

## **Next Play Capital LLC**

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Part 2A of Form ADV: Firm Brochure  
December [XX], 2020

This brochure (the “**Brochure**”) provides information about the qualifications and business practices of Next Play Capital LLC. If you have any questions about the contents of this Brochure, please contact us at (650) 843-9126. 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.

Additional information about Next Play Capital LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

**Item 2. Material Changes**

Since this is Next Play's initial ADV Part 2A Brochure, there are no material changes to note. Current and prospective investors are urged to review the Brochure in its entirety.

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#### Item 4. Advisory Business

For purposes of this brochure, unless otherwise noted, the “Adviser” means Next Play Capital LLC (“Next Play”); including (where the context permits) its affiliated general partners of the Funds (as defined below) and other affiliates that manage investments for, provide advisory services to, and/or receive Advisory Fees (as defined below) from the Funds. Such affiliates are controlled by, or under common control with, Next Play, but possess a substantial identity of personnel and/or equity owners with Next Play. Such affiliates were formed for tax, regulatory, or other purposes in connection with the organization of the Funds. Such affiliates operate as a single advisory business together with Next Play and are subject to the Investment Advisers Act of 1940, as amended (the “Advisers Act”) pursuant to Next Play’s registration in accordance with SEC guidance.

The Adviser provides investment management and/or investment supervisory services to investment vehicles it sponsors (the “Main Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”)

The Adviser has established certain investment vehicles through which certain employees, members, officers, and independent contractors of the Adviser and/or their family members, officers, and employees of the Adviser’s affiliates and/or their family members, certain business associates, certain investors in the Main Funds, or other persons close to the firm have invested alongside one or more Main Funds in one or more investment opportunities. Such vehicles, referred to herein as “Co-Investment Vehicles,” generally are contractually required, as a condition of investment, to exit their investments in each investment opportunity at substantially the same time, and on substantially the same terms, as the applicable Main Fund that is invested in that investment opportunity. Co-investment vehicles in which employees of, and certain senior advisors and executives to, the Adviser invest is referred to herein as (the “Employee Co-Investment Vehicles”, and collectively with the Main Funds and Co-Investment Vehicles, the “Next Play Funds”. The Next Play Funds, together with the SLS Funds, are referred to herein as the “Funds” and each individually as the “Fund”).

The Adviser’s investment management and/or investment supervisory services consist of investigating, identifying, and evaluating investment opportunities, structuring, negotiating, and making investments on behalf of the Funds, managing, and monitoring the performance of such investments, and disposing of such investments. The Adviser serves as the investment adviser or general partner to the Funds in order to provide such services.

The Adviser provides investment management and/or investment supervisory services to each Fund in accordance with the limited partnership agreement (or analogous organizational document) of such Fund, separate investment management agreements (each such investment

management agreement, an “Advisory Agreement”), and/or side letters with investors (collectively, the “Governing Documents”).

Investment advice is provided directly to the Funds and not individually to the investors in the Funds. Certain investors in a Fund have opt-out rights with respect to certain investments due to legal, regulatory, or other agreed-upon circumstances. Investment restrictions for the Funds, if any, are generally established in the Governing Documents or offering documents of the applicable Fund.

From time to time, for strategic and other reasons, a co-investor or co-investment vehicle may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-investment vehicle generally occurs shortly after the Fund’s completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in the Adviser’s sole discretion, the Adviser is authorized to charge interest on the purchase to the co-investor or co-investment vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

As of the date of this Brochure, Next Play has entered into a joint venture with Bessemer Venture Partners (“Bessemer”) and Cloud All Star Fund GP, LLC (“General Partner”), to provide investment advisory services to the Cloud All Star Fund (“Cloud”) as a co-manager with Bessemer. Cloud’s primary purpose is to buy, hold for appreciation, sell, and otherwise invest mainly in equity and equity-related Securities of cloud-based SaaS and Enterprise companies. The General Partner anticipates that most of Cloud’s investments will be in companies that are current or former members of the Cloud 100 or are expected to be members of the Cloud 100 and/or

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existing portfolio companies of a Bessemer Fund or a Next Play Fund. Cloud's general purposes are to buy, hold for appreciation, sell, and otherwise invest in securities of every kind and nature and rights and options with respect thereto, including, without limitation, stock, notes, bonds, debentures and evidences of indebtedness; to exercise all rights, powers, privileges, and other incidents of ownership or possession with respect to securities held or owned by Cloud and granted by the Act or by any other applicable law or by the partnership agreement; to enter into, make, and perform all contracts and other undertakings; and to engage in all activities and transactions as may be necessary, advisable, or desirable to carry out the foregoing. Cloud intends to pursue a venture capital strategy and the General Partner intends to manage the Cloud as a venture capital fund in accordance with Section 203(l) of the Investment Advisers Act.

Next Play is principally owned by Ryan Nece<sup>1</sup> Next Play has been in business since 2014. As of December 31, 2020, the adviser manages approximately \$0 on a discretionary basis and ~~\$184,541,383~~ \$181,672,000 on a non-discretionary basis.

#### **Item 5. Fees and Compensation**

The Adviser or its affiliates generally receive Advisory Fees and Carried Interest (each as defined below) or similar performance-based remuneration from a Main Fund and Co-Investment Vehicle. A Next Play Fund, and/or its portfolio companies also make other payments to the Adviser or its affiliates for services provided to the portfolio companies which, in certain circumstances, reduces the Advisory Fees payable to the Adviser. Additionally, consistent with the organizational documents of a Fund, the Fund typically bears certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to the Fund and/or the portfolio companies. Further details about certain common fees and expenses are set forth below.

#### **Advisory Fees**

As compensation for investment supervisory services rendered to the Main Funds and Co-Investment Vehicle, the Adviser receives advisory fees from each such Fund (each, an "Advisory Fee") typically calculated based on committed capital or remaining invested capital, with respect to such Fund. Advisory Fees are typically reduced during the life of a Fund. Advisory Fees paid by a Fund have also been reduced by other fees or compensation received by the Adviser or its affiliates that related to such Fund's activities and investments, or by certain organizational or other expenses borne by such Fund, as described in more detail below. Advisory Fees paid by a Fund are indirectly borne by investors in such Fund.

<sup>1</sup> Persons/entities owning 25% or more, including through subsidiaries.

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Advisory Fees charged to, and received from, the Funds are generally payable quarterly in advance.

As applicable, the precise amount of, and the manner and calculation of, the Advisory Fees for each Fund are established by the Adviser in negotiation with investors in the applicable Fund and are set forth in such Fund's Governing Documents received by each investor prior to investment in such Fund. The Advisory Fees and other fees and distributions described herein are generally subject to modification, waiver or reduction by the Adviser or General Partner in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letter and other arrangements, which may not be disclosed to other investors in the same Main Fund or Co-Investment Vehicle. The Advisory Fee structures described above may be modified from time to time. Fees differ from one Main Fund to another, as well as among certain investors in the same Main Fund. Specifically, employees and affiliates of the Adviser do not pay Advisory Fees.

Certain investors in the Next Play Funds that are employees, business associates and other "friends and family" of the Adviser or its personnel ("Adviser Investors") will not typically pay Advisory Fees in connection with their investment in a Next Play Fund. Notwithstanding that Adviser Investors will generally not pay Advisory Fees, Adviser Investors will pay for their pro rata share of certain Next Play Fund expenses or the pro rata portion of such Adviser Investors' expenses will be allocated to the Adviser or the general partner of the applicable Next Play Fund.

The Advisory Fees paid by a Main Fund or Co-Investment Vehicle will generally be reduced by a percentage of (1) the amount of fees paid by such Fund to persons acting as a placement agent in connection with the offer and sale of interests in such Fund to certain potential investors, (2) the expenses incurred by the Adviser in connection with the organization of such Fund that exceed a limit specified in such Fund's Governing Documents and/or (3) certain Other Fees (as defined below) received by the Adviser or its affiliates. The amount and manner of such reduction, if any, is set forth in the Governing Documents of the applicable Main Fund. To the extent reduction relates to more than one Fund, the Adviser shall allocate the resulting Advisory Fee reduction among the applicable Fund(s) in proportion to their interest (or prospective interest) in the portfolio company. Any such reduction of a Fund's Advisory Fees will be limited to the extent of such Fund's proportionate interest in any such portfolio company. As some Funds do not pay Advisory Fees, any such reduction will not benefit such Funds. Generally, the portion of Other Fees (as defined below) allocable to capital invested by a Main Fund, Co-Investment Vehicle or third-party

investor that does not pay Advisory Fees will be retained by the Adviser and such amounts will not offset any Advisory Fee.

In addition, the Adviser will from time to time waive or reduce all or a portion of the Advisory Fee paid by a Main Fund in full or partial satisfaction of any obligation of the Adviser and certain employees and affiliates of the Adviser to invest in and alongside such Main Fund, which could result in acceleration of investor capital contributions. Waived or reduced Advisory Fees are not typically subject to the various offsets or the reductions described above. Due to waived or reduced Advisory Fees and/or the timing of receipt of compensation subject to offsets, Main Fund investors may not receive the full benefit of reductions or offsets (e.g., during periods when the Adviser no longer receives Advisory Fees and receives compensation that would otherwise be subject to offset, the Adviser, depending on certain elections that may be made by Main Fund investors, may be entitled to retain such compensation without remitting any such amounts to the applicable Main Fund or its investments).

Upon termination of an Advisory Agreement, Advisory Fees that have been prepaid are generally returned on a prorated basis.

Principals or other current or former employees of the Adviser generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Advisory Fee, carried interest or other compensation received by the Adviser or its affiliates.

#### **Other Fees**

##### **Fees Payable by the Portfolio Companies**

The Adviser and its affiliates may perform transaction-related, financial advisory and other services for, and receive fees from, actual or prospective portfolio companies or other investment vehicles of the Next Play Funds, including fees in connection with structuring investments in such portfolio companies, as well as mergers, acquisitions, add-on acquisitions, refinancing, public offerings, sales, or other similar dispositions and similar transactions with respect to such portfolio companies ("Transaction Fees"). Transaction Fees (which to date have not been received) may be established upon the initial consummation of an investment and the agreements may provide for a periodic fee which is fixed or determined based on the performance of the portfolio company.

The Adviser and its affiliates also receive "monitoring fees" ("Monitoring Fees") pursuant to monitoring agreements with certain portfolio companies of the Next Play Funds governing the advice, consultation and other similar ongoing services provided by the Adviser to such portfolio companies. The terms of a monitoring agreement typically include (among other things) annual automatic renewals and the payment of Monitoring Fees (which may be fixed fees or calculated as a percentage of EBITDA or similar performance metric).

In addition, the Adviser and its affiliates may receive fees in connection with serving on the board of directors of certain portfolio companies of a Next Play Fund ("Director Fees") and in connection with an unconsummated transaction for a Next Play Fund ("Break-Up Fees" and, together with Transaction Fees, Monitoring Fees and Director Fees the "Other Fees"). The amount and timing



of Break-Up Fees received by the Adviser are generally specified in the agreement or other documentation governing the transaction.

Generally, under the terms of the applicable Governing Documents, for purposes of calculating any Advisory Fee offset, Other Fees are net of out-of-pocket costs and expenses incurred by the Adviser in connection with consummated or unconsummated transactions or in connection with generating any such fees, as well as internal costs to the Adviser or the applicable general partner associated with the Value-Creation Team (as defined below) or any member thereof allocated to specific current or prospective portfolio companies of a Fund for such persons rendering Value-Creation Services (as defined below). Other Fees may be substantial and are typically paid in cash but could be paid in securities of the portfolio companies or investment vehicles (or rights thereto) or otherwise. Although Other Fees are in addition to the Advisory Fees, the Adviser will, in some circumstances, reduce the amount of Advisory Fees paid by the applicable Next Play Fund in connection with the receipt of such fees. The amount and manner of such reduction is set forth in the Governing Documents of the applicable Next Play Fund. As some Next Play Funds do not pay Advisory Fees, any such reduction will not benefit such Next Play Funds. In certain circumstances, the Adviser expects that one or more third party investors in a portfolio company not affiliated with the Next Play Funds or the Adviser may negotiate their own consulting fees with a Next Play Fund portfolio company for services they provide such portfolio company (including, but not limited to, value-creation services). For the avoidance of doubt, no portion of any fees received by such third parties will be offset against any Advisory Fees payable by a Next Play Fund.

