

## ABOUT ARETE CAPITAL ASIA

Arete Capital Asia is a boutique financial advisory firm based in Hong Kong. Our three Responsible Officers each have over 25+ years experience in international financial markets.

We are truly independent advisers – this means we offer advice based on the best solutions available and we are able to source relevant and niche opportunities. The Arete Team digs deep to uncover and offer compelling risk/reward opportunities for clients.

## NBA STAKE FUND - EXPERIENCED MANAGER

The Fund Manager in charge is highly experienced in the financial markets. With over \$40B total AUM, they have provided capital to other financial institutions via minority investments and long-term financing.

## OPPORTUNITY HIGHLIGHTS

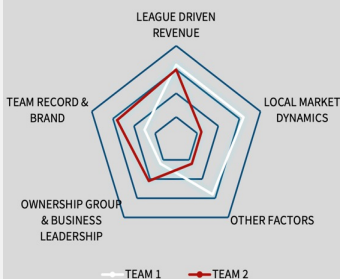
### Unique Investing Position – NBA Minority Stakes

- Traditionally restricted to an elite class of minority shareholders – we provide alternative access to investors.
- Fund will invest in minority stakes in targeted franchises in the NBA league – bottoms up selection coupled with a diversification strategy.
- Strong pipeline due to strong institutional relationships with the NBA.

### NBA Investment Unlocked

- Very low correlation** with other asset classes.
- The league holds some of the most valuable sports franchises in the world.
- Fairer profit distribution – NBA equally to teams.
- Unique way of capturing risk/returns; not possible with current ownership rules.
- Investor Exit is more structured vs. single ownership.

### Illustrative Valuation Comparison\*

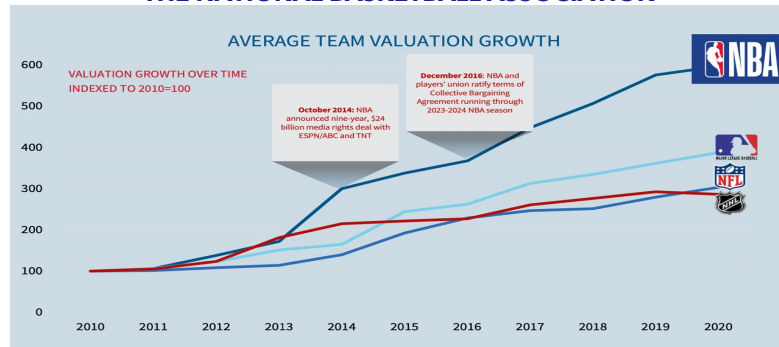


### ASSESSING NBA FRANCHISE VALUE

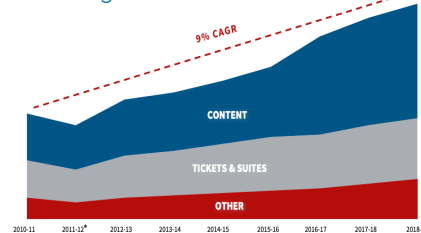
- Share of NBA Nat'l & Int'l media contracts and league revenues.
- Local: Ticket Sales, events, Suite Sales, Arena. Sponsorship /Ads
- Factors: Team Leadership, Track Record, consistent/ fan-base.

# Areté CAPITAL ASIA

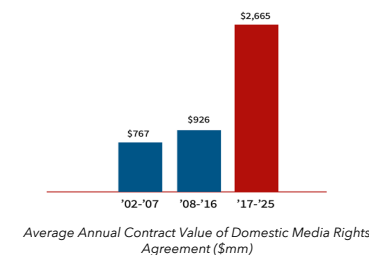
## THE NATIONAL BASKETBALL ASSOCIATION



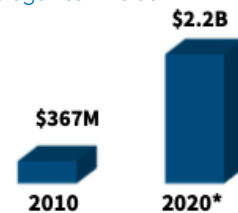
### NBA League Revenue



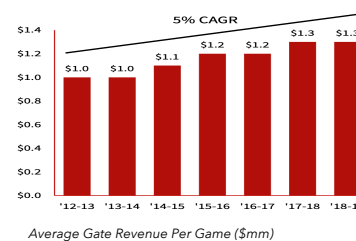
### Media Revenue



### Average Team Value



### Live Events Revenue



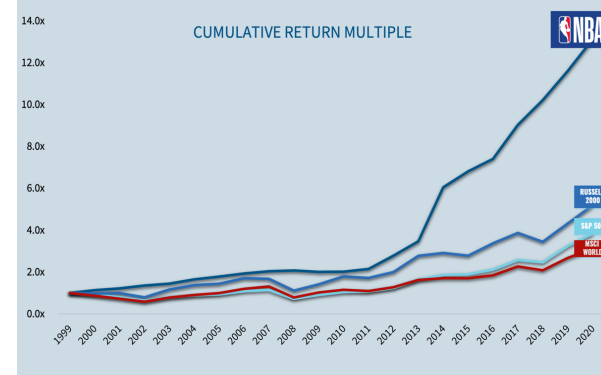
Average Annual Contract Value of Domestic Media Rights Agreement (\$mm)

Average Gate Revenue Per Game (\$mm)

## INVESTMENT PARTICULARS

Fund Manager	Well known US Fund Manager, > USD 40bn AUM
Type of Purchase	SPV investing into Fund Structure – GP/LP, Equity Ownership
Potential Returns	Multiple on Invested Capital (MOIC) 2.5x to 4x over 7 yrs
Exit Scenarios	1. 7 Yr. Holding Period, thereafter exercise option (180 prior notice) to exit at realized NAV, or 2. GP led secondary transaction sale
Strategy	Invest in Minority Equity Stakes in NBA Teams (Diversified Approach), Long Term Value Appreciation

## OUTPERFORMING TRADITIONAL INVESTMENTS



## NBA REACH

**1B**  
Viewers

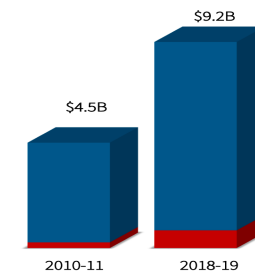
**100M**  
Units of Merchandise  
Sold in 2019

**215**  
Countries /  
Territories

**341**  
NBA Events in 53  
countries

## STEADY & FASTER INT'L GROWTH

International Revenue U.S. Revenue



Total NBA revenues have compounded at 9% over the past eight years

International revenues compounded at 15% over the same period (currently 9% of total revenue)

## SPORTS BETTING: A UNIQUE GROWTH DRIVER

- Enhances fan engagement as participation is more diverse (vs. single fan following one team).
- NBA has teams forged significant partnerships with sportsbooks.
- 30 authorized gaming operator agreements with US bookmakers, covering >95% of the US sports betting market by revenue.

### Sports betting by the numbers

**+10M**  
New Bettors est. from U.S.  
legalization

**28**  
More than half of U.S.  
States have legalized  
sports betting

**+68%**  
Hrs. Added of ancillary  
sport content compared  
with non-bettors

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