

Item 1: Cover Page



Next Coast Ventures, LLC

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Investment Adviser Firm Brochure
(ADV Part 2A of Form ADV)

March 25, 2024

This Brochure provides information about the qualifications and business practices of Next Coast Ventures, LLC (“Next Coast”, “We” or the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at (512) 370-2242. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

The designation “registered investment adviser” does not imply a certain level of skill or training. Additional information about Next Coast Ventures, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov

Item 2: Material Changes

Next Coast Ventures, LLC is amending its Brochure to reflect updates since its last update on March 29, 2023. Since the last update, there have been no material changes.

Recipients of the Brochure are encouraged to read the Brochure carefully in its entirety.

Next Coast will send clients either an updated Brochure or a summary of any material changes to this and subsequent Brochures on at least an annual basis. Clients are encouraged to read the Brochure in detail and contact the Firm with any questions. The latest version of the Brochure can be accessed via the SEC website at www.adviserinfo.sec.gov, or by requesting a copy by contacting Next Coast's Chief Operating Officer at (512) 370-2242.

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Item 4: Advisory Business

For purposes of this Brochure, the “Adviser” or “Next Coast” means Next Coast Ventures, LLC, a Delaware limited partnership formed in 2016. The principal owners of Next Coast are Thomas Ball and Michael Smerklo.

Next Coast provides investment management and advisory services to venture capital funds and other privately-offered funds (each a “Fund” or “Client”, together, the “Funds” or “Clients”) pursuant to investment management or investment advisory agreements (each, an “Investment Advisory Agreement”) between each Fund and the Adviser. The general partner or equivalent of each Fund is, or will be, an affiliate of the Adviser (each a “General Partner” or “Affiliate”). The Adviser and its Affiliates operate in accordance with the terms set forth in the limited partnership agreement (together with the Investment Advisory Agreement, Partnership Agreement, Private Placement Memorandum and, as applicable, any side letter agreements negotiated with investors in an applicable Fund, the “Fund Governing Documents”) of such Fund, which includes specific information concerning the operation and management of each Fund. The Adviser has the authority to recommend all investment decisions for each Fund, subject to compliance with the investment criteria set forth in a Fund’s Governing Documents of the relevant Fund.

Next Coast does not sponsor or participate in wrap fee programs.

As of December 31, 2023, Next Coast had \$403,062,672 in discretionary regulatory assets under management. Next Coast does not manage any non-discretionary assets.

Item 5: Fees & Compensation

As compensation for investment supervisory services rendered to the Funds, Next Coast receives an asset-based management fee (“Management Fee”) and a share of a Fund’s distributions to its investors (a performance fee, or “carried interest”). In addition, a Fund may be subject to carried interest distributions. The fees and expenses associated with investments in each Fund are described in detail in the Fund’s respective Governing Documents. It is critical that all Fund investors refer to the applicable Fund’s Governing Documents for a complete understanding of how the Adviser and its affiliates are compensated for advisory services.

Next Coast may, in its sole discretion, manage other funds or accounts with higher or lower fees, different fee structures and different expense payment arrangements than the Funds. Further, the General Partner, in its sole discretion, may agree with a Limited Partner to waive or modify the application provisions of each Funds’ Governing Documents, including the fees charged, with respect to such Limited Partner, without obtaining the consent of any other Limited Partner.

- A. *Management Fee.* The Adviser is generally entitled to compensation that is calculated as a specified quarterly percentage rate (as detailed in the respective Fund’s Governing Documents) of the aggregated capital commitments of the Limited Partners, which is payable quarterly in advance. Management Fee installments for any period other than a full quarterly period shall be adjusted on a pro rata basis according to the actual number of days elapsed. Additionally, the management fee may be subject to certain offsets which include, (i) private placement fees paid by the Funds in connection with the formation and organization of the Funds, (ii) the amount of any cashless contributions made by a General Partner, and (iii) the amount of any cash or other compensation paid as directors, consulting, management service, advisory, consultant, transaction, commitment, breakup or broken deal fees or similar fees a General Partner or certain of its affiliates, by or in connection with an existing or prospective portfolio company.
- B. *Carried Interest.* While certain factors that influence the amount the Adviser is entitled to receive vary in material ways from Fund to Fund, the Adviser is generally entitled to receive a portion of the proceeds from the disposition of a Fund’s investments, together with any dividends, distributions or interest earned on such investments. In a typical Fund, such proceeds are distributed (1) first, to the Limited Partners in an amount equal to such Limited Partner’s aggregate capital contributions to date and (2) second, eighty percent (80%) to the Limited Partners and twenty percent (20%) to the General Partner until the aggregate net amount allocated with respect to such Limited Partners’ share is equal to two times the sum of (a) the amounts distributed in clause (1) and (b) such Limited Partners’ Capital Commitment.

In addition, based on the performance of the partnership, the carried interest due to the General Partner may increase beyond the initial 20% as a result of achieving certain performance benchmarks as disclosed in each Fund’s respective Governing Documents.

Management Fees and Carried Interest are deducted directly from Fund assets and paid to the Adviser or its affiliates in the same manner and frequency specified above.

The Funds will be responsible for all other expenses of the Funds and the General Partner, including, but not limited to, expenses incident to the organization of a Fund and the General, costs incurred in the investigation, purchase, holding or sale of securities (whether or not such purchases or sales are ultimately consummated), and all legal, audit, accounting, consulting, registration, insurance, indemnification and partner communications and meetings expenses, financial fees and any extraordinary expenses of the Funds. (collectively, “**Fund Expenses**”).

All Fund Expenses will reduce the returns earned by Limited Partners and a substantial net performance of a Fund is required in order to even cover the substantial costs incurred in connection with investment structure. Fees and expenses generally will be paid regardless of whether a Fund produces positive investment returns. More information about a Fund’s fees and expenses are found in the Funds’ Governing Documents.

Neither Next Coast nor any of our officers or employees accepts any compensation for the sale of securities or other investment products.

Item 6: Performance-Based Fees & Side-By-Side Management

Next Coast will receive performance-based fees as part of its advisory compensation. A performance fee arrangement is a method of compensation where the adviser receives a percentage of the appreciation of the assets under management. The payment of performance fees is a common method of compensation in the private fund and venture capital industry. Next Coast only receives a performance fee when specific events occur, such as a Fund's sale of an investment or other instances set forth in the Funds' Governing Documents.

We believe that our receipt of performance-based fees creates a strong and direct alignment of interest with our Funds because both Next Coast and our Funds will directly benefit from enhanced performance. In view of the nature of venture capital investments and the long holding periods before gains are realized, it may be years before Next Coast receives a performance-based fee, if any.