The payment of Other Fees by portfolio companies will, in some, but not all, circumstances create a conflict of interest between the Adviser and its affiliates and the Next Play Funds and their investors because the amount of these Other Fees and reimbursements (see “Expense Reimbursement” below) are often substantial and the Next Play Funds and their investors generally do not have a direct interest in these fees and reimbursements. The Adviser determines the amount of these fees for the services provided and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third-party co-investors in its transactions, and the amount of such fees and reimbursements are not typically disclosed to investors in the Next Play Funds.

In addition, the Adviser or its managing directors or employees, on behalf of Adviser, may receive stock of a portfolio company as Other Fees due to service of a managing director or employee of the Adviser on the board of such portfolio company. In the event of such a distribution or receipt of stock, the recipients, or Adviser, with respect to stock received as Other Fees, may act in their own interest with respect to the share of securities and may determine to sell the distributed securities, or hold on to the distributed securities for such time as such recipient, or the Adviser, shall determine. The ability of such recipients, or the Adviser, with respect to stock received as Other Fees, to act in their own interest with respect to such distributed shares creates a conflict of interest between the Adviser, as an adviser to the Next Play Fund, and its related persons, on the one hand, and the Next Play Fund.

In many cases with respect to the implementation of the arrangements described above, there is not an independent third-party involved on behalf of the relevant portfolio company. Therefore, a

conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio company.

#### Payments Made to Third Parties

The Adviser and its affiliates also engage and retain senior advisors, advisors, consultants, and other similar professionals who are not employees or affiliates of the Adviser and who receive payments from, or allocations with respect to, portfolio companies of the Next Play Funds and/or other entities. In such circumstances, the amounts of such fees or other compensation received by such persons may be retained by such persons and will not be deemed paid to or received by the Adviser and its affiliates and such amounts will not be subject to the sharing arrangements described above and will not benefit the Next Play Fund or its investors. For a discussion of material conflicts of interest created by the engagement of such persons, please see “*Providers of Operations Support*” in Item 11 below.

#### Expense Reimbursement

Additionally, a portfolio company typically reimburses the Adviser for expenses (including, without limitation, travel expenses, which may include expenses for chartered or business class or first class travel, meals and entertainment expenses, indemnification expenses, certain legal expenses, compensation expenses relating to time spent by certain persons effecting operational improvements and similar out-of-pocket expenses) incurred by the Adviser in connection with its performance of services for such portfolio company; such reimbursed expenses are generally not included in the definition of “Other Fees” under the terms of the applicable Governing Document, and such reimbursement may not be subject to sharing arrangements described above. For a discussion of material conflicts of interest created by the receipt of such fees and reimbursements, please see Item 11 below.

#### **Expenses**

##### Adviser Expenses

To the extent provided in the Governing Documents, the Adviser will pay out of Advisory Fees all costs and expenses associated with the performance of its services under the Advisory Agreement, except costs and expenses designated in the Governing Documents as expenses to be borne by the relevant Next Play Fund.

##### Next Play Fund Expenses

As set forth more fully in, and subject to any restrictions in, the applicable Governing Documents of the Next Play Funds, each Next Play Fund will bear all other expenses relating to it to the extent not borne by its portfolio companies. Expenses to be borne by a Next Play Fund (and as a result the investors) can be substantial and will reduce returns to investors. All costs and expenses of operating a Next Play Fund will be borne thereby. Such costs and expenses generally include all

fees, costs, expenses, liabilities and obligations relating to the Next Play Fund and/or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company or potential portfolio company), including all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, the Next Play Fund's portfolio companies and its actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (ii) indebtedness of, or guarantees made by, the Next Play Fund, the general partner or any "affiliated partner" on behalf of the Next Play Fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (v) brokerage, sale, custodial, depository, trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with the Next Play Fund's third-party administrator and administration or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to senior advisors, consultants performing investment initiatives and other similar consultants), tax and other professional services; (vii) reverse breakup, termination and other similar fees; (viii) directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses; (ix) filing, title, transfer, registration and other similar fees and expenses; (x) printing, communications, marketing and publicity; (xi) the preparation, distribution or filing of Next Play Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports (including Form PF and any filings or reports contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Fund or the limited partners; (xiii) any activities with respect to protecting the confidential or non-public nature of any information or data; (xiv) to the extent provided in the Governing Documents, or otherwise approved by the general partner in its sole discretion, activities or proceedings of the advisory committee (including any out-of-pocket costs and expenses incurred by representatives of the general partner, the advisory committee members, permitted observers and other persons in attending or otherwise participating in meetings of the advisory committee) and the Next Play Fund's pro rata share of the reasonable expenses of the Next Play Fund's strategic advisory committee (the "Strategic Advisory Committee"); (xv) indemnification (including any fees, costs and expenses

incurred in connection with indemnifying any partner or other person pursuant to the Governing Documents and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Governing Documents), except as otherwise set forth in the Governing Documents; (xvi) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith; (xvii) any annual limited partner meeting or other periodic, if any, meetings of the limited partners and any other conference or meeting with any limited partner(s); (xviii) except as otherwise determined by the general partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Next Play Fund expense or organizational expense if it were incurred in connection with the Next Play Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Next Play Fund to the extent not paid by the investors investing in such entities; (xix) the termination, liquidation, winding up or dissolution of the Next Play Fund; (xx) defaults by partners in the payment of any capital contributions; (xxi) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Next Play Fund, the general partner and related entities and any alternative investment vehicle of the Next Play Fund, including the preparation, distribution and implementation thereof; (xxii) complying with any law or regulation related to the activities of the Next Play Fund (including regulatory expenses of the general partner incurred in connection with the operation of the Next Play Fund and legal fees and expenses); (xxiii) any litigation or governmental inquiry, investigation or proceeding involving the Next Play Fund, including the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the Governing Documents; (xxiv) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a limited partner; (xxv) any taxes, fees and other governmental charges levied against the Next Play Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of the Next Play Fund (except to the extent that the Next Play Fund is reimbursed therefor by a partner or such tax, fee or charge is treated as having been distributed to the partners pursuant to the Governing Documents); (xxvi) distributions to the partners and other expenses associated with the acquisition, holding and disposition of the Next Play Fund's investments, including extraordinary expenses; (xxvii) compliance or regulatory matters related to the Next Play Fund, except as set forth in the Governing Documents; (xxviii) any travel, lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxix) any organizational expenses; (xxx) any placement fees; (xxxi) any portion of the salary and/or bonus of any person employed or retained by the general partner, the Adviser or any other Adviser affiliate that is allocable to any portfolio company, prospective portfolio company or their respective subsidiaries (as reasonably determined by the general partner) based on the portion of such person's business time and attention spent on rendering Value-Creation Services (as defined below) to such portfolio company, prospective portfolio company or subsidiary that is not paid, reimbursed or otherwise borne by such portfolio company, prospective portfolio company or subsidiary; and (xxxii) any other fees, costs, expenses, liabilities or obligations approved by the advisory committee. For a discussion of material conflicts of interest created by the allocation of such expenses, please see Item 11 below.

From time to time, the general partner of a Fund has created certain “special purpose vehicles” or similar structuring vehicles for purposes of accommodating certain tax, legal and regulatory considerations of investors (“SPVs”). In the event the general partner creates an SPV, consistent with the Governing Documents of the Fund, the SPV, and indirectly, the investors thereof, will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV.

The Adviser and its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Funds that will neither be subject to an offset against any management fees payable to the Funds nor will otherwise be shared with the Funds and/or portfolio companies. For example, airline travel or hotel stays incurred as Fund or account expenses typically result in cash rebates, “miles,” “points” or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to the Adviser and/or such personnel (and not the Funds and/or portfolio companies) even though the cost of the underlying service is borne by the Funds and/or portfolio companies.

#### Co-Investment Vehicle Expenses

In certain cases, a Co-Investment Vehicle, or other similar vehicle established to facilitate the investment by investors to invest alongside the Next Play Fund has been formed in connection with the consummation of a transaction. The investors in such Co-Investment Vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the Co-Investment Vehicle. The Co-Investment Vehicle will generally bear its pro rata portion of expenses incurred in the making of an investment.

If a proposed transaction is not consummated, generally no co-investment vehicle will have been formed, the full amount of any expenses relating to such proposed but not consummated transaction (“Dead Deal Costs”) would therefore be borne by the Next Play Fund or Next Play Funds selected by the Adviser as proposed investors for such proposed transaction. Similarly, co-investment vehicles are not typically allocated any share of Break-Up Fees paid or received in connection with such an unconsummated transaction. As a general matter, no co-investor will bear Dead Deal Costs or receive any portion of Break-Up Fees until they are contractually committed to invest in the prospective investment.

#### Allocation of Expenses

In exercising its discretion to allocate investment opportunities and fees and expenses, the Adviser is faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Next Play Funds with differing fee, expense, and compensation structures, the Adviser may have an incentive to allocate investment opportunities to the Next Play Funds from which the Adviser or its related persons may derive, directly or indirectly, a higher fee, compensation, Carried Interest, or other benefit.

To the extent not allocated to a portfolio company, the Adviser will allocate fees and expenses incurred in the course of evaluating and making investments that are consummated between Next Play Funds in accordance with each Next Play Fund’s Governing Documents or, to the extent not

addressed in such Governing Documents, typically: (i) pro rata based on the respective total capital commitments of such Next Play Funds (in the case of non-investment-related expenses) or (ii) pro rata based on the relative size of a Next Play Fund's investment in a portfolio company (in the case of investment/transaction-related expenses). Subject at all time to the applicable Sumer Funds' Governing Documents, the Adviser may, in its sole discretion, choose to allocate fees and expenses in a manner different than that described above, in each case using good faith and its best judgment, and consistent with the Adviser's fiduciary duties to the Next Play Funds.

With respect to allocating other expenses among Next Play Fund(s), Adviser Investors and/or third parties, as appropriate, the Adviser will allocate fees and expenses in accordance with the Next Play Fund's Governing Documents, and to the extent not addressed in the Governing Documents or agreements, the Adviser will make any allocation determination in its sole discretion, in each case using good faith and best judgment, and consistent with the Adviser's fiduciary duties to the Next Play Funds, notwithstanding its interest (if any) in the allocation. The Adviser will make any corrective allocations and take any mitigating steps if it determines such corrections are necessary or advisable.

#### **Carried Interest Payments**

Please see Item 6 below regarding "Carried Interest" that Funds may pay.

#### **Brokerage Fees**

To the extent the Adviser utilizes the services of broker-dealers to effect portfolio transactions for a Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

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

With respect to each Next Play Fund (except for Employee Co-Investment Vehicles), a portion of the profits, if any, of each such Next Play Fund generally is distributed to the Adviser as "carried interest" (the "Carried Interest"), pursuant to such Next Play Fund's Governing Documents.

Additionally, to the extent that Adviser personnel are assigned varying percentages of carried interest from the Next Play Funds, such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Next Play Funds from which they are entitled to receive a higher carried interest percentage.

The payment by some, but not all, Funds of Carried Interest, or the payment of Carried Interest at varying rates (including varying effective rates based on the past performance of a Fund), may create an incentive for the Adviser to disproportionately allocate time, services, or functions to Funds paying Carried Interest (or Funds paying Carried Interest at a higher rate), or allocate

investment opportunities to such Funds. Generally, and except as may be otherwise set forth in the Governing Documents of the Funds and any side letter agreements with the investors in the applicable Fund, this conflict is mitigated by (i) certain limitations on the ability of the Adviser to establish new investment funds; (ii) provisions requiring certain Funds to purchase and sell investments contemporaneously and on similar terms; (iii) provisions requiring the Adviser to allocate time and attention to the Fund; (iv) provisions and procedures setting forth investment allocation requirements and (v) the Next Play I, II and II Q Funds are no longer making new investments (other than potential follow on investments). Please also see Item 11 below for additional information relating to how conflicts of interests are generally addressed by the Adviser, as well as Item 12 below regarding trade aggregation.

