Welch Capital Partners, LLC

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This Brochure provides information about the qualifications and business practices of Welch Capital Partners, LLC. If you have any questions about the contents of this Brochure, please contact us at (212) 754-6077 or cwelch@welchcapital.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.

Welch Capital Partners, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Welch Capital Partners, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

As discussed in our last Brochure (dated 6-30-11), this Item discusses any specific material change that was made to the Brochure and will provide clients with a summary of such changes.

Update 1: Closure of Welch Life Sciences Fund, L.P. and Welch Life Sciences Fund, Ltd.

We decided to close both of our dedicated Welch Life Sciences funds, the Welch Life Sciences Fund, L.P. and Welch Life Sciences Fund, Ltd. as of 12/31/11 in order to concentrate our resources on our flagship Welch Entrepreneurial Fund complex. As such, these two funds have been removed from the discussion of our advisory business and all other such mentions throughout the body of this Brochure.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Christopher Welch, COO at (212) 754-6077 or cwelch@welchcapital.com.

Additional information about Welch Capital Partners, LLC is also available via the SEC's web site: www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Welch Capital Partners, LLC who are registered, or are required to be registered, as investment adviser representatives of Welch Capital Partners, LLC.

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Item 4 – Advisory Business

Welch Capital Partners, LLC ("Welch Capital"), formed in 1996, emphasizes providing long-term after-tax wealth creation through the buying of a portfolio of equity securities. The Firm's investment style is to seek undervalued growth and does so in either separately managed long-only accounts or in its long-short hedge funds.

Clients with separate long-only accounts can have their portfolios tailored for specific risk tolerances and/or sector weightings.

The principals of Welch Capital and the individuals who determine general investment advice to be given to clients are Leighton B. Welch and Christopher W. Welch.

Mr. Leighton Welch was born in 1961. He holds an A.B. from Harvard College (1983) and an M.B.A. Harvard Business School (1989). From May 1991 to December 1994, he was a Research Analyst at Eagle Capital Management Corp., an investment advisory firm. From December l994 until the commencement of the business of Welch Capital, he was a Portfolio Manager at Eagle Capital Management Corp.

Mr. Christopher Welch was born in 1965. He holds an A.B. from Harvard College (1988) and an M.B.A. from Harvard Business School (1994). From July 1988 to June 1991, he was an Analyst at Smith Barney Harris Upham & Co. in the Investment Banking Division. From 1994 until joining Welch Capital Partners, he was a Portfolio Manager at Bankers Trust Company.

Welch Capital provides investment advisory services to long only managed accounts as well as the following limited partnerships for which Welch Fund Management, LLC acts as general partner. Mr. Leighton Welch and Mr. Christopher Welch are also the Managing Members of Welch Fund Management, LLC.

Welch Entrepreneurial Fund, L.P.
Welch Entrepreneurial Fund (QP), L.P.

In addition, Welch Capital provides investment advisory services to the following Bermuda exempted Mutual Fund Company:

Welch Entrepreneurial Fund, Ltd.

As of 12/31/11, Welch Capital had approximately $350 million in assets under management.

Item 5 – Fees and Compensation

Welch Capital offers advisory services either on an asset-based fee basis and/or a performance fee basis as follows:

The Performance Fee is based on the performance of an account over each 12-month period at a rate equal to 20% of the account's increase in net assets over that period, subject to a "high water mark" provision that requires Welch Capital to recoup any prior losses in the account prior to receiving any additional performance fees. Performance fees are subject to the requirements of Rule 205-3 under the Investment Advisers Act of 1940 and are described in detail in the investment advisory agreement for the relevant separately managed accounts or the confidential private placement memorandum for the relevant hedge fund.

The Asset-Based Fee Payable in Advance is payable at the beginning of each calendar quarter or other dates on which an account is opened or assets are added to an account at a rate equal to 0.375% of total assets (approximately 1.5% per annum). If the calculation period begins other than as of the first day of a calendar quarter or the advisory agreement is terminated on a date other than the end of a calendar quarter, the client is entitled to a pro-rata adjustment of the management fee for the portion of the quarter for which Welch Capital did not provide advisory services.

The Asset-Based Fee Payable in Arrears is payable on the first business day of the following calendar quarter at a rate equal to 0.375% of total assets as of the last business day of previous calendar quarter (approximately 1.5% per annum). If Welch Capital managed the relevant account for less than an entire calendar quarter, the management fee will be prorated accordingly.

