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FORM ADV PART 2A FIRM BROCHURE

November 1, 2021

This Brochure provides information about the qualifications and business practices of B. Riley Wealth Private Shares, LLC ("BRWPS" or the "Firm"). If you have any questions about the contents of this Brochure, please contact Michael Markunas at 310-689-2220. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about BRWPS is also available on the SEC's website at www.adviserinfo.sec.gov.

BRWPS may refer to itself as a "registered investment adviser" in materials distributed to current and prospective Investors. As a registered investment adviser with the SEC, BRWPS is subject to the rules and regulations adopted by the SEC under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Registration as an investment adviser is not an indication that BRWPS or its directors, officers, employees, or representatives have attained a particular level of skill or ability. The SEC's website also provides information about any persons affiliated with the Firm who are registered, or are required to be registered, as Investment Adviser Representatives ("IARs"). You can search this site for information about the Firm by searching for a unique identifying number, known as a CRD number. The CRD number for BRWPS is 315851.

ALL INVESTMENT ADVISORY AGREEMENTS ENTERED INTO BY BRWPS WITH A FUND WILL BE EITHER PRECEDED BY THE PROVISION OF WRITTEN DISCLOSURES TO THE FUND REGARDING ANY MATERIAL CONFLICTS OF INTEREST RELATED TO BRWPS, ITS REPRESENTATIVES, AND EMPLOYEES OR WILL INCLUDE WRITTEN DISCLOSURES AS PART OF OR ATTACHED TO THE INVESTMENT ADVISORY AGREEMENT PROVIDED TO THE FUND REGARDING ANY MATERIAL CONFLICTS OF INTEREST RELATED TO BRWPS, ITS REPRESENTATIVES, AND EMPLOYEES.

Item 2 – Material Changes

The only change to this Brochure from the first one filed by the Firm in July 2021 is the replacement of the CCO.

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Item 4 – Advisory Business

B. Riley Wealth Private Shares, LLC (“BRWPS” or the “Firm”), a Delaware Limited Liability Company, is a subsidiary of National Holdings Corporation (NHL). NHL which is a wholly-owned subsidiary of B. Riley Financial, Inc. (“BRF”), a publicly traded Delaware corporation (NASDAQ: RILY). BRWPS’s principal office is located in Memphis, Tennessee.

BRWPS was formed in 2021 and acts as an adviser to various pooled investment vehicles (sometimes called special purpose vehicles or SPVs) operating as private equity funds (each a “Fund” or Client and collectively, the “Funds” or “Clients”).

BRWPS intends to manage each Fund pursuant to the Investment Management Agreement executed with the Fund and in compliance with the investment strategy described in the applicable (i) confidential offering memorandum and (ii) governing documents of the Fund (collectively, the “Offering Documents”). Prospective Fund investors (“Investors”) should carefully read the Fund’s Offering Documents and consult with their own counsel and advisers as to all matters concerning an investment in the Fund.

The Funds may be established by BRWPS, its affiliates, or third parties. BRWPS or its affiliates may act as the managing member or general partner to the Funds. BRWPS, its affiliates, and/or their personnel may also have an ownership or management interest in the Funds.

BRWPS is designated with the power and authority to manage the day-to-day administrative business and investment affairs of the Funds and to perform all obligations pursuant to the Fund’s Operating Agreements.

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

Privately issued shares are not publicly traded and private share issuers limit the number of shareholders permitted to invest in their company. Due to such limitations, private shares have significant liquidity risk (see Illiquidity of Investments in Item 8 below). The Fund purchases private shares in certain private companies, and Investors are permitted to invest indirectly in the private companies by purchasing membership interests in the Fund. If the private company eventually goes public, the Fund may liquidate the position or distribute the shares to members, depending upon market conditions and valuation of the investment.

BRWPS monitors the performance and status of the Fund’s underlying portfolio companies making distributions when market conditions and valuations are appropriate. Fund Investors have no ability to select, veto, or cause the sale or other disposition of any investment by any Fund or to determine the timing of any distribution or liquidation of a Fund or its assets, or the decision of a Fund to seek additional capital contributions or admit new Investors.