#### **Item 7. Types of Clients**

The Adviser currently provides investment supervisory services to the Funds. Investment advice is provided directly to the Funds (or indirectly for the SLS Funds) and not individually to investors in such Fund.

Interests in the Next Play Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Next Play Funds are generally “qualified purchasers” as defined in the 1940 Act, and include, among others, high net worth individuals, banks, thrift institutions, pension and profit-sharing plans, government owned investment companies, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies, or other entities.

The Next Play Funds seek out venture capital alternative investment vehicles in addition to co-investments to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the Governing Documents of such vehicles and the related Next Play Fund

The Adviser does not have a minimum size for a Next Play Fund, but minimum investment commitments are typically established for investors in the Next Play Funds. The general partner of each Next Play Fund has permitted, in its sole discretion, investments below the minimum amounts set forth in the offering documents of such Next Play Fund.

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

##### **Methods of Analysis and Investment Strategies**

The Adviser intends the Next Play Funds to invest in venture capital alternative investment vehicles and co-investments in the sports and media areas. The Adviser seeks to achieve outsized returns through a diversified portfolio of fund and direct investments and deliberate manager selection. The current allocation of investments is approximately 40% top traditional venture funds, 40% micro and emerging managers, and 20% direct investments.

## **Risks**

### **Applicable Risks**

*Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its investments and investors in the Funds must be prepared to bear the risk of a complete loss of their investments.*

*The capitalized terms herein, with the exception of the terms “Fund” and “Funds,” have the meanings assigned to them in the Funds’ governing documents. In addition, as described more fully in the applicable Fund’s Governing Documents, material risks relating generally to all of the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for all of the Next Play Funds, include the following:*

**General.** All securities investments risk the loss of capital. No guarantee or representation is made that the Funds Partnership will achieve ~~their~~ investment objectives or avoid substantial losses. An investment in the Funds Partnership is speculative and involves certain considerations and risk factors which prospective investors should consider before subscribing for Interests. A prospective investor should consult its own legal, tax and/or financial advisors prior to investing in the Funds Partnership.

**Investments in Other Funds.** The Funds Partnership’s investment portfolio will consist, in part, of commitments to other investment funds (each such investment fund to which the Funds Partnership commits, a “Partner Fund” and collectively, the “Partner Funds”). ~~Limited Partners~~ The Partnership generally will not have any discretion regarding how those commitments are invested, or how the investments made with ~~their~~ commitments are managed or liquidated. While the Adviser Partnership intends to invest with what it believes to be well-established venture capital firms, as applicable, past performance is no indication of future success, and it is possible that ~~Limited Partners~~ the Partnership will lose some or all of its commitments to any of such firms. In addition, the Adviser Partnership will be dependent on the key personnel of the investment funds to which it commits and will have no control over their possible departure from such funds. A fund of funds ~~such as the Partnership~~ also involves two levels of fees and expenses, one at the fund of funds level and one at the underlying fund level.

**Business Risks.** The Funds Partnership’s investment portfolios ~~(including the investment portfolios of the Partners Funds)~~ may consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses. Privately held securities are subject to the risks associated with each portfolio company’s business, including market conditions, changes in regulatory requirements, reliance on management of each portfolio company, interest rate and currency fluctuations, general economic conditions, domestic or foreign political developments, capital market conditions and other factors. There can be no assurance that the future performance of the portfolio companies will be positive or that investments will result in rates of return that are consistent with prior performance. The Funds Partnership will not generally be able to participate in the management and control of the portfolio companies.

**Future and Past Performance.** The performance of the General Partner’s principals’ (the “Principals”) prior investments is not necessarily indicative of the Partnership’s future results.



While the General Partner intends for the FundsPartnership to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

No Assurance of Returns. There can be no assurance that Limited Partners will receive distributions from the FundsPartnership in an amount equal to their investment in the Partnership. In considering the prior performance of other investment funds managed by the General Partner or the Principals, prospective investors should bear in mind that past performance is not indicative of future results.

Competitive Market. The market for private equity investing is competitive and involves a high degree of uncertainty. Substantial amounts of capital and a large number of funds have been dedicated to making investments in the private sector and additional funds with similar investment objectives and/or sourcing methodologies may be formed in the future by other unrelated parties. As a result, there can be no assurances that the General Partner will succeed in consistently locating and securing an adequate number of attractive investment opportunities.

Lack of Sufficient Investment Opportunities. It is possible that the FundsPartnership will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. However, Limited Partners will be required to pay annual management fees during the Investment Period based on the entire amount of their Capital Commitments.

Focus on Early Stage and Start Up Investments. It is anticipated that the FundsPartnership (and the Partner Funds) will primarily invest in startup and early-stage companies that have inherently greater risk than more established businesses. Accordingly, the growth of these companies may require significant time and effort resulting in a longer investment horizon than can be expected with lower risk investment alternatives. Such investments can experience failure or substantial declines in value at any stage. There is no assurance that such investments by the FundsPartnership (or by the Partner Funds) will be successful.

Investment in Junior Securities. The securities in which the FundsPartnership (and the Partner Funds) will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect the FundsPartnership's investment once made.

Non-Controlling Investments. The FundsPartnership may hold a non-controlling interest in each portfolio company (and/or Partner Fund) and, therefore, may have a limited ability to protect their position in such portfolio company (and/or Partner Fund), although in some cases, it is expected that appropriate shareholder rights may be sought to protect the FundsPartnership's interests.

Concentration of Investments. The Funds will participate in a limited number of investments and may seek to make several investments in one industry, one industry segment, with one venture capital sponsor or within a short period of time. As a result, the Funds' investment portfolio could become highly concentrated, and the performance of a few holdings, or of a particular industry, or of a particular private equity or venture capital sponsor, may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than

the targeted amount, the FundsPartnership may invest in fewer portfolio companies or investment funds, as applicable, and thus be less diversified.

*Dynamic Investment Strategy.* While the General Partner generally intends to seek attractive returns for the FundsPartnership primarily through making venture capital and early-stage investments ~~and investments in Partner Funds~~, the General Partner may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partner may pursue investments outside of the industries and sectors in which the Principals have previously made investments or have internal operational experience.

*Illiquidity; Lack of Current Distributions.* An investment in the FundsPartnership should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment ~~(whether by the Partnership or by one of the Partner Funds)~~. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the FundsPartnership (including the Management Fee payable to the General Partner) may exceed ~~their~~ income, thereby requiring that the difference be paid from the FundsPartnership's capital, including, without limitation, unfunded Capital Commitments.

*Leveraged Investments.* The ~~Partnership (and the Partner Funds)~~ may make use of leverage by incurring or having a portfolio company incur debt to finance investments, including in respect of companies not rated by credit agencies. Leverage generally magnifies opportunities for gain and risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage will also result in interest expense and other costs that may not be covered by distributions or appreciation of investments. The use of leverage by the FundsPartnership also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a partial or total loss of capital invested in the portfolio company may be suffered, which could adversely affect returns. Furthermore, should the credit markets be limited or costly at the time that it is desirable to sell all or a part of a portfolio company, an exit multiple or enterprise valuation consistent with forecasts may not be achieved.

redeemable.

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for a substantial number of the Funds' Partnership's investments, and hence, most of the Funds' Partnership's investments will be difficult to value. Sales may also be limited by financial market conditions, which may be unfavorable for sales of securities of particular issues or issues in particular markets. The lack of liquidity of each portfolio company's securities may preclude or delay any disposition of such investments or reduce the proceeds to the Limited Partner Partnership that might otherwise be realized from any such disposition. Certain investments may be distributed in kind to the Limited Partners and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such Limited Partners. After a distribution of securities is made to the Limited Partners, many Limited Partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such Limited Partners may be lower than the value of such securities determined pursuant to their applicable Partnership Agreement, including the value used to determine the amount of carried interest available to the General Partner with respect to such investment.

*Contingent Liabilities on Disposition of Investments.* Many of the Funds' Partnership's investments will be in private securities. In connection with the disposition of an investment in private securities, the Funds Partnership 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. The Funds Partnership also may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may incur 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. In addition, these arrangements may ultimately yield funding obligations that must be satisfied by the Funds Partners subject to certain limitations.

*Reliance on the General Partner and Management.* Control over the operation of the Funds Partnership will be vested with the General Partner, and the Funds' Partnership's future profitability will depend largely upon the business and investment acumen of the Principals. The loss or reduction of service of one or more of the Principals could have an adverse effect on the Funds' Partnership's ability to realize its investment objectives. In addition, the Principals may in the future, manage other investment funds besides the Funds Partnership and the Principals may need to devote substantial amounts of their time to the investment activities of such other funds, which may pose conflicts of interest in the allocation of the time of the Principals. Limited Partners generally have no right or power to take part in the management of the Partnership, and as a result, the investment performance of the Funds Partnership will depend on the actions of the General Partner. In addition, certain changes in the General Partner or circumstances relating to the General Partner may have an adverse effect on the Funds Partnership or one or more of its portfolio investments including potential acceleration of debt facilities.

Although the General Partner will monitor the performance of each investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis, or of each portfolio fund's management team to operate such portfolio fund on a day-to-day basis. There can be no assurance that the management of a portfolio company, or portfolio fund, will be able or willing to successfully operate such investment

in accordance with the Funds' Partnership's objectives.

Unspecified Use of Proceeds. A Limited Partner will not have an opportunity to evaluate for itself the relevant economic, financial, and other information regarding the investments to be made by the FundsPartnership and, accordingly, will be dependent upon the judgment and ability of the General Partner in investing and managing the capital of the FundsPartnership. No assurance can be given that the FundsPartnership will be successful in obtaining suitable investments or that, if such investments are made, the objectives of the FundsPartnership will be achieved.

Director/Advisory Board Liability. The FundsPartnership will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which they invests (or to the advisory boards of the Partner Funds). Serving on the board of directors (or similar governing body) of a portfolio company (or on the advisory board of an investment fund) exposes the Funds'Partnership's representatives, and ultimately the FundsPartnership, to potential liability. Not all portfolio companies (or Partner Funds) may obtain insurance with respect to such liability, and the insurance that portfolio companies (or Partner Funds) do obtain may be insufficient to adequately protect officers and directors (or advisory board members) from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Funds'Partnership's investment activities.

Absence of Operating History. The FundsPartnership haves no operating history and will be entirely dependent on the General Partner. While certain of the Principals have previous experience making and managing investments similar to those contemplated by the FundsPartnership, certain other Principals have no experience managing and investing a committed pool of funds. Furthermore, there can be no assurance that the Funds'Partnership's investments will achieve results similar to those attained by previous investments of the Principals. In addition, the Funds'Partnership's investments may differ from previous investments made by the Principals in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure, and holding period.

Third Party Litigation. Litigation can and does occur in the ordinary course of the management of an investment portfolio of securities. The Funds may be engaged in litigation both as a plaintiff and as a defendant. The Funds' investment activities subject it to relatively increased third-party litigation risk in those instances in which the Funds exercise control or significant influence over a portfolio investment. Such litigation can arise as a result of portfolio company defaults, portfolio company bankruptcies and/or other reasons. In certain cases, such portfolio companies or their constituents may bring claims and/or counterclaims against the Funds, the General Partner, and/or their respective principals and affiliates alleging violations of securities laws and corporate, contractual, and other typical claims and counterclaims seeking significant damages. To the extent that (i) the Funds have not been able to protect themselves through insurance, indemnification, or other rights against the portfolio companies, (ii) the Funds are not entitled to such protections, or (iii) the portfolio company is not solvent, the expense of defending against claims made against the Funds by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Funds and reduce net assets. In connection with such actions, the Funds would be obligated to bear defense, settlement and other costs, the General Partner and others

would generally be entitled to indemnification by the FundsPartnership, subject to certain conditions. Such costs and indemnification could adversely affect the FundsPartnership's rates of return.

