

**PART 2A OF FORM ADV**  
**FIRM BROCHURE**

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**This Brochure provides information about the qualifications and business practices of Consonance Capital Partners, LLC (the “Adviser”). If you have any questions about the contents of this Brochure, please contact Wendell Fowler at 212-660-8060 or by e-mail at [wfowler@consonancecapital.com](mailto:wfowler@consonancecapital.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, and references in this Brochure to the Adviser as a “registered investment adviser” are not intended to imply a certain level of skill or training.**

**Additional information about the Adviser is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2 – MATERIAL CHANGES**

N/A.

This is the Adviser's first time filing a Form ADV. In the future, when the Adviser amends its Brochure for its annual update and the amended version contains material changes from the last annual update, the Adviser will identify and discuss those changes either on this page or as a separate document accompanying the Brochure.

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## ITEM 4 – ADVISORY BUSINESS

<p><b>Item 4.A</b></p>	<p><b>Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).</b></p> <p>Consonance Capital Partners, LLC, a Delaware limited liability company (the “Adviser”), formed in 2012, provides discretionary investment advisory services to pooled investment vehicles organized as private investment funds (the “Funds”). The Funds are:</p> <ul style="list-style-type: none"> <li>• Consonance Private Equity, L.P., a Delaware limited partnership (the “Main Fund”);</li> <li>• Consonance Private Equity PV, L.P., a Delaware limited partnership (the “PV Fund”); and</li> <li>• Consonance Private Equity AF, L.P., a Delaware limited partnership (the “Friends and Family Feeder Fund” and, together with the Main Fund and the PV Fund, the “Funds”).</li> </ul> <p>The Funds are private investment funds organized principally to invest in healthcare business models that add sustainable value to the healthcare system by facilitating the delivery of higher quality care at a lower cost. Consonance Private Equity GP, L.P., a Delaware limited partnership (the “Lower GP”), serves as the general partner of the Funds. It should also be noted that Consonance GP Capital Feeder, L.P., a Delaware limited partnership (the “GP Capital Feeder”), and Consonance GP Carry Feeder, L.P., a Delaware limited partnership (the “GP Carry Vehicle”), are limited partners of the Lower GP. Certain affiliates of the Adviser are limited partners or members of the GP Capital Feeder and the GP Carry Vehicle. Consonance Private Equity GP, LLC, a Delaware limited liability company (the “Upper GP”), serves as the general partner for the Lower GP, the GP Capital Feeder and the GP Carry Vehicle.</p> <p>The Adviser is principally owned by Mitchell J. Blutt, MD, Benjamin B. Edmands and Stephen V. McKenna (the “Principals”).</p>
<p><b>Item 4.B</b></p>	<p><b>Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.</b></p> <p>The Adviser is the investment adviser to the Funds, each a private investment fund that invests in private equity investments in lower middle market companies in high growth sectors of the Healthcare Industry (the “Investments”). The Adviser will advise the Funds as to their investment strategy. This strategy typically includes companies in the lower middle market of the healthcare industry, with revenues between \$20 and \$150</p>

	<p>million.</p> <p>The Funds' investment objectives and/or parameters are set forth in the Funds' governing documents (the "Fund Documents") provided to each Investor.</p>
<b>Item 4.C</b>	<p><b>Explain whether (and, if so, how) you tailor your advisory services to the individual needs of <i>clients</i>. Explain whether <i>clients</i> may impose restrictions on investing in certain securities or types of securities.</b></p> <p>The Adviser does not tailor its advisory services to the individual needs of Investors, and Investors may not impose restrictions on investing in certain securities or types of investments. As applicable, the Fund Documents set forth the Funds' investment strategy, including guidelines regarding the types of securities the Fund will invest in and portfolio limits (if any).</p> <p>Although the Adviser does not currently anticipate it will do so, it may from time to time recommend that the Funds enter into letter agreements or other similar agreements with one or more Investors that provide such Investors with terms additional to or different from those set forth in the Fund Documents.</p>
<b>Item 4.D</b>	<p><b>If you participate in <i>wrap fee programs</i> by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.</b></p> <p>The Adviser does not participate in wrap fee programs.</p>
<b>Item 4.E</b>	<p><b>If you manage <i>client</i> assets, disclose the amount of <i>client</i> assets you manage on a <i>discretionary basis</i> and the amount of <i>client</i> assets you manage on a <i>non-discretionary basis</i>. Disclose the date "as of" which you calculated the amounts.</b></p> <p>As of January 18, 2013, the Adviser manages \$102,800,000 of Fund assets on a discretionary basis. The Advisor does not currently manage any Fund assets on a non-discretionary basis.</p>