Our receipt of performance-based fees gives us an incentive to maximize investment returns by making investments that may be subject to greater risk than would otherwise be the case if Next Coast were not receiving performance-based compensation. Additionally, we have an incentive to favor Funds that pay higher performance-based fees by investing in more potentially profitable investments for these Funds or devoting more time and resources to them. We seek to mitigate this conflict through disclosure in this Brochure.

Item 7: Types of Clients

Next Coast and its affiliates provide investment advisory services to venture capital funds and other privately offered funds. Applicable minimum capital commitments for a Fund or each investor in a Fund is set forth in the Funds Governing Documents and other documents provided to eligible prospective investors. Interests in the Funds are offered only to persons that are (i) “accredited investors,” as defined in Regulation D under the Securities Act or (ii) either “qualified purchasers” or “knowledgeable employees,” each as defined in the Investment Company Act of 1940, as amended, and the rules thereunder.

Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

Methods and Strategies

The Adviser seeks to make meaningful, long-term investments in compounding technology business built in emerging geographic innovation hubs (i.e., “Next Coast” markets). The Adviser is focused on acquiring interests in companies in the emergent stage where we believe discrete value inflection points exist, and where we can apply our company building methodology. Generally speaking, the Adviser views the emergent stage being where a company has developed some degree of product market fit and is now experiencing the challenges of scaling the business. The Adviser utilizes its thematic research process which provides a data-driven approach to picking category winners and look to partner with “glass eating” entrepreneurs who are building high growth, disruptive companies in the Adviser’s target markets. The Adviser also focuses on Entrepreneurship Through Acquisition (“ETA”). Through ETA, the Adviser invests in future CEOs, helping them fund, run and grow a successful business, including leveraging technology, with the goal of delivering outsized returns in the lower to middle-market.

Risks

An investment in a Fund involves a high degree of risk. There can be no assurance that a Fund’s investment objectives will be achieved, or that an investor will receive a return of its capital. In addition, there will be occasions when the Adviser and its affiliates may encounter actual and potential conflicts of interest in connection with a Fund. The following considerations, among others, should be carefully evaluated before making an investment in a Fund.

Risks Relating to A Fund’s Investment Objective and Strategy

RISK INHERENT IN VENTURE CAPITAL AND PRIVATE EQUITY INVESTMENTS.

The types of investments that a Fund anticipates making involve a high degree of risk. In general, financial and operating risks confronting portfolio companies can be significant. While targeted returns should reflect the perceived level of risk in any investment situation, there can be no assurance that a Fund will be adequately compensated for risks taken. A loss of principal is possible. The timing of profit realization is highly uncertain. Losses are likely to occur early, while successes often require a long maturation.

Early-stage and development-stage companies often experience unexpected problems in the areas of 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. The percentage of companies that survive and prosper can be small.

Investments in more mature companies in the expansion or profitable stage involve substantial risks. The companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire a business 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.

INVESTMENTS IN UNSEASONED COMPANIES. A Fund may invest its assets in privately held companies with limited histories of profit and stability. These companies may require considerable additional capital to develop technologies and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or on acceptable terms. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Portfolio companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage.

INVESTMENT IN COMPANIES DEPENDENT UPON NEW SCIENTIFIC DEVELOPMENTS AND TECHNOLOGIES. The Adviser plans to focus a portion of its investing on technology companies. The specific risks faced by technology companies include:

- rapidly changing science and technologies;
- products or technologies that may quickly become obsolete;
- exposure, in certain circumstances, to a high degree of federal, state, and local government regulation, making these companies susceptible to changes in government policy, regulation, coverage, and/or failures to secure, or unanticipated delays in securing, government regulatory approvals;
- difficulty of manufacturing certain products on a large scale or marketing such products economically;
- inability to market products due to the proprietary rights of competitors;
- 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).

INVESTMENT HYPOTHESIS. The Adviser's investment hypothesis may not be correct.

CHANGES IN LAW, REGULATIONS AND ADMINISTRATIVE PRACTICES. Changes in legal, tax and regulatory laws, regulations or administrative practices may occur during the term of a Fund that may have an adverse effect on a Fund, its investments, its access to investment opportunities, its Limited Partners, the General Partner and/or the Adviser. For example, a Fund may expect to make investments in a number of different industries, some of which are or may become subject to regulation by one or more U.S. federal agencies and by various agencies of the states, localities and counties or agencies of other countries and jurisdictions in which a Fund or the Portfolio Companies operate. New and existing regulations, changing regulatory requirements and the burdens of regulatory compliance all may have a material negative impact on the performance of portfolio companies that operate in these industries. Neither a General Partner nor the Adviser can predict whether new legislation or regulation governing those industries will be enacted by legislative bodies or governmental agencies, nor can either of them predict what effect such legislation or regulation might have. There can be no assurance that new legislation or regulations, promulgated, including changes to existing laws and regulations, in countries where a

Fund invests will not adversely affect a Fund, its portfolio investments or a Fund's investment performance.

FOREIGN INVESTMENTS. A Fund may invest in companies that are based outside of the United States or the operations of which are primarily outside of the U.S. Any investment in a foreign country involves risks not found in the domestic securities market, including the following: the risk of economic and financial instability in the foreign country, which in some cases may include a collapse in credit markets, stock prices, currencies and/or consumer spending; the risk of adverse social and political developments, including nationalization, confiscation without fair compensation, political and social instability and war; the risk that the foreign country may impose restrictions on the repatriation of investment income or capital or on the ability of foreign persons to invest in certain types of companies, assets or securities; risks related to the possible lack of availability of sufficient financial information as a result of accounting, auditing, and financial disclosure standards that differ, in some cases significantly, from those in the United States; risks related to foreign laws and legal systems, which are likely to differ from those of the United States, including in particular the laws with respect to the rights of investors which may not be as comprehensive or well developed as those in the United States and the procedures for the judicial or other enforcement of such rights which may not be as effective as in the United States; risks related to the fact that some investments may be denominated in foreign currencies and, therefore, will be subject to fluctuations in exchange rates; and risks related to applicable tax laws and regulations and tax treaties, which are likely to vary from country to country and may be less well developed than those in the United States, possibly resulting in retroactive taxation so that a Fund could become subject to an unanticipated local tax liability.

