Item 1 Cover Page

Next Capital Management, LLC

SEC File Number: 801 – 56281

ADV Part 2A, Firm Brochure
Dated: March 27, 2024

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This Brochure provides information about the qualifications and business practices of Next Capital Management, LLC ("NEXT"). If you have any questions about the contents of this Brochure, please contact Andrew C. Hart at (212) 433-1111 or ahart@nextcapitalmgmt.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about NEXT also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to NEXT as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

There have been no material changes since Next Capital Management, LLC's ("NEXT") last Form ADV Annual Amendment filing dated February 1, 2023.

ANY QUESTIONS: NEXT's Chief Compliance Officer, Andrew C. Hart, remains available to address any questions regarding this amended filing, or any other issue pertaining to this Firm Brochure.

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Item 4 Advisory Business

A. NEXT is a Delaware limited liability company formed on December 18, 1998, which became registered as an Investment Adviser in March 1999. NEXT is ninety-nine percent owned by Next Capital Holdings, which is principally owned and controlled: by Andrew C. Hart, who is NEXT's Managing Member, and the ACH Family Trust, which is a trust created for the benefit of Mr. Hart and his family.

B. As discussed below, NEXT offers to clients (generally: individuals, high net worth individuals, trusts, pension and profit sharing plans, charitable organizations, and business entities, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage NEXT to provide discretionary and/or non-discretionary investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services on a fee-only basis as discussed at Item 5 below. Unless the client and NEXT agree to a fixed-fee arrangement or a different arrangement, NEXT's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under NEXT's management. Before engaging NEXT to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement with NEXT setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

NEXT provides investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objectives. Thereafter, NEXT will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. Once allocated, NEXT provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives and may execute or recommend execution of account transactions as a result of those reviews.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, NEXT may provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, retirement planning, and cash flow analysis) on a stand-alone separate fee basis. Before engaging NEXT to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement with NEXT setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client before NEXT commences services.

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. As indicated above, to the extent requested and engaged by a client to do so, NEXT may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, retirement planning and cash flow analysis per the terms and conditions of a separate agreement and a separate fee as discussed at Item 5 below, the fee for which shall be based upon the individual providing the service and the scope of the services to be provided. NEXT does not serve as an attorney, accountant, or insurance agency, and no portion of its services should be construed as legal, accounting, or insurance brokerage services. Accordingly, NEXT does not prepare estate planning or any other type of legal documents, tax returns or sell insurance products. Unless specifically agreed in writing, neither NEXT nor its representatives are responsible to: implement any financial plans or financial planning advice; provide ongoing financial planning services; or provide ongoing monitoring of financial plans or financial planning advice. To the extent requested by a client, NEXT may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.). Clients are under no obligation to engage the services of any recommended professional, who shall be solely responsible for the quality and competency of the services they provide. If the client engages any unaffiliated recommended professional (i.e. attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises related to the engagement, the client should seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and **not** NEXT, shall be responsible for the quality and competency of the services provided. The client retains absolute discretion over all financial planning and consulting / implementation decisions and is free to accept or reject any recommendation made by NEXT or its representatives in that respect.

Unaffiliated Private Investment Funds. NEXT may provide non-discretionary investment advice regarding unaffiliated private investment funds. NEXT, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in private investment funds, the description of which (the terms, conditions, risks, conflicts and fees, including incentive compensation) is set forth in the fund's offering documents. NEXT's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. Unless otherwise set forth in this Brochure, if a client determines to become a private fund investor, the amount of assets invested in the fund(s) will be included as part of "assets under management" for purposes of NEXT calculating its investment advisory fee. NEXT's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Private Investment Fund Risk Factors: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.

Private Investment Fund Valuation. If NEXT bills an investment advisory fee based upon the value of private investment funds or otherwise references private investment funds owned by the client on any supplemental account reports prepared by NEXT, the valuations of those private investment funds will reflect either the most recent valuation provided by the private fund sponsor, or an estimate of the valuation which is likely to be more accurate than the latest statement value available. In the case of estimates, valuations are based on estimated values provided by the private fund sponsor or the most recent statement value adjusted for client transactions such as capital calls and distributions. NEXT employs the use of estimates to mitigate the risk of over or underbilling client assets. NEXT reconciles its estimated values upon receipt of final private fund valuations and adjusts future bills accordingly. The current value of any private investment fund <u>could be significantly more or less than the original purchase price or the price reflected in any supplemental account report</u>.

<u>Interval Funds/Risks and Limitations</u>: Where appropriate, NEXT may utilize interval funds. An interval fund is a non-traditional type of closed-end mutual fund that periodically offers to buy back a percentage of outstanding shares from shareholders. Investments in an interval fund involve additional risk, including lack of liquidity and restrictions on withdrawals. During any time periods outside of the specified repurchase offer window(s), investors will be unable to sell their shares of the interval fund. There is no assurance that an investor will be able to tender shares when or in the amount desired. There can also be situations where an interval fund has a limited amount of capacity to repurchase shares and may not be able to fulfill all purchase orders. In addition, the eventual sale price for the interval fund could be less than the interval fund value on the date that the sale was requested. While an internal fund periodically offers to repurchase a portion of its securities, there is no guarantee that investors may sell their shares at any given time or in the desired amount. As interval funds can expose investors to liquidity risk, investors should consider interval fund shares to be an illiquid investment. Typically, the interval funds are not listed on any securities exchange and are not publicly traded.

Thus, there is no secondary market for the fund's shares. Because these types of investments involve certain additional risk, these funds will only be utilized when consistent with a client's investment objectives, individual situation, suitability, tolerance for risk and liquidity needs. Investment should be avoided where an investor has a short-term investing horizon and/or cannot bear the loss of some, or all, of the investment. There can be **<u>no assurance</u>** that an interval fund investment will prove profitable or successful. **<u>In light of these enhanced risks, a client may direct NEXT, in writing, not to employ any or all such strategies for the client's account</u>**.

<u>Independent Managers/Sub-Advisers</u>. NEXT may also allocate a portion of client assets among certain independent investment manager(s) and or sub-advisers who will manage the designated assets on a day-to- day discretionary basis (the "Independent Manager(s)") consistent with the client's investment objectives. NEXT will continue to provide investment advisory services to the client relative to the ongoing monitoring and review of the Independent Manager(s), account performance, asset allocation and client investment objectives. Factors which NEXT may consider in recommending Independent Manager(s) include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. Although not a material consideration for recommending asset allocation to a particular Independent Manager, NEXT may receive services, products and reimbursement from Independent Manager(s) relative to the Independent Manager evaluation process, such as: compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, and/or other products used by NEXT in furtherance of its investment advisory business operations. Certain Independent Manager(s) may impose individual account minimums. <u>The fee charged by the Independent Manager(s) is separate from, and in addition to, NEXT's investment advisory fee described at Item 5 below.</u> **ANY QUESTIONS**: NEXT's Chief Compliance Officer, Andrew Hart, remains available to address any questions that a client or prospective client may have regarding the allocation of account assets to an Independent Manager(s), including the specific additional fee to be

charged by such Independent Manager(s).