## ITEM 5 – FEES AND COMPENSATION

Item 5.A	<p><b>Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.</b></p> <p><b>Note: If you are an SEC-registered adviser, you do not need to include this information in a <i>brochure</i> that is delivered only to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.</b></p> <p><u>Asset Management Fee:</u></p> <p>The Adviser receives a management fee in an amount equal to 2% per annum (the “Management Fee”), which is paid quarterly in advance. The Management Fee is based on the aggregate commitments of Investors or the adjusted cost of all unrealized investments, as applicable.</p> <p><u>Performance-Based Fee payable upon Distribution/Realization of Proceeds:</u></p> <p>Subject to a clawback, net proceeds from the sale of a portfolio investment and other amounts, including dividends or other proceeds, for each portfolio investment will, in the first instance, be apportioned among Investors pro rata in proportion to their percentage interests in such portfolio investment. Thereafter, the amount apportioned to the affiliate of the Adviser will be distributed and the amount apportioned to Investors will be distributed in the following amounts and order of priority:</p> <ol style="list-style-type: none"> <li>1. 100% to each Investor until the Investor has received cumulative distributions equal to: <ol style="list-style-type: none"> <li>a. the capital contributions by the Investor that were used to acquire the investment plus the Investor’s proportionate share of any permanent write-downs or write-offs of unrealized investments; and</li> <li>b. the Investor’s capital contributions for all organizational and Fund-related expenses, including the Management Fee (net of any fees previously applied against such capital contributions in respect of the Management Fee);</li> </ol> </li> <li>2. 100% to all Investors until cumulative distributions are sufficient to provide an 8% cumulative annual return on the Investors’ capital contributions;</li> <li>3. 100% to the affiliate of the Adviser until the cumulative amount distributed equals 20% of the sum of the cumulative amounts distributed to Investors under paragraph (2) above and to the affiliate of the Adviser as described in this paragraph (3); and</li> <li>4. 80% to all Investors, and 20% to the affiliate of the Adviser.</li> </ol>
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	<p>It should be noted that fees are not negotiable.</p> <p><b>It is important that Investors refer to the applicable Fund Documents for a complete understanding of how the affiliate of the Adviser is compensated for services. This is particularly true with respect to performance-based compensation. The information contained herein is a summary only and is qualified in its entirety by such documents.</b></p>
<b>Item 5.B</b>	<p><b>Describe whether you deduct fees from <i>clients</i>' assets or bill <i>clients</i> for fees incurred. If <i>clients</i> may select either method, disclose this fact. Explain how often you bill <i>clients</i> or deduct your fees.</b></p> <p>The Management Fee is generally paid by the Fund to an affiliate of the Adviser quarterly in advance.</p> <p><b>It is important that Investors refer to the applicable Fund Documents for a complete understanding of how the affiliate of the Adviser is compensated for services. The information contained herein is a summary only and is qualified in its entirety by such documents.</b></p>
<b>Item 5.C</b>	<p><b>Describe any other types of fees or expenses <i>clients</i> may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that <i>clients</i> will incur brokerage and other transaction costs, and direct <i>clients</i> to the section(s) of your <i>brochure</i> that discuss brokerage.</b></p> <p>The Funds will pay all expenses relating to the operation of the Funds and proposed or actual investments (whether or not consummated), including but not limited to, expenses of counsel, consultants or advisers, accountants, and custodians, travel and related expenses incurred in connection with transactions (whether or not consummated), portfolio monitoring expenses, any insurance, indemnification or litigation expenses, and any taxes, fees or other governmental charges levied against the Funds.</p> <p>The Funds will also bear the offering and organizational expenses incurred in the formation of the Funds (including, but not limited to, legal and accounting expenses, and travel expenses) up to \$1.5 million. Offering and organizational expenses in excess of these amounts, together with any placement agent fees, will be borne by the Funds subject to a 100% offset against the Management Fee.</p> <p>The Adviser (or its affiliate) may be entitled to receive topping, break-up, monitoring, directors', organizational, set-up, advisory, investment banking, underwriting, syndication, and other similar fees in connection with the purchase, monitoring, or disposition of investments or from un consummated transactions, including warrants, options, derivatives and other rights, in each case valued as of the grant date. These fees will first be applied to reimburse the Adviser or its affiliate for their unreimbursed out-of-pocket expenses in connection with the transaction giving rise to such</p>

	<p>fees and 100% of the balance, if any, net of any unrecouped fees and expenses for transactions not consummated and other Fund expenses that the Adviser or its affiliate has elected to pay, will be applied to reduce the subsequent installments of the Management Fee.</p> <p><b>It is important that Investors refer to the applicable Fund Documents for a complete understanding of the expenses that will be borne by Investors. The information contained herein is a summary only and is qualified in its entirety by such documents.</b></p>
<b>Item 5.D</b>	<p><b>If your <i>clients</i> either may or must pay your fees in advance, disclose this fact. Explain how a <i>client</i> may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.</b></p> <p>Management Fees and advisory fees applicable to Investors are paid quarterly in advance. Investors may not withdraw from the Funds, and may not sell or transfer any of their interest in the Funds without the prior written consent of the Adviser or its affiliate. As such, the ability to refund a fee is not relevant to Investors.</p>
<b>Item 5.E</b>	<p><b>If you or any of your <i>supervised persons</i> accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.</b></p> <p>Not applicable to the Adviser.</p>
<b>Item 5.E.1</b>	<p><b>Explain that this practice presents a conflict of interest and gives you or your <i>supervised persons</i> an incentive to recommend investment products based on the compensation received, rather than on a <i>client's</i> needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to <i>clients</i>. If you primarily recommend mutual funds, disclose whether you will recommend “no-load” funds.</b></p> <p>Not applicable to the Adviser.</p>
<b>Item 5.E.2</b>	<p><b>Explain that <i>clients</i> have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.</b></p> <p>Not applicable to the Adviser.</p>
<b>Item 5.E.3</b>	<p><b>If more than 50% of your revenue from advisory <i>clients</i> results from commissions and other compensation for the sale of investment products you recommend to your <i>clients</i>, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.</b></p>