Fees associated with the Funds include an annual management fee and carried interest as described in the Funds’ Offering Documents. See Item 5 “Fees and Compensation” and Item 6 “Performance-Based Fees and Side-By-Side Management.” In addition, the Funds pay operating expenses and other costs, including Fund formation costs. Details of the fees and costs associated with the Funds are included in the documentation specific to each Fund. Certain acquisition costs related to purchase of the private shares by the Fund are incurred indirectly by Investors at the time the Fund acquires the private shares from the seller.

Fund interests advised by BRWPS may not be held in advisory accounts advised by any of our affiliated investment advisers.

As of the date of this filing, the Firm manages approximately \$499,163,756 in Fund assets on a discretionary basis.

Item 5 – Fees & Compensation

Fees associated with Funds for which BRWPS acts as adviser include an annual management fee and carried interest and are governed by the Investment Management Agreement between BRWPS and the Fund's Manager. As such, BRWPS does not have a single fee schedule. The fees set out in the Investment Management Agreement are not negotiable.

Annual management fees and carried interest are deducted from Fund assets. Management fees are deducted from Fund assets on an annual basis, while carried interest is deducted at the time of distribution of Fund assets to Investors. See Item 6 "Performance-Based Fees and Side-by-Side Management" for more information regarding the carried interest.

In addition to the fees described above, each Fund pays operating expenses and organizational expenses of the Fund. Details regarding the fees and costs associated with each Fund are detailed in the Operating Documents specific to each Fund.

Such operating costs and organizational expenses include, but are not limited to:

- Routine administrative expenses;
- Preparation of reports and notices;

- Any taxes;
- Fees and expenses for attorneys, accountants, auditors, & investment bankers;
- Due diligence expenses related to review of potential investments;
- All indemnification obligations of the Fund;
- Litigation expenses and judgments or settlements paid in connection therewith;
- Insurance premiums; and
- All fees and expenses incurred in connection with the formation and organization of the Fund.

If applicable, Fund Investors may also bear a portion of any fees or expenses charged by any SPVs that have been formed to facilitate portfolio investments by the Funds or their Investors for tax, regulatory, or economic purposes. BRWPS may, at its discretion, choose to pay or reimburse the Fund for all or any portion of expenses related to the establishment of such SPVs.

Details regarding the brokerage and transaction costs that the Funds will pay are described in Item 12 "Brokerage Practices."

Item 6 – Performance Based Fees and Side by Side Management

BRWPS, either directly or through a subsidiary, will receive compensation from the Funds it advises in the form of carried interest. Carried interest arrangements create an incentive for BRWPS to recommend securities that are riskier or more speculative than would be recommended under a different fee arrangement or where BRWPS affiliates have an interest in the fund. Such fee arrangements also create an incentive to favor private funds that have a higher carried interest over other private funds in allocating investment opportunities. To address this conflict of interest, we have instituted policies and procedures that require us to allocate investment opportunities to applicable funds, if they are suitable, fairly and without regard to whether and how much carried interest may be received from the Fund. In addition, since BRWPS's performance-based compensation may be calculated on a basis which includes unrealized appreciation of the assets held by a Fund, it may be greater than if such compensation were based solely on realized gains.

Carried interest arrangements are described in detail in each Fund's Offering Documents.

Item 7 – Types of Clients

BRWPS provides investment advisory services to Private Funds only. The minimum investment amount for each Fund is specified in the Fund's Offering Documents.

At a minimum, Investors in a Fund must be "Accredited Investors," as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"),

and, to the extent a Fund is charged performance-based compensation, Investors in the Fund must be eligible to enter into a performance-based compensation arrangement under the Advisers Act. Notwithstanding the foregoing, BRWPS may allow up to 35 individuals who are not Accredited Investors to invest in a qualifying Fund, pursuant to Rule 506 of Regulation D promulgated under the Securities Act. BRWPS generally requires Fund Investors to make representations concerning their financial sophistication and ability to bear the risk of loss of their entire investment in the Fund.

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

Methods of Analysis

Investment decisions are made through BRWPS's Commitment Committee, which is comprised of members appointed by the CEO, President, or the CCO. The Commitment Committee reviews due diligence performed by the designated supervisor regarding positions for Funds, reviews potential conflicts of interest, and approves/disapproves positions before an acquisition is made. A list of the members of the Commitment Committee is maintained by the Corporate Secretary.