Fees may be negotiable in certain cases for larger, separate long-only clients or seed investors for a pooled investment vehicle. Client assets invested in money market accounts at their custodial bank may be assessed a management fee as an expense by that particular money market fund. In those instances the client will be paying two advisory fees, one to Welch Capital and one to the money market fund.

Investment advisory agreements for separate long-only accounts are terminable by the client on 30 days written notice to Welch Capital, by Welch Capital on five days written notice to the client or at any time by mutual consent. The management fees for separate long-only managed accounts can be directly withdrawn from the account or paid from outside funds.

Welch Capital Partners' fees are exclusive of brokerage commissions, transaction fees and other related costs and expenses which are incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot

differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in the relevant fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Welch Capital's fees, and Welch Capital shall not receive any portion of these commissions, fees and costs.

Item 12 further describes the factors that Welch Capital considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Item 6 – Performance-Based Fees and Side-By-Side Management

In some cases, Welch Capital has entered into performance fee arrangements with qualified clients. Such fees are subject to individualized negotiation with each such client. Welch Capital will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (the "Advisors Act") in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, Welch Capital includes realized and unrealized capital gains and losses.

Performance-based fee arrangements may create an incentive for Welch Capital to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Welch Capital has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7 – Types of Clients

Welch Capital provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, trust programs, sovereign funds, foreign funds such as UCITs and SICAVs, and other U.S. and international institutions.

Welch Capital only allows suitable investors to invest in our funds. For the Welch Entrepreneurial Fund, LP an investor must be an "accredited investor" as defined in Rule 501 under the securities Act of 1933, as amended. In addition, the Welch Entrepreneurial Fund (QP), LP requires an investor to be a "qualified purchaser" as defined in Section

2(a)(51) of the Investment Company Act of 1940, as amended. Shares in the Welch Entrepreneurial Fund, Ltd. may be purchased only by (a) "Non-U.S. Persons" and (b) U.S. tax-exempt persons that are both (i) "accredited investors" as defined in Rule 501 under the U.S. Securities Act of 1933, as amended, and (ii) "qualified clients" as defined in Rule 205-3 under the U.S. Investment Advisers Act of 1940, as amended.

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

Investment Strategy:
Welch Capital believes that most successful equity investments are made when a longer-term perspective is taken. The majority of Welch Capital's commitments will be made with a multi-year holding period in mind. As a portfolio manager, Welch Capital sees its role as that of an accumulator of shares of businesses that offer above average returns over a three to five year period as opposed to focusing on shorts-term strategies. From time to time, however, sharp short-term price fluctuation may dictate sales and purchases in order to realize profits or reduce losses. Use of options may also be utilized on a portion of an equity portfolio to hedge risk or protect profits and reduce volatility without creating a capital gain.

Methods of Analysis:
Welch Capital's equity analysis and selection process is centered on in-depth fundamental research. It is Welch Capital's opinion that the equity markets are not always "efficient" and that undervalued securities, both absolutely and relative to the general stock market, can be uncovered by diligent and focused research. Companies will be carefully scrutinized from a balance sheet, cash flow and future earnings perspective in order to ferret out company shares which appear to be inappropriately valued by the general investing public.

Welch Capital focuses on market leading, undervalued growth companies, seeking to buy above-average growth at an attractive relative price. Keeping the portfolio multiple in line with that of the market while demanding a substantially higher growth rate results in a favorable risk-reward tradeoff. Technical analysis offers a secondary complement in filtering potential investment candidates.

Risk Factors:
Investing in securities involves risk of loss that clients should be prepared to bear. Welch Capital makes it best efforts to invest in stocks that will provide returns above our benchmarks, however, stock markets and equity prices are volatile and, therefore, portfolio values might display wide fluctuations. Depending upon market conditions, investment returns may vary widely and investors may experience loss of principal on their

investment. Welch Capital works hard to find investments that have attractive risk/reward characteristics over the long-term, but portfolio returns cannot be guaranteed.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Welch Capital or the integrity of Welch Capital's management. Welch Capital has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Mr. Leighton Welch and Mr. Christopher Welch are the Managing Members of Welch Fund Management, LLC, which is the general partner of Welch Entrepreneurial Fund, L.P. and Welch Entrepreneurial Fund (QP), L.P. Welch Entrepreneurial Fund, L. P. is a private investment partnership that utilizes the same philosophy and style as Welch Capital's individual advisory accounts but seeks to reduce risk by employing hedging techniques. Welch Entrepreneurial Fund (QP), L.P., the 3c7 version of Welch Entrepreneurial Fund, L.P., employs the same philosophy and style as Welch Entrepreneurial Fund, L.P. Mr. Christopher Welch is also a Director of the Welch Entrepreneurial Fund, Ltd. which is a Bermuda exempted mutual fund company. This offshore company utilizes the same investment strategy as its parallel onshore fund.