Limitation of Recourse and Indemnification. The Partnership Agreements will limit the circumstances under which the General Partner and its affiliates will be held liable to the FundsPartnership. As a result, Limited Partners may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the Partnership Agreement will provide that the FundsPartnership will indemnify the General Partner and its affiliates for certain claims, losses, damages, and expenses arising out of their activities on behalf of the FundsPartnership. Such indemnification obligations could materially impact the returns to Limited Partners.

Projections. Projected operating results of a company in which the Partnership (or a Partner Funds) invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the General Partner in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and 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.

Conflicting Investor Interests. Limited Partners may have conflicting investment, tax, and other interests with respect to their investments in the FundsPartnership, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the General Partner regarding an investment that may be more beneficial to one Limited Partner than another, especially with respect to tax matters. In structuring, acquiring, and disposing of investments, the General Partner generally will consider the investment and tax objectives of the FundsPartnership and their Limited Partners as a whole, not the investment, tax, or other objectives of any Limited Partner individually.

Partner Fund Co-Investments. The FundsPartnership may co-invest directly through privately negotiated transactions in Portfolio Company Investments in which the FundsPartnership, through a Partner Fund, ~~are~~ is indirectly invested ("Partner Fund Co-Investments"). Such Partner Fund Co-Investments may be presented to the FundsPartnership as a result of the applicable Partner Fund's relationship with the General Partner ~~through the Partnership's investment in the Partner Fund.~~ Absent such relationships and investments, the General Partner likely would not be presented with the opportunity to make such Partner Fund Co-Investments on behalf of the FundsPartnership. The General Partner may have an incentive to select Partner Funds that are more likely to provide Partner Fund Co-Investment opportunities. Prior to making any Partner Fund Co-Investment on behalf of the FundsPartnership, the General Partner will conduct its own evaluation of the Portfolio Company Investment.

Co-Investment Opportunities. The General Partner may, in its sole discretion, provide or commit to provide co investment opportunities, in the size, if any, the General Partner determines, to one or more Limited Partners and/or other parties, which may include executive partners, advisors and other individuals associated with the Principals. The Principals may receive a management fee or other compensation (including, without limitation, performance-based compensation) with respect

to co-investments.

Alternative Investment Fund Managers Directive. The EU Alternative Investment Fund Managers Directive (the “AIFMD”) regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area (“EEA”). If the Funds Partnership is actively marketed to investors domiciled or having their registered office in the EEA in circumstances where no transitional relief is available: (i) the Funds Partnership may be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which may result in the Funds Partnership incurring additional costs and expenses; (ii) the Funds Partnership and/or the General Partner may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which may result in the Funds Partnership incurring additional costs and expenses or otherwise affect the management and operation of the Funds Partnership; (iii) the General Partner may be required to make detailed information relating to the Funds Partnership and their investments available to regulators and third parties; and (iv) the AIFMD may also restrict certain activities of the Partnership in relation to EEA portfolio companies including, in some circumstances, the Funds Partnership’s ability to recapitalize, refinance or potentially restructure an EEA portfolio company within the first two years of ownership. In addition, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which may make it more difficult for the Funds Partnership to raise its targeted amount of Commitments.

Need for Follow On Investments. Following their initial investment in a given portfolio company, the Partnership (or a Partner Funds) may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that the Partnership (or a Partner Funds) will make follow on investments or that the Partnership (or a Partner Funds) will have sufficient funds to make all or any of such investments. Any decision by the Partnership (or a Partner Funds) not to make follow on investments or their inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for the Partnership (or a Partner Funds) to increase its participation in a successful portfolio company or the dilution of its ownership in a portfolio company if a third party invests in such portfolio company.

Non-U.S. Investments. The Partnership (or a Partner Funds) may invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Funds Partnership), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Funds Partnership and/or the Partners with respect to the Funds Partnership’s income, and possible non-U.S. tax return filing requirements for the Funds Partnership and/or the Limited Partners. Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws,

regulations, regulatory institutions, and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices, and requirements comparable to those that apply to U.S. companies.

*Foreign Exchange Risks.* Contributions to ~~the Partnership~~ and distributions from the ~~FundsPartnership~~ will be denominated in U.S. dollars. Investments may be denominated in U.S. dollars, Euros, Pounds Sterling or, if deemed advisable by the General Partner, in other currencies. As a result, the profits, or losses of the ~~FundsPartnership~~ 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, the ~~FundsPartnership~~ may incur costs in connection with conversions between various currencies.

*Hedging Arrangements.* The General Partner may (but is not obligated to) endeavor to manage the ~~FundsPartnership's~~ or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The ~~FundsPartnership~~ may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options, and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject the ~~FundsPartnership~~ to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian, or intermediary in connection with such hedging. OTC contracts may expose the ~~FundsPartnership~~ to additional liquidity risks if such contract cannot be adequately settled.

Certain hedging arrangements may create for the General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission or other regulator or comply with an applicable exemption.

*Significant Adverse Consequences for Default.* The Partnership Agreement provides for significant adverse consequences in the event a Limited Partner defaults on its Capital Commitment or any other payment obligation. In addition to losing its right to potential distributions from the ~~FundsPartnership~~, a defaulting Limited Partner may be forced to transfer its interest in the ~~FundsPartnership~~ for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest.

*Failure to Make Capital Contributions.* If a Limited Partner fails to pay when due installments of its commitment to the ~~FundsPartnership~~, and the contributions made by non-defaulting Limited Partners and borrowings by the ~~FundsPartnership~~ are inadequate to cover the defaulted capital contribution, the ~~FundsPartnership~~ may be unable to pay ~~their~~ obligations when due and may not be able to structure or consummate investments. As a result, the ~~FundsPartnership~~ 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 ~~FundsPartnership's~~ governing documents.



*Dilution.* Limited Partners admitted or that increase their respective Commitments to the FundsPartnership at subsequent closings generally will participate in then-existing investments of the FundsPartnership, thereby diluting the interest of existing Limited Partners in such investments. Although any such new Limited Partner will be required to contribute its pro rata share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the FundsPartnership's existing investments at the time of such contributions.

*Difficulty in Valuing Partnership Investments.* Generally, there will be no readily available market for a substantial number of the FundsPartnership's investments and hence, most of the FundsPartnership's investments will be difficult to value. Despite the General Partner's efforts to acquire sufficient information to monitor certain of the FundsPartnership's investments and make well-informed valuation and pricing determinations, the General Partner may only be able to obtain limited information at certain times. It is possible that General Partner may not be aware on a timely basis of material adverse changes that have occurred with respect to certain of the FundsPartnership's investments, and therefore may have to make valuation determinations without the benefit of an adequate amount of relevant information. Potential investors should be aware that as a result of these difficulties, as well as other uncertainties, any valuation made by the General Partner may not represent the fair market value of the securities acquired by the FundsPartnership.

*Unpredictability of Distributions.* Return of capital and realization of gains, if any, on investments will generally occur only upon the disposition of portfolio company securities, which may not occur for several years after the FundsPartnership's or a Partner Fund's acquisition of an interest in a portfolio company. Neither the General Partner nor the FundPartnership has or is likely to have in the future any influence over the timing of the distribution or disposition of portfolio company securities. Such distributions are likely to be unpredictable and may occur earlier than or later than anticipated by the General Partner. Limited Partners should not expect significant returns for a period of years after their investment is made.

*General Partner's Carried Interest.* The fact that the General Partner's carried interest is based on a percentage of net profits (or the fact that a Partner Fund is subject to a carried interest) may create an incentive for the General Partner to cause the FundPartnership (or for the general partner of a Partner Fund to cause such fund) to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case.

*Transfer by General Partner.* To the extent the General Partner, its partners, the Principals and/or their respective affiliates commit to make an investment in the FundsPartnership, a participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the Partnership Agreement.

*Reserves.* As is customary in the industry, the General Partner may establish reserves for follow-on investments by the Limited Partners in portfolio companies, Funds, 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, the Funds 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, the Partnership may decline attractive investment opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts.

Public Company Holdings. The ~~Funds~~Partnership’s investment portfolio ~~(or the investment portfolio of a Partner Fund)~~ may contain securities and debt issued by publicly held companies. Such investments may entail risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies’ executives and board members, including the Principals, and increased costs associated with each of the aforementioned risks.

Distressed Investments. The ~~Partnership (or a Partner Funds)~~ may invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization, or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the General Partner (or the ~~general partner of a Partner Funds~~) will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization, or liquidation of such company. Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, the ~~Fund~~Partnership ~~(or a Partner Fund)~~ may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which the ~~Fund~~Partnership ~~(or a Partner Fund)~~ invested.

Expedited Transactions. Investment analyses and decisions by the General Partner may be undertaken on an expedited basis in order for the ~~Funds~~Partnership to take advantage of investment opportunities. In such cases, the information available to the General Partner at the time of an investment decision may be limited, and the General Partner may not have access to the detailed information necessary for a full evaluation of the investment opportunity. In addition, the General Partner may rely upon independent consultants in connection with its evaluation of proposed investments. There can be no assurance that these consultants will accurately evaluate such investments.

Unfunded Pension Liabilities of 80%-Owned Portfolio Companies. Recent court decisions have suggested that, where an investment fund owns 80% or more of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. The ~~Funds~~ may, from time to time, own an 80% or greater interest in a portfolio company that has unfunded pension fund liabilities. If the ~~Funds~~ (or other 80%-owned portfolio companies of the ~~Funds~~) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the ~~Funds~~ and the

companies in which the FundsPartnership or any Partner Fund invests 80% or more of the equity.

Monitoring Fee Acceleration. Agreements made with portfolio companies may require the acceleration of future monitoring fees and other fees payable by a portfolio company at the sale or public offering of such portfolio company and an agreed upon value of such fees may be paid to the General Partner at such time.

Co-Investments. The General Partner may, in its sole discretion, provide or commit to provide co-investment opportunities to one or more Limited Partners and/or other persons, in each case on terms to be determined by the General Partner in its sole discretion. Conflicts of interest may arise in the allocation such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the General Partner in its sole discretion, may not be in the best interests of the FundsPartnership or any individual Limited Partner. In exercising its sole discretion in connection with such co-investment opportunities, the General Partner may consider some or all of a wide range of factors, which may include the likelihood that an investor may invest in a future fund sponsored by the General Partner or its affiliates. The FundsPartnership may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the FundsPartnership, or may be in a position to act contrary to the investment objectives of the FundsPartnership. In addition, the FundsPartnership may in certain circumstances be liable for actions of its third-party co-venturer or partner.

Advisory Committee. The General Partner will appoint one or more Limited Partner representatives to the Advisory Committee. Representatives of the Advisory Committee may have various business and other relationships with the General Partner and its partners, employees, and affiliates. These relationships may influence their decisions as members of the Advisory Committee.

Delayed Schedule K-1s. The FundsPartnership will likely not be able to provide final Schedule K-1s to Limited Partners for any given fiscal year until after April 15 of the following year. The General Partner will use its reasonable efforts to provide Limited Partners with final Schedule K-1s on or before such date, but final Schedule K-1s will not be available until the FundsPartnership has received tax-reporting information from its portfolio investments necessary to prepare final Schedule K-1s. Limited Partners may be required to obtain extensions of the filing dates for their U.S. federal, state, and local income tax returns. Each prospective investor should consult with its own adviser as to the advisability and tax consequences of an investment in the FundsPartnership.

Changing Economic Conditions. The success of the FundsPartnership's investment strategy could be significantly impacted by changing external economic conditions in the United States and global economies. General economic conditions, interest rates, and the availability of alternate sources of financing may affect the FundsPartnership's results, including the value of its Portfolio Company investments and its ability to realize them for a profit. The securities of the type targeted by the FundsPartnership may be adversely affected by changes in governmental policies, taxation, other laws and regulations, consumer and business spending trends, new social trends and/or communication methods, general economic downturns, domestic and foreign political situations, currency fluctuations and other factors.