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

Investment Strategies

As noted above, each series of each Fund advised by BRWPS is established primarily to purchase, directly and/or indirectly, securities issued by a single privately held early or developmental-stage company. Once the Commitment Committee selects a privately held company for investment, the investment is held until an event in which the privately held (i) distributes cash to Investors, (ii) is sold to another company, (iii) is sold to a new set of Investors, (iv) is listed on a public exchange or other trading platform, or (v) shares are distributed in-kind to Investors.

Risk of Loss

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

Described below are some particular risks associated with the Funds advised by BRWPS.

Risk is inseparable from return. Every investment involves some degree of risk, and both the degree of risk and the type of risk varies depending on the investment. The principal risk of any investment is that despite any comprehensive analysis, the security will not perform as desired. This can be due to, among other things:

- *Market Risk:* The success of each Fund investment will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws, trade barriers, currency fluctuations and controls, and national and international political circumstances. These

factors may affect the level of volatility of securities prices and the liquidity of investments held by the Funds. Such volatility or illiquidity could impair profitability or result in losses;

- ***Risk Inherent in Investing in Early and Developmental Stage Companies:*** Each investment made by a Fund managed by BRWPS involves a high degree of risk. In general, financial and operating risks confronting both early and developmental-stage companies, as well as more mature expansion-stage companies, are significant. Many early and developmental-stage companies go out of business every year. It is difficult to know how companies will grow, if at all, or what changes may occur in the market. While potential returns should reflect the perceived level of risk in any investment situation, there can be no assurance that any fund will be adequately compensated for risks taken. A loss of an Investor's entire investment is possible, and no profit may be realized. Early-stage and development-stage companies often experience unexpected problems with product development, manufacturing, marketing, financing, and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing which may not be available through institutional private placements or the public markets. In addition, the markets that such companies target often are highly competitive and in many cases the competition consists of larger companies with access to greater resources. The percentage of companies that survive and prosper is small. Investments in more mature companies in the expansion or profitable stage involve substantial risks. Such companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire other businesses, or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing, and general management of these activities;
- ***Lack of Portfolio Company Information:*** The information made available to BRWPS regarding the portfolio companies can be very limited. Further, BRWPS can be subject to confidentiality obligations prohibiting it from sharing such information with Investors. As portfolio companies are privately held, they are not subject to the same disclosure and reporting obligations of publicly traded companies. Prospective Investors in any Fund managed by BRWPS may not be provided with financial, operational, or other information that may be important in making an investment decision. BRWPS does not assume any responsibility for the accuracy or completeness of such information;
- ***Lack of Information for Monitoring and Valuing the Funds' Assets:*** BRWPS may only be able to obtain limited information about portfolio companies and, in some cases, may not be able to obtain information beyond the information that is publicly available. The portfolio companies determine the best way to keep the investment community updated on the progress of their businesses so BRWPS may not be aware of material adverse changes that have occurred with respect to certain of its investments. The value of any investment in a portfolio company could be significantly negatively affected by any such event. Further, BRWPS may have to make valuation determinations without the benefit of an adequate amount of relevant information. Prospective Investors should be aware that as a result of these difficulties, as well as other uncertainties, any valuation made by BRWPS may not represent the fair market value of the securities acquired by any Fund;
- ***Valuation of Portfolio Company Securities:*** The portfolio companies are privately held companies. The valuations upon which the purchase prices of portfolio company securities are based may not represent the fair value of any given portfolio company or what could be realized upon a liquidation of such securities;
- ***Equity Risk:*** Some of the Funds advised by BRWPS invest in equity securities of early and developmental-stage companies. Investments in equity securities generally involve a high degree of risk. Prices are volatile and market movements are difficult to predict. These price movements may result from factors affecting individual companies or industries.