Business Relationship with Dynasty. NEXT maintains a business relationship with Dynasty Financial Partners, LLC ("Dynasty"). Please refer to Items 10.C. and 14 for a description of the services and the conflicts of interest presented. NEXT's Chief Compliance Officer, Andrew C. Hart, remains available to address any questions that a client or prospective client may have regarding these relationships and the related conflicts of interest.

Charles Schwab & Co., Inc. and *Pershing* As discussed below at Item 12, when requested to recommend a broker-dealer/custodian for client accounts, NEXT generally recommends that *Charles Schwab & Co., Inc. ("Schwab")* or *Pershing* serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* and *Pershing* charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians, including *Schwab* and *Pershing*, do not currently charge fees on individual equity transactions, others do). When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom NEXT and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a "trade-away" fee charged by *Schwab and Pershing*). These fees/charges are in addition to NEXT's investment advisory fee at Item 5 below. NEXT does not receive any portion of these fees/charges. NEXT's Chief Compliance Officer, Andrew C. Hart, remains available to address any questions that a client or prospective client may have regarding the above.

Asset-Based Fees versus Transaction-Based Fees: Custodians such as Schwab are compensated for their services that include, but are not limited to execution, custody and reporting. Schwab can charge a fixed percentage fee for its services based upon the dollar amount of the assets placed in its custody and/or on their platform (for example: if Schwab was to charge an annual 0.10% of the market value of the client assets in its custody, the fee would include the execution of all account transactions). This is referred to as an "Asset-Based Fee". In the alternative, rather than a fixed percentage fee based upon the market value of the assets in its custody, Schwab could charge a separate fee for the execution of each transaction. This is referred to as a "Transaction-Based Fee". Under a Transaction Based Fee, the amount of total fees charged to the client account for trade execution will vary depending upon the number of transactions that are placed for the account.

Most clients will be subject to the Transaction Based Fee. However, a small number of accounts will be subject to the Asset-Based Fee because of the amount of assets invested. NEXT, on an annual basis, will conduct a sampling to confirm its reasonable belief (given the inability to predict the markets and the corresponding amount of trading that will occur, as well as the frequency of client deposits and/or withdrawals which cause additional transactions) that Asset-Based pricing continues to be beneficial for those clients. Before engaging Schwab regardless of pricing (Asset-Based versus Transaction-Based), the client will be required to execute a separate agreement with Schwab agreeing to such pricing/fees. The fees charged by Schwab are separate and in addition to the advisory fee payable by the client to NEXT. The client can request at any time to switch from Asset-Based pricing to Transaction-Based pricing, however, there can be no assurance that the volume of transactions will be consistent from year-to-year given changes in market events and security selection. Thus, given the variances in trading volume, any decision by the client to switch to Transaction-Based pricing could prove to be economically detrimental. Please Note: You are under no obligation to enter into an asset-based arrangement, and, if you do, you can request at any time to switch from asset based pricing to transactions based pricing, however, there can be no assurance that the volume of transactions will be consistent from year-to-year given changes in market events and security selection. Thus, given the variances in trading volume, any decision by the client to switch to transaction based pricing could prove to be economically disadvantageous. NEXT's Chief Compliance Officer, Andrew C. Hart, remains available to address any questions that a client or prospective client may have regarding Asset-Based versus Transaction- Based pricing.

Retirement Rollovers - Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If NEXT recommends that a client roll over their retirement plan assets into an account to be managed by NEXT, such a recommendation creates a conflict of interest if NEXT will earn a new (or increase its current) advisory fee as a result of the rollover. If NEXT provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), NEXT is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. No client is under any obligation to rollover retirement plan assets to an account managed by NEXT. NEXT's Chief Compliance Officer, Andrew Hart remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by such rollover recommendation.

Borrowing Against Assets/Risks. A client who has a need to borrow money could determine to do so by using:

- **Margin**-The account custodian or broker-dealer lends money to the client. The custodian charges the client interest for the right to borrow money, and uses the assets in the client's brokerage account as collateral; and,
- **Pledged Assets Loan**- In consideration for a lender (i.e., a bank, etc.) to make a loan to the client, the client pledges its investment assets held at the account custodian as collateral.

These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e. custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, NEXT does not recommend such borrowing unless it is for specific purpose (i.e. a bridge loan to purchase a new residence). From time to time, NEXT may recommend such borrowing for investment purposes (i.e. to invest borrowed funds in the market). Regardless, if the client was to determine to utilize margin or a pledged assets loan, the following economic benefits would inure to NEXT:

- by taking the loan rather than liquidating assets in the client's account, NEXT continues to earn a fee on such Account assets; and,
- if the client invests any portion of the loan proceeds in an account to be managed by NEXT, NEXT will receive an advisory fee on the invested amount; and,
- if NEXT's advisory fee is based upon the higher margined account value (***see*** margin disclosure at Item 5 below), NEXT will earn a correspondingly higher advisory fee. This could provide NEXT with a disincentive to encourage the client to discontinue the use

of margin.

Please Note: The Client must accept the above risks and potential corresponding consequences associated with the use of margin or a pledged assets loans.

Portfolio Activity. NEXT has a fiduciary duty to provide services consistent with the client's best interest. NEXT will review client portfolios on an ongoing basis to determine if any trades are necessary based upon various factors, including but not limited to, investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when NEXT determines that changes to a client's portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 during periods of portfolio trading inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by NEXT will be profitable or equal any specific performance level(s).

Please Note: Cash Positions. NEXT continues to treat cash as an asset class. As such, unless determined to the contrary by NEXT, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating NEXT's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), NEXT may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, NEXT's advisory fee could exceed the interest paid by the client's money market fund. **ANY QUESTIONS**: **NEXT's Chief Compliance Officer, Andrew Hart, remains available to address any questions that a client or prospective may have regarding the above fee billing practice**

Cash Sweep Accounts. Account custodians generally require that cash proceeds from account transactions or cash deposits be swept into and/or initially maintained in the custodian's sweep account. The yield on the sweep account is generally lower than those available in money market accounts. To help mitigate this issue, NEXT shall generally purchase a higher yielding money market fund available on the custodian's platform with cash proceeds or deposits, unless NEXT reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to, the amount of dispersion between the sweep account and a money market fund, the size of the cash balance, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account.

Please Note: The above does not apply to the cash component maintained within NEXT's actively managed investment strategy (the cash balances for which shall generally remain in the custodian designated cash sweep account), an indication from the client of a need for access to such cash, assets allocated to an unaffiliated investment manager, and cash balances maintained for fee billing purposes. Please Also Note: The client shall remain exclusively responsible for yield dispersion/cash balance decisions and corresponding transactions for cash balances maintained in any of NEXT's unmanaged accounts.

ANY QUESTIONS: NEXT' Chief Compliance Officer, Andrew Hart, remains available to address any questions that a client or prospective client may have regarding the above.

ERISA Plan Engagements. NEXT may be engaged by Plan sponsors to provide discretionary and/or non-discretionary investment advisory services to ERISA retirement plans, whereby NEXT shall manage Plan assets in the amount and objective as designated by the Plan sponsor. In such engagements, NEXT will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 ("ERISA") either as a 3(38) "investment manager" for discretionary engagements or as a 3(21) "fiduciary" for non-discretionary consulting engagements. In either engagement, NEXT will generally provide services on an "assets under management" fee basis per the terms and conditions of an Investment Advisory Agreement between the Plan and NEXT.

