquidate their interests for a substantial period of time, which may not be prior to the time the Fund liquidates all the investments that it makes. In addition, any such liquidation may be in the form of non-cash distributions of illiquid investments to the investors.

#### *General Industry Risk*

Adverse economic conditions in the United States and other countries could have a material adverse effect on consumer and business spending in the sports industry, which could limit or cause a substantial reduction in the revenues, profitability and/or continued viability of the business entities in which the Fund invests. The sports industry could be affected adversely by overall economic conditions, competition and government regulation, including the application of antitrust laws or regulations to any league. There can be no assurance that any business entity will continue or improve its historical or expected levels and direction of growth, revenues or profitability even if general economic conditions in the United States and/or other countries improve or if economic conditions in the sports industry improve.

#### *Competition*

The investments that will be acquired by the Fund have not yet been identified. The activity of identifying, completing and realizing attractive investments involves a high degree of uncertainty. The Fund will be competing for investments with high net worth individuals and other investors (including, potentially, other private investment funds). No assurance can be given that the Fund will be successful in identifying suitable investments or that suitable investments will be available in the future. There may be a considerable period of time before the Fund is fully invested, if at all. If the Fund makes only a limited number of investments, poor performance of a few such investments could significantly affect the return to investors, and failure to invest the total commitments will reduce the Fund's potential for returns.

#### *No Assurance of Profit, Cash Distributions, Appreciation or Rate of Return*

There is no information about the nature and terms of particular assets that prospective investors can evaluate when determining whether to invest in the Fund. Investors will be relying solely on the ability of the Firm to make investments with the Fund's capital. While the Firm intends to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurance of success. In particular, there can be no assurance that (i) investments by the Fund will achieve returns comparable to those provided by investments in similar businesses by others in the past, (ii) the Fund will achieve any targeted returns or (iii) any investment, once made, will be profitable or that an investor's interest in such investment will have economic value. The past investment performance of entities in which the Fund may invest should not be construed as an indication of future results of any investment in the Fund. In addition, there can be no assurance that investments will generate cash flows available for distribution to investors or that the Fund will be able to liquidate its investments on favorable terms.

#### *Valuations*

The Fund's investments will be highly illiquid and not publicly traded or readily marketable. The Firm will therefore not have access to readily ascertainable market prices of minority ownership interests of sports franchises for establishing valuations of its investments and neither the Firm nor the Fund can provide any assurance that any given investment could be sold at a price equal to the market value ascribed to such investment in connection with the Firm's valuation thereof. Actual realized returns will depend on various factors, including, without limitation, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, and may be substantially different than the indicative valuations ascribed to relevant investments on an annual basis, which are provided for information purposes only.

### *Operator Risk*

Neither the Fund nor the Firm or any of its affiliates will be appointed as a “Control Person” of any franchise in an American sports league or have any authority or influence over the sports franchise’s operations or its interactions with the applicable American sports league. Similarly, as a minority owner of a sports franchise in any other league, the Fund will not have any authority or influence over such other sports franchise. The Fund will be bound by the decisions of the respective controlling owners of the sports franchises in which it invests. If a controlling owner makes poor financial or other business decisions on behalf of a sports franchise, the Fund may incur losses and generally will have no recourse therefor against the sports franchise or any controlling owner.

In addition, if a controlling owner engages in misconduct – and particularly if such misconduct relates to the sports franchise’s operations in any way – that may create reputational risk for the sports franchise itself or result in the exercise of remedies by the applicable sports league against the controlling owner, including fines, suspensions, a lifetime ban and pressure or a public mandate, as applicable, to sell the sports franchise or interests therein. There can be no assurance that the league’s levying of a remedy would not have an adverse effect on the value of a sports franchise and by extension, the value of the Fund’s investment in a particular sports franchise.