*Enhanced Scrutiny and Regulations of the Private Equity Industry.* As private equity firms and other alternative asset managers have become more influential participants in the U.S. and global financial markets and economy generally, and as the private funds industry and the reach of transactions consummated by its participants has continued to grow, the private funds industry has become subject to enhanced political, governmental, and regulatory scrutiny around the globe. This increased scrutiny was particularly acute during the recent global financial crisis, over the course of which the business practices and economic incentives of private industry participants were viewed by certain political, governmental, and regulatory commentators as contributing to the market and economic volatility that ultimately resulted in the crisis. This enhanced scrutiny has prompted governmental and public action with respect to the private funds industry and its practices.

This enhanced oversight and regulation, and the need for significant additional rulemaking by various governmental bodies, has created uncertainty in the financial markets and, in particular, the private funds industry. Many of the regulators to which the FundsPartnership, the General Partner or their respective affiliates are expected to be subject globally, including governmental agencies and self-regulatory organizations, are empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of applicable licenses or members. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against the FundsPartnership, the General Partner or their respective affiliates were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm the FundsPartnership, the General Partner or their respective affiliates' reputations which may adversely affect the FundsPartnership's investment performance by hindering its ability to obtain favorable financing or consummate a potentially profitable investment. There is also a material risk that regulatory agencies in the United States and beyond will continue to adopt burdensome new laws or regulations (including tax laws or regulations), or change existing laws or regulations, or enhance the interpretation or enforcement of existing laws and regulations, as the U.S. and the global economy continues to struggle to improve. Any such events or changes could occur during the FundsPartnership's term and may adversely affect the FundsPartnership and their ability to operate and/or pursue their investment strategies. Such risks are often difficult or impossible to predict, avoid or mitigate in advance.

Regulation generally as well as regulation more specifically addressed to the private funds industry, including tax laws and regulation, could increase the cost of acquiring, holding, or divesting of investments in portfolio companies, the profitability of enterprises and the cost of operating the FundsPartnership. There can be no assurance that any such enhanced scrutiny will not have an adverse impact on the Funds or not otherwise impede the theirPartnership's activities.

*Uncertain Economic and Political Environment.* Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social, or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners, and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Funds and their portfolio investments to execute their respective

strategies and to receive an attractive multiple of earnings on the disposition of their businesses. This may slow the rate of future investments by the FundsPartnership and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the investments made by the FundsPartnership.

Market Conditions. The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the FundsPartnership (or any Partner Fund) and may affect the FundsPartnership's (or any Partner Fund's) ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the FundsPartnership's (or any Partner Fund's) investments and could have a negative impact on the performance and/or valuation of the portfolio companies in which the FundsPartnership (or any Partner Fund) invests. The FundsPartnership's performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies in which the FundsPartnership (or any Partner Fund) invests and the FundsPartnership's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the FundsPartnership (or any Partner Fund) to sell and/or partially dispose of its investments. Such adverse effects may include the requirement of the FundsPartnership (or any Partner Fund) to pay break-up, termination or other fees and expenses in the event the FundsPartnership (or any Partner Fund) ~~are~~ is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the FundsPartnership (or any Partner Fund) to dispose of investments at prices that the General Partner (or the general partner, manager or similar control person of such ~~Partner Funds~~) believes reflect the fair value of such investments. The impact of market and other economic events may also affect the FundsPartnership's (or any Partner Fund's) ability to raise funding to support its investment objective.

Disclosure of Information. The FundsPartnership, the General Partner or their respective affiliates and investors may be subject to public records or similar laws that may compel public disclosure of confidential information regarding the FundsPartnership, ~~their~~ investments or one or more Limited Partners. There can be no assurance that such information will not be disclosed either publicly or to regulators or law enforcement or otherwise, including to comply with regulations or policies to which these entities may be or become subject.

Anti-Pay-to-Play Laws, Regulations and Policies. In light of recent scandals involving money managers, a number of states and municipal pension plans have adopted so-called "pay-to-play" laws, regulations or policies which prohibit, restrict, or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including investments by public retirement funds. The SEC also has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation to a government client for two years after the adviser or certain of its executives or employees contribute to certain elected officials or candidates. If the General Partner, its employees

or affiliates or any service providers acting on its behalf, including, without limitation, a placement agent, fails to comply with such pay to play laws, regulations, or policies such non-compliance could have an adverse effect on the FundsPartnership by, for example, providing the basis for the withdrawal of the affected public pension fund investor.

~~Investment Company Act. The Partnership will not be registered as an investment company under the Investment Company Act of 1940 (the “Investment Company Act”). As a result, certain protections of the Investment Company Act (which, among other matters, requires a portion of an investment company’s directors to be disinterested, requires securities to be held in custody at a bank or trust company, regulates the relationship between the investment company and its advisor and requires investor approval before fundamental investment policies can be changed) will not be afforded to the Partnership or the Limited Partners.~~

Conflict of Interest. Until such time as the General Partner is permitted to raise a successor investment fund to the FundsPartnership, the Principals will pursue all appropriate investment opportunities that meet the investment criteria of the FundsPartnership principally for the benefit of the FundsPartnership, subject to certain exceptions set forth in the Partnership Agreement. However, the Principals may in the future manage several other investment funds besides the FundsPartnership and investments similar to those in which the FundsPartnership will be investing and may direct certain relevant investment opportunities to those investment funds and investments. In addition, the Principals may spend a portion of their business time and attention pursuing investment opportunities for other investment funds and other than on behalf of the FundsPartnership. The Principals and the General Partner’s investment staff will continue to manage and monitor such investment funds and investments, although the Principals expect that the time required to do so will be less than will be spent on FundsPartnership matters. The General Partner believes that the significant investment of the Principals in the FundsPartnership, as well as the Principals’ interest in the carried interest, operate to align, to some extent, the interest of the Principals with the interest of the Limited Partners, although the Principals may have economic interests in such other investment funds and investments as well and receive management fees and carried interests relating to these interests. Such other investment funds and investments that the Principals may control or manage may compete with the FundsPartnership or companies or investment funds in which the FundsPartnership directly or indirectly invests. At such time as the General Partner is permitted to raise a successor investment fund to the FundsPartnership, the Principals will continue to manage the FundsPartnership’s investments, but also may and likely will focus investment activities on other opportunities and areas unrelated to the FundsPartnership’s investments. Certain investments may be allocated between the FundsPartnership and any successor or predecessor fund in a manner as set forth in the Partnership Agreement.

Partnership Counsel. The representation of the General Partner and the Funds by the Partnership Counsel is limited to the specific matters with respect to which it has been retained and consulted by such person(s). There may exist other matters which could have a bearing on the Funds, the Funds’ investments and portfolio companies, the General Partner and/or their respective affiliates as to which the Partnership Counsel has been neither retained nor consulted. The Partnership Counsel does not undertake to monitor the compliance of the General Partner and its affiliates with the investment program and other investment guidelines and procedures set forth in the Partnership Agreement, nor does the Partnership Counsel monitor compliance by the Funds, the General Partner and/or their affiliates with applicable laws, unless in each case the Partnership Counsel has been specifically retained to do so. The

Partnership Counsel does not investigate or verify the accuracy and completeness of any information concerning the ~~Funds~~Partnership, the General Partner or any of their respective affiliates and personnel or investments or portfolio companies. Furthermore, except for any opinions specifically set forth in a signed opinion letter issued by it, the Partnership Counsel is providing no advice, opinion, representation, warranty, or other assurance of any kind as to any matter to any limited partner of the ~~Funds~~Partnership.

*Cybersecurity Risk.* The Adviser, the Next Play Funds' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Next Play Funds and their investors, despite the efforts of the Adviser and the Next Play Funds' service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Next Play Fund and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Adviser, the Next Play Funds' service providers, counterparties, or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Adviser's systems to disclose sensitive information in order to gain access to the Adviser's data or that of the Next Play Funds' investors. A successful penetration or circumvention of the security of the Adviser's systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Next Play Funds, the Adviser, or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

Similar types of operational and technology risks are also present for the companies in which the Next Play Funds invest, which could have material adverse consequences for such companies, and may cause the Next Play Funds' investments to lose value.

*Global Pandemic Risk.* As of the date of this ~~Brochure~~Memorandum, there is an outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization has declared to constitute a "Public Health Emergency of International Concern." The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity, and contributed to significant volatility in certain equity and debt markets. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting quarantines,

prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity, and are having a particularly adverse impact on transportation, hospitality, tourism, entertainment, and other industries. As COVID-19 continues to spread, the potential impacts, including a global, regional, or other economic recession, are increasingly uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on the Funds and their portfolio investments and could adversely affect the Fund's ability to fulfill its investment objectives.

The extent of the impact of any public health emergency on the Funds' and their portfolio investments' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of the Funds' portfolio investments, the Funds' ability to source, manage and divest investments and the Funds' ability to achieve its investment objectives, all of which could result in significant losses to the Funds. In addition, the operations of the Funds, their portfolio investments, the General Partner, and the Management Company may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel.

*Privacy and Data Protection Law Compliance Risk.* The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations ("Privacy Laws") in the United States, Europe and elsewhere could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the Adviser, the Next Play Funds and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions, or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted, and applied, compliance costs for the Adviser, the Next Play Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

For example, California has passed the California Consumer Privacy Act of 2018, and the EU has enacted the General Data Protection Regulation (EU 2016/679), each of which broadly impacts businesses that handle various types of personal data, potentially including private fund managers



and their funds and investments. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties.

Other jurisdictions, including other U.S. states, have proposed, or are considering similar Privacy Laws, which if enacted could impose similarly significant costs, potential liabilities, and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include the Adviser, the Next Play Funds and/or their portfolio companies.

United Kingdom (“UK”) Exit from the European Union (the “EU”). On March 29, 2017, the United Kingdom formally notified the European Council of its intention to leave the EU (“Brexit”). After a number of iterations, the European Commission and the UK’s negotiators reached agreement on the terms of the UK’s withdrawal from the EU, and these terms have been approved by the UK and EU Parliaments. The UK formally left the EU on January 31, 2020 after which the UK entered the transition period specified in the withdrawal agreement, which is scheduled to end on December 31, 2020. During this period, it is expected that the majority of the existing EU rules will continue to apply in the UK.

The terms of UK’s exit from the EU are still uncertain, including UK’s access to the EU single market permitting the exchange of goods and services between the UK and the EU. The UK expects to agree a deal on a future relationship with the EU by the end of the transitional period but whether this is possible is subject to disagreement by leaders of certain EU member states.

The future application of EU-based legislation to the private fund industry in the UK will depend, among other things, on how the UK renegotiates its relationship with the EU. There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on a Next Play Fund and its investments, including the ability of a Next Play Fund to achieve its investment objectives.

The legal, political, and economic uncertainty generally resulting from the UK’s exit from the EU may adversely affect both EU and UK-based businesses, including the Adviser and Next Play Fund portfolio companies. This uncertainty may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

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

Item 9 is not applicable to the Adviser.

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

##### **Related General Partners**

Certain entities controlled by or under common control with Next Play serve as general partners of the Next Play Funds. For a description of any material conflicts of interest created by the relationship between the Adviser and the general partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

### **Code of Ethics**

The Adviser has adopted a written Code of Ethics that is applicable to all of its members, officers, and employees, as well as officers and employees of its affiliates (“together, “Adviser Personnel”) and certain independent contractors (collectively, “Adviser Covered Persons”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Advisers Act, establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Covered Persons and their covered family members generally purchase investments for their own accounts, subject to the terms of the Code of Ethics; however, with limited exceptions, Adviser Covered Persons and their family members are prohibited from holding the securities of individual companies in the technology sector, which includes the investment of the Funds. Under the Code of Ethics, Adviser Covered Persons are required to file certain periodic reports with the Adviser as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest.