Price changes may be temporary or last for extended periods. The value of equity investments held by Funds may decline if their businesses do not perform well in the market. Prices of early and developmental-stage companies may be more sensitive to changes in current or expected earnings than prices of other stocks. Prices of stocks may fall or fail to appreciate regardless of movements in the overall securities markets. Some portfolio companies may be highly leveraged and the rights of any lenders or creditors will be senior to those of equity holders, thus subjecting equity holders to a greater risk of loss;

- *Fixed Income Risks:* Some of the Funds advised by BRWPS invest in fixed income securities of early and developmental-stage companies. Investments in fixed income securities involve numerous risks such as credit, interest rate, reinvestment, and prepayment risk, all of which affect their price/value. These risks also bring the potential for a large amount of price volatility. In general, securities with longer maturities are more sensitive to interest rate changes. Additionally, the prices of high-yield, fixed income securities fluctuate more than high-quality debt issues. Prices for high-yield, fixed income securities are especially sensitive to developments affecting the company's business and to changes in the ratings assigned by rating agencies. Prices are often closely linked with the company's stock prices. High-yield securities can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, large sales by major Investors, default, or other factors. In the event of a default, the investment may suffer a partial or total loss;
- *Investment in Companies Dependent Upon New Technological Developments and Market Adoption:* Many Fund series invest in the securities of portfolio companies that are dependent upon new technological developments and market adoption. The value of the Fund series interests may be susceptible to a greater risk of loss than an investment in a fund that invests in a broader range of securities. The risks faced by the companies purchased by the Funds series include, but is not limited to: rapidly changing science, business models and technologies; new competing products or services and improvements in existing products or services that may quickly render existing products or technologies obsolete; exposure, in certain circumstances, to a high degree of government regulation, making these companies susceptible to changes in government policy and failures to secure, or unanticipated delays in securing, regulatory approvals; scarcity of management, technical, scientific, research and marketing personnel with appropriate training; the possibility of lawsuits related to patents and intellectual property; and rapidly changing Investor sentiments and preferences with regard to technology sector investments (which are generally perceived as risky);
- *No Assurance of Returns:* Investors in any given Fund series will not receive a return on their investments unless and until the portfolio company distributes money. A private company typically distributes money when it gets sold to another company or a new set of Investors, when it pays a dividend, or when it is listed on a stock exchange or other public trading platform. The portfolio companies purchased by the Funds managed by BRWPS may take a long time or never achieve one of these events. As such, there can be no assurance that Investors will receive any returns from any given Fund series. The timing of profit realization, if any, is highly uncertain;
- *Minority Investments:* Portfolio company investments made by the Funds managed by BRWPS often represent a minority stake in a privately held company. As is the case with minority holdings in general, such minority stakes that a Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. A Fund may also invest in companies for which the Fund has no right to appoint a director or otherwise exert significant influence. In such cases, the fund will be reliant on the existing management and board of directors of such companies, which

may include representatives of other financial investors with whom the fund is not affiliated and whose interests may conflict with the interests of the fund;