FOREIGN EXCHANGE RISKS. Contributions to a Fund and distributions from a Fund will be denominated in U.S. dollars while investments may be denominated in various other currencies. As a result, the profits or losses of a Fund on any investment, as measured in U.S. dollars, will be affected by fluctuations in currency exchange rates and exchange control regulations as well as by the success of the investment itself. In addition, a Fund may incur costs in connection with conversions between various currencies. The Funds do not presently intend to seek to reduce currency risks through "hedging" or other methods.

LEVERAGE EMPLOYED BY PORTFOLIO COMPANIES. To the extent that any investment is made in a portfolio company with a leveraged capital structure or any portfolio company borrows or enters into other financing transactions requiring periodic payments, such investment will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such company or its industry. If such a company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of any equity investment by a Fund in such company could be significantly reduced or even eliminated.

MINORITY INVESTMENTS. A Fund's investments represent minority stakes in privately held companies. In addition, during the process of exiting investments, a Fund may hold minority equity stakes if portfolio holdings are taken public. As is the case with minority holdings in general, such minority stakes that a Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. A Fund may also invest in

companies for which a Fund has no right to appoint a director or otherwise exert significant influence. In such cases, a 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 a Fund is not affiliated and whose interests may conflict with the interests of a Fund. Additionally, a Fund may have limited ability to protect its position in such portfolio companies.

Although it is expected that appropriate rights generally will be sought to protect a Fund's interests, to the extent possible, there can be no assurance that such minority shareholder rights will be available. The Adviser expects to make investments in companies that have incurred or are permitted to incur indebtedness, or that may issue equity securities that rank senior to a Fund's investment. By their terms, such instruments may provide that their holders are entitled to receive payments of dividends, interest or principal on or before the dates on which payments are to be made in respect of a Fund's investment. In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a company in which an investment is made, creditors or holders of securities ranking senior to a Fund's investment in such portfolio company typically would be entitled to receive payment in full before distributions could be made in respect of a Fund's investment. After repaying creditors and senior security holders, the company's remaining assets may not be sufficient for repayment of amounts owed in respect of a Fund's investment. To the extent that any assets remain, holders of claims that rank equally with a Fund's investment would be entitled to share on an equal and ratable basis in distributions that are made out of those assets.

SUBSTANTIAL POSITIONS IN PORTFOLIO COMPANIES. From time to time a Fund may acquire positions in the securities of particular companies that, by itself or when combined with positions held in other investment funds and vehicles sponsored, managed and/or otherwise advised by a General Partner and its affiliates, comprise a substantial percentage of those companies' outstanding securities. A General Partner, its affiliates and/or a Fund may be required to file with regulatory authorities reports of beneficial ownership of securities. In these cases, it may be difficult to liquidate or reduce a Fund's position in these securities at all or at favorable prices, preventing a Fund from realizing profit or avoiding loss. In addition, there may be other circumstances under which the aggregate holdings of a security by a Fund and other accounts sponsored, managed and/or otherwise advised by the Adviser and its affiliates, or the involvement of a General Partner and/or its affiliates with the issuer of that security, limit a Fund's ability to liquidate or reduce its position at all or at favorable prices. A Fund and its affiliates may at times attempt to influence management of a particular company or exercise control of a company.

BRIDGE FINANCING. A Fund may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in a Fund's control, such long-term securities may not issue and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by a Fund.

PROJECTIONS. Projected operating results of a portfolio company in which a Fund invests normally will be based primarily on financial projections prepared by each portfolio company's management team. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the

results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

LACK OF INFORMATION FOR MONITORING AND VALUING A FUND'S ASSETS.

Generally, there will be no readily available market for a substantial number of a Fund's investments and hence, most of a Fund's investments will be difficult to value. Despite the Adviser's efforts to acquire sufficient information to monitor certain of investments and make well-informed valuation and pricing determinations, the Adviser may only be able to obtain limited information at certain times and, in some cases, may not be able to obtain information beyond the information that is publicly available. It is possible that the Adviser may not be aware on a timely basis of material adverse changes that have occurred with respect to certain of its investments. The value of a Fund's assets could be significantly negatively affected by any such event. Further, the Adviser will have to make valuation determinations without the benefit of an adequate amount of relevant information. An investor should be aware that as a result of these difficulties, as well as other uncertainties, any valuation made by the Adviser may not represent the fair market value of the securities acquired by a Fund.

LIMITATIONS ON ABILITY TO EXIT INVESTMENTS. The Adviser expects to exit from investments in three principal ways: (i) open market or private sales, (ii) acquisition of a portfolio company by another entity through merger, stock purchase, recapitalization or similar transactions, and (iii) initial and secondary public offerings. At any particular time, one or more of these avenues may not be open to a Fund, or timing with respect to these exit mechanisms may be inopportune. As such, the ability to exit from and liquidate portfolio holdings may be constrained at any particular time.

ABSENCE OF LIQUIDITY AND PUBLIC MARKETS FOR PRIVATE INVESTMENTS.

Many of a Fund's investments will be private, illiquid holdings. As such, there will be no public markets for these securities held by a Fund and no readily available liquidity mechanism at any particular time for these investments held by a Fund. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Because the markets for such securities are still evolving, liquidity in these securities is limited and liquidity with respect to lower-rated and unrated subordinated classes may be even more limited.

VOLATILITY OF PUBLIC MARKETS. The public market for technology companies and private equity backed companies is extremely volatile. Such volatility may adversely affect the development of portfolio companies, the ability of a Fund to dispose of investments, and the value of investment securities on the date of sale by a Fund. In particular, the receptiveness of the public market to a Fund's portfolio companies may vary dramatically from period to period, and an otherwise successful portfolio company may yield poor investment returns if a Fund is unable to dispose of such securities due to lack of liquidity or a protracted depression in the stock price of the company. There can be no assurance that a Fund's investments will be profitable, and there is a substantial risk that a Fund's losses and expenses during any period will exceed its income and

gains. In addition, securities exchanges can suspend or limit trading in any instrument traded on the exchange. A suspension could render it impossible for the Adviser to liquidate positions and expose a Fund to losses.

SECURITIES LAW RESTRICTIONS ON TRADING. A Managing Principal, member, officer, employee or other representative of an affiliate of a Fund may serve as a director of a portfolio company. As a result, a Fund (through its representatives or otherwise) may receive or be deemed to receive information that would restrict its ability to cause a Fund to buy or sell securities of a company for substantial periods of time when profit could otherwise be realized or loss avoided, which may adversely affect a Fund's buying or selling securities. In addition, the ability of a Fund to execute trades in securities of these companies may also be restricted by securities laws, including but not limited to Section 16 of the Securities Exchange Act of 1934, and Rule 144 promulgated under the Securities Act, as a result of the board participation or extent of ownership by a Fund and affiliated persons.