Adviser Covered Persons who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension, or dismissal. Adviser Covered Persons are also required promptly to report any violation of the Code of Ethics of which they become aware. Adviser Covered Persons are required to certify annually their compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client or prospective client upon written request to: **Eric Valle Chief Compliance Officer, [eric@nextplaycapital.com](mailto:eric@nextplaycapital.com)**.

**Commented [LO1]:** Next Play will need to name a Chief Compliance Officer. Will this be you Eric?

### **Participation or Interest in Client Transactions**

The Adviser and certain Adviser Personnel invest in and alongside the Funds, either through the general partner, as direct investors in the Funds, or otherwise. A Fund or its general partner, as applicable, reduces all or a portion of the Advisory Fee and Carried Interest related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

### **Conflicts of Interest**

The Adviser and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management, and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Fund may conflict with the interests of the Adviser, other Funds, co-investment vehicles, or their respective affiliates. A description of certain of these conflicts of interest, as well a description of how the Adviser addresses such conflicts of interest, can be found below.

The Adviser has established certain investment vehicles through which certain Adviser Personnel, and independent contractors and/or their family members of the Adviser, and/or family members of the Adviser's affiliates, certain limited partners of the Main Funds, certain business associates, or other persons close to the firm invest alongside one or more Main Funds in one or more investment opportunities. Such vehicles generally are contractually required, as a condition of investment, to exit their investments in each investment opportunity at substantially the same time and on substantially the same terms as the applicable Main Fund that is invested in that investment opportunity. Such co-investment vehicles (including Employee Co-Investment Vehicles) typically do not pay Advisory Fees or Carried Interest and do not bear any of the fees or expenses incurred by any Main Fund, including a Main Fund's operating expenses and expenses relating to its investment activities.

#### *Resolution of Conflicts*

In the case of all conflicts of interest, the Adviser's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser's best judgment, but in its sole discretion, subject to the Governing Documents of the applicable Fund(s). In resolving conflicts, the Adviser will consider various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer-term courses of dealing. Conflicts may be managed by, without limitation:

- segregating responsibilities of individuals or causing any affected individual to appropriately recuse himself or herself from any relevant matter;
- seeking to ensure that the interests of the Adviser and the Funds are aligned to the greatest extent practicable and to minimize non-conforming treatment or the creation of differential interests in the structuring of the applicable arrangement;
- acting in a manner prescribed in the relevant Fund documents (e.g., allocating transaction fees between the Adviser and a Fund in accordance with the fee sharing provisions set forth in the relevant partnership agreement); or
- disclosing the existence of such conflicts in the relevant Fund documents (e.g., a Fund's private placement memorandum).

In addition, many Next Play Funds have established an advisory committee, consisting of representatives of investors that are not affiliated with the Adviser. The advisory committees meet as required to consult with the Adviser as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, the Adviser will be guided by its good faith discretion.

#### *Conflicts*

The material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Fund. Other conflicts are disclosed throughout this brochure, and the brochure should be read in its entirety for other conflicts.

#### *Allocation of Investment Opportunities among Clients*

In connection with its investment activities, the Adviser may encounter situations in which it must determine how to allocate investment opportunities among various clients and other persons, which may include, but are not limited to, the following:

- the Main Funds;
- any co-investment vehicles that have been formed to invest side-by-side with one or more Funds in all or particular transactions entered into by such Fund(s) (the investors in such co-investment vehicles may include Adviser Investors and/or individuals and entities that are not investors in any Main Funds (“Third Parties”));
- Adviser Investors and/or Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Fund(s); and
- Adviser Investors and/or Third Parties acting as “co-sponsors” with the Adviser with respect to a particular transaction.

The Adviser has adopted written policies and procedures relating to the allocation of investment opportunities and will make allocation determinations consistently therewith.

The Funds are typically subject to investment allocation requirements (collectively, “Investment Allocation Requirements”), which will also apply directly or indirectly to certain co-investment vehicles with investments contractually tied to the Funds. Investment Allocation Requirements are set forth in the relevant Governing Documents and/or the Compliance Manual.

The procedures set out below address how the Adviser ensures that investment opportunities and their attendant fees and expenses are allocated fairly and equitably among the Funds to the extent the Investment Allocation Requirements of a Fund permit the Adviser to use its discretion to allocate a specific investment opportunity.

The following factors, without limitation, may be considered when determining an allocation:

- a Fund’s existing positions in a particular security or issuer;
- the liquidity of a particular Fund;
- a Fund’s investment policies and restrictions, guideline limitations, or investment objectives;
- the size of a particular Fund;
- transaction sourcing;

- diversification;
- lender covenants;
- the tax implications of an investment for a particular Fund;
- the remaining investment period and/or life of the particular Fund;
- legal, regulatory, and contractual restrictions for a particular Fund; and
- such other factors as the Adviser reasonably deems relevant.

In addition, principal executive officers and other personnel of the Adviser invest indirectly in and directly in Funds and may therefore participate directly or indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund. The existence of these varying circumstances may present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund.

#### *Allocation of Co-Investment Opportunities and Secondary Transactions*

The Adviser will determine if the amount of an investment opportunity exceeds the amount the Adviser determines would be appropriate for the Next Play Funds (after taking into account any portion of the opportunity allocated to certain participants in the applicable deal by contract, such as consultants and advisors to the Adviser and/or the Next Play Funds or management teams of the applicable portfolio company, certain strategic investors and other investors whose allocation is determined by the Adviser to be in the best interests of the applicable Next Play Fund), and any such excess may be offered to one or more co-investors pursuant to the procedures included in such Next Play Funds' Governing Documents and as set forth in the following paragraphs.

Subject to any Investment Allocation Requirements, in general, (i) no investor in a Next Play Fund has a right to participate in any co-investment opportunity, (ii) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of the Adviser or its related persons or other participants in the applicable transactions, such as co-sponsors (iii) co-investment opportunities may, and typically will, be offered to some and not other investors in the Next Play Funds, in the sole discretion of the Adviser or its related persons and investors may be offered a smaller amount of co-investment opportunities than originally requested, (iv) certain persons other than investors in the Next Play Funds may be offered co-investment opportunities, in the sole discretion of the Adviser or its related persons, (v) certain persons other than investors in the Next Play Fund may be given a contractual right to participate in co-investments in exchange for such persons providing services to the Next Play Fund and (vi) co-investors may purchase their interests in a portfolio company at the same time as the Funds or may purchase their interests from the applicable Next Play Funds after such Next Play Funds have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer).

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among potential co-investors, the Adviser may consider some or all of a wide range of factors, which include, but are not limited to, one or more of the following:

- the Adviser's evaluation of the size and financial resources of the potential co-investment party and the Adviser's perception of the ability of that person or entity (in terms of, for example, staffing, expertise, and other resources) to participate efficiently and expeditiously in the investment opportunity with the relevant Next Play Fund(s) without harming or otherwise prejudicing such Next Play Funds(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- any confidentiality concerns the Adviser has that may arise in connection with providing the potential co-investment party with specific information relating to the investment opportunity in order to permit such person or entity to evaluate the investment opportunity;
- the Adviser's evaluation of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of such person or entity to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser;
- the Adviser's evaluation of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, reporting, public relations, media, or other burdens that make it less likely that the potential co-investment party would act upon the investment opportunity if offered;
- the Adviser's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Next Play Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which a Next Play Fund wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Next Play Fund being able to capitalize on a potential investment opportunity); and
- whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen, and/or cultivate relationships that may provide indirectly longer-term benefits to the Next Play Funds or future Next Play Funds and/or the Adviser.

The Adviser's exercise of its discretion in allocating investment opportunities with respect to a particular investment among various potential investors in the manner discussed above may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to other such persons. While the Adviser will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Next Play Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser is subject, discussed herein, did not exist.

In the event the Adviser determines to offer an investment opportunity to co-investors there can be no assurance that the Adviser will be successful in offering a co-investment opportunity to a

potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Next Play Fund or that expenses incurred by the Next Play Fund with respect to the syndication of the co-investment will not be substantial. In the event that the Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Next Play Fund may consequently hold a greater concentration and have exposure in the related investment opportunity than was initially intended, which could make the Next Play Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto.

To the extent the Adviser has discretion over granting or withholding consent to a secondary transfer of interests in a Next Play Fund pursuant to such Next Play Fund's Governing Documents, or is asked to identify potential purchasers in a secondary transfer, the Adviser will do so in its sole discretion, generally considering the following factors:

- The Adviser's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- The Adviser's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Next Play Funds and/or the Adviser;
- Whether the potential purchaser would subject the Adviser, the applicable Next Play Fund, or their affiliates to legal, regulatory, reporting, public relations, media, or other burdens;
- Requirements in such Next Play Fund's Governing Documents; and
- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

A purchaser's potential investment into another Next Play Fund (including any commitment to a future fund) may be considered but will not be the sole determining factor considered by the Adviser in determining whether to grant or withhold its consent to a secondary transfer of interests in a Next Play Fund.

#### *Valuation of Assets*

The Adviser is responsible for the valuation of each Next Play Fund's assets, in accordance with such Next Play Fund's Governing Documents and valuation policies. There is no actively traded market for most of the securities owned by the Next Play Funds. Securities and all other assets for which no market prices are available will be valued at such value as the Adviser reasonably determines.

Valuations are generally subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of the Adviser. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities

may ultimately be sold. Third-party pricing information is typically not available regarding certain of Next Play Fund's assets.

It is the Adviser's policy to determine the "fair value" of the Next Play Funds in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP"), particularly Accounting Standard Codification 820, Fair Value Measurements. When estimating fair value, the Adviser will apply a methodology based on its best judgment that is appropriate in light of the nature, facts, and circumstance of the investments. With respect to the Next Play Funds, the exercise of such discretion by the Adviser may give rise to conflicts of interest, as such valuations affect performance calculations.

#### *Conflicts Related to Purchases and Sales*

Conflicts arise when a Fund makes investments in conjunction with an investment being made by other Funds, or in a transaction where another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This may result in differences in price, terms, leverage, and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. The Adviser may express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions may be taken for one or more Funds that adversely affect other Funds.

Investment opportunities may be appropriate for different Funds at the same, different, or overlapping levels of a portfolio company's capital structure. Additionally, the Fund may buy or sell securities or other instruments in companies in which the Adviser, its affiliates or their Adviser Personnel are invested. Adviser Personnel have made investments in certain Funds, and therefore may have additional conflicting interests in connection with these investments. Conflicts in respect of these transactions may arise in determining the terms of investments, particularly where these clients or Adviser Personnel may invest in different types of securities in a single portfolio company. Questions may arise as to whether payment obligations and covenants should be enforced, modified, or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest, particularly in Funds that have invested in different securities within the same portfolio company. Certain clients of the Adviser may invest in bank debt and securities of companies in which other clients or Adviser Personnel hold securities, including equity securities. In the event that such investments are made by a Fund, the interests of such Fund may be in conflict with the interest of such other Fund or Adviser Personnel, particularly in circumstances where the underlying company is facing financial distress. The involvement of such persons at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Funds may be prohibited from exercising voting or other rights and may be subject to claims by other creditors with respect to the subordination of their interest. If additional capital is necessary as a result of financial or



other difficulties, or to finance growth or other opportunities, the Funds or Adviser Personnel may or may not provide such additional capital, and if provided will be supplied in such amounts, if any, as determined by the applicable Adviser or Adviser Personnel. In addition, a conflict may arise in allocating an investment opportunity if the potential investment target could be acquired by either a Fund or a portfolio company of another Fund. Investments by more than one client of the Adviser or Adviser Personnel in a portfolio company may also raise the risk of using assets of a client of the Adviser to support positions taken by Adviser Personnel other clients of the Adviser. There can be no assurance that the return of a Fund participating in these transactions would be equal to and not less than another Fund or Adviser Personnel participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

A Fund may invest in opportunities that other Funds have declined, and likewise, a Fund may decline to invest in opportunities in which other Funds have invested.