- ***Illiquidity of Investments:*** Portfolio company securities are often subject to significant transfer restrictions. Further, in the event that BRWPS determines to make distributions of portfolio company securities to Investors, there is often no market through which the securities may be sold, and even if there were such a market, the transfer of such securities is likely to be subject to significant restrictions described in the documents pursuant to which the fund will acquire the securities. In addition, portfolio company securities will not be registered under U.S. federal securities laws or qualified under any state securities law, and the securities are sold in reliance upon exemptions under such laws. Even if the securities are registered, they may remain subject to contractual transfer restrictions and lock-ups for a period of time following such registration. Therefore, Investors who receive portfolio company securities in a distribution by a Fund may be unable to liquidate such securities, even though an Investor's personal financial condition may call for such a liquidation. Investors who require liquidity in their investments should not invest in the Funds;
- ***Dependence on Public Offering Market:*** The investment strategy of each Fund is based in large part upon the portfolio company's ability to become a candidate for an initial public offering. Accordingly, each Fund's ability to realize attractive returns is highly dependent upon the state of the securities markets in general and the initial public offering market in particular. Changes in the securities markets and general economic conditions, including economic downturns, a general downturn in the technology markets, fluctuations in interest rates, the availability of credit, inflation, and other factors may affect the value of investments of a Fund. The market for public offerings is cyclical in nature and, accordingly, there can be no assurance that the securities markets will, at any point in time, be receptive to public offerings. Any adverse change in the market for public offerings could have a material adverse effect on a Fund and could severely limit a Funds' ability to realize its investment objective. If such markets are not available to enable a Fund to dispose of its portfolio company securities, the Fund may be required to hold such investment for an indefinite period of time;
- ***Additional Funds:*** Portfolio companies may need additional funds for development or operations beyond any funds provided by a Fund. Such additional funds may be critical to preserving or enhancing the investment value of the portfolio company. The failure of a portfolio company to receive additional investment may potentially jeopardize its continued viability. A Fund may not have any additional funds to provide to the portfolio company. No assurance can be given that any portfolio company will have access to additional capital in order for it to be successful. Further, portfolio company securities often represent common shares of the company. In the event that a portfolio company issues additional shares of capital stock in the future—including options or warrants to purchase capital stock or preferred stock—there will be dilution to portfolio company stockholders, and holders of common shares in the portfolio company may experience substantial dilution in their ownership. In the event that a portfolio company is sold, holders of common shares in the portfolio company will be subject to distributions as determined by the portfolio company's liquidation preference;
- ***Diversification and Concentration Risk:*** The primary purpose of each Fund is to invest in portfolio company securities. No Fund will provide Investors with a broad investment portfolio and any unfavorable performance of the portfolio company securities will have a disproportionately adverse effect on the Fund in comparison with a broadly diversified portfolio. An investment in a Fund will not be suitable for Investors seeking diversification in investments or across industries;
- ***Long-term Commitment Required:*** A commitment to a Fund is a long-term investment. Because of the lack of a public market for Fund interests and restrictions on their transfer, Investors should be willing to hold their interests until the liquidation of the Fund;

- *Illiquidity; Restrictions on Transfer and Withdrawal:* An investment in any Fund that BRWPS advises will be highly illiquid. Except in certain very limited circumstances, Investors will not be permitted to transfer their interests or withdraw from the Fund without the prior written consent of BRWPS. BRWPS may grant or withhold such consent in its sole discretion. Further, BRWPS may be subject to contractual restrictions prohibiting it from granting any such consent to a transfer prior to a portfolio company's initial public offering (or other liquidity event). Therefore, Investors may be prohibited from transferring their Fund interests prior to any such initial public offering (or other liquidity event). The transferability of the Fund's interests will also be subject to certain restrictions contained in the applicable operating agreement and restrictions on resale imposed under applicable securities laws. In addition, transferees of Fund interests must also be "accredited investors" within the meaning of Rule 501 of Regulation D under the Securities Act and "qualified clients" under the Advisers Act. There will be no public market for the Fund interests;
- *Small Capitalization Companies:* The Funds may invest in smaller and less established companies. Both debt and equity securities of such issuers tend to be more volatile than larger, more established companies. Such volatility could adversely impact performance;
- *Concentration:* Each Fund series generally holds a single position in an issuer engaged in one or a few industries. This increases the risk of loss relative to the market as a whole.

Item 9 – Disciplinary Information

This Item is not applicable to BRWPS.

Item 10 – Other Financial Industry Activities and Affiliation

On February 25, 2021, B. Riley Financial, Inc. (NASDAQ: RILY) ("BRF") announced the completion of its acquisition of National Holdings Corporation (NASDAQ: NHLD) ("National") and all of its subsidiaries. BRWPS is therefore under common ownership and control with: National Securities Corporation ("NSC"), a FINRA registered broker-dealer; National Asset Management ("NAM"), an SEC registered investment adviser; and certain entities owned or controlled by or affiliated therewith, including the General Managers of the Funds' BRWPS advises— Innovation X Management, LLC and NAM Special Situations Management, LLC. Furthermore, BRWPS is a former business of NAM and was rebranded as BRWPS in July 2021.

Investors should be aware that, in addition to the above-mentioned entities, the following are directly or indirectly owned by BRF and, as a result, are under common ownership with BRWPS: B. Riley Capital Management ("BRCM"), an SEC registered investment adviser; B. Riley Securities, Inc. ("BRS"), a FINRA registered broker-dealer; B. Riley

Wealth Sub-Advisers, LLC ("BRWSA"), an SEC registered investment adviser; and B. Riley Wealth Management, Inc. ("BRWM"), a dually registered broker-dealer and investment adviser. BRF therefore has the ability to influence the management and operation of all of its affiliated entities.