	Not applicable to the Adviser.
<b>Item 5.E.4</b>	<p><b>If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.</b></p> <p>Not applicable to the Adviser.</p>

## ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

**If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.**

As described in Item 5.A, an affiliate of the Adviser is eligible to receive performance-based compensation from Investors upon the distribution of investment proceeds.

It should be noted that the possibility of an affiliate of the Adviser's receipt of performance-based compensation creates a potential conflict of interest in that it may create an incentive to make investments that are riskier or more speculative than in the absence of such performance-based fee. Investors are provided with clear disclosure in applicable Fund Documents as to how the performance-based compensation is charged.

## ITEM 7 – TYPES OF CLIENTS

**Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.**

The Adviser provides investment advisory services to pooled investment vehicles operating as private investment funds.

The Funds will offer interests only to certain qualified investors who meet qualification requirements under applicable securities laws and other laws. Admission to the Funds is not open to the general public.

The minimum capital commitment of an Investor in each Fund is \$5,000,000, although lesser commitment amounts may be accepted in the discretion of the Adviser (or its affiliate).

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Item 8.A	<p><b>Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that <i>clients</i> should be prepared to bear.</b></p> <p>As described in Item 4.B, above, the Adviser provides advisory services to private investment funds that invest in healthcare business models that add sustainable value to the healthcare system by facilitating the delivery of higher quality care at a lower cost.</p> <p><u>Investment Strategy</u></p> <p>The Advisor focuses on private equity investments in lower middle market companies in high growth sectors of the Healthcare Industry. Transactions include growth equity investments, leveraged buyouts and build-ups. The Advisor invests in companies with proven business models in high growth niches and attempts to generate returns by developing and shaping those companies into strategically valuable assets. The Adviser’s goal is to capitalize effectively on the underserved and undermanaged lower middle market of healthcare.</p> <p>The Adviser targets companies in the Healthcare market with revenue of between \$20 million and \$150 million, which represent the majority of U.S. healthcare companies with over \$10 million in revenue due to the industry’s high level of fragmentation. The Adviser sees the lower middle market as providing a compelling opportunity to generate attractive returns for several reasons, including the ideas that (i) the lower middle market is relatively underserved by specialist private equity firms, (ii) novel approaches to improve efficiencies and care outcomes are derived from lower middle market companies and (iii) lower middle market companies can benefit significantly from active strategic and operational improvement.</p> <p><u>Investment Process</u></p> <p>The Adviser has a proactive, targeted investment approach to sourcing deals in subsectors of the healthcare industry that it believes have outsized growth opportunities. This process emphasizes macro “investable theme” identification and the application of these themes across the hundreds of subsectors that are actively tracked. The Adviser is focused on target identification in high priority subsectors, which is followed by an active calling effort on specific companies.</p> <p>The Adviser has a systematic process to identify and approach companies with significant growth potential within targeted subsectors of the healthcare market. This process is an important component of weekly investment meetings where key sourcing related action steps are monitored and tracked. The Adviser’s investment team maintains an ongoing list of investable trends that are the result of internal idea generation. The</p>
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	<p>Advisor has an analytical framework to prioritize calling efforts and optimize the yield of actionable investment opportunities.</p> <p>In the initial stages of identifying a potential investment opportunity, the opportunity will be presented at a weekly investment committee meeting, typically in the form of a memo summarizing the opportunity, including the preliminary investment thesis and the merits and challenges of performing due diligence on the company. The risks and opportunities of the potential investment will be identified, as well as how to best facilitate an evaluation of the key issues and opportunities. The potential exit paths, including natural strategic acquirers and key parts of the investment thesis that would expand the exit routes to include an IPO or broaden the strategic fit for a potential acquirer, are also outlined. Finally, an assessment of the acquisition process, including valuation expectations, is provided. This assessment, along with all other relevant information about the opportunity, is used to determine whether to proceed with the opportunity.</p> <p>Once the opportunity receives internal support, a rigorous and analytical diligence work plan is developed. The Adviser prioritizes the critical issues requiring analysis and utilizes the Adviser's extensive network in the healthcare industry to assess the sustainability of the business model, the degrees of risks and opportunities, and the potential for risk mitigation and upside enhancements. This process involves constant formal and informal conversations between team members throughout the diligence process.</p> <p>Concurrently, the Adviser assesses the management team and potential resource constraints that may be hindering the company's ability to operate optimally. The Adviser also works with management to establish a strategic plan that will address the critical issues uncovered during the diligence process, as well as a actions to resolve those issues, including operational improvements, management enhancements, product/geographic expansion, and/or consolidation. This plan usually includes both a long term strategic road map as well as a detailed 100-day execution plan.</p> <p>Following the initial acquisition, the Adviser is usually in daily or weekly contact with management at portfolio companies and will implement weekly or monthly reports that help both management and the Adviser capitalize on opportunities and mitigate risks emerging in the business.</p> <p><b>Investors and prospective Investors should thoroughly review the information contained in the Fund Documents.</b></p>
<b>Item 8.B</b>	<p><b>For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.</b></p> <p><u>General Risk</u></p> <p>Investing in portfolio companies involves a high degree of business and</p>