Participant Directed Retirement Plans. NEXT may also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a Retirement Plan Consulting Agreement between NEXT and the plan. For such engagements, NEXT shall assist the Plan sponsor to select an investment platform from which Plan participants shall make their respective investment choices, and, to the extent engaged to do so, shall provide corresponding education to assist the participants with their decision making process.

Client Retirement Plan Assets. If requested to do so, NEXT shall provide investment advisory services relative to 401(k) plan assets maintained by the client in conjunction with the retirement plan established by the client's employer. In such event, NEXT shall allocate (or recommend that the client allocate) the retirement account assets among the investment options available on the 401(k) platform. NEXT's ability shall be limited to the allocation of the assets among the investment alternatives available through the plan. NEXT will not receive any communications from the plan sponsor or custodian, and it shall remain the client's exclusive obligation to notify NEXT of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account.

Please Note - Use of Mutual Funds and Exchange Traded Funds. NEXT utilizes mutual funds and exchange traded funds for its client portfolios. In addition to NEXT's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Custodian Charges-Additional Fees. As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, NEXT generally recommends that *Schwab* or *Pershing* serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* and *Pershing* charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian. While certain custodians, including *Schwab and Pershing*, generally (with the potential exception for large orders) do not currently charge fees on individual equity transactions (including ETFs), others do. **Please Note**: there can be no assurance that *Schwab* and/or *Pershing* will not change their transaction fee pricing in the future. **Please Also Note:** *Schwab* and *Pershing* may also assess fees to clients who elect to receive trade confirmations and account statements by regular mail rather than electronically. **Tradeaways**: When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom NEXT and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a “trade-away” fee charged by *Schwab*). The above fees/charges are in addition to NEXT’s investment advisory fee at Item 5 below. NEXT does not receive any portion of these fees/charges. **ANY QUESTIONS: NEXT’s Chief Compliance Officer, Andrew C. Hart, remains available to address any questions that a client or prospective client may have regarding the above.**

Please Note: Socially Responsible Investing Limitations. ***Socially Responsible Investing*** involves the incorporation of **Environmental**, **Social** and **Governance** (“ESG”) considerations into the investment due diligence process. ESG investing incorporates a set of criteria/factors used in evaluating potential investments: Environmental (i.e., considers how a company safeguards the environment); Social (i.e., the manner in which a company manages relationships with its employees, customers, and the communities in which it operates); and Governance (i.e., company management considerations). The number of companies that maintain an acceptable ESG mandate can be limited when compared to those that do not, and could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. Correspondingly, the number of ESG mutual funds and exchange-traded funds are limited when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by NEXT), there can be no assurance that investment in ESG securities or funds will be profitable, or prove successful. NEXT does not maintain or advocate an ESG investment strategy, but will seek to employ ESG if directed by a client to do so.

Private Placement Life Insurance. NEXT can be engaged by insurance companies as a sub-adviser to manage the investment assets within a private placement life insurance policy (“PPLI”). PPLI is acquired by the client with the assistance of the client’s insurance professional, for which the insurance professional generally receives commission compensation from the insurance company. NEXT does not receive any portion of the commission compensation earned by the insurance professional. NEXT’s only fee is its investment advisory fee. In the event that NEXT recommends that a client meet with an insurance professional to discuss the potential benefits of PPLI, a conflict of interest arises if NEXT is subsequently engaged by the insurance company as the sub-adviser for the PPLI investment assets.

Structured Notes.

NEXT may purchase Structured Notes for client accounts. A Structured Note is a financial instrument that combines two elements, a debt security and exposure to an underlying asset or assets. It is essentially a note, carrying counter party risk of the issuer. However, the return on the note is linked to the return of an underlying asset or assets (such as the S&P 500 Index or commodities). It is this latter feature that makes structured products unique, as the payout can be used to provide some degree of principal protection, leveraged returns (but usually with some cap on the maximum return), and be tailored to a specific market or economic view. Structured Notes will generally be subject to liquidity constraints, such that the sale thereof before the maturity date could result in a substantial loss. There can be no assurance that the Structured Notes investment will be profitable, equal any historical performance level(s), or prove successful. Please Note: If the issuer of the Structured Note defaults, the entire value of the investment could be lost. See additional Risk Disclosure at Item 8 below

Asset Aggregation / Reporting Services. NEXT may provide access to reporting services through one or more third-party aggregation / reporting platforms, i.e., ByAllAccounts, Addepar and Portfolio Center, that can reflect all of the client's investment assets, including those investment assets that the client has not engaged NEXT to manage (the "Excluded Assets"). NEXT's service for the Excluded Assets is strictly limited to reporting, and specifically excludes investment management or implementation. Because NEXT does not have trading authority for the Excluded Assets, the client (and/or another investment professional), and not NEXT, shall be exclusively responsible for directly managing, monitoring and implementing any recommendations for the Excluded Assets. Further, the client and/or their other advisors that maintain trading authority, and not NEXT, shall be exclusively responsible for the investment performance or related activity (such as timing and trade errors) pertaining to the Excluded Assets. The third-party aggregation / reporting platforms may also provide access to financial planning information and applications, which should not be construed as services, advice, or recommendations provided by NEXT. Accordingly, NEXT shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the third party reporting platforms without NEXT's participation or oversight. The client can engage NEXT to provide investment management services for the Excluded Assets pursuant to the terms and conditions of the *Investment Advisory Agreement* between NEXT and the client. Non-Discretionary Service Limitations. Clients that determine to engage NEXT on a non- discretionary investment advisory basis must be willing to accept that NEXT cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Therefore, if NEXT would like to make a transaction for a client's account (including removing a security that NEXT no longer believes is appropriate, adding a security that NEXT believes is appropriate, or in the event of a correction), and the client is unavailable, NEXT will be unable to execute the account transactions (as it would for its discretionary clients) without first obtaining the client's consent. This may place affected clients at an economic disadvantage.

Use of Pontera Platform: NEXT may use an investment platform made available by Pontera Solutions, Inc. ("Pontera"), a third-party online platform, to assist with management of clients' "held-away" accounts, including 401(k)s, 403(b)s, annuities, and 529 education savings plans. The Pontera platform permits advisers to manage held-away assets without having to reflect that it has custody of such assets on Part 1 of Form ADV. The advisory fee charged by NEXT for the management of held-away assets is established in the client's *Investment Advisory Agreement*. Pontera charges NEXT an annual fee based upon the percentage of assets managed in the held- away accounts. Other than NEXT's advisory fee, clients do not pay any additional fee to Pontera or to NEXT in connection with the use of Pontera platform.

Cybersecurity Risk. The information technology systems and networks that NEXT and its third-party service providers use to provide services to NEXT's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in NEXT's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and NEXT are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although NEXT has established its processes to reduce the risk of cybersecurity incidents, there is no guarantee that these efforts will always be successful, especially considering that NEXT does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

Client Obligations. In performing its services, NEXT shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify NEXT if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing, evaluating, or revising NEXT's previous recommendations and/or services.

