

Next Capital Management, LLC - Form CRS

Item 1 – Introduction

Next Capital Management, LLC (“our”, “we” or “us”) is registered with the U.S. Securities Exchange Commission (“SEC”) as registered investment adviser. Investment advisory services and compensation structures differ from that of a registered broker-dealer, and it is important that you understand the differences. Free and simple tools are available to research firms and financial professionals at www.Investor.gov/CRS. The site also provides educational materials about broker-dealers, investment advisers and investing.

Item 2 – Relationships and Services

What investment services and advice can you provide me?

We provide investment advisory services, including discretionary and/or non-discretionary and financial planning and consulting services to individuals, trusts and estates and charitable foundations (our “retail investors”). When a retail investor engages us to provide discretionary investment management services, we shall monitor, on an ongoing and continuous basis, the investments in the accounts over which we have discretionary authority as part of our investment management service. Furthermore, when engaged on a discretionary basis, we shall have the authority, without prior consultation with you (unless you impose restrictions on our discretionary authority), to buy, sell, trade and allocate the investments within your account(s) consistent with your investment objectives. If we are engaged to manage private placement investments in your advisory account, we will oversee and monitor these assets on a non-discretionary basis. This means that we cannot effect any activity with respect to these assets in your account without obtaining your prior consent. Our authority over your account(s) shall continue until our engagement is terminated. We offer financial planning on a stand-alone basis or as part of our standard investment advisory engagement. We also offer Next Vantage Family office services. The fee for this service shall be separately negotiated with the client. When we provide financial planning services, we rely on information provided by the client for our financial analysis and do not verify or monitor any such information. Our financial planning and consulting services are provided to the retail investor on an ongoing basis. We monitor the financial plan and furnish updates, as needed. We do not limit the scope of our investment advisor services to proprietary products or a limited group or type of investments.

Additional Information: For more detailed information about our *Advisory Business* and the *Types of Clients* we generally service, please See Items 4 and 7, respectively in our [ADV Part 2A](#).

Conversation Starters: *Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

Item 3 – Fees, Costs, Conflicts, and Standard of Conduct

What Fees will I pay?

We provide our investment advisory services on a fee basis. The annual investment advisory fee is based upon a percentage of the market value of the assets, including cash and the entire market value of margined assets, placed under our management, which typically tier down based upon managed asset levels, with those fees ranging from 0.40% to a maximum of 1.00%. In certain circumstances, we may charge a flat fee. For clients who participate in our Next Vantage, we will negotiate a separate fee based upon the level and complexity of services provided. We do not require a minimum asset level or maintain a minimum annual fee in connection with our investment management services. Your advisory fee will be deducted from your custodial account, on a quarterly basis, in advance, based upon the market value of the assets on the last business day of the previous quarter. Because our AUM Fee is calculated as a percentage of your assets under management, the more assets you have in your advisory account, the more you will pay us for our investment management services. Therefore, we have an incentive to encourage you to increase the assets maintained in accounts we manage. In the limited event that we undertake financial planning services for a client, our fee is negotiable on a fixed fee basis or \$500 on an hourly rate. Fees may vary based upon the level and scope of services being provided. The fee for any subsequent work shall be agreed to prior to commencing the engagement.

Other Fees and Costs: Your investment assets will be held with a qualified custodian. Custodians charge brokerage mutual fund transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain equity, no-load and fixed income securities transactions) or other charges in accordance with their custodial fee schedule. The custodian may also charge an asset-based fee in lieu of transaction charges and based upon client assets placed in their custody. Asset based pricing may be favorable or detrimental to you based upon markets and corresponding trading, and the frequency of

deposits and/or withdrawals. In addition, relative to all mutual fund and exchange traded fund purchases, certain charges will be imposed at the fund level (e.g. management fees and other fund expenses). In some cases, we utilize an investment platform offered by Dynasty Wealth Management to implement client portfolios. There are costs of utilizing this platform ranging from 0.08% to 0.48% (depending upon which program is selected), however, in most cases we believe the client is incurring expenses equivalent or less than comparable off-platform investments. In all cases, we believe clients participating in this program are benefiting from the features of this platform, which include portfolio and tax management, overlay services, portfolio rebalancing, and trading, as more particularly described in Items 5 and 10 of our Disclosure Brochure. While we believe that the Dynasty platform offering is in the best interests of participating clients, no client is obligated to utilize Dynasty's Investment Programs. A client can direct us not to utilize Dynasty Investment Programs. We may also engage third party managers or sub-advisers who will charge a separate advisory fee, in addition to our fee.

Additional Information: Generally, we will not adjust the quarterly fee for asset additions/withdrawals during the quarter unless the client adds or withdraws more than \$1,000,000 or more on a net basis, on any single market day. Our custodian charges transaction fees for effecting certain securities transactions according to their fee schedule. 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. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For more detailed information about our fees and costs related to our management of your account, please See Item 5 in our [ADV Part 2A](#).

Conversation Starters: *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. As an example, we may recommend a particular custodian to maintain your assets, and we may receive support services from this custodian, certain of which assist us to better monitor and service your account, while a portion may be for the benefit of our firm. We also receive various economic benefits in association with participation on the Dynasty Financial Partners, LLC platform. The benefits provided by Dynasty in connection with its back office and operational support include access to a network of service providers and related discounts on trading technology, reporting, custody, brokerage, compliance and other services.

Conversation Starter: *How might your conflicts of interest affect me, and how will you address them?*

Additional Information: For detailed information about our conflicts of interest, please review our Form [ADV Part 2A](#).

How do your financial professionals make money?

Our financial professionals are compensated on a salary and bonus structure. Factors impacting our financial professional compensation may include business development, client service, firm management, and other contributions to the firm. Some professionals may have equity ownership and participate in the profits of the firm. You should discuss your financial professional's compensation directly with your financial professional. For additional information on how certain of our financial professionals are compensated, please review the disclosures in our [ADV Part 2A](#) at Items 10.

Item 4 – Disciplinary History

Do you or your financial professionals have legal or disciplinary history?

No. We encourage you to visit www.investor.gov/CRS to research our firm and our financial professionals. Furthermore, we encourage you to ask your financial professional: **Conversation Starter:** *As a financial professional, do you have any disciplinary history? If so, for what type of conduct?*

Item 5 – Additional Information Additional information about our firm is available on the SEC's website at www.adviserinfo.sec.gov. You may contact our Chief Compliance Officer, Andrew Hart, at any time to request a current copy of your [ADV Part 2A](#) or our *relationship summary*. Our Chief Compliance Officer may be reached by phone: (212) 433-1111. **Conversation Starters:** *Who is my primary contact person? Is he or she a representative of an investment adviser or broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*