	<p>financial risk that can result in substantial losses. In order for the Adviser to succeed, it must be able to identify potentially successful business enterprises, a process that is difficult even for those with extensive experience investing in such enterprises. Portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and may require substantial additional capital to support expansion or to achieve or maintain a competitive position. Investment in the Funds is highly speculative, involves a high degree of risk and could result in the loss of part or all of an investor's capital contributions. Prospective investors should not subscribe for Interests unless they can bear such a loss. There can be no assurance that the Adviser's investment objectives will be achieved, and investment results may vary materially from one reporting period to the next. In addition, there will be occasions when the Adviser and its affiliates may encounter potential conflicts of interest in connection with the Funds. Consequently, an investment in the Funds is suitable only for sophisticated investors capable of making an informed independent decision as to the risks involved in an investment in the Funds.</p> <p><u><i>Lack of Operating History and Experience</i></u></p> <p>The Adviser and the Funds are newly formed entities that have no operating history upon which prospective investors may evaluate performance or upon which an investor can base its prediction of future success or failure. The Adviser may make investments in markets in which it may have had no prior operating experience. Accordingly, the Adviser may compete for assets with entities that may have greater experience and knowledge of such markets and may have better relationships with sellers, brokers, lenders or others in such markets. Investments in new markets may require more management time, staff support and expense in order to develop and maintain an appropriate knowledge base and relevant relationships.</p> <p><u><i>Long-Term Nature of Investment; Illiquidity</i></u></p> <p>An investment in the Funds requires a long-term commitment, with no certainty of return. Generally, investments will be illiquid, and there can be no assurance that the Funds will be able to realize on such investments in a timely manner or at all. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in kind to the Investors. In addition, there may be little or no near-term cash flow available to Investors. The Adviser typically will acquire securities for the Funds that cannot be sold except pursuant to a registration statement filed under the 1933 Act, or in a private placement or other transaction exempt from registration under the 1933 Act and that complies with any applicable non-U.S. securities laws. In addition, in some cases, the Adviser may be prohibited or limited by contract from selling certain investments for a period of time, and, as a result, may not be permitted to sell an investment as a time it might otherwise desire to do so.</p> <p>Additionally, the realizable value of a highly illiquid investment may be less than its intrinsic value. It is generally not expected that partial or complete dispositions of investments will result in a return of capital or the realization of gains (if at all) for a number of years after an investment is</p>
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	<p>made. A variety of factors (including economic conditions, asset conditions, political and regulatory considerations and public opinion) could affect the ability of the Adviser to buy or sell investments on favorable terms.</p> <p><u><i>No Market for Limited Partnership Interests; Restrictions on Transfers</i></u></p> <p>An investment in the Funds is suitable only for certain sophisticated investors that have no need for immediate liquidity in their investment and who understand that they may lose all or a significant portion of their invested capital. Investors must be willing to bear the economic risk of an investment in the Funds for an indefinite period of time. The interests in the Funds have not been, nor will they be, registered under the 1933 Act, the securities laws of any state of the U.S. or the securities laws of any other jurisdiction; and, therefore, cannot be resold unless they are subsequently registered under the 1933 Act and other applicable securities laws or an exemption from registration is available. It is not contemplated that registration of the interests in the Funds under the 1933 Act or other securities laws will ever be effected. There is no public or private market for the interests and none is expected to develop. Interests are not transferable and may not be encumbered except with the prior written consent of the Adviser or its affiliates, and subject to various other limitations. Any credit facility of the Funds, which may be secured by a pledge of unpaid Commitments, may impose additional restrictions on the transferability of interests in the Fund. Withdrawals from the Funds will generally not be permitted. Consequently, investors will not be able to liquidate their investments prior to the end of Funds' terms.</p> <p><u><i>No Assurance of Investment Return</i></u></p> <p>An investment in the Funds involves a significant degree of risk. The Adviser cannot provide assurance that it will be able to choose, make, and realize investments in any particular Fund investment. There can be no assurance that the Funds will be able to generate returns for investors or that the returns will be commensurate with the risks of investing in the type of assets and transactions described herein. Past investment activities of the Principals, and any entities with which they were associated, provide no assurance of future success. There can be no assurance that any investor will receive any distribution from the Funds. In addition, the Funds will bear the expenses of transactions that are not consummated. While such expenses may be reimbursed by offsetting certain amounts payable to the Adviser, there can be no assurance that sufficient offsetting fees will be generated to reimburse all such expenses. Furthermore, the Adviser may enter into agreements to consummate transactions which involve payments, such as reverse break-up fees, by the Funds in certain circumstances if the Funds do not consummate the transaction. As a result, the Funds could incur a substantial cost with no opportunity for a return. Even if the investments of the Funds are consummated and successful, they may not produce a realized return to the investors for a number of years. Accordingly, an investment in the Funds should only be considered by persons who do not require current income and can afford a loss of their</p>
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	<p>entire investment. Past or current activities of the Principals provide no assurance of future success. There is no assurance that any benefits or advantages to investors suggested or implied will be available or accomplished. There can be no assurance that projected or targeted returns for the Funds will be achieved.</p> <p><u>Reliance on Portfolio Company Management</u></p> <p>Each portfolio company's day-to-day operations will be the responsibility of such portfolio company's management team. The Adviser intends to seek management rights, including board representation or other rights, where appropriate. However, there is no assurance that these rights, if sought, will be obtained. Furthermore, even in cases where the Adviser may be represented on management boards or have other management rights, the Adviser does not expect to have an active role in the day-to-day operations of its investments. The success or failure of many of the portfolio companies will depend to a significant extent on the financial and management talents and efforts of specific employees of such portfolio companies, whose death, disability or resignation could adversely affect the performance of the portfolio company. In addition, the Adviser may coinvest with non-affiliated co-investors whose ability to influence the day-to-day management and affairs of the portfolio companies' investments may be significant and even greater than that of the Adviser.</p> <p><b>It is critical that Investors refer to the applicable Fund Documents for a complete understanding of the material risks involved in an investment in the Funds. The information contained herein is a summary only and is qualified in its entirety by such document.</b></p>
Item 8.C	<p><b>If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.</b></p> <p><u>Risks of Investing in the Healthcare Sector</u></p> <p>The Adviser expects to make investments in the healthcare industry which is subject to regulatory controls by national, local and in some instances international governmental authorities. The nature and scope of healthcare regulations generally are subject to political forces and market considerations, and recently, the U.S. government and other governments have shown significant interest in pursuing healthcare reform. New laws, regulations and judicial decisions, or new interpretations of existing laws, regulations and decisions, that relate to healthcare availability, methods of delivery or payment for products and services, or sales, marketing or pricing, may have a material negative impact on the performance of portfolio companies that operate in this industry. The Adviser cannot predict whether new legislation or regulations governing the healthcare industry will be enacted by legislative bodies or governmental agencies, or what effect such legislation or regulations might have. In the United States, healthcare providers often rely on governmental and other third-party</p>