Item 11 – Code of Ethics

Welch Capital, as a registered investment adviser, has been entrusted with responsibility for providing advice to clients who depend upon Welch Capital to act in their interests and to maintain the highest ethical standards. These clients may have special investment restrictions and agreements with Welch Capital that direct and in certain cases limit the types, amounts and nature of investments which we recommend for their accounts. In addition, important legal and regulatory requirements govern and control Welch Capital activities and particularly its activities as investment advisors. Welch Capital has a strict policy of complying with all applicable laws, rules and regulations and with the highest ethical standards in its dealing with its clients and requires all of its employees to conduct themselves at all times in compliance with that policy. The Code of Ethics and Compliance Procedures are intended to highlight certain of these policies. All employees are required to review it, to be familiar with it and to refer to it and to Welch Capital's senior management for guidance whenever they have a question that they or any employee or agent of Welch Capital may be involved in an activity which could have even the appearance of violating an ethical or compliance policy or subjecting Welch Capital to any adverse publicity criticism or concern in this regard.

Welch Capital and its employees are aware of the potential for conflict of interest in connection with the buying and selling of securities. Therefore, all employee purchases or sales are executed after transactions for clients are completed to protect the client's interest and position. Welch Capital and its affiliates may invest for their own accounts in many of the same securities that are purchased or held for the majority of clients. Such accounts will receive an allocation that is equal to or less than the allocation to client accounts based on relative buying (or selling) interest during the same trading day.
The entire Code of Ethics will be furnished on request.

Trade Error Policy

In addition to the Code of Ethics summarized above, Welch Capital has adopted a Trade Error Policy designed to ensure that no client account is damaged due to trading errors caused by Welch Capital. In the event of a trading error on the part of Welch Capital that has a negative effect on one or more client accounts, Welch Capital will, to the extent and in the manner allowed by law, make those client accounts whole (as if the trade error had not occurred). In the event of a trading error on the part of Welch Capital that has a positive effect on one or more client accounts, the proceeds of such positive errors will be credited to Welch Capital to the extent that Welch Capital has born the expense of any negative errors and will be credited to the relevant client account once Welch Capital has been made whole.

Item 12 – Brokerage Practices

Welch Capital requires all accounts to give Welch Capital or its personnel full discretion to choose a broker and negotiate a level of brokerage fees based on the services provided to the clients.

Welch Capital will draw upon its principals' knowledge of and experience with individual brokers and brokerage firms in making such selections. Factors considered in selecting a broker include expertise in particular areas, reputation and fees. Other factors and services may have a bearing on brokerage fee schedules and may justify different brokerage relationships. These include securities research, performance analysis, as well as personal relationships between the client, individual brokers and the portfolio manager. In certain cases, a broker may be paid a commission in excess of another broker in recognition of the value of the brokerage or research services provided by the broker. Research services furnished by brokers through which Welch Capital effects securities transactions may be used in servicing all of Welch Capital's accounts and not all such services may be used by Welch Capital in connection with the accounts which paid commissions to the broker providing such services. Client securities transactions are typically bunched together in an anonymous omnibus account in order to maintain confidentiality. Since bunching of orders allows Welch Capital to trade larger blocks of shares in one trade it tends to generate a more favorable execution and pricing by the broker as well as keeping our commissions at the best rate under the circumstances.

Welch Capital has soft-dollar arrangements with Bloomberg Tradebook, LLC in which the aforementioned brokerage companies execute trades in the same bunched process at the same low commission rates as other brokers. In return, Welch Capital receives real-time stock quotes, charts and other research services from numerous vendors, examples include, but are not limited to, the following: Bloomberg, Market Methodologies and Interactive Data Corporation.