While BRWPS generally operates independently from the entities listed above, BRWPS intends to engage NSC, or another affiliate as described in the Funds' Offering Documents, to act as the placement agent in connection with the sale and distribution of interests in the Fund. Further, NSC, or another affiliate, will receive commissions or finders' fees for the sale of interests in the Funds as described in the Funds' Offering Documents. In relation to these activities, certain employees of BRWPS are registered representatives of an affiliated entity.

Additionally, BRWPS may utilize, to varying extents, National, or one of its affiliate's infrastructure, office space, administrative and executive employees, and resources. Certain resources are shared among the

entities and their respective affiliates and may or may not be reimbursed.

Investors are hereby notified that BRWPS advises more than one Fund and may advise additional, new Funds in the future without discontinuing management of existing Funds. BRWPS does not intend to cause any Fund to terminate its investment management relationship with BRWPS absent BRWPS's liquidation or bankruptcy. However, BRWPS has a fiduciary duty to act in the best interest of each Fund that it advises, and Investors in each Fund have the right to withdraw from the Fund at any time

subject to any notice requirement, lock-up period or other withdrawal limitations described in the Fund's Offering Documents.

Other Potential Conflicts of Interest

In addition to the advisory services described above, BRWPS may in the future participate in or sponsor other investment vehicles, and service additional advisory accounts or Funds. We may also decide to engage in other businesses. The Fund(s) and our affiliates may also decide to engage in other businesses.

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

BRWPS has adopted a Code of Ethics (the "Code") that reflects the Firm's fundamental position of placing the interests of BRWPS's Funds first at all times, and to ensure that BRWPS fulfills its fiduciary duty to the Fund. The Code obligates BRWPS and its related persons to put the interests of the Funds and Investors before their own interests and to act honestly and fairly in all respects in their dealings with the Funds. BRWPS's personnel are also required to comply with applicable provisions of Federal securities laws and make prompt reports of any actual or suspected violations of such laws by BRWPS or its employees. Accordingly, the Code reflects BRWPS's desire to detect and prevent not only situations involving actual or potential conflict of interests, but also those situations involving only an appearance of conflict or of unethical conduct.

The Code explains each person's duty to maintain the confidentiality of BRWPS's proprietary information as well as a policy against insider trading and restrictions with respect to giving or receiving business-related gifts and entertainment or making political contributions to local, state, and federal candidates for public office. The Code also contains BRWPS's personal trading policy which limits the ability of its employees to trade in securities for their personal accounts. The Code is designed to assure that personal securities transactions, activities, and interests of employees will not interfere with (i) making decisions in the best interest of the Funds and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. The personal trading policy applies to accounts of certain family members including the spouse and minor children of a principal or employee who live in the same household. BRWPS prohibits employees from executing any transaction that would have an adverse economic impact on the Funds.

Item 12 – Brokerage Practices

When possible, BRWPS selects the broker-dealers used to execute trades for the Fund and Fund Investors. When selecting such broker-dealers, BRWPS may consider the following:

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

- Ticket charges by the broker-dealer.

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

BRWPS may use the services of its affiliates to affect a majority of transactions, including acquiring the Fund's underlying investments (which would result in our affiliates receiving commissions from the Fund) and such affiliates may be engaged to be Fund's introducing broker.

In certain instances, where the underlying shares are held by a third-party fund, the Fund may not be able to select the broker-dealer used to execute transactions in the underlying shares. In such instances, the Fund will request information on the executing broker-dealer's best execution practices.

Directed Brokerage

Certain Funds may direct that some or all account transactions be effected through specific brokers or dealers. In such case, the Fund is responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by such brokers. BRWPS will assume no responsibility for obtaining the best prices or any particular commission rates for transactions with or through any such broker for such Fund's account. A Fund must recognize that it may not obtain rates as low as it might otherwise obtain if BRWPS had discretion to select brokers or dealers other than those chosen by the Fund. Any Fund providing instructions to BRWPS regarding direction of brokerage transactions must notify BRWPS in writing if the Fund desires BRWPS to cease executing transactions with or through any such broker or dealer.