CONTINGENT LIABILITIES ON DISPOSITION OF INVESTMENTS. In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. A Fund may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which a General Partner may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires, and such amounts may not ultimately be distributed.

DISTRIBUTIONS IN KIND. A General Partner may distribute the proceeds of certain of a Fund's investments in kind. Any such distribution could put downward pressure on the price of the issuer's securities. In addition, a Limited Partner that receives assets other than cash from a Fund may incur costs and delays in converting those assets into cash.

RELIANCE ON THE GENERAL PARTNER. The General Partner will have sole discretion over the investment of the funds committed to a Fund as well as the ultimate realization of any profits. As such, the pool of funds in a Fund represents a blind pool of funds. Investors in a Fund will be relying on the General Partner to conduct the business as contemplated by this document. The loss of any individual principal of the General Partner could have a significant adverse impact on the business of a Fund. No assurances can be given that each of the principals will continue to be affiliated with a Fund throughout its terms.

LIMITED PORTFOLIO DIVERSIFICATION. As is typical of venture capital and growth equity firms, the portfolio holdings of a Fund will not be broadly diversified. In addition, if the General Partner is unable to raise sufficient capital commitments to a Fund, the diversification of the portfolio holdings of a Fund will be further limited. A downturn of the economy or in the business of any one company could impact the aggregate returns delivered to the investor by a Fund. To the extent a Fund concentrates investments in a particular issuer, industry, security or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto.

Fund Risks

RELIANCE ON THE GENERAL PARTNER AND THE MANAGING PRINCIPALS. The General Partner of a Fund will have sole discretion over the investment of the funds committed to a Fund as well as the ultimate realization of any profits. The Limited Partners will not make decisions with respect to the management, disposition or other realization of any investment made by a Fund, or other decisions regarding a Fund's business and affairs. The Limited Partners will not receive the detailed financial information issued by portfolio companies that will be available to a Fund. Accordingly, the Limited Partners will not have the opportunity to evaluate the relevant economic, financial and other information that will be utilized by the General Partner in its selection of investments. As such, a Fund represents a blind pool of funds. Investors in a Fund will be relying on the General Partner to conduct the business as contemplated by this document. The success of a Fund is significantly depending upon the expertise of the professionals of the General Partner, in particular the managing principals, C. Thomas Ball and Mike Smerklo, with respect to venture capital investments and Anthony Walker and Dustin Sellers with respect to ETA investments. The loss of any individual investment professional associated with the General Partner could have a significant adverse impact on the business of a Fund. No assurances can be given that the Managing Principals and other investment professionals associated with the General Partner will continue to be affiliated with a Fund throughout its term. Notwithstanding any prior experience that a Managing Principal may have in making investments of the type expected to be made by a Fund, any such experience necessarily was obtained under different market conditions and with different technologies at the forefront of development. There can be no assurance that any Managing Principal and/or the General Partner will be able to duplicate prior levels of success.

NO ASSURANCE OF RETURNS. There can be no assurance that the Limited Partners will receive distributions from a Fund in an amount equal to their investment in a Fund. The timing of profit realization is highly uncertain. The General Partner expects the initial expenses of a Fund to result in initial losses for a Fund. A Fund will pay Management Fees and various other fees and expenses related to its ongoing operations regardless of whether or not a Fund's investment activities are profitable. These fees and expenses will require that a Fund's investment activities generate sufficient revenues in excess of these expenses in order to become profitable.

FUTURE AND PAST PERFORMANCE. The performance of other funds is not necessarily indicative of a Fund's future results. Notwithstanding any prior experience that the Managing Principals may have in making investments of the type expected to be made by a Fund, any such experience necessarily was obtained under different market conditions and with different technologies at the forefront of development. There can be no assurance that the Managing Principals will be able to duplicate prior levels of success. While the Adviser intends for a Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurance that targeted results will be achieved. Loss of principal is possible on any given investment.

COMPETITIVE MARKETPLACE. The marketplace for venture capital and private equity investing has become increasingly competitive. Involvement by financial intermediaries has increased, substantial amounts of funds have been dedicated to making investments in the private

sector and the competition for investment opportunities is at high levels. Some of a Fund's potential competitors may have greater financial and personnel resources and greater access to search fund opportunities than the General Partner. There can be no assurances that the Adviser will locate and be able to invest in an adequate number of attractive investment opportunities. To the extent that a Fund experiences increased competition for investments, returns to investors could be negatively impacted.

CHANGING ECONOMIC CONDITIONS. The success of a the Adviser's investment strategy could be significantly impacted by changing external economic conditions in the United States and global economies. The stability and sustainability of growth in global economies may be impacted by terrorism or acts of war. The availability, unavailability, or hindered operation of external credit markets, equity markets and other economic systems which a Fund may depend upon to achieve its objectives may have a significant negative impact on a Fund's operations and profitability. There can be no assurance that such markets and economic systems will be available or will be available as anticipated or needed for a Fund to operate successfully. Changing economic conditions could potentially adversely impact the valuation of portfolio holdings.

DOWNTURN IN ECONOMY MAY IMPACT THE NUMBER OF COMPANIES AVAILABLE TO SEARCH FUNDS FOR ACQUISITION. If economic conditions deteriorate, certain business owners may be unwilling to sell their companies until conditions improve. A significant reduction in the number of companies willing to consider a sale could negatively impact the ability of search fund principals to identify quality acquisition opportunities, thereby reducing the number of investment opportunities for a Fund.

COVID-19; OTHER EPIDEMICS AND NATURAL DISASTERS. The ongoing spread of COVID-19 has had, and will likely continue to have, a material adverse impact on the global economy, as cross-border commercial activity and market sentiments are increasingly impacted by the outbreak and governmental and other measures that seek to contain its spread (including border closures, travel restrictions and quarantine measures). The operations of the Adviser (including those relating to a Fund) could be adversely impacted by COVID-19, including through quarantine measures and travel restrictions imposed on the firm's personnel or service providers, or related health issues of such personnel or service providers. Furthermore, natural disasters (including, without limitation, earthquakes, floods, typhoons, drought, heat waves or forest fires) and other epidemics could adversely affect the economy, infrastructure and livelihood of people in the United States and other countries where a Fund makes investments during the term of a Fund, which could result in corresponding material adverse impacts on the businesses of a Fund's portfolio companies. Any of the foregoing events could also materially and adversely affect a Fund's ability to source, manage and divest its investments and its ability to fulfil its investment objectives.