Disclosure Brochure. A copy of NEXT's written Privacy Notice, Brochure as set forth on Part 2 of Form ADV and Form CRS (Client Relationship Summary) shall be provided to each client prior to, or contemporaneously with, the execution of the applicable form of agreement between NEXT and the client.

C. NEXT provides investment advisory services tailored specifically to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, NEXT shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on NEXT's services.

D. NEXT does not participate in a wrap fee program.

E. As of December 31, 2023, NEXT had $1,062,987,914 in assets under management on a discretionary basis and $380,214,699 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

A.

INVESTMENT ADVISORY SERVICES

The client may engage NEXT to provide discretionary and/or non-discretionary investment advisory services on a negotiable fee-only basis. Unless a fixed-fee is otherwise agreed upon, NEXT's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under NEXT's management (generally between negotiable and 1.00%) as follows:

Initial $5,000,000	1.00%
Next $5,000,001- $10,000,000	0.75%
Next $10,000,001- $25,000,000	0.50%
Over $25,000,0001	0.40%

NEXT may, in its sole discretion, agree to provide investment advisory services at rates other than those set forth above, charge a flat fee, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). **Please Note**: As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

Accrued Interest: The market value reflected on periodic account statements issued by the account custodian may differ from the value used by NEXT for its advisory fee billing process. NEXT includes the accrued value of certain month or quarter-end interest when calculating client advisory fees, which amounts may not yet be reflected on the custodian statement as having been received by the account.

ANY QUESTIONS: NEXT's Chief Compliance Officer, Andrew C. Hart, remains available to address any questions that a client or prospective client may have regarding advisory fees.

Given the lagged nature of private fund reporting, advisory fees based upon private investment funds will reflect either the most recent valuation provided by the private fund sponsor, or an estimate of the valuation which is likely to be more accurate than the latest state value available. In the case of estimates, valuations are based on estimated values provided by the private fund sponsor or the most recent statement value adjusted for client transactions such as capital calls and distributions. NEXT employs the use of estimates to mitigate the risk of over or underbilling client assets. NEXT reconciles its estimated values upon receipt of final private fund valuations and adjusts future bills accordingly.

Margin Accounts: Risks/Conflict of Interest. A *margin account* is a brokerage *account* that allows investors to borrow money to buy securities and/or for other non-investment borrowing purposes. The broker/custodian charges the investor interest for the right to borrow money and uses the securities as collateral. By using borrowed funds, the customer is employing leverage that will magnify both account gains and losses. Should a client determine to use margin, NEXT will include the entire market value of the margined assets when computing its advisory fee. Accordingly, NEXT's fee shall be based upon a higher margined account value, resulting in NEXT earning a correspondingly higher advisory fee. As a result, a potential of conflict of interest arises because NEXT may have an economic disincentive to recommend that the client terminate the use of margin. **Please Note**: The use of margin can cause significant adverse financial consequences in the event of a market correction. **ANY QUESTIONS**: **Our Chief Compliance Officer, Andrew Hart, remains available to address any questions that a client or prospective client may have regarding the use of margin.**

In addition to the above, clients whose investment assets are allocated to the Dynasty management platform will be responsible for additional fees described further at Item 10.C. below, along with a description of the conflicts of interest presented.

Dynasty Wealth Management, LLC is a registered investment adviser that also provides access to a range of investment services including: separately managed accounts ("SMAs"), mutual fund and exchange-traded fund ("ETF") asset allocation strategies, and unified managed accounts ("UMAs") managed by external third party managers (collectively the "Investment Programs"). Under the UMA program, NEXT will maintain the ability to construct a single portfolio by selecting the specific, underlying investment vehicles and asset allocations. Under the SMA program, NEXT has the ability to construct a single portfolio by selecting the specific, underlying manager, investment vehicles and/or asset allocations.

With respect to the Investment Programs, clients will be responsible for additional fees payable to Dynasty for trading, tax overlay, rebalancing, and reporting, the amount of which will be based upon the type of Investment Program, as follows:

- UMA Program-currently between 0.27% and 0.48% depending upon the amount of assets and the use of tax management overlay services, with the majority of clients anticipated to pay between 0.40% and 0.48%;
- Mutual Fund and ETF- currently equal to 0.10% of the value of client assets allocated to the Investment Program; and
- Separate Account Managers- currently between 0.08% and 0.12% depending upon the amount of assets.

ANY QUESTIONS: NEXT's Chief Compliance Officer, Andrew C. Hart, remains available to address any questions that a client or prospective client may have regarding these additional fees, including the potential fee range that will be applicable to the client.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, NEXT provides financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, retirement planning and cash flow analysis) on a stand-alone fee basis. NEXT's planning and consulting fees are negotiable, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). NEXT typically provides these services at an hourly rate of $500, however NEXT may agree to provide financial planning and consulting services for a negotiated fixed fee.

B. Clients may elect to have NEXT's advisory fees deducted from their custodial account. Both NEXT's Investment Advisory Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of NEXT's investment advisory fee and to directly remit that management fee to NEXT in compliance with regulatory procedures. In the limited event that NEXT bills the client directly, payment is due upon receipt of NEXT's invoice. NEXT shall deduct fees and/or bill clients quarterly in advance, based either upon the market value of the assets on the last business day of the previous quarter. NEXT shall treat intra-quarter account additions and withdrawals equally. Specifically, NEXT does not generally adjust the quarterly fee for asset additions/withdrawals during the quarter unless the client adds or withdraws from the account more than $1,000,000 on a net basis on any single market day. In such event, NEXT shall charge a pro-rated fee, and/or issue a pro-rated reimbursement, based upon the number of days remaining in the billing quarter.

C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, NEXT generally recommends that Schwab or Pershing serve as the broker- dealer/custodian for client investment management assets. Broker-dealers charge transaction fees for effecting certain securities transactions according to their fee schedule, and they or their affiliated custodians also impose charges for custodial services / fees associated with maintaining the client's account. For mutual fund and ETF purchases, clients will incur charges imposed by the respective fund, which represent the client's pro rata share of the fund's management fee and other fund expenses. These fees and expenses are described in each fund's prospectus or other offering documents. The fees charged by the applicable broker-dealer/custodian, and the charges imposed by mutual funds and ETFs, are separate from and in addition to NEXT's advisory fee referenced in this Item 5. NEXT does not share in any portion of those fees or expenses. In addition, to the extent engaged clients will also incur fees charged by Independent Manager(s) and Dynasty, which are all separate from and in addition to NEXT's investment advisory fee described above.

Tradeaway/Prime Broker Fees. In limited circumstances, if, in the reasonable determination of NEXT, it would be beneficial for the client, NEXT may execute individual fixed income transactions through broker-dealers other than the account custodian, in which event, the client generally will incur both a fee (commission, mark- up/mark-down) charged by the executing broker-dealer and a separate "tradeaway" and/or prime broker fee charged by the account custodian (generally, Schwab).

Asset-Based Fees versus Transaction-Based Fees: Custodians such as Schwab are compensated for their services which include, but are not limited to execution, custody and reporting. Schwab can charge a fixed percentage fee for their services based upon the dollar amount of the assets placed in their custody and/or on their platform (for example: if Schwab was to charge an annual 0.10% of the market value of the client assets in its custody, the fee would include the execution of all account transactions). This is referred to as an "Asset-Based Fee".