### *Lack of Information and Transparency*

Neither the Fund, as a minority owner of a sports franchise, nor the Firm is expected to have the right to attend any general ownership meetings or any meeting where proprietary franchise information is discussed. It is expected that sports franchises will be prohibited from sharing confidential and proprietary information concerning their business decisions, operations and competitive strategies – including, without limitation, information relating to player payroll, player contracts, any transactions involving players or any decisions affecting the active or potential roster status of any player – with the Fund, and that the Fund will be prohibited from sharing certain information that it does receive from sports franchises, such as audited financial statements, with the investors and with other sports franchises. In addition, the Fund does not expect to receive quarterly reports or quarterly financial statements from its portfolio companies. The Fund’s rights to obtain and share information could have an adverse effect on the ability of the Fund to monitor and execute its investment strategy.

### *Restrictions on Entrance into Minority Investments in Sports Franchises*

The Fund’s ability to obtain minority ownership interests in sports franchises is subject to limitations. Currently no American sports league, other than MLB, permits ownership by a private investment fund of minority interests in multiple sports franchises. While MLB changed its ownership rules to permit ownership by a private investment fund of minority interests in multiple MLB franchises, there can be no assurance that MLB will permit such future investments nor is there any assurance that a subsequent MLB rule change will not require the Fund to sell or otherwise transfer any ownership interests in MLB franchises that it may have acquired.

Current owners of a sports franchise may have a right of first refusal or a right of first offer over ownership interests otherwise available for sale. In addition, the frequency of minority interest sales could decrease and/or sports franchises, in conjunction with their applicable league, could forgo private minority interest sales in the future in favor of selling shares through other means including an initial public offering process. These and other restrictions on the Fund’s ability to consider and make investments in minority ownership stakes in sports franchises could have an adverse effect on the financial condition of the Fund.

### *Restrictions on Transfers of Minority Interests in Sports Franchises*

The Fund's ability to enter into and exit from a minority ownership interest in a sports franchise through a sale transaction will be subject to legal and contractual restrictions on transfer. In many cases, league approval of both the purchaser/ultimate investor and the terms of the transaction will be required, and the league may choose to reject a purchaser or the terms of a potential transaction without rights of appeal if it does not meet the league's criteria. In some cases, a league's vetting process begins before a prospective purchaser may be allowed to review marketing materials and requires comprehensive personal disclosure by the prospective purchaser. Approval of the purchaser and transaction terms may be subject to a vote by other sports franchise owners in the league. This league approval process not only creates the risk that a desired entrance or exit cannot be consummated but also may discourage certain prospective purchasers from pursuing transactions altogether, thereby suppressing the market for the Fund's minority interests. The approval of a sports franchise's controlling owner will also generally be required to consummate a sale transaction and such approval may be withheld by the controlling owner in certain circumstances.

### *Lack of Operating History*

The Fund and the Firm are newly formed entities that have not commenced operations and have no previous operating history or record of investments, or financial information from past operations which prospective investors can utilize in evaluating the Fund's current or future prospects.

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

In the past ten years, there have been no legal or disciplinary events involving either the Firm or any of its management persons that would be material to an investor's evaluation of the Firm's advisory business or integrity of its management.

## **Item 10.**

### **Other Financial Industry Activities and Affiliations**

The Firm's supervised persons may receive non-investment advisory compensation in their roles at GSP, GSP Finance LLC and GSP Securities LLC, an SEC-registered broker dealer and Financial Industry Regulatory Authority, Inc. ("FINRA") member ("GSP Securities" and together with GSP and GSP Finance, LLC, the "GSP Companies" and each a "GSP Company"), including compensation for securities related transactions in their roles at GSP Securities. GSP Securities and/or other GSP Companies may be engaged in various activities, including providing mergers and acquisitions advisory, equity capital raising or placement services to sports-related businesses (including sports franchises) and their owners, including in connection with the purchase and sale of both controlling and non-controlling ownership interests in such businesses, delivering non-securities advisory services, including general, venue-related and media rights-related financial advisory, capital restructuring, dispute resolution and consulting services to sports-related businesses (including sports franchises) and their owners and providing valuation services with respect to sports-related businesses (including sports franchises), including valuations of controlling and non-controlling ownership interests in those businesses (together, "Financial Advisory Services"). All of the Firm's management persons and representatives are registered representatives of GSP Securities. When appropriate, the Firm's supervised persons may receive compensation in their roles as registered representatives of GSP Securities. This conflict of interest may provide an incentive for supervised persons to perform activities based on the compensation to be received in connection with their roles with GSP Securities, rather than act solely in the best interests of the Fund.