MINORITY INVESTMENTS. Many of the investments are expected to be minority stakes. Even where a Fund takes more substantial positions in portfolio companies, during the process of exiting investments, a Fund may hold minority equity stakes at the time that it seeks to dispose of its interests in such companies. As is the case with minority holdings in general, such minority stakes that a Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. A Fund may also invest in companies

for which a Fund has no right to appoint a director or otherwise exert significant influence. In such cases, a 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 a Fund is not affiliated and whose interests may conflict with the interests of a Fund.

FUND EXPENSES. In addition to the Management Fee, a Fund will generally pay and bear all expenses related to its operations that are not reimbursed by portfolio companies. Limited Partners will indirectly bear these expenses in accordance with the terms of the respective Partnership Agreement. The amount of these Fund expenses will be substantial and will reduce the actual returns realized by Limited Partners on their investment in a Fund (and will, absent sufficient recycling of capital, reduce the amount of capital available to be deployed by a Fund in investments). Fund expenses include recurring and regular items, as well as extraordinary expenses for which it may be difficult to budget or forecast. As a result, the amount of Fund expenses ultimately called or called at any one time may exceed expectations. Expenses to be borne by the General Partner (or Adviser) in connection with the management of a Fund are limited to those items specifically enumerated in the respective Partnership Agreement.

From time to time, the General Partner or the Adviser will be required to decide whether costs and expenses are to be borne by a Fund, on the one hand, and other vehicles advised or managed by the General Partner, the Adviser or any of their respective affiliates, on the other hand. The General Partner will allocate such fees and expenses in a manner it believes in good faith to be fair and equitable, but in its reasonable discretion.

Certain expenses are borne by portfolio companies, or, if borne by the General Partner or the Adviser, are reimbursed by a Fund and/or portfolio companies of a Fund, and in some cases the General Partner or the Adviser may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

Although it is not expected to be material, the General Partner may cause a Fund to pay for the transfer expenses of certain transfers of limited partnership interests instead of seeking reimbursement from the transferring parties.

NO ASSURANCE OF ADDITIONAL CAPITAL FOR INVESTMENTS. After a Fund has financed a company, continued development and marketing of products may require that additional financing be provided. The Adviser expects to invest in companies that have substantial capital needs that are typically funded over several stages of investment. No assurance can be made that such additional financing will be available and no assurance can be made as to the terms upon which such financing may be obtained. Alternatively, a Fund, either directly or through one of its portfolio companies, may elect to sell developed or undeveloped technology to existing companies. No assurance can be made that buyers for such technology can be located.

INTEGRATION OF SEARCH FUND PRINCIPALS WITH EXISTING MANAGEMENT IN ACQUIRED COMPANIES. Upon the completion of an ETA acquisition, the search fund principal(s) will assume executive management roles within the acquired business. There can be no assurance that they will successfully integrate with the existing management team at the acquired company. If search fund principals are unable to integrate with the acquired company's existing

management team, the company's management team may cease to be able to manage the company effectively. In addition, such integration issues could lead to the loss of key members of the management team. Any such management issues or losses of key personnel could materially adversely affect the performance of an acquired company.

INEXPERIENCE OF SEARCH FUND PRINCIPALS. Many search fund principals in ETA investments lack professional experience in executive management roles prior to taking a leadership position in an acquired company. Managing a growing company is difficult, and this lack of experience on the part of search fund principals could negatively impact their ability to successfully manage the acquired business.

RESERVES. As is customary in the industry, the General Partner may establish reserves for follow-on investments by a Fund in portfolio companies, operating expenses (including the Management Fee), Fund liabilities, and other matters. Estimating the appropriate amount of such reserves is difficult, especially for follow-on investment opportunities, which are directly tied to the success and capital needs of portfolio companies. Inadequate or excessive reserves could impair the investment returns to the Limited Partners. If reserves are inadequate, a Fund may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or other punitive terms associated with "pay-to-play" or similar provisions. If reserves are excessive, a Fund may decline attractive investment opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts. A Fund may establish reserves for future liabilities, including legal fees and indemnification expenses. The establishment of such reserves may be a divergence from GAAP. Any such reserve would reduce withdrawal proceeds otherwise payable to a Limited Partner. The establishment of such reserves will not insulate any portion of a Fund assets from being at risk, and such assets may still be traded by a Fund.

BRIDGE FINANCING. A Fund may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in a Fund's control, such long-term securities may not issue and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by a Fund.

LEVERAGE. To the extent that any investment is made in a portfolio company with a leveraged capital structure or any portfolio company borrows or enters into other financing transactions requiring periodic payments, such investment will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such company or its industry. If such a company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of any equity investment by a Fund in such company could be significantly reduced or even eliminated.

LIMITATIONS ON ABILITY TO EXIT INVESTMENTS. The Adviser expects to exit from its investments in three principal ways: (i) open market or private sales, (ii) acquisition of a portfolio company by another entity through merger, stock purchase, recapitalization or similar transactions, and (iii) initial and secondary public offerings. At any particular time, one or all of

these avenues may not be open to a Fund, or timing with respect to these exit mechanisms may be inopportune. As such, the ability to exit from and liquidate portfolio holdings may be constrained at any particular time.

NO MARKET; LIMITED RIGHT OF WITHDRAWAL. The interests in a Fund will be issued in reliance upon certain exemptions from registration or qualification under applicable U.S. federal and state securities laws and, accordingly, will be subject to certain restrictions on transferability. There will be no public market for the interests, and none is expected to develop. In addition, withdrawals will generally not be permitted. Accordingly, the interests constitute illiquid investments and should only be purchased by persons that are able to bear the risk of their investment for an indefinite period of time.

SECURITIES LAW RESTRICTIONS ON TRADING. A Managing Principal, member, officer, employee or other representative of an affiliate of a Fund may serve as a director of a portfolio company. As a result, a Fund (through its representatives or otherwise) may receive or be deemed to receive information that would restrict its ability to cause a Fund to buy or sell securities of a company for substantial periods of time when profit could otherwise be realized or loss avoided, which may adversely affect a Fund's buying or selling securities. In addition, the ability of a Fund to execute trades in securities of these companies may also be restricted by securities laws, including but not limited to Section 16 of the Securities Exchange Act of 1934, and Rule 144 promulgated under the Securities Act, as a result of the board participation or extent of ownership by a Fund and affiliated persons.