In the alternative, rather than a fixed percentage fee based upon the market value of the assets in its custody, Schwab could charge a separate fee for the execution of each transaction. This is referred to as a "Transaction-Based Fee". Under a Transaction Based fee, the amount of total fees charged to the client account for trade execution will vary depending upon the number of transactions that are placed for the account.

Most clients will be subject to the Transaction Based Fee. However, a small number of accounts will be subject to the Asset-Based Fee because of the amount of assets invested. NEXT, on an annual basis, will conduct a sampling to confirm its reasonable belief (given the inability to predict the markets and the corresponding amount of trading that will occur, or the frequency of client deposits and/or withdrawals which cause additional transactions) that Asset-Based pricing continues to generally be beneficial for those clients. Prior to engaging Schwab regardless of pricing (Asset-Based versus Transaction-Based), the client will be required to execute a separate agreement with Schwab agreeing to such pricing/fees. The fees charged by Schwab are separate and in addition to the advisory fee payable by the client to NEXT. Please Note: No client is under any obligation to engage Schwab for asset-based pricing. During any given year, the client's choice to use asset-based pricing vs. transaction-based pricing could be favorable or detrimental based upon markets and corresponding trading, and the frequency of deposits and/or withdrawals. NEXT's Chief Compliance Officer, Andrew C. Hart, remains available to address any questions that a client or prospective client may have regarding Asset-Based versus Transaction- Based pricing.

Interval Funds Fees: Interval funds can have many of the same types of fees and expenses as other investment companies, such as sales loads, repurchase fees, and management fees. The fund's fees and expenses will be detailed in its prospectus fee table. In some cases, an interval fund's fees and expenses may be higher than those charged by other types of funds. For example, some interval funds charge higher management fees that may be used to hire managers with experience investing in certain types of assets (for example, less liquid assets that interval funds can hold). Sometimes the assets that interval funds invest in also come with a higher cost of investing, and these costs are passed along to shareholders. **In light of these enhanced risks, a client may direct NEXT, in writing, not to employ any or all such strategies for the client's account**.

D. NEXT's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter, or based upon average daily balance of the previous quarter. NEXT does not generally require an annual minimum fee or asset level for investment advisory services. NEXT, in its sole discretion, may charge a lesser investment management fee, a fixed fee, or agree to a different arrangement. The applicable form of agreement between NEXT and the client will continue in effect until terminated by either party by written notice in accordance with the terms of such agreement. Upon termination, NEXT will refund the pro-rated portion of any advanced advisory fee paid based upon the number of days remaining in the billing quarter.

E. One of NEXT'S representatives, Ted Smith, in a separate and individual capacity, is licensed as a registered representative of Innovation Partners, LLC. Although Ted Smith will not recommend NEXT's clients purchase securities from Innovation Partners, LLC, he will receive trailing commissions from legacy mutual fund positions held by Innovation Partners, LLC clients assigned to him. NEXT Capital will not receive any compensation from Innovation Partners, LLC.

NEXT does not accept compensation from the sale of securities or other investment products.

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

Neither NEXT nor any supervised person of NEXT accepts performance-based fees or is a party to any incentive-related compensation arrangements with its clients.

Item 7 Types of Clients

NEXT's clients generally include individuals, high net worth individuals, trusts, pension and profit sharing plans, charitable organizations, and business entities.

NEXT does not generally require an annual minimum fee or asset level for investment advisory services. NEXT, in its sole discretion, may charge a lesser investment management fee or a fixed fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, competition, negotiations with client, etc.). Please Note: As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. NEXT's Chief Compliance Officer, Andrew C. Hart, remains available to address any questions that a client or prospective client may have regarding advisory fees.

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

A. NEXT may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

NEXT may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear, including the loss of principal investment. Past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by NEXT) will be profitable or equal any specific performance level(s). Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and client account values could benefit as a result, it is also possible that asset values may decrease and client account values could suffer a loss.

B. NEXT's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis NEXT must have access to current/new market information. NEXT has no control over the dissemination rate of market information; therefore, unbeknownst to NEXT, certain analyses may be compiled with outdated market information, severely limiting the value of NEXT's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

NEXT's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer-term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period involves a very short investment time period but will incur higher transaction costs when compared to a short-term investment strategy and substantially higher transaction costs than a longer-term investment strategy.

C. Currently, NEXT primarily allocates client investment assets to various mutual funds, exchange traded funds, and individual equity and fixed income securities, on a discretionary and non-discretionary basis, in accordance with the client's designated investment objective(s). In more limited circumstances NEXT also provides investment advisory services relative to client assets that are allocated to unaffiliated private investment funds (Please see Item 4) and structured notes. Each type of investment has its own unique set of risks associated with it.

To supplement the specific risk disclosures provided throughout this Brochure, the following provides a short description of some of the risks associated with the types of investments to which NEXT allocates client investment assets:

Market Risk. The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors (such as economic or political factors) but may also be incurred because of a security's specific underlying investments. Additionally, each security's price can fluctuate based on market movement, which may or may not be due to the security's operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.

Unsystematic Risk. Unsystematic risk is the company-specific or industry-specific risk in a portfolio that the investor bears. Unsystematic risk is typically addressed through diversification. However, as indicated above, diversification does not guarantee better performance and cannot eliminate the risk of investment losses.

Value Investment Risk. Value stocks may perform differently from the market as a whole and following a value-oriented investment strategy may cause a portfolio to underperform growth stocks.

Growth Investment Risk. Prices of growth stocks tend to be higher in relation to their companies' earnings and may be more sensitive to market, political and economic developments than other stocks, making their prices more volatile.

Small Company Risk. Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, small capitalization companies are more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

Commodity Risk. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political, and regulatory developments.

Foreign Securities and Currencies Risk. Foreign securities prices may decline or fluctuate because of: (i) economic or political actions of foreign governments, and/or (ii) less regulated or liquid securities markets. Investors holding these securities are also exposed to foreign currency risk (the possibility that foreign currency will fluctuate in value against the U.S. dollar).

Interest Rate Risk. Fixed income securities and fixed income-based securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. When interest rates rise, fixed income security prices tend to fall. When interest rates fall, fixed income security prices tend to rise. In general, fixed income securities with longer maturities are more sensitive to these price changes.

Inflation Risk. When any type of inflation is present, a dollar at present value will not carry the same purchasing power as a dollar in the future, because that purchasing power erodes at the rate of inflation.

Reinvestment Risk. Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate), which primarily relates to fixed income securities.

Credit Risk. The issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and impact performance. Credit risk is considered greater for fixed income securities with ratings below investment grade. Fixed income securities that are below investment grade involve higher credit risk and are considered speculative.

Call Risk. During periods of falling interest rates, a bond issuer will call or repay a higher-yielding bond before its maturity date, forcing the investment to reinvest in bonds with lower interest rates than the original obligations.

Regulatory Risk. Changes in laws and regulations from any government can change the market value of companies subject to such regulations. Certain industries are more susceptible to government regulation. For example, changes in zoning, tax structure or laws may impact the return on investments.