	<p>payers, such as federal Medicare, state Medicaid and private health insurance plans, to pay for all or a portion of the cost of the products and services they provide. Their ability to obtain appropriate coverage and reimbursement for their products and services from governmental and other third-party payers is critical to their success. The introduction of cost-containment incentives has and will continue to result in increased discounts and contractual adjustments to charges for products and services in the healthcare industry. Future legislative or administrative changes to the payment system in the United States could significantly reduce the amount of reimbursement available for the products and services provided by portfolio companies from governmental and other third-party payers or result in a denial of coverage entirely. Further, companies in the healthcare industry are often subject to significant risks related to litigation and liability for damages in connection with their operations, or products and services offered. The litigation and liability environment in the healthcare industry is constantly evolving, and new judicial decisions and legislative activity may increase exposure to any of these types of claims. Even if liability insurance is maintained by a portfolio company, it may not be adequate to cover potential liabilities, including as a result of warranty and product liability claims.</p> <p><u><i>Recent Changes to Healthcare Regulation in the United States</i></u></p> <p>In the United States, there have been a number of recent legislative and regulatory proposals to change the healthcare system in ways that could affect the ability of portfolio companies to sell their products or services profitably. In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (—PPACA). PPACA would put into place a number of major changes to health care delivery and how it is paid for, including, among other things, a 2.3% deductible excise tax on any entity that manufactures or imports certain medical devices offered for sale in the United States, beginning January 1, 2013. The new law also implements payment system reforms such as a national pilot program on payment bundling to encourage hospitals, physicians and other providers to improve the coordination, quality and efficiency of certain healthcare services through bundled payment models, beginning on or before January 1, 2013, and created an independent payment advisory board that will submit recommendations to reduce Medicare spending if projections on such spending exceeds a specified growth rate. Changes to Medicaid coverage under the law may increase the number of recipients receiving healthcare coverage under the safety net state Medicare programs through increases to the qualifying income limits. A number of states and other parties have challenged the constitutionality of certain provisions of PPACA, in particular the mandate that all individuals must obtain insurance. Although the U.S. Supreme Court upheld the basic provisions of PPACA on June 28, 2012, it remains unclear whether there will be any changes made to certain provisions of the law before it goes into full effect. Moreover, Congress has proposed a number of legislative initiatives, including the possible repeal of PPACA in its entirety. In addition, other legislative changes have been</p>
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	<p>proposed and adopted since the Healthcare Reform Act was enacted. Most recently, on August 2, 2011, the President signed into law the Budget Control Act of 2011, which may result in such changes as aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, starting in 2013. The full impact of PPACA and the Budget Control Act on companies in the healthcare industry is uncertain. The Adviser cannot predict whether other related legislative changes will be adopted, if any, or how such changes would affect the healthcare industry generally.</p> <p><u><i>Liability for Return of Distributions</i></u></p> <p>An investor's Commitment is susceptible to risk of loss as a result of any liability of the Funds irrespective of whether such liability is attributable to an investment to which such investor contributed any capital. An investor may be required to return distributions made to such investor under various circumstances, including to meet Fund obligations. In certain circumstances, applicable law may require that an investor return previously received distributions with interest. In addition, an investor may be liable under applicable federal and state bankruptcy or insolvency laws to return a distribution made during the Fund's insolvency.</p> <p><u><i>Recourse to the Funds' Assets</i></u></p> <p>The Funds' assets, including any investments made by the Funds and any capital held by the Funds, are available to satisfy all liabilities and other obligations of the Funds. If the Funds becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Funds' assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.</p> <p><u><i>Competitive Market for Investment Opportunities</i></u></p> <p>The activity of identifying, completing and realizing attractive investments is competitive and involves a high degree of uncertainty. The Adviser could be competing for investments with private equity funds, hedge funds, strategic investors, financial institutions, large and well-capitalized industrial groups, commercial, investment and merchant banks, or other investors, and certain of these competitors could have larger capital pools or superior access to investment opportunities. The availability of, and competition for, investment opportunities will depend on, among other things, financial, market, business and economic conditions. There can be no assurance that the Adviser will be able to locate, complete and exit investments that satisfy investment objectives or realize upon their values or that it will be able to invest fully the available capital or to diversify the investment portfolio. Additionally, competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available and adversely affecting the terms upon which investments can be made.</p> <p><u><i>Limited Number of Investments; Lack of Diversity</i></u></p> <p>The Adviser is expected to participate in a limited number of investments and, as a consequence, the aggregate returns may be materially and</p>
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	<p>adversely affected by the unfavorable performance of even a single investment. On any given investment, loss of all or a portion of the investors' capital is possible. Investors have no assurance as to the degree of diversification in the investments. Because the investments may be concentrated within a single industry or sector, portfolio diversification will be less than would be possible if the Adviser were to invest in a broader range of industries or sectors. Such reduced diversification may increase the volatility of the returns, and could reduce the returns relative to diversified funds to the extent that such industries or sectors do not perform as well as other industries or sectors. Although the Adviser intends to diversify its investments among different assets, no assurances can be given that it will, in fact, so diversify its investments. The Adviser is also expected to make investments that are not diversified geographically. The Adviser may make investments for which third-party financing will be desirable but not necessarily available (on desired terms or at all) at the time of investment. Such financing may never become available, or a refinancing may not be able to be completed on desirable terms. This could result in the Funds having a variety of unintended long-term investments or reduced diversification.</p> <p><u><i>Control Positions</i></u></p> <p>The Adviser may be deemed to have a control or management position with respect to one or more of the portfolio companies in which it has an investment. This in turn could expose the Funds to risk of liability for product defects, failure to supervise management, pension and other fringe benefits, violation of laws and governmental regulations (including securities laws), violation of fiduciary duties to minority owners and other types of liability, including, in the case of debt investments, lender liability. If these liabilities were to arise, the Funds might suffer a significant loss. The exercise of control over a portfolio company could expose the assets of the Funds to claims by such portfolio company, its security holders and its creditors.</p> <p><u><i>Leverage</i></u></p> <p>The Adviser's investments may include companies whose capital structures may utilize significant amounts of leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. The leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as downturns in the economy or deterioration in the condition of the portfolio company or its industry. Additionally, the securities acquired by the Funds may be the most junior in what may be a complex capital structure and thus subject to the greatest risk of loss.</p> <p><u><i>Credit Risks in Investments</i></u></p> <p>The Adviser may invest in various forms of equity and debt securities issued by portfolio companies. The Adviser may enter into financial contracts with third parties or hedging arrangements. There is no minimum</p>