For those clients who are not "restricted persons" under FINRA Rule 5130, Welch Capital allocates any "new issue" securities where demand exceeds supply based on dollar value of securities available as a percentage of total assets in each account and based on the amount of cash in each account. However, Welch Capital does not allocate each individual offering across all accounts. Welch Capital does track all "new issue" offerings allocated over the life of each account and seeks to maintain each account's percentage of "new issue" allocations relative to its total assets at levels similar to all other accounts including officers of Welch Capital. Given the fact that Welch Capital does not allocate each "new issue" across all accounts and cash inflows and outflows may differ for each account, at any given time, the percentage of "new issues" relative to asset size may vary across accounts.

Item 13 – Review of Accounts

Each client portfolio will be managed and reviewed by Leighton Welch and Christopher Welch. They will make all investment decisions pertaining to client accounts, including the decision to add or eliminate a particular investment, to balance gains and losses for tax purposes, to invest new cash for distribution to clients at their request, to invest new cash contributions to a portfolio or to increase or decrease the level of hedging in the portfolio as the marketing conditions dictate.

Item 14 – Client Referrals and Other Compensation

Welch Capital does not compensate any non-supervised person for client referrals.

Item 15 – Custody

Welch Capital provides statements to clients on a quarterly basis or more frequently, if requested. For long-only separate accounts, reports include a portfolio appraisal statement and a summary of the outlook for the account. Clients of separate long-only accounts will receive trade confirmations and account statements from broker dealers effecting their transactions for their accounts and from any of the custodians of their accounts, unless Welch Capital is otherwise instructed. Clients of the pooled investment vehicles managed by Welch Capital will receive audited financial statements within 120 of calendar year end.

Item 16 – Investment Discretion

Welch Capital usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Welch Capital observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Welch Capital's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Welch Capital in writing.

Item 17 – Voting Client Securities

Welch Capital's proxy policy is designed to reflect the fiduciary duty to vote proxies in favor of investors' interests. In determining how to vote proxies on client securities, we will not subordinate the economic interest of any client to any other entity or interested party. The following guidelines will be used for each of the following four categories of issues:

Routine Proposals

Routine proposals are those which do not change the structure, bylaws or operations of the corporation to the detriment of the shareholders. Given the routine nature of these proposals, proxies will nearly always be voted with management. Traditionally, these issues include:

- Approval of auditors
- Election of directors
- Indemnification provisions for directors
- Liability limitations of directors
- Name changes

Non-Routine Proposals

Issues in this category are more likely to affect the structure and operations of the corporation and therefore will have a greater impact on the value of a shareholder's investment. We will review each issue in this category on a case-by-case basis. As previously stated, voting decisions will be made based on the financial interest of the relevant clients. Non-routine matters include:

- Mergers and acquisitions
- Restructuring

- Re-incorporation
- Changes in capitalization
- Increase in number of directors
- Increase in preferred stock
- Increase in common stock
- Stock option plans

Corporate Governance Proposals

We will generally vote against any management proposal that clearly has the effect of restricting the ability of shareholders to realize the full potential value of their investment. Proposals in this category would include:

- Poison pills
- Golden parachutes
- Greenmail
- Supermajority voting
- Dual class voting
- Classified boards

Shareholder Proposals

Proposals submitted by shareholders for vote usually include issues of corporate governance and other non-routine matters. We will review each issue on a case-by-case basis in order to determine the position that best represents the financial interest of the relevant clients. Shareholder matters include:

- Annual election of directors
- Anti-poison pill
- Anti-greenmail
- Confidential voting
- Cumulative voting

Welch Capital will attempt to vote on each proxy in the best interests of the relevant investors after careful review of each proposal. Welch Capital will utilize the analytical talent of the firm to determine the correct vote on a case-by-case basis in order to maximize the economic interests of our investors. Welch Capital will abstain from voting on proxies where there is a conflict of interest. Welch Capital will maintain voting records on-site. Clients will be able to view the voting records on-site during normal business hours upon request. In addition, clients will be offered, in writing, the opportunity to receive a copy of Proxy Voting Policy on an annual basis.

Welch Capital has designated Mr. Christopher W. Welch, a principal of the firm, and Mr. Marc Rostami, Controller, to be in charge of and to monitor the implementation of the proxy policy.

Item 18 – Financial Information

Welch Capital has discretionary authority over the client assets it manages. Welch Capital is required to disclose any financial condition of the firm that is reasonably likely to impair its ability to meet its commitments to its clients. Welch Capital has no such financial condition to disclose.