Options Risk. In limited circumstances when consistent with a client's investment objective(s), NEXT may employ the use of options strategies, which involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by NEXT shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio. Although the intent of the options-related transactions that may be implemented by NEXT is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct NEXT, in writing, not to employ any or all such strategies for their accounts.

Covered Call Writing. Covered call writing is the sale of in-, at-, or out-of-the-money call options against a long security position held in a client portfolio. This type of transaction is intended to generate income. It also serves to create a partial downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced or lost to the extent it is determined to buy back the option position before its expiration. There can be no assurance that the security will not be called away by the option buyer, which will result in the client (option writer) to lose ownership in the security and incur potential unintended tax consequences. Covered call strategies are generally better suited for positions with lower price volatility.

Interval Fund Risk. Interval funds may expose investors to liquidity risk. While an interval fund periodically offers to repurchase a portion of its securities, there is no guarantee that investors may sell their shares at any given time or in the desired amount. Moreover, if an interval fund invests in companies with smaller market capitalizations, derivatives or securities that entail significant market or credit risk, the liquidity risk may be greater.

Additionally, You will not be able to sell your fund shares whenever you want. You must wait for NEXT repurchase offer, which could be as long as twelve months away. Your money may be locked up in the fund, even in the event of a market downturn. As with any investment, you could lose money investing in an interval fund. An interval fund's greater flexibility to invest in different types of assets can potentially lead to higher returns but such investments can also increase risks. There is no guarantee that an interval fund will have better or different returns than other fund types.

Structured Note Risk. A Structured Note is a financial instrument that combines two elements, a debt security and exposure to an underlying asset or assets. It is essentially a note, carrying counter party risk of the issuer. However, the return on the note is linked to the return of an underlying asset or assets (such as the S&P 500 Index or commodities).

Structured notes do not pay interest, dividend payments, provide voting rights or guarantee any return of principal at maturity unless specifically provided through products that are designed with this purpose in mind. Most Structured Note payments are based on the performance of an underlying index (i.e., S&P 500) and if the underlying index were to decline 100% then the payment may result in a loss of a portion or all of a client's principal. Notes are not insured through any governmental agency or program and the return of principal and fulfillment of the terms negotiated by NRXT on behalf of clients is dependent on the financial condition of the third party (i.e., the counter party) issuing the note and the issuer's ability to pay its obligations as they become due.

Structured Notes will generally be subject to liquidity constraints, such that the sale thereof before maturity can be limited. Structured Notes will not be listed on any securities exchange. There may be no secondary market for such Structured Notes. The price, if any, at which an issuer will be willing to purchase Structured Notes from clients in a secondary market transaction, if at all, will likely be lower than the original issue price and any sale before the maturity date could result in a substantial loss. Structured Notes are not designed to be short-term trading instruments so clients should be willing to hold any notes to maturity.

The issuer can generally choose to redeem Structured Notes before maturity. In addition, the maximum potential payment on Structured Notes will typically be limited to the redemption amount applicable for a payment date, regardless of the appreciation in the underlying index associated with the note. Since the level of the underlying index at various times during the term of the Structured Notes held by clients could be higher than on the valuation dates and at maturity, clients may receive a lower payment if redeemed early or at maturity than if a client would have invested directly in the underlying index.

Structured Notes are not insured through any governmental agency or program and the return of principal and fulfillment of the terms negotiated by Next on behalf of clients is dependent on the financial condition of the third party issuing the note and the issuer's ability to pay its obligations as they become due.

Please Note: Past performance is no guarantee of future results. Different types of investments involve varying degrees of risk. Therefore, there can be no assurance that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended and/or undertaken by will be profitable, equal any historical performance level(s), or prove successful. Please Also Note: If the issuer of the Structured Note defaults, the entire value of the investment could be lost.

In the event that he client seeks to prohibit or limit the purchase of structured notes

<u>for the client's account, the client can do so, in writing, addressed to NEXT' Chief Compliance Officer. In the event that a client has any questions regarding structured notes, NEXT' Chief Compliance Officer, Name of CCO, remains available to address them.</u>

<u>Margin / Securities Based Loans Risk</u>. Upon specific client request, NEXT may assist a client with establishing a margin loan or a securities-based loan (collectively, "SBLs") with the client's broker-dealer/custodian or their affiliated banks (each, an "SBL Lender") to access cash flow. Unlike a traditional real estate-backed loan, an SBL has the potential benefit of: enabling borrowers to access to funds in a shorter period of time, providing greater repayment flexibility, and may also result in the borrower receiving certain tax benefits. Clients interested in learning more about the potential tax benefits of borrowing money on margin should consult with an accountant or tax advisor.

The terms and conditions of each SBL are contained in a separate agreement between the client and the SBL Lender selected by the client, which terms and conditions may vary from client to client. Borrowing funds on margin is not suitable for all clients and is subject to certain risks, including but not limited to: increased market risk, increased risk of loss, especially in the event of a significant downturn; liquidity risk; the potential obligation to post collateral or repay the SBL if the SBL Lender determines that the value of collateralized securities is no longer sufficient to support the value of the SBL; the risk that the SBL Lender may liquidate the client's securities to satisfy its demand for additional collateral or repayment / the risk that the SBL Lender may terminate the SBL at any time. Before agreeing to participate in an SBL program, clients should carefully review the applicable SBL agreement and all risk disclosures provided by the SBL Lender including the initial margin and maintenance requirements for the specific program in which the client enrolls, and the procedures for issuing "margin calls" and liquidating securities and other assets in the client's accounts.

If NEXT recommends that a client apply for an SBL instead of selling securities that NEXT manages for a fee to meet liquidity needs, the recommendation presents an ongoing conflict of interest because selling those securities (instead of leveraging those securities to access an SBL) would reduce the amount of assets to which NEXT's investment advisory fee percentage is applied, and thereby reduce the amount of investment advisory fees collected by NEXT. Likewise, the same ongoing conflict of interest is present if a client determines to apply for an SBL on their own initiative. These ongoing conflicts of interest would persist as long as NEXT has an economic disincentive to recommend that the client terminate the use of SBLs. Clients are therefore reminded that they are not under any obligation to employ the use of SBLs, and are solely responsible for determining when to use, reduce, and terminate the use of SBLs. Although NEXT seeks to disclose all conflicts of interest related to its recommended use of SBLs and related business practices, there may be other conflicts of interest that are not identified above. Clients are therefore reminded to carefully review the applicable SBL agreement and all risk disclosures provided by the SBL Lender as applicable, and contact NEXT's Chief Compliance Officer with any questions regarding the use of SBLs.