The processes for managing these conflicts are described in the Fund's Governing Documents. In brief, during the Fund's investment period, any investment opportunity to purchase a direct or indirect ownership interest in an entity owning a sports franchise or other sports-related business, other than any pre-existing investment of an affiliate of the Firm (and, for the avoidance of doubt, excluding any opportunity to invest in debt instruments), that is presented to the Firm, any of the GSP Companies or any principal or employee of any GSP Company and that the Firm determines in good faith to be consistent with the investment objectives of the Fund shall be offered to the Fund before being offered to any other person or entity, subject to the availability of sufficient Fund capital to fund such investment opportunity. Notwithstanding the foregoing, any opportunity to invest in a sports-related business identified by any principal or employee of any of the GSP Companies through a third party request to engage GSP or GSP Securities to provide Financial Advisory Services in connection with the potential purchase of a sports franchise or sports-related business in the same entity shall not be offered to the Fund at any time during the term of such engagement, unless (A) the third party ultimately decides not to pursue the opportunity, (B) the third party pursues the opportunity with an advisor other than a GSP Company or (C) GSP or GSP Securities, as the case may be, declines to accept such engagement.

The Fund will not directly engage any of the GSP Companies to provide Financial Advisory Services to the Fund in connection with its investment activities. A portfolio company of the Fund and/or one or more of its other owners (including its controlling owner) may engage a GSP Company to provide Financial Advisory Services to it, and, in any such case, the Fund will bear its allocable share of fees paid to such GSP company by the portfolio company and/or its owners.

The Fund may pursue an opportunity to invest in a sports franchise or other sports related business at the same time that a GSP Company has been engaged by a third party to provide Financial Advisory Services in relation to an investment opportunity in the same company only to the extent that the size of the opportunity exceeds the amount that such third party is willing to invest. The provision of such Financial Advisory

Services by a GSP Company may be related to sports franchises or other sports related businesses in which the Fund has an existing ownership interest or one in which it seeks or may seek an ownership interest. In any case, where the Fund has an ownership interest in a sports franchise or other sports related business, and a GSP Company is engaged by such sports franchise or other sports related business and/or their owners to advise any of the foregoing on a sale of ownership interests in such sports franchise or other sports related business (including the Fund's ownership interest), the Fund will bear its allocable portion of any advisory fees paid to such GSP Company by the sports franchise or other sports related business and/or their owners. While GSP generally believes such advisory fees to be competitive with other market participants, GSP will not benchmark or engage in any market analysis to determine the adequacy of such fees. Such fees may ultimately be higher than other comparative fees in the market.

In addition, New York Private Bank & Trust ("NYPB&T"), a division of a New York state-chartered bank, and Sarasota Private Trust Company, LLC ("Sarasota"), a Florida state-chartered non-depository trust company, each of which is an affiliate of the Firm, will act as private placement agents authorized to solicit subscriptions from a select group of their respective clients and prospects. NYPB&T and Sarasota will be paid compensation based on the amounts of capital commitments placed by them. All such compensation will be paid by the Firm or paid or reimbursed by the Fund, and to the extent any such compensation is paid or reimbursed by the Fund, it will ultimately be borne by the Firm through an offset against the Advisory Fee.

Neither the Firm nor any of its management persons have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. None of the Firm's Funds are treated as commodity pools under the Commodity Exchange Act and the rules and regulations promulgated thereunder, as amended from time to time.



## **Item 11.**

### **Code of Ethics, Participation or Interests in Client Transactions and Personal Trading**

In accordance with Rule 204A-1 under the Advisers Act, the Firm has adopted a written Code of Ethics (the “Code”), which is designed to promote high ethical standards and reflect the Firm’s fiduciary duties and responsibilities to its Fund. The Code establishes the standard of business conduct that all supervised persons must follow and is designed to prevent prohibited acts and mitigate potential conflicts of interest between the Firm, its supervised persons and its Fund.