From time to time the Adviser may, in its discretion, enter into transactions with investors in one or more Next Play Funds to dispose of all or a portion of certain investments held by one or more Next Play Funds. In exercising its discretion to select the purchaser(s) of such investments, the Adviser may consider some or all of the factors listed above under “*Allocation of Co-Investment Opportunities and Secondary Transactions*”. The sales price for such transactions will be mutually agreed to by the Adviser and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Adviser. Although the Adviser is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, it will first determine that such transaction is in the best interests of the applicable Next Play Fund(s), considering the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Next Play Fund(s). Any such transactions will comply with the Governing Documents of the applicable Next Play Fund(s).

A Fund may sell down an interest in its portfolio companies to co-investors. Subject to a Fund’s Governing Documents, the Fund may charge (or may decide not to charge) a co-investor (such as a Fund investor or third party) interest costs for the time period between the closing of such Fund’s investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investor. Additionally, a Next Play Fund may bridge an investment with a short-term loan facility pending the receipt of capital contributions from the Next Play Fund investors. Subject to a Next Play Fund’s Governing Documents, the general partner may charge (or may decide not to charge) the Next Play Fund (including the Next Play Fund investors) interest costs incurred in connection with such loan for the time period between the receipt of funds from such loan to the date on which the loan is paid off by the Next Play Fund.

#### *Cross-Transactions*

While the Governing Documents of the Funds limit the ability of the Adviser to engage in such transactions, the Adviser may cause a Fund to purchase investments from another Fund, or it may cause a Fund to sell investments to another Fund. Such transactions may arise in the context of re-balancing an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Fund. Such

transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or the Adviser might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees or to support the value of portfolio companies owned by the selling Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. Additionally, in connection with such transactions, the Adviser, its affiliates and/or their professionals (i) typically have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). The Adviser and its affiliates typically receive management or other fees in connection with its management of the relevant Funds involved in such a transaction, and also are typically entitled to share in the investment profits of the relevant Funds.

To address these conflicts of interest, the Adviser must comply with the conditions set forth in the Governing Documents of the applicable Fund. Additionally, the Adviser will follow the Investment Allocation Requirements of the relevant Funds. To the extent such matters are not addressed in the Investment Allocation Requirements, the Adviser's internal legal and compliance team will be responsible for confirming that the Adviser (i) considers its duties to each Fund, (ii) determines whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm's length transaction with a third party, and (iii) obtains any required approvals of the transaction's terms and conditions. The Adviser will not directly or indirectly receive any commission or other transaction-based compensation for effecting any such transaction, and the Adviser will not effect any such transaction for any Fund where the Adviser may be deemed to own more than 25% of the Fund, unless such transaction complies with the requirements of the Adviser's principal transactions policy, as described below.

#### *Principal Transactions*

Section 206 of the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with the Adviser's management of the Funds, it is not anticipated that the Adviser will engage in principal transactions. However, the Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received. In addition, the Governing Documents generally contain additional restrictions on the ability of the Funds or the Adviser to engage in cross or principal transactions.

### *Management of the Funds*

The Adviser currently manages a number of Funds that have investment objectives similar to each other. The Adviser expects that it or its personnel will in the future establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Funds. Allocation of available investment opportunities between the Funds and any such investment fund could give rise to conflicts of interest. See “*Allocation of Investment Opportunities Among Clients*” above. In addition, other Funds managed by the Adviser, including funds that may be raised in the future or to proprietary investments made by the Adviser and/or its principals of the type made by a Fund. Conflicts of interest may arise in allocating time, services, or functions of these officers and employees.

The Next Play Funds may enter into borrowing arrangements that require the Next Play Funds to be jointly and severally liable for certain obligations. If one Next Play Fund defaults on such an arrangement, the other Next Play Funds may be held responsible for the defaulted amount. The Next Play Funds have no current intention to do so and will only enter into such joint and several borrowing arrangements when the Adviser determines it is in the best interests of the Next Play Funds.

In borrowing on behalf of a Next Play Fund, the Adviser is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Next Play Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Next Play Fund’s preferred return, is expected to have incentives to cause the Next Play Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Next Play Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund- level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the general partner called capital, and thus could result in the relevant general partner receiving carried interest sooner than it would without borrowing. In addition, when the Advisory Fee is calculated as a percentage of invested capital, a limited partner may pay Advisory Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

### *Follow-on Investments*

Investments to finance follow-on acquisitions will present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Fund in a portfolio company in which another Fund has previously invested. In addition, a Fund may participate in leveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. Conflicts of interest may arise, including

determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

#### *Conflicts Relating to the Adviser*

The Adviser generally may, in its discretion, contract with any related person of the Adviser (including but not limited to a portfolio company of a Fund) to perform services for the Adviser in connection with its provision of services to the Funds. When engaging a related person to provide such services, the Adviser may have an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser generally may, in its discretion, recommend to a Fund, a portfolio company thereof, or a third party service provider utilized by the Adviser, a Fund, or a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) the Adviser or a related person of the Adviser (including but not limited to a portfolio company of a Fund) or (ii) an entity with which the Adviser or a member of its personnel has a relationship or from which the Adviser or its personnel otherwise derives financial or other benefit. When making such a recommendation, the Adviser may, because of its financial or other business interest, have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser and Adviser Personnel may buy or sell securities or other instruments that the Adviser has recommended to Funds. In addition, Adviser Personnel may also buy securities in transactions offered to but rejected by Funds (although both scenarios are unlikely due to the Adviser's no technology policy). A conflict of interest may arise because such investing Adviser Personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by the Adviser on behalf of the Fund. In such circumstances, expenses incurred by the relevant Fund(s) and/or the Adviser in connection with the investment opportunity will generally be allocated between the investing Personnel and the relevant Fund(s) in a manner determined by the Adviser to be fair and equitable. In addition, officers and employees may also buy securities in other investment vehicles (including private equity funds, hedge funds, real estate funds and other similar investment vehicles) which may include potential competitors of the Funds. Such transactions are subject to the policies and procedures set forth in the Adviser's Code of Ethics and investors will not benefit from any such investments. The investment policies, fee arrangements, and other circumstances of these investments may vary from those of the Funds. If Adviser Personnel have made large capital investments in or alongside the Funds, they will have conflicting interests with respect to these investments.

Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by the Adviser, are reimbursed by a Fund and/or its portfolio companies, 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. Such expenses may include airfare (whether private charter, first class, and/or business class), which can be substantial.

### *Fee Structure*

Because there is a fixed investment period after which capital from investors in certain Next Play Funds may only be drawn down in limited circumstances and because Advisory Fees are, at certain times during the life of the Next Play Funds, based upon capital invested by the Next Play Funds, this fee structure may create an incentive to deploy capital when the Adviser may not otherwise have done so.

Pursuant to the Governing Documents, a Fund's general partner may be required to return excess amounts of Carried Interest as a "clawback". This clawback obligation may create an incentive for such General Partner to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation for such general partner.

### *Providers of Operations Support*

The Next Play Fund's current or prospective portfolio companies from time to time utilize certain persons or entities employed or retained by the general partner, the Adviser or their respective affiliates (including, without limitation, certain principals and other employees of the Adviser (collectively, the "Value-Creation Team"), specialized consultants, executives, "operating partners," senior advisors, members of the Strategic Advisory Committee and other similar members of the Adviser's "expert network") (each, a "Value Creation Provider") to perform services rendered with respect to financial, operational, management, technology, accounting, tax, legal, human resources or other similar matters (such services, the "Value Creation Services"). Value Creation Services also, in the general partner's sole discretion, include providing services to support any current or prospective portfolio company's (i) management and executive team (including through Value Creation Providers serving directly in management positions or otherwise participating in determining corporate strategy), (ii) supply chain, revenue and margin management (including pricing, sales and marketing strategy, offshoring and cost structuring), (iii) finance improvements (including generating metrics and KPI reporting and business restructuring), (iv) human capital management (including recruiting personnel and determining compensation), (v) information technology (including corporate reporting, IT systems and processes and external provider management), (vi) corporate communications, customer service and product development (including product roadmap management, development lifecycle management and product architecture) and (vii) other similar operational matters. The determination of whether a service is a Value Creation Service will be made by the general partner in its sole discretion. The nature of the relationship with each such Value Creation Provider and

the time devotion requirements of each such Value Creation Provider may vary significantly. These arrangements may be memorialized in a formal written agreement or may be informal and are negotiated individually, depending upon the anticipated Value Creation Services to be provided. Value Creation Providers may be offered the ability to co-invest alongside Next Play Funds, including in investments in which such Value Creation Providers is involved or participates in the management thereof.

Compensation for Value Creation Services in respect of a current or prospective portfolio company will be determined by the general partner, in its sole discretion, according to one or more methods, including the value of the time of the Value Creation Provider, a percentage of the value of such portfolio company, the invested capital exposed to such portfolio company, amounts charged by others for comparable services and/or a percentage of cash flows from such portfolio companies. Such compensation may include profits or equity interests in a portfolio company, or other incentive-based compensation to the Value Creation Provider.

Pursuant to the Governing Documents, compensation for Value Creation Services provided to current or prospective portfolio companies, including those provided by members of the Strategic Advisory Committee, are paid by a portfolio company, or directly or indirectly by the Next Play Fund (which payments would not reduce any management fee, except that in certain circumstances, payments and/or reimbursements made by the Next Play Fund would be subject to a cap); provided that wherever practicable, the Next Play Fund will seek to have internal compensation costs (i.e., salary, benefits and bonus but not carried interest of Value Creation Providers that are employees of the Adviser or its affiliates) reimbursed or paid by the relevant portfolio companies.

The general partner's good faith determination as to whether a service is a Value Creation Service and the categorization of compensation for Value Creation Services shall be binding on the Next Play Fund and its limited partners.

#### *Diverse Membership*

Investors may have conflicting investment, tax, and other interests with respect to their investments in the Funds. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the Funds, 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 the decisions made by the Adviser, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Funds, the Adviser will consider the investment and tax objectives of the Funds, not the investment, tax, or other objectives of any investor individually.

#### *Business with Portfolio Companies and Investors*

At times, the Adviser recommends a portfolio company's services to other portfolio companies of the Funds, which may involve fees, commissions, servicing payments and/or discounts to the Adviser, an affiliate, or a portfolio company. The Adviser may have a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services

recommended may not necessarily be the best or lowest cost option available to the portfolio companies held by the Funds and could result in higher expenses for the portfolio company as well as an advantage for the Fund holding the service-providing portfolio company. The benefits received by a portfolio company providing a service may be greater than those received by the Fund(s) and its portfolio companies receiving the service.

The Adviser may have an incentive to recommend the products or services of certain investors in the Funds, certain Third Parties (including lending sources), or their related businesses to the Funds, or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best or lowest cost option available to the Funds or the portfolio companies and could result in higher expenses for the portfolio company as well as an advantage for the Fund holding the service-providing portfolio company.

Portfolio companies controlled by a Fund may provide services to certain Fund investors. The Adviser may have an incentive to cause the portfolio company to favor those investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Fund. Additionally, a portfolio company could recommend to its clients or customers that they invest in a Fund.

The Adviser may engage in business opportunities arising from a Fund's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company). This creates a conflict of interest, as such interests are a benefit arising from the Fund's investment and may vary from the applicable Fund's interest (e.g., whether to make a follow-on investment and, if so, how much should be allocated to the Fund).

In certain instances, a Fund's portfolio company may compete with another Fund's portfolio company. A conflict of interest may arise in these instances because advice and recommendations provided by the Adviser to a portfolio company may have adverse consequences to a competitor portfolio company owned by another Fund.

The Adviser and/or its affiliates may engage in business with certain service providers, including for example, investment bankers and outside legal counsel who are investors in Funds and/or who provide services (including mezzanine and/or lending arrangements) to the Adviser, the Funds, the portfolio companies and/or businesses that are competitors of the Adviser. Such engagement may be concurrent with an investor's admission to a Fund, or during the term of such investor's investment in the Fund. This creates a conflict of interest, as the Adviser may give such investor preferred economics or other terms with respect to its investment in a Fund or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor. The Adviser will have a conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide the Adviser information about markets and industries in which the Adviser operates or is interested or will provide other services that are beneficial to the Adviser. There is a possibility that the Adviser, because of such belief or for other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. In these instances, the Adviser uses reasonable efforts to mitigate such conflicts

and uses good faith efforts to negotiate market terms for such law firm and service providers' services.