Item 9 Disciplinary Information

NEXT has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

A. Neither NEXT, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Neither NEXT, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

C. **Dynasty/TAMP**. NEXT has entered into a contractual relationship with Dynasty Financial Partners, LLC ("Dynasty"), which provides NEXT with operational and back office support including access to a network of service providers. Through the Dynasty network of service providers, NEXT has access to discounts on trading technology, reporting, custody, brokerage, compliance and other related services. While NEXT believes this open architecture structure for operational services best serves the interests of its clients, this relationship presents certain conflicts of interest due to the fact that Dynasty retains a portion of the platform or other third-party fees paid by NEXT or its clients for the services referenced above. In light of the foregoing, NEXT seeks at all times to ensure that any material conflicts are addressed on a fully-disclosed basis and handled in a manner that is aligned with its clients' best interests. NEXT does not receive any portion of the fees paid directly to Dynasty, its affiliates or the service providers made available through Dynasty's platform. In addition, NEXT reviews all such relationships, including the service providers engaged through Dynasty, on an ongoing basis in an effort to ensure clients are receiving competitive rates in relation to the quality and scope of the services provided.

Dynasty's subsidiary, Dynasty Wealth Management, LLC is a registered investment adviser, which also provides access to a range of investment services including: separately managed accounts ("SMAs"), mutual fund and exchange-traded fund ("ETF") asset allocation strategies, and unified managed accounts ("UMAs") managed by external third party managers (collectively the "Investment Programs"). Under the UMA program, NEXT will maintain the ability to construct a single portfolio by selecting the specific, underlying investment vehicles and asset allocations. Under the SMA program, NEXT has the ability to construct a single portfolio by selecting the specific, underlying manager, investment vehicles and/or asset allocations.

With respect to the Investment Programs, clients will be responsible for additional fees payable to Dynasty for trading, tax overlay, rebalancing, and reporting, the amount of which will be based upon the type of Investment Program, as follows:

- UMA Program-currently between 0.27% and 0.48% depending upon the amount of assets and the use of tax management overlay services, with the majority of clients anticipated to pay between 0.40% and 0.48%;
- Mutual Fund and ETF- currently equal to 0.10% of the value of client assets allocated to the Investment Program; and
- Separate Account Managers- currently between 0.08% and 0.12% depending upon the amount of assets.

NEXT's Chief Compliance Officer, Andrew C. Hart, remains available to address any questions that a client or prospective client may have regarding these additional fees, including the potential fee range that will be applicable to the client.

In light of its engagement with NEXT, Dynasty has agreed to pay a third-party vendor to provide data aggregation, analytics, and performance reporting services (the "Reporting Services") for NEXT's clients. Dynasty has agreed to waive the fee that it would charge to

NEXT for the Reporting Services, provided that the value of NEXT's clients assets enrolled in the UMA program exceeds $125M. This presents a conflict of interest because as long as that threshold is satisfied, NEXT does not have to produce or purchase the Reporting Services at its own expense. NEXT is therefore incentivized to recommend that clients engage in the UMA program, so that NEXT can obtain the Reporting Services for its clients without incurring the associated cost. Further, clients who engage in the UMA program are indirectly offsetting the costs of the Reporting Services for clients who do not engage in the UMA program. To mitigate these conflicts of interest, NEXT reminds its clients that they are not under any obligation to participate in the UMA program. NEXT's Chief Compliance Officer, Andrew C. Hart, remains available to address any questions that a client or prospective client may have about these conflicts of interest.

The above fees are in addition to, and separate from NEXT's investment advisory fee described at Item 5 above, separate account manager fees, underlying mutual fund and exchange traded fund fees, and asset based-pricing fees (or transaction based pricing fees). NEXT believes the Dynasty platform is in the best interests of participating clients, due to added benefits that may include automatic rebalancing, tax management, and access to institutional quality managers at reduced fees. Moreover, NEXT believes the overall cost of these programs (manager, custody, and platform fees) are comparable or lower than alternative solutions otherwise available to NEXT and its clients. No client is under any obligation to utilize Dynasty's Investment Programs. A client can direct NEXT, in writing, not to utilize Dynasty Investment Programs. NEXT's Chief Compliance Officer, Andrew C. Hart, remains available to address any questions regarding the above fees.

Equity Interests: In December 2022, Dynasty acquired both a revenue (1%) and equity (4%) interest in NEXT in exchange for NEXT acquiring an equity (less than1%) interest in Dynasty. Neither Firm maintains any management authority or control of the other. Regardless, NEXT's acquisition of the Dynasty interest presents **conflicts of interest** because NEXT, as a Dynasty equity owner, has an economic incentive to continue to utilize Dynasty's services and a disincentive to negotiate Dynasty's fees. **ANY QUESTIONS**: NEXT's Chief Compliance Officer, Andrew Hart, remains available to address them.

NEXT's Chief Compliance Officer, Andrew C. Hart, remains available to address any questions that a client or prospective client may have regarding the anticipated enhanced arrangement, and the corresponding additional conflicts of interest presented by same.

Securities Commissions: Ted Smith, in a separate individual capacity, is registered as a registered representative of Innovation Partners, LLC, an SEC registered and FINRA member broker-dealer. Ted Smith will receive trailing commissions from legacy mutual fund positions held by former clients at Innovation Partners, LLC. However, neither Ted Smith nor NEXT Capital will recommend that NEXT Capital clients invest in any securities products offered through Innovation Partners, LLC. NEXT Capital will not receive any compensation from Innovation Partners, LLC for these legacy mutual fund positions. Additionally, NEXT Capital is not affiliated with Innovation Partners, LLC. As a result, there is no conflict of interest. Clients are reminded that if they would like to invest in Innovation Partners, LLC, they may engage other non-affiliated financial professionals.

NEXT investment adviser representative, Frazer Rice**,** owns and operates *Wealth, Actually*, a financial consulting business. The business of *Wealth, Actually* includes publications, podcasts, and consulting services. All *Wealth, Actually* content represents content published by, and the opinions of, Frazer only, and is separate and independent of Frazer's association with Next. Next does not supervise the business of ***Wealth, Actually.*** Frazer is only licensed to provide personalized investment advisory services in his capacity as a Next investment professional.

NEXT has no other relationship or arrangement with a related person that is material to its advisory business.

D. NEXT does not recommend or select other investment advisors for its clients for which it receives a fee.

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

A. NEXT maintains an investment policy relative to personal securities transactions. This investment policy is part of NEXT's overall Code of Ethics, which serves to establish a standard of business conduct for all of NEXT's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

   In accordance with Section 204A of the Investment Advisers Act of 1940, NEXT also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by NEXT or any person associated with NEXT.

B. Neither NEXT nor any related person of NEXT recommends, buys, or sells for client accounts, securities in which NEXT or any related person of NEXT has a material financial interest.

C. NEXT and/or representatives of NEXT may buy or sell securities that are also recommended to clients. This practice may create a situation where NEXT and/or representatives of NEXT are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if NEXT did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of NEXT's clients) and other potentially abusive practices.
   NEXT has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of NEXT's "Access Persons". NEXT's securities transaction policy requires that an Access Person of NEXT must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date NEXT selects; provided, however that at any time that NEXT has only one Access Person, he or she shall not be required to submit any securities report described above.

D. NEXT and/or representatives of NEXT may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where NEXT and/or representatives of NEXT are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, NEXT has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of NEXT's Access Persons.