Under the Code, the Firm’s supervised persons must act in the best interests of the Fund to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with the Fund to the extent reasonably possible, and identify and manage conflicts of interest to the extent that they arise. The Firm’s supervised persons are also required to comply with applicable provisions of the federal securities laws and make prompt reports to the Firm or other appropriate party, including the Firm’s Chief Compliance Officer or their designees, of any actual or suspected violations of such laws by the Firm or its supervised persons.

In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading of the Firm’s supervised persons who are “access persons” of the Firm (as set forth in the rule and regulations under the Advisers Act). The Code prohibits access persons from engaging in personal trading in the securities of issuers on the Firm’s restricted list; generally prohibits purchasing securities in an initial public offering; requires preclearance before purchasing securities in a limited offering (i.e., a private placement); requires supervised persons to provide duplicate brokerage accounts statements and trade confirmations to the Firm or to report all securities transactions on at least a quarterly basis; and requires access persons to provide a summary of securities holdings on at least an annual basis. The Code also includes policies and procedures to prevent the misuse, disclosure or trading on the basis of material nonpublic information in breach of a duty (“insider trading”) and other misuses or disclosures of confidential information, as well as policies and procedures addressing conflicts of interest; outside activities of supervised persons; gifts and business entertainment, including limitations and reporting requirements; and pre-clearance and reporting of political contributions by covered associates of the Firm. The Fund or investors in the Fund may request a copy of the Firm’s Code at the number provided on the cover page of this Brochure.

Neither the Firm nor any related person recommends to the Fund, or buys or sells for the Fund, securities in which the Firm or any related person has a material financial interest. Neither the Firm nor any related person invests in the same securities that the Firm or any related person recommends to the Fund.

Neither the Firm nor any related person recommends securities to its Fund, or buys or sells securities for the Fund, at or about the same time the Firm or any related person buys or sells the same securities for their own accounts. In the future, the Firm may launch additional Funds with similar (or different) investment objectives as the current Fund. Such future Funds will not be able to invest with an investment objective primarily focused on making investments in MLB sports franchises unless certain conditions are met as outlined in the Governing Documents.

## **Item 12.**

### **Brokerage Practices**

Due to the nature of the Fund's strategy, which involves purchasing and selling minority interests in private companies, the Firm does not generally expect to utilize or select or recommend broker-dealers for executing the Fund investments, although it retains the authority to do so under the Fund's Governing Documents. As of the date of this filing, the Firm does not engage in soft dollar arrangements with broker-dealers or consider Fund referrals when selecting or recommending a broker-dealer; or engage in directed brokerage. The Firm does not currently permit Clients to direct brokerage arrangements. If, in the future, the Firm does utilize broker-dealers for transactions, this section will be updated accordingly.

As noted above, the investment advisory services provided by the Firm to the Fund are generally in relation to individual private investments, for which the aggregation of orders is not applicable.

The Fund will not execute, clear or settle with or through, or pay any commission on any transaction to GSP Securities. While the Firm and its affiliates will not act as broker or dealer with respect to the Fund, as noted in Item 10, where the Fund has an ownership interest in a sports franchise or other sports related business, and a GSP Company is engaged by such sports franchise or other sports related business and/or their owners to provide Financial Advisory Services to any of the foregoing on a sale of ownership interests in such sports franchise or other sports related business (including the Fund's ownership interest), the Fund will bear its allocable portion of any advisory fees paid to such GSP Company by the sports franchise or other sports related business and/or their owners.

### **Item 13.**

#### **Review of Accounts**

Certain of the Firm's supervised persons review the holdings of the Fund's portfolio formally, generally on a quarterly basis, as well as informally on a continuous and ongoing basis. The Fund will also have a board of managers (a "Board"). Each member of the Board will be a natural person and may, but need not, be an investor in the Fund. No more than one of the members of the Board may at any time be a director, officer or employee of the Firm or its affiliates (a "GSP Board Member"), and during any period when there are fewer than four persons serving as members of the Board and one of such persons is a GSP Board Member, the GSP Board Member will serve in a non-voting capacity. The Board will, among other things, review the performance of the Fund and review the calculation of all Advisory Fees and Carried Interest distributions. The Firm is closely involved in the monitoring of its investments, including, for example, by participating in meetings and management calls, reviewing annual and interim financial statements, to the extent received, and making ad hoc on-site visits, each as permitted by applicable league rules. Currently, the Firm does not utilize any specific criteria to trigger a review of the Fund's investments.