Soft Dollar Arrangements

BRWPS does not have any formal soft-dollar arrangements.

Item 13 – Review of Accounts

BRWPS investment personnel monitor each Fund's investments on an ongoing basis.

Fund Reports

Each Fund has an independent public accountant that will audit the Fund's books and records as of the end of each fiscal year. Each Fund will distribute to its Investors an annual report prepared by its independent public accountant as well as annual audited financial statements within 120 days of the end of each fiscal year and upon liquidation.

Additionally, each Investor in the Fund will be furnished with the required tax information for preparation of their respective tax returns.

Item 14 – Client Referrals and Other Compensation

BRWPS does not pay compensation to affiliated or unaffiliated persons (solicitors) for referring Investors to BRWPS. However, as noted above, NSC acts as placement agent for the Funds advised by BRWPS and receives commissions for the sale of interests in the Funds as described in the Fund's Offering Documents. In addition, the Managers of the Funds—Innovation X Management, LLC and NAM Special Situations Management, LLC—are also affiliates of BRWPS and receive payment for their management services in accordance with the Fund's Offering Documents.

Item 15 – Custody

BRWPS does not act as a custodian for Fund assets. However, BRWPS is deemed to have custody of a Fund's assets because of its relationship with the General Managers of the Funds. It is BRWPS's policy to cause the Funds with assets over which BRWPS is deemed to have custody to be audited annually and to distribute audited financial statements, prepared in accordance with GAAP, to Investors after the end of each fiscal year. In addition, upon the final liquidation of any Fund, BRWPS will obtain a final audit and distribute to all Investors audited financial statements, prepared by a qualified accountant in accordance with GAAP, promptly after completion of the audit.

Funds and securities that are acquired in transactions not involving public offerings may be uncertificated with ownership recorded on the books of the issuer or its transfer agent in the name of the Fund. Other securities of privately held companies will be held by a qualified custodian. Cash of Funds is held with Signature Bank or another qualified bank depository.

Item 16 – Investment Discretion

BRWPS has discretion over Fund assets, which includes the authority to select a custodian and, if applicable, broker-dealers for the Funds. Otherwise, BRWPS exercises no discretion in connection with the advisory services it provides to Fund Investors.

Item 17 – Voting Client Securities

BRWPS will vote securities held by the Funds. The Firm has adopted written policies regarding the voting of securities held in the Funds and will vote in accordance with these policies. Where the underlying securities are held by a third-party fund, the Fund will seek to confirm that the third-party fund has adopted written policies regarding the voting of securities and such fund votes in accordance with those policies.

BRWPS is committed to voting proxies related to shares held in the Fund, if any, in a manner consistent with the best interests of the Fund's Investors. When applicable, the Investment Committee is responsible for ensuring proxies are voted on behalf of the Fund's Investors for any shares held in the Fund. The Investment Committee has sole authority over proxy voting decisions related to shares held in the Fund, if any, meaning that Fund Investors cannot direct proxy votes in any proxy solicitations.

Some of BRWPS's proxy voting guidelines are summarized below:

- BRWPS generally votes for: uncontested director nominees recommended by management; the election of auditors recommended by management unless a dispute exists over policies; limiting directors' liability; and eliminating preemptive rights.
- BRWPS votes against: proposals that make it more difficult to replace board members, including proposals to: stagger the board; overweight management on the board; introduce unequal voting rights; proposals to entrench the board or adopt anti-takeover measures; proposals to provide cumulative voting rights; and social issues.

Although many proxy proposals can be voted in accordance with BRWPS's proxy voting guidelines, some proposals will require special consideration, and in such cases, BRWPS will make a decision on a case-by-case basis.

If the Investment Committee is aware of any potential or actual conflict of interest relating to a particular proxy proposal, it will seek to eliminate or mitigate such conflict prior to voting the proxy in accordance with Rule 206 (4)-6 of the Advisers Act. The Investment Committee may refrain from

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

A copy of BRWPS's Proxy Policy is available to the Funds upon request from BRWPS's CCO. Information about how proxies were voted, if any, can be obtained from the CCO.

Item 18 – Financial Information

This Item is not applicable to BRWPS.