POTENTIAL LIABILITIES. In connection with some of its investments, a Fund may negotiate the right to appoint one or more of the principals of the General Partner as a member of the portfolio company's board of directors. Such membership on the board of directors of a company has resulted in the past and can result in the future in a Fund and/or the individual director being named as a defendant in litigation and may further reduce the liquidity of a Fund's investments in such portfolio company. Portfolio companies may not have insurance to protect directors and officers, or this insurance may be inadequate. A Fund will also indemnify the General Partner and its principals, among others, for liabilities incurred in connection with operations of a Fund, including liabilities arising from such suits. Such indemnification obligations and other liabilities could be substantial. While the General Partner intends to manage a Fund in a way that will minimize exposure to these risks, the possibility of successful claims or lawsuits or adverse regulatory action cannot be eliminated, and such events could have significant adverse effects on a Fund.

LIMITATIONS ON LIABILITY OF LIMITED PARTNERS. The Funds have been organized as limited partnerships. Accordingly, a Limited Partner of a Fund will not be personally liable (in its capacity as such) for the debts of a Fund except that Limited Partners may, under applicable law, be obligated to repay amounts previously received by them to the extent such amounts are deemed to have been wrongfully distributed to them or as otherwise required by the Partnership Agreement. A Limited Partner will also be required to fund its capital commitment and to make payments in connection with any default thereon, and to pay withholding taxes or other tax liabilities paid or incurred by a Fund on behalf of a Limited Partner in accordance with the terms of the Partnership Agreement.

CONTINGENT LIABILITIES ON DISPOSITION OF INVESTMENTS. In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. A Fund may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the General Partner may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires.

ABSENCE OF LIQUIDITY AND PUBLIC MARKETS FOR PRIVATE INVESTMENTS. Some of a Fund's investments will be private, illiquid holdings. As such, there will be no public markets for these securities held by a Fund and no readily available liquidity mechanism at any particular time for these investments held by a Fund. In addition, the realization of value from any such investments will not be possible or known with any certainty until the General Partner elects, in its sole discretion, to sell a Fund's investments and subsequently distribute the proceeds to its investors or to distribute securities to investors in lieu of cash.

NO MARKET; ILLIQUIDITY OF PARTNERSHIP INTERESTS. An investment in a Fund will be illiquid and involves a high degree of risk. There is no public market for limited partnership interests in a Fund, and it is not expected that a public market will develop. Consequently, Limited Partners will bear the economic risks of their investment for the term of a Fund. Prospective investors will be required to represent and agree that they are purchasing the limited partnership interests for their own account for investment only and not with a view to the resale or distribution thereof.

CERTAIN LIMITATIONS ON ABILITY OF LIMITED PARTNERS TO TRANSFER THEIR INTERESTS IN A FUND. The transferability of interests in a Fund will be restricted by the Partnership Agreement and by United States federal and state securities laws. In general, Limited Partners will not be able to sell or transfer, without the consent of the General Partner, their Fund interests to third parties.

LIMITED PORTFOLIO DIVERSIFICATION. The portfolio holdings of a Fund will not be broadly diversified. A downturn in the economy or in the business of any one company could impact the aggregate returns delivered to investors by a Fund.

DIVERSE INVESTORS. The Limited Partners may have conflicting investment, tax, and other interests with respect to their investments in a Fund. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the General Partner with respect to the nature or structuring of investments that may be more beneficial for some Limited Partners than for others, particularly with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, the General Partner intends to consider the investment and tax objective of a Fund and the Limited Partners as a whole, not the investment, tax or other objective of any Limited Partner individually.

RISK OF DILUTION. Limited Partners subscribing for interests at subsequent closings will participate in existing investments of a Fund, diluting the interest of existing Limited Partners therein.

FAILURE TO MAKE CAPITAL CONTRIBUTIONS. If a Limited Partner fails to pay when due installments of its capital commitment to a Fund, and the contributions made by non-defaulting Limited Partners are inadequate to cover the defaulted capital contribution, a Fund may be unable to pay its obligations when due. As a result, a Fund may be subjected to significant penalties that could materially and adversely affect the returns to the Limited Partners (including non-defaulting Limited Partners). If a Limited Partner defaults, it may be subject to various remedies as provided in the Partnership Agreement.

EMPLOYEE MISCONDUCT. The General Partner's, Managing Principals' and the Adviser's reputations are critical to maintaining and developing relationships with existing and prospective investors, as well as with the numerous third parties with which the General Partner, the Adviser, and a Fund do business. In recent years, there have been a number of highly publicized cases involving fraud, conflicts of interest, or other misconduct by individuals in the financial services industry, and there is a risk that an employee of or contractor to the General Partner or the Adviser or their affiliates could engage in misconduct that adversely affects the investment strategies implemented by the General Partner and the Adviser. It is not always possible to deter such misconduct, and the precautions the General Partner and the Adviser take to detect and prevent such misconduct may not be effective in all cases. Misconduct by an employee of or contractor to the General Partner or the Adviser or one of their affiliates, or even unsubstantiated allegations of such misconduct, could result in both direct financial harm to the General Partner, the Managing Principals the Adviser, and a Fund, as well as harm the General Partner's, the Managing Principal's the Adviser's and a Fund's reputations, which would have a materially adverse effect on a Fund.

CROSS FUND INVESTMENTS. From time to time the GP may elect to invest in an existing portfolio company from a new fund based on a variety of factors, including the total amount invested by the existing fund and the liquidity of the existing fund. Because the LPs across the funds may differ, there can be a perceived conflict of interest etc. The Select Fund is designed to invest in later stage opportunities as existing portfolio companies scale past the valuation range where the early-stage funds underwriting criteria would allow investments. Finally, with respect to ETA, we anticipate cross fund investments into searcher funds into which ETA I invests late in its investment period and that may ultimately be invested into by a successor fund.

Legal, and Regulatory Risks

LEGAL AND REGULATORY RISKS. Legal and regulatory changes could occur during the term of a Fund that may adversely affect a Fund. A Fund is not and does not expect to be registered as an "investment company" under the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"), pursuant to an exemption set forth in Sections 3(c)(1) and/or 3(c)(7) of the Investment Company Act. There is no assurance that such exemptions will continue to be available to a Fund. Due to the burdens of compliance with the Investment Company Act, the performance of a Fund's investment portfolio could be materially adversely affected, and risks involved in financing portfolio companies could substantially increase, if a Fund becomes

subject to registration under the Investment Company Act. Neither a Fund nor its counsel can assure investors that, under certain conditions, changed circumstances or changes in the law, a Fund may not become subject to the Investment Company Act or other burdensome regulation.