Item 12 Brokerage Practices

A. In the event that the client requests that NEXT recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct NEXT to use a specific broker-dealer/custodian), NEXT generally recommends that investment management accounts be maintained at *Schwab* and/or *Pershing* Prior to engaging NEXT to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with NEXT setting forth the terms and conditions under which NEXT will provide investment advisory services, and a separate custodial/clearing agreement with each designated broker-dealer/custodian. Factors that NEXT may consider in recommending Schwab (or any other broker- dealer/custodian to clients) include, among others:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- capability to execute, clear and settle trades (buy and sell securities for clients' accounts);
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds, etc.);
- availability of investment research and tools that assist NEXT in making investment decisions;
- quality of services;
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them;
- reputation, financial strength and stability of the provider;
- their prior service to NEXT and NEXT's other clients; and
- availability of other products and services that benefit NEXT, as discussed below.

Although the commissions and/or transaction fees paid by NEXT's clients shall comply with NEXT's duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where NEXT determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although NEXT will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, NEXT's investment management fee.

1. <u>Research and Additional Benefits</u>
Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, NEXT receives from *Schwab* and/or Pershing (or could receive from other broker-dealer/custodians, unaffiliated investment managers, vendors, investment platforms, and/or product/fund sponsors) without cost (and/or at a discount) support services and/or products, certain

of which assist NEXT to better monitor and service client accounts maintained at such institutions. The support services that NEXT receives can include: investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or free consulting services, discounted and/or free travel and attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by NEXT in furtherance of its investment advisory business operations. As referenced above, some of the support services and/or products that NEXT can receive may assist NEXT in managing and administering client accounts. Others do not directly provide such assistance, but rather assist NEXT to manage and further develop its business enterprise. The receipt of these support services and products presents a conflict of interest, because NEXT has the incentive to recommend that clients utilize Schwab and/or *Pershing* as a broker-dealer/custodian based upon its interest in continuing to receive the above-described support services and products, rather than based on a client's particular need. However, NEXT's clients do not pay more for investment transactions effected and/or assets maintained at Schwab and/or *Pershing* as a result of this arrangement. There is no corresponding commitment made by NEXT to Schwab or Pershing, any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangements. NEXT's Chief Compliance Officer, Andrew C. Hart, remains available to address any questions that a client or respective client may have regarding the above arrangements and the corresponding conflicts of interest.

2. NEXT does not receive referrals from broker-dealers.

3. Directed Brokerage. NEXT recommends that its clients utilize the brokerage and custodial services provided by Schwab and Pershing. The Firm generally does not accept directed brokerage arrangements (but could make exceptions). A directed brokerage arrangement arises when a client requires that account transactions be effected through a specific broker-dealer/custodian, other than one generally recommended by NEXT (i.e., Schwab and Pershing). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Firm will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by NEXT. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. **Please Note**: In the event that the client directs NEXT to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through NEXT. **Please Also Note**: Higher transaction costs adversely impact account performance. **Please Further Note**: Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

B. Transactions for each client account generally will be effected independently, unless NEXT decides to purchase or sell the same securities for several clients at approximately the same time. NEXT may (but is not obligated to) combine or "batch" such orders for individual

Equity transactions (including ETFs) with the intention to obtain better price execution, to negotiate more favorable commission rates, or to allocate more equitably among NEXT's clients differences in prices and commissions or other transaction costs that might have occurred had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. In the event that NEXT becomes aware that a NEXT employee seeks to trade in the same security on the same day, the employee transaction will either be included in the "batch" transaction or transacted after all discretionary client transactions have been completed. NEXT shall not receive any additional compensation or remuneration as the result of such aggregation.

Item 13 Review of Accounts

A. For those clients to whom NEXT provides investment supervisory services, account reviews are conducted on an ongoing basis by NEXT's Managing Member and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise NEXT of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review investment objectives and account performance with NEXT on an annual basis.

B. NEXT may conduct account reviews quarterly or upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

C. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Those clients to whom NEXT provides investment supervisory services may also receive a periodic report from NEXT summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

A. As referenced in Item 12.A.1 above, NEXT receives economic benefits from *Schwab* and/or *Pershing* including support services and/or products without cost (and/or at a discount). NEXT's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* and/or *Pershing* as a result of this arrangement. There is no corresponding commitment made by NEXT to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

   NEXT receives an economic benefit from *Schwab* and/or *Pershing* in the form of the support products and services it makes available to NEXT and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit NEXT, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability of *Schwab's* and/or *Pershing's* products and services to NEXT is not based on NEXT providing particular investment advice, such as buying particular securities for its clients.

   NEXT's Chief Compliance Officer, Andrew C. Hart, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the conflicts of interest presented by same.

B. NEXT engages promoters to introduce new prospective clients to NEXT consistent with the Investment Advisers Act of 1940, its corresponding. Rules, and applicable state regulatory requirements. If the prospect subsequently engages NEXT, the promoter shall generally be compensated by NEXT for the introduction. Because the promoter has an economic incentive to introduce the prospect to NEXT, a conflict of interest is presented. The promoter's introduction shall not result in the prospect's payment of a higher investment advisory fee to NEXT (i.e., if the prospect was to engage NEXT independent of the promoter's introduction). **Please Note**: In the event that Dynasty serves as a promoter, an additional conflict of interest is presented because NEXT is a Dynasty equity owner. ***See*** Item 10 above.

Item 15 Custody

NEXT shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Those clients to whom NEXT provides investment supervisory services may also receive a periodic report from NEXT summarizing account activity and performance.

To the extent that NEXT provides clients with periodic account statements or reports, NEXT urges clients to carefully review those statements and compare them to custodial account statements. NEXT's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. The account custodian does not verify the accuracy of NEXT's advisory fee calculations.

NEXT provides other services on behalf of its clients that require disclosure at ADV Part 1, Item 9. In particular, certain clients have signed asset transfer authorizations that permit the qualified custodian to rely upon instructions from NEXT to transfer client funds to "third parties." In accordance with the guidance provided in the SEC Staff's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subjected to an annual surprise CPA examination.

In addition, NEXT's Managing Member, Andrew Hart, serves as a trustee for a NEXT client requiring disclosure at Item 9 of Part 1 of Form ADV. The trustee service results in NEXT having custody under Rule 206(4)-2 of the Advisers Act. Per the Rule, having such custody requires NEXT to undergo an annual surprise CPA examination, and make a corresponding Form ADV-E filing with the SEC, for as long as Mr. Hart provides trustee services. **ANY QUESTIONS: NEXT's Chief Compliance Officer, Andrew Hart, remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

Item 16 Investment Discretion

The client can determine to engage NEXT to provide investment advisory services on a discretionary basis. Prior to NEXT assuming discretionary authority over a client's account, the client will be required to sign an Investment Advisory Agreement, naming NEXT as the client's attorney and agent in fact, granting NEXT full authority to buy, sell, or otherwise execute investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage NEXT on a discretionary basis may, at any time, impose restrictions, in writing, on NEXT's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe NEXT's use of margin, etc.).

Item 17 Voting Client Securities

A. NEXT does not vote client proxies. Thus, unless an Independent Manager assumes proxy voting responsibility for client assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact NEXT to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

A. NEXT does not solicit fees of more than $1,200, per client, six months or more in advance.

B. NEXT is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.

C. NEXT has not been the subject of a bankruptcy petition.

ANY QUESTIONS: NEXT's Chief Compliance Officer, Andrew C. Hart, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.