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	<p>credit standard required for investment in any such security or any other financial instrument or the counterparty's credit standing, in the case of financial contracts, and many, if not all, of the securities or instruments issued by portfolio companies or financial contracts with third parties are expected to be illiquid or non-transferable and non-investment grade or non-rated.</p> <p><u>Hedging</u></p> <p>Certain of the investments by the Adviser or the portfolio companies may employ hedging techniques designed to reduce risks, such as from adverse movements in prices, inflation, interest rates or currency exchange rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Adviser may benefit from the use of these hedging mechanisms, unanticipated changes in prices, inflation, interest rates or currency exchange rates may result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions.</p> <p><u>Bridge Financings</u></p> <p>From time to time, the Adviser may make loans on a short-term, unsecured basis in anticipation of a future equity or long-term debt take-out refinancing. There can be no assurance that such take-out refinancing will occur on time, on desirable terms or at all, and such bridge loans may remain outstanding. In such event, the Adviser could have a long-term investment in a junior security and the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Adviser.</p> <p><u>Risks of Early-Stage Investments</u></p> <p>The Adviser may invest in the securities of smaller, less-established companies. Investments in such companies may involve greater risks than are generally associated with investments in more established companies. Less-established companies tend to have less capital and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies may also have shorter operating histories on which to judge future performance. While the Adviser anticipates making investments that range in size from approximately \$15 million to \$50 million, the Adviser has not established any minimum size for the companies in which it will invest.</p> <p><u>Investments in Restructurings and Distressed Companies</u></p> <p>The Adviser may make investments in portfolio companies that are experiencing or are expected to experience financial difficulties which may never be overcome. These financial difficulties may cause such portfolio companies to become subject to bankruptcy proceedings and could, in certain circumstances, subject the Funds to certain additional potential liabilities which may exceed the value of the investment therein. For example, under certain circumstances, lenders who have inappropriately exercised control over the management and policies of a debtor may have</p>
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	<p>their claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. Certain of the Funds' investments may be originated by or acquired from persons or entities, including financial institutions, that are insolvent, in serious financial difficulty or are no longer in existence and, as a result, the standards by which such investments were originated, the recourse to the seller or the standards by which such investments are being developed may be materially and adversely affected. Additionally, under certain circumstances, payments to the Funds and distributions by the Funds to the investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws.</p> <p><u><i>Effects of Bankruptcy Laws</i></u></p> <p>The Advisor may make investments in portfolio companies that are or may become the subject of voluntary or involuntary bankruptcy proceedings under applicable bankruptcy laws. Certain risks faced in bankruptcy cases that must be factored into the investment decision include, without limitation, the potential total loss of any such investment. Upon confirmation of a plan of reorganization under applicable bankruptcy laws, or as a result of a liquidation proceeding, the Funds could suffer a loss of all or a part of the value of the investment in a portfolio company. A bankruptcy filing may adversely and permanently affect a portfolio company. The portfolio company could lose market position and key employees, and the liquidation value of the portfolio company may not equal the liquidation value that was believed to exist prior to the making of the initial investment. In general, bankruptcy laws may be expected to have a variety of adverse impacts on the value of the investments and the timing and amount of any distributions the Funds are able to receive therefrom. In addition, investments in restructurings may be adversely affected by statutes related to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.</p> <p><u><i>Accuracy of Third-Party Information</i></u></p> <p>The Adviser may select investments for the Funds, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Adviser by third parties. Although the Adviser will evaluate all such information and data and will ordinarily seek independent corroboration when the Adviser considers it is appropriate and when such corroboration is reasonably available, the Adviser may not be in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information may not be available.</p> <p><u><i>Difficulty in Valuing Investment Portfolio</i></u></p> <p>The Adviser will value the portfolio investments of the Funds from time to time at their fair market values as determined in good faith by the Adviser</p>
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	<p>in accordance with FAS 157 (or any other standard that replaces FAS 157 as the generally accepted standard in the alternative investment industry). Fund assets that are publicly traded securities for which market prices are readily available will be valued based on their trading prices, however, for almost every portfolio company, there will likely be no public market for its securities. Thus, portfolio valuation inherently is highly subjective and imprecise and requires the use of techniques that are costly and time consuming and ultimately provide no more than an estimate of value. In establishing the value of the investment portfolio, the Adviser may also consult with accounting firms, investment banks and other third parties when needed, to assist with the valuation of the investments. The value set by the Adviser may not reflect the price at which the Funds could dispose of interests in a particular portfolio company at any given time. In addition, valuations may result in adjustments of the aggregate fair market values or gross or net IRR calculations. There can be no assurance that the aggregate fair market values or gross or net IRRs, as calculated based on such valuations, will be accurate on any given date.</p> <p><b>It is critical that Investors refer to the Fund Documents for a complete understanding of the material risks involved in an investment in the Funds. The information contained herein is a summary only and is qualified in its entirety by such document.</b></p>
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## ITEM 9 – DISCIPLINARY INFORMATION