AIFMD. The European Union (“EU”) Alternative Investment Fund Managers Directive (“AIFMD”) came into force on July 21, 2011, and certain fund managers have been obliged to comply with the European Union Member States’ respective AIFMD implementing laws since July 22, 2013. The AIFMD regulates the activities of private fund managers undertaking fund management activities or marketing fund interests to investors domiciled or with a registered office in the EU. If a Fund is marketed to these investors: (i) a Fund will be subject to certain reporting, disclosure and other compliance obligations, which may result in a Fund incurring additional costs and expenses; and (ii) certain activities of a Fund will also be restricted including, in some circumstances, a Fund’s ability to recapitalize, refinance or potentially restructure an EU portfolio company within the first two years of ownership.

TAXES. The Investor should be aware that tax consequences to Limited Partners from an investment in a Fund are complex and may differ for each Limited Partner. The Investor is strongly advised to consult with its own advisors in this regard. A Fund may invest in Portfolio Companies in countries where tax laws are difficult to understand, subject to different interpretations and inconsistently enforced. Any portfolio company in which a Fund invests could have significantly higher tax liabilities than anticipated causing a material adverse effect on its financial condition and results of operations.

AUDIT RISKS. It is possible that an audit of a Fund’s tax return by the U.S. Internal Revenue Service (the “Service”), if conducted, may result in an audit of a Limited Partner’s U.S. tax return, if any. A Limited Partner that files a U.S. tax return must report each Fund item for U.S. federal income tax purposes consistent with its treatment on a Fund’s return, unless such Limited Partner files a statement with its return that identifies the inconsistency. In the event of an audit, the tax treatment of all Fund items may be determined at a Fund level in a single proceeding rather than in separate proceedings with each Limited Partner. The General Partner may take primary responsibility for contesting federal income tax adjustments proposed by the Service, to extend the statute of limitations as to all Limited Partners and, in certain circumstances, the General Partner may be able to bind the Limited Partners to a settlement with the Service. The General Partner will inform each Limited Partner of a commencement and disposition of any such administrative proceeding. Nevertheless, a Limited Partner’s participation in administrative or judicial proceedings relating to Fund items would be restricted.

DIVERSE LIMITED PARTNER GROUP. The Limited Partners may have conflicting investment, tax, and other interests with respect to their investments in a Fund. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of investments made by a Fund, structuring or making investments, and the timing of the disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the General Partner, including with respect to the nature or structure of investments that may be more beneficial for one investor than for another investor, particularly with respect to investors’ individual tax situations. In selecting and structuring investments appropriate for a Fund, the General Partner will consider the investment and tax objectives of a

Fund and the Partners as a whole, not the investment, tax, or other objectives of any Limited Partner individually.

DELAYED SCHEDULES K-1. A Fund will provide Schedules K-1 as soon as practical after receipt of all of the necessary information. A Fund may not be able to provide final Schedules K-1 to Limited Partners for any given fiscal year until after April 15 of the following year. Schedules K-1 will not be available until completion of a Fund's annual audit. Limited Partners should be prepared to obtain extensions of the filing date for their income tax returns at the U.S. federal, state and local level.

TAXATION IN CERTAIN JURISDICTIONS. A Fund or the Limited Partners may be subject to income or other tax in the jurisdictions in which portfolio investments are made. Additionally, withholding tax or branch tax may be imposed on earnings of a Fund from portfolio investments in such jurisdictions. Local tax incurred in other jurisdictions by a Fund or vehicles through which it invests may not be creditable to or deductible by the Investor in its jurisdiction of tax residence.

WITHHOLDING AND OTHER TAXES. The General Partner intends to structure a Fund's investments in a manner that is intended to achieve a Fund's investment objective. Notwithstanding anything contained herein to the contrary, there can be no assurance that the structure of any investment will be tax efficient for any particular investor or that any particular tax result will be achieved. In addition, tax reporting requirements may be imposed on investors under the laws of the jurisdictions in which investors are liable for taxation or in which a Fund makes portfolio investments. Prospective investors should consult their own professional advisors with respect to the tax consequences to them of an investment in a Fund under the laws of the jurisdiction in which they are liable for taxation. Furthermore, a Fund's returns in respect of its investments may be reduced by withholding or other taxes imposed by jurisdictions in which a Fund's portfolio companies are organized. There can be no assurance that a Fund and/or the Investor will be in the position to claim a full or partial refund or a credit of such withholding taxes or to obtain benefits under a double taxation treaty (if applicable) with respect to such withholding taxes. In addition, a Fund and/or the Investor may have to file a tax return or other documents and may have to provide certain evidence to obtain such refund, credit or treaty benefits.

PRIVATE OFFERING EXEMPTION. The Funds intend to offer Interests from time to time without registration under any securities laws in reliance on an exemption for "transactions by an issuer not involving any public offering." While the Adviser believes reliance on such exemption is justified, there can be no assurance that factors such as the manner in which offers and sales are made, concurrent offerings by other companies, the scope of disclosure provided, failures to make notices, filings, or changes in applicable laws, regulations or interpretations will not cause a Fund to fail to qualify for such exemptions under U.S. federal or one or more states' securities laws. Failure to so qualify could result in the rescission of sales of interests at prices higher than the current value of those interests, potentially materially and adversely affecting a Fund's performance and business. Further, even non-meritorious claims that offers and sales of interests were not made in compliance with applicable securities laws could materially and adversely affect a Fund's and the General Partner's ability to conduct a Fund's business.

Miscellaneous Risks

ELECTRONIC COMMUNICATION. The General Partner provides statements, reports and other communications relating to a Fund and/or the Limited Partners' interests in a Fund in electronic form, such as email or via a password protected website ("Electronic Communications"). Electronic Communications may be modified, corrupted or contain viruses or malicious code, and may not be compatible with a Limited Partner's electronic system. In addition, reliance on Electronic Communications involves the risk of inaccessibility, power outages or slowdowns for a variety of reasons. These periods of inaccessibility may delay or prevent receipt of reports or other information by the Limited Partners.

CYBERSECURITY RISK. Since the use of technology has become more prevalent in the course of business, a Fund may be more susceptible to operational risks through breaches in cybersecurity. A cybersecurity incident may refer to either intentional or unintentional events that allow an unauthorized party to gain access to fund assets, customer data, or proprietary information, or cause a Fund or one of its service providers (including the General Partner, the Adviser, the administrator, prime brokers, the Boards of Directors and custodians) to suffer data corruption or lose operational functionality.