Certain members of a Fund's advisory committee are, or in the future may be, officers or directors of, or otherwise affiliated with, investors in another Fund. The general partner of a Fund may from time to time utilize the services of investors and their affiliates on an arm's length basis with commercially reasonable terms, as it deems appropriate.

#### *Allocation of Personnel*

Adviser Personnel will work on other projects and possibly other vehicles and activities. Certain Adviser Personnel may serve as members of the boards of directors (or similar governing bodies) of various companies other than Fund portfolio companies. The possibility exists that such companies could engage in transactions that would be suitable for the Fund, but in which the Fund might be unable to invest. Conflicts may arise as a result of such other activities, including with respect to allocating time and investment opportunities.

#### *Material, Non-Public Information*

By reason of their responsibilities in connection with their other activities, certain personnel of the Adviser may acquire material non-public information or other confidential information or be restricted from initiating transactions in certain securities. The Fund will not be free to act upon any such information or initiate such transactions. Due to these restrictions, the Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

#### *Positions with Portfolio Companies*

Employees and members of the Adviser may serve as directors of portfolio companies. While conflicts of interest may arise in the event that such employee's fiduciary duties as a director conflicts with those of the Fund, it is expected that the interests will be aligned. Additionally, such persons are typically required to remit to the Adviser any remuneration they may receive as directors on behalf of the Adviser. In addition, employees of the Adviser may leave the employment of the Adviser and become an officer or employee of a portfolio company.

#### *Side Letter Agreements; Advisory Committee Rights*

The Next Play Fund or the general partner, without any further act, approval or vote of any partner, has entered into side letters or other similar agreements with certain limited partners that have the effect of establishing rights (including different or more preferential economic terms) under, or altering or supplementing the terms of, the limited partnership agreement (or analogous organizational document) with respect to certain limited partners. Except as otherwise agreed with an investor, the Adviser (or applicable general partner) is not required to disclose the terms of side letter arrangements with other investors in the same Next Play Fund.

Generally, each Next Play Fund has established an advisory committee, consisting of representatives of investors. A conflict of interest may exist when some, but not all limited partners are permitted to designate a member to the advisory committee. The advisory committee may also have the



ability to approve conflicts of interests with respect to the Adviser and the applicable Next Play Fund, which could be disadvantageous to the investors, including those investors who do not designate a member to the advisory committee.

#### *Advisory Affiliates*

Clients of the Adviser may invest in the same portfolio companies, including in the same security or in different securities of such a portfolio company. In such circumstances, interests of the Adviser's clients would therefore conflict with the interests of the other clients. For instance, see *"Allocation of Investment Opportunities Among Clients"* and *"Allocation of Co-Investment Opportunities and Secondary Transactions"* and *"Conflicts Related to Purchases and Sales"* above for more information.

#### *Other Potential Conflicts*

Investors should be aware that there will be instances that may arise where the interests of affiliates of the Adviser may potentially or actually conflict with the interests of the Funds and the investors. If any matter arises that the general partner or the Adviser determines in its good faith judgment constitutes an actual or potential conflict of interest, the general partner or the Adviser may take such actions as may be necessary or appropriate to ameliorate such conflict. By investing in the Funds, each investor will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

The Adviser and the Funds have in the past and may in the future engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between a Fund and the Adviser, the parties may engage separate counsel in the sole discretion of the Adviser, and in litigation and other circumstances separate representation may be required. Legal counsel of the Adviser and the Funds renders legal services to the Adviser and the Funds and does not represent the interests of any investor in a Fund. Additionally, the Adviser and the Funds and the portfolio companies of the Funds may engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, the Funds, and/or the portfolio companies. This may result in the Adviser receiving a

more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or the Adviser receiving a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Adviser, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.

The Adviser may, in its discretion, have, and may, in its discretion, cause the Funds and/or their portfolio companies to have, ongoing business dealings, arrangements, or agreements with persons who are former employees or executives of the Adviser. The Funds and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements, or agreements. In such circumstances, there may be a conflict of interest between the Adviser and the Funds (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements, or agreements, including the possibility that the Adviser may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

Each Fund's general partner, or its affiliates, may lend money to the applicable Fund. Such lending arrangements create conflicts of interest between the applicable general partner or affiliate and the Fund acting as borrower.

Furthermore, pursuant to the Governing Documents of the Funds, the general partner of each Fund, or its affiliates, may receive distributions in kind from an investment disposition. In the event the general partner of a Fund, or its affiliates, receive such a distribution, such general partner may act in its own interest with respect to its share of securities and may determine to sell the distributed securities, or hold on to the distributed securities for such time as such general partner shall determine. The ability of a general partner of a Fund to act in its own interest with respect to such distributed shares creates a conflict of interest between such general partner or affiliate, as an adviser to such Fund, and such Fund.

The Governing Documents of certain Funds permit each such Fund's general partner to withhold information from certain limited partners or investors in such Fund in certain circumstances. For instance, information may be withheld from limited partners that are subject to Freedom of Information Act or similar requirements. The general partner may elect to withhold certain information to such limited partners for reasons relating to the general partner's public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

Please see the discussion above under the sub-heading "Resolution of Conflicts" for a description of the means by which the Adviser and its related persons may seek to alleviate conflicts of interest among the Funds or other persons.

## **Item 12. Brokerage Practices**

To meet its fiduciary duties to the Funds, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

### **Selection of Brokers and Dealers**

For each of the Funds, the Adviser has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for a Fund involving a broker-dealer, the Adviser will seek “best execution” of the transaction. “Best execution” means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), considering the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Adviser’s relevant deal team takes into account all factors that it deems relevant to the broker’s or dealer’s execution capability, including, among others, the following: quality of execution (accurate and timely execution, clearance and fair error/dispute resolution); reputation, financial strength, integrity and stability; block trading and block positioning capabilities; willingness to execute difficult transactions; willingness and ability to commit capital; access to underwritten offerings and secondary markets; ongoing reliability; overall costs of a trade (i.e., net price paid or received) including commissions, mark-ups, mark-downs or spreads in the context of the Adviser’s knowledge of negotiated commission rates currently available and other current transaction costs; nature of the security and the available market makers; desired timing of the transaction and size of trade; confidentiality of trading activity; market intelligence regarding trading activity; and the receipt of prime brokerage and related services, including capital introduction and introductions to management and research and industry information. To the extent consistent with achieving best execution, the Adviser may also consider other business a particular broker or dealer may have done with the Adviser, such as identifying investment opportunities or potential investors or performing investment banking services. When purchasing or selling over-the-counter securities with market makers, the Adviser generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold.

The relevant deal teams and the Adviser’s Chief Compliance Officer (“CCO”) are responsible for periodically determining broker-dealer eligibility and for reviewing broker-dealer trading volumes, prices, commissions, other transaction costs, and the overall quality of execution, among other things.

### **Aggregation of Trades**

The Adviser and its affiliates may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security. Portfolio managers often employ this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser and its affiliates may combine orders on behalf of Funds with orders for other Funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, the Adviser, and its affiliates generally aggregate trade orders for publicly traded securities so that each participating

Fund will receive the average price for each execution of a transaction.

If an order for more than one Fund for a publicly traded security cannot be fully executed, allocation shall be made based upon the Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.

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

#### **Oversight and Monitoring**

The investment portfolios of the Funds are generally private, illiquid, and long-term in nature, and accordingly the Adviser's review of them is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio companies of the Funds and generally maintains an ongoing oversight position in such portfolio companies. The portfolios are reviewed by a team of investment professionals on an on-going basis. The team generally includes Managing Directors and other investment professionals of the Adviser.

#### **Reporting**

Investors in the Next Play Funds typically receive, among other things, a copy of audited financial statements of the relevant Next Play Fund within 90 days after the fiscal year end of such Next Play Fund if required by the Next Play Fund's Governing Documents, or within 180 days, as well as quarterly performance reports within 90 days after each of the first three fiscal quarters end if required by the Next Play Fund's Governing Documents. The Adviser may from time to time, in its sole discretion, provide additional information relating to such Next Play Fund to one or more investors in such Next Play Fund as it deems appropriate.

Due in part to the fact that potential investors in a Fund (including a purchaser of a limited partner's interests in a secondary transaction) or a co-investment opportunity (see below) may ask different questions and request different information, the Adviser may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

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

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above. In addition, the Adviser and its related persons may, in certain instances, receive discounts on products and services provided by portfolio companies of Funds and/or the customers or suppliers of such portfolio companies.

While not a client solicitation arrangement, the Adviser has engaged one or more persons to act as a placement agent for a Next Play Fund in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to such Next Play Fund

that are subsequently accepted. Advisory Fees received by the Adviser are generally reduced by the amount of such fees, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal, and entertainment expenses, typically are borne by the relevant Next Play Fund(s). As some Next Play Funds do not pay Advisory Fees, any such reductions will not benefit such Next Play Funds.

#### **Item 15. Custody**

As the Adviser relies on the “audit exemption” under the Advisers Act custody rule (i.e., Rule 206(4)-2(b)(4)), investors in the Next Play Funds will not receive account statements from the Next Play Funds’ custodians.

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

Investment advice is provided directly to the Funds and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Governing Documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the Governing Documents of the applicable Fund.

#### **Item 17. Voting Client Securities**

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consents as a security holder with respect to securities owned by the Next Play Funds (“Votes”) for which the Adviser exercises voting authority and discretion. The guiding principle by which the Adviser votes all Votes is to vote in the best interests of each Next Play Fund by maximizing the economic value of the relevant Next Play Fund’s holdings, the relevant Next Play Fund’s investment horizon, the contractual obligations under the relevant Advisory Agreements or comparable documents, and all other relevant facts and circumstances at the time of the vote. The Adviser does not permit voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Adviser’s general policy to vote or give consent on all matters presented to security holders in any Vote. However, the Adviser reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent on any matter if, in the judgment of the Adviser’s CCO, the costs associated with voting such Vote outweigh the benefits to the relevant Next Play Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Next Play Funds.

Next Play Funds generally cannot direct the Adviser’s Vote.

All voting decisions initially are referred to the appropriate investment professional for a voting decision. In most cases, the relevant deal team will make the decision as to the appropriate vote for any particular Vote. In making such decision, the deal team relies on any of the information and/or research available to it. If the relevant deal team is making the voting decision, it will inform the CCO of any such voting decision, and if the CCO does not object to such decision as a result of his conflict-of-interest review, the Vote will be voted in such manner.

The Adviser's CCO has the responsibility to monitor Votes for any conflicts of interest, regardless of whether they are actual or perceived. All voting decisions will require a mandatory conflicts of interest review by the Adviser's CCO in accordance with these policies and procedures, which will include consideration of whether the Adviser or any investment professional or other person recommending how to vote and/or the Adviser's affiliates and their clients has an interest in how the Vote is voted that may present a conflict of interest. In addition, all Adviser investment professionals are expected to perform their tasks relating to the voting of Votes in accordance with the principles set forth above, according the first priority to the best interest of the relevant Next Play Funds. The Adviser's CCO will use his best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his independent assessment of the best interests of the Next Play Funds.

Where the Adviser's CCO deems appropriate in his sole discretion, unaffiliated third parties may be used to help resolve conflicts. In this regard, the Adviser's CCO shall have the power to retain independent fiduciaries, consultants, or professionals to assist with voting decisions and/or to delegate voting or consent powers to such fiduciaries, consultants, or professionals.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Next Play Fund and copies of proxy voting policies are available to any client or prospective client upon written request to: [Eric Valle, Chief Compliance Officer at eric@nextplaycapital.com](mailto:eric@nextplaycapital.com).

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

Item 18 is not applicable to the Adviser.

#### **Item 19. Requirements for State-Registered Advisers**

Item 19 is not applicable to the Adviser.