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a *management person* has been *involved* in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the *management person's* favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the “date” of an event is the date that the final *order*, judgment, or decree was entered, or the date that any rights of appeal from preliminary *orders*, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a *management person* has been *involved* in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a *client's* or prospective *client's* evaluation.

Item 9.A	<p>A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"><li>1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any <i>felony</i>; (b) a <i>misdemeanor</i> that <i>involved</i> investments or an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;</li><li>2. is the named subject of a pending criminal <i>proceeding</i> that involves an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;</li><li>3. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation; or</li><li>4. was the subject of any <i>order</i>, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a <i>management person</i> from engaging in any <i>investment-related</i> activity, or from violating any <i>investment-related</i> statute, rule, or order</li></ol>
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	Not applicable to the Adviser.
Item 9.B	<p>An administrative <i>proceeding</i> before the SEC, any other federal regulatory agency, any state regulatory agency, or any <i>foreign financial regulatory authority</i> in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"> <li>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</li> <li>2. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation and was the subject of an <i>order</i> by the agency or authority <ol style="list-style-type: none"> <li>(a) denying, suspending, or revoking the authorization of your firm or a <i>management person</i> to act in an <i>investment-related</i> business;</li> <li>(b) barring or suspending your firm's or a <i>management person's</i> association with an <i>investment-related</i> business;</li> <li>(c) otherwise significantly limiting your firm's or a <i>management person's investment-related</i> activities; or</li> <li>(d) imposing a civil money penalty of more than \$2,500 on your firm or a <i>management person</i>.</li> </ol> </li> </ol> <p>Not applicable to the Adviser.</p>
Item 9.C	<p>A self-regulatory organization (SRO) proceeding in which your firm or a management person</p> <ol style="list-style-type: none"> <li>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</li> <li>2. was <i>found</i> to have been <i>involved</i> in a violation of the <i>SRO's</i> rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from <i>investment-related</i> activities; or (iii) fined more than \$2,500.</li> </ol> <p>Not applicable to the Adviser.</p>