Written audited financial statements will be provided to investors in the Fund, generally within 120 days of the Fund's fiscal year end, or as soon as reasonably practicable thereafter. All underlying investors in the Fund will receive unaudited reports at least semi-annually and, typically, quarterly. The reports will outline the investment activities of the Fund and provide a summary of the Fund's portfolio investments. An annual report will be distributed which will, in addition to the information provided in the quarterly reports, provide the valuations of the underlying investments in the Fund's portfolio.

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

No one other than the Firm receives an economic benefit from the Fund for providing investment advice or other advisory services to the Fund, unless otherwise disclosed in this brochure and/or the Governing Documents of the Fund, where applicable.

As described in the Fund's Governing Documents, the Firm may engage unaffiliated third parties to refer investors who may invest in the Fund. In addition, from time to time, as noted in Item 10, in the context of organizing a Fund, the Firm has engaged NYPB&T, a division of Emigrant Bank, and Sarasota, each an affiliate of GSP, for referrals and/or introductions of investors to the Fund. Emigrant Bank and Sarasota are subsidiaries of Emigrant Bancorp and under common control with the Firm. Please see Item 4 for a description of GSP's relationship to Emigrant Bancorp.

## **Item 15.**

### **Custody**

The Firm does not maintain physical custody of its Fund's assets and all cash and any securities for the Fund required to be held by qualified custodians are held in custody by independent qualified custodians.

However, the Firm has access to the Fund's accounts and is thus deemed to have custody of such assets under Rule 206(4)-2 of the Advisers Act (the "Custody Rule"). Accordingly, the Firm adheres to the applicable requirements of the Custody Rule with respect to the Fund for which it or an affiliate serves as a managing member. The Firm arranges for an independent accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board to independently audit the Fund on an annual basis. The audited financial statements are prepared in accordance with generally accepted accounting principles in the United States of America and are generally expected to be distributed to all investors within 120 days of the end of the Fund's fiscal year.

**Item 16.****Investment Discretion**

The Firm has full discretionary authority to manage the assets of the Fund, subject to limitations set forth in the Fund's Governing Documents. The Firm is granted power of attorney over the Fund's assets by the Fund's Governing Documents, including the right to pursue an investment program in its discretion, subject to certain limitations set forth in the Fund's Governing Documents. When selecting investments and determining amounts, the Firm adheres to the limitations and restrictions of the Fund to which it provides investment advice.

## **Item 17.**

### **Voting Client Securities**

The Firm's investment strategy typically does not involve the acquisition of securities with voting authority. In the unlikely event that the Fund does come into possession of securities with voting rights, the Firm will have the authority to vote proxies and will do so in the best interest of the Fund.

Given the Fund's investment strategy is expected generally to be aligned with a company's management team, for portfolio investments, the Firm will vote in line with company management when voting such proxies. The Firm reserves the right; however, to vote against management, or abstain from voting, if, in its discretion, the Firm determines that it would be in the best interest of the Fund to do so. Occasions may arise in which the Firm is required to vote a proxy while having a conflict of interest with the Fund. The Firm has adopted policies and procedures reasonably designed to ensure that the Firm votes proxies in the best interest of its Clients and to manage any conflicts of interest that may arise in connection with the voting of proxies. Clients may obtain information about how proxies were voted or a copy of the Firm's proxy voting policies by contacting the Firm at the number listed on the cover page of this brochure.

**Item 18.****Financial Information**

The Firm does not require or solicit prepayment of fees or other compensation from the Fund six months or more in advance. The Firm does not believe any financial conditions currently exist that are reasonably likely to impair its ability to meet contractual or other commitments to the Funds, and it has not been the subject of a bankruptcy petition at any time during the past ten years.