A cybersecurity incident could, among other things, result in the loss or theft of customer data or funds, customers or employees being unable to access electronic systems ("denial of services"), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or remediation costs associated with system repairs. Any of these results could have a substantial impact on a Fund and the Limited Partners. For example, if a cybersecurity incident results in a denial of service, employees of a Fund's service providers could be unable to access electronic systems to perform critical duties for a Fund, such as trading, accounting or fulfillment of Fund subscriptions. Further, Limited Partners could also be exposed to losses resulting from unauthorized use of their personal information. Cybersecurity incidents could cause a Fund or one of its service providers to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, or financial loss of a significant magnitude. They may also cause a Fund to violate applicable privacy and other laws. The Adviser has established written policies and procedures that seek to reduce the risks associated with cybersecurity and business continuity plans in the event there is a cybersecurity breach. However, there is no guarantee that such efforts will succeed, and a Fund does not control the cybersecurity systems of the issuers of securities in which a Fund invests or a Fund's service providers.

The foregoing risks do not purport to be a complete explanation of all the risks involved in acquiring an interest in a Fund. Potential investors are urged to read an entire Fund's respective Governing Documents before making a determination whether to invest in a Fund.

Item 9: Disciplinary Information

Neither Next Coast nor any of its management persons have been involved in any material legal or disciplinary events that would be material to your evaluation of Next Coast's advisory business or the integrity of Next Coast's management.

Item 10: Other Financial Industry Activities & Affiliations

Neither Next Coast nor any of its affiliates is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Next Coast nor any of its affiliates is registered, or has 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.

Next Coast has entered into, and may in the future enter into, letter agreements with certain existing or prospective investors in a Fund whereby such investors may be subject to different terms and conditions than those set forth in the Governing Documents of a Fund. For example, such terms and conditions may confer special rights to make future investments in a Fund, special liquidity and transfer rights, reductions or modifications in management fees or incentive allocations, rights to receive additional reports or notices, the right to serve on an investor advisory committee, and such other rights as may be determined by Next Coast in its sole discretion. The terms of these letter agreements may also address regulatory, tax, or other important matters that are specific to certain types of investors.

Next Coast's and its affiliates members, principals, officers and employees hold positions on the boards of directors of certain private and/or public companies, including companies in which a Fund invests or may invest in the future. In addition, in their capacity as officers or directors of companies, such individuals may become subject to fiduciary or other duties which can adversely affect a Fund. For example, a Fund may be unable to sell or otherwise dispose of portfolio securities if a director of the portfolio company is an employee of the Adviser or General Partner and is in possession of material, non-public (i.e., "inside") information relating to the issuer. Nevertheless, a Fund's Partnership Agreement will not preclude members of the Adviser from serving as officers or directors of portfolio companies or otherwise acquiring material, non-public information regarding portfolio companies. In general, if there is a conflict between the fiduciary duties of the Adviser or a member thereof to a portfolio company and such person's fiduciary duties to a Fund or the Limited Partners, such person's fiduciary duties to the portfolio company will prevail.

Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

We have implemented a Code of Ethics (the “Code”), which is available to existing and prospective investors upon request. Our Code is based on the principle that all employees of Next Coast have a fiduciary duty to place the client’s interests ahead of their own or Next Coast’s. The Code applies to all “Access Persons,” defined below. Access Persons must avoid activities, interests and relationships that might interfere with making decisions in the best interests of our clients.

Access Persons submit personal securities transactions and holdings reports for review by our Chief Compliance Officer. We maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of any material non-public information about our clients or their account holdings by us or any of our employees.

“Access Persons” means all (i) all management personnel (officers, directors and partners) of the Adviser, and (ii) any other employee of the Adviser who: (i) have access to non-public information regarding our clients’ purchases or sales of securities; or (ii) are involved in making securities recommendations to clients.

Investors and prospective investors may obtain a copy of our Code of Ethics by contacting Next Coast at the address or telephone number listed on the first page of this Brochure.

Neither Next Coast, nor any of its related persons recommends securities to Funds, or buys or sells securities for Funds, at or about the same time that Next Coast or a related person buys or sells the same securities for Next Coast’s (or the related person's own) account.

Item 12: Brokerage Practices

Where an opportunity is appropriate for more than one Fund, we will make good faith efforts to obtain any permission necessary from the company offering the deal to allocate our investment among our Funds, but will abide by any restrictions set by the company. We seek ensure that investment opportunities are allocated in a manner that is consistent with the relevant Governing Documents and on an otherwise fair and equitable manner, but may vary an allocation based on many factors, including deal size, investment stage of a Fund, and cash available.

Item 13: Review of Accounts

We monitor each Fund's investments on a continuous basis. We may conduct special reviews based on factors such as a change in the venture capital and private equity investment environment or tax laws, or newly identified investment areas and opportunities.

Next Coast provides its investors with reports about the Funds and annually audited financial statements. See also Item 15. Custody below.

Next Coast may also provide more frequent reports on new investment opportunities and the associated due diligence process.

Item 14: Client Referrals & Other Compensation

We do not receive any economic benefit, directly or indirectly, in connection with advice we give to the Funds.

We do not compensate, directly or indirectly, any person who is not a supervised person for client or investor referrals.

Item 15: Custody

Next Coast or the General Partners are deemed to have “custody” of the assets of each Funds’ funds or securities. Investors receive financial statements (a) prepared in accordance with GAAP, (b) audited by an independent accounting firm that is registered with, and subject to regular examination by, the Public Company Accounting Oversight Board (“PCAOB”) and (c) distributed to a Fund’s investors (i) within 120 days following such Fund’s fiscal year end.

Item 16: Investment Discretion

We have investment discretion over the Funds' assets, which is subject to compliance with the investment criteria, policy, guidelines and investment restrictions in a Fund's Governing Documents.

We make all decisions regarding mergers, acquisitions, tender offers, bankruptcy proceedings or other events related to portfolio companies.

Item 17: Voting Client Securities

Our portfolio companies do not issue proxies and the Adviser is generally not called upon to vote proxies. If the Adviser were to receive a proxy on behalf of a Fund or were requested or required to vote a proxy, the Adviser would consider, among other things, the financial interests of the applicable Fund and the recommendation of management on the particular issue.

Should Next Coast be called upon to vote proxies, it has adopted Proxy Voting Policies and Procedures whereby it exercises discretion to vote proxies for Client securities. A copy of these policies and procedures, as well as a record of all proxy decisions and any documentation maintained with respect to proxy votes, is available to each existing and prospective Client and investor by contacting us at (512) 370-2242

Item 18: Financial Information

Next Coast does not require the prepayment of more than \$1,200 in fees per client, six months or more in advance. We are not aware of any financial condition that would impair our ability to meet our contractual commitments to our clients, and we have not been the subject of a bankruptcy petition in the last ten years.