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Item 10.A	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.</p> <p>Not applicable to the Adviser.</p>
Item 10.B	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.</p> <p>Not applicable to the Adviser.</p>
Item 10.C	<p>Describe any relationship or arrangement that is material to your advisory business or to your <i>clients</i> that you or any of your <i>management persons</i> have with any <i>related person</i> listed below. Identify the <i>related person</i> and if the relationship or arrangement creates a material conflict of interest with <i>clients</i>, describe the nature of the conflict and how you address it.</p> <ol style="list-style-type: none"> <li>1. broker-dealer, municipal securities dealer, or government securities dealer or broker</li> <li>2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)</li> <li>3. other investment adviser or financial planner</li> <li>4. futures commission merchant, commodity pool operator, or commodity trading advisor</li> <li>5. banking or thrift institution</li> <li>6. accountant or accounting firm</li> <li>7. lawyer or law firm</li> <li>8. insurance company or agency</li> <li>9. pension consultant</li> <li>10. real estate broker or dealer</li> <li>11. sponsor or syndicator of limited partnerships</li> </ol> <p>The Adviser serves as investment adviser to the Funds. Affiliates of the Adviser also invest directly in the Funds and employees of the Adviser or its affiliates also invest indirectly in the Funds (through an affiliate).</p> <p>The Adviser is affiliated with Consonance Capital Management LP, a registered investment adviser. Mitchell J. Blutt, a Principal of the Adviser, is the Managing Member of Consonance Capman GP LLC, the General</p>

	<p>Partner of Consonance Capital Management LP. Consonance Capital Management LP advises “private equity-styled” healthcare focused hedge funds. Certain executive officers of Consonance Capital Management LP also serve as executive officers of the Adviser. Accordingly, conflicts may arise in the allocation of time, services and function between the Adviser and Consonance Capital Management LP.</p>
Item 10.D	<p><b>If you recommend or select other investment advisers for your <i>clients</i> and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.</b></p> <p>Not applicable to the Adviser.</p>

## ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Item 11.A	<p><b>If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.</b></p> <p>The Adviser’s Code of Ethics (the “Code”) is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the “Advisers Act”). The Code applies to the Adviser’s “Access Persons.” Access Persons include, generally, any partner, officer or director of the Adviser and any employee or other supervised person of the Adviser (or an affiliate) who, in relation to the Funds, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. All employees of certain affiliates of the Adviser are deemed to be Access Persons.</p> <p>The Code sets forth a standard of business conduct that takes into account the Adviser’s status as a fiduciary and requires Access Persons to place the interests of the Funds and Investors above their own interests and the interests of the Adviser and its affiliates. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of the Adviser’s Chief Compliance Officer (the “Chief Compliance Officer”). All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter.</p> <p>The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide the Adviser’s Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, the Adviser’s Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1.</p> <p>In addition, the Code seeks to ensure the protection of non-public information about the activities of the Funds. Investors or prospective Investors may obtain a copy of the Code by contacting the Chief Compliance Officer at <a href="mailto:wfowler@consonancecapital.com">wfowler@consonancecapital.com</a>.</p>
Item 11.B	<p><b>If you or a <i>related person</i> recommends to <i>clients</i>, or buys or sells for <i>client</i> accounts, securities in which you or a <i>related person</i> has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address</b></p>

	<p><b>conflicts that arise.</b></p> <p><b>Examples: (1) You or a <i>related person</i>, as principal, buys securities from (or sells securities to) your <i>clients</i>; (2) you or a <i>related person</i> acts as general partner in a partnership in which you solicit <i>client</i> investments; or (3) you or a <i>related person</i> acts as an investment adviser to an investment company that you recommend to <i>clients</i>.</b></p> <p>As explained in Item 10.C above, the Adviser serves as investment adviser to the Funds. The Adviser recommends interests in the Funds to prospective Investors.</p> <p>The Adviser, its affiliates and certain Access Persons invest in the Funds.</p> <p>The fact that the Adviser, its affiliates and Access Persons may each have a financial ownership interests in the Funds creates a potential conflict in that it could cause the Adviser and its affiliates to make different investment decisions than if such parties did not have such financial ownership interests. Such potential conflicts are addressed by the personal securities transaction pre-clearance and holding requirements described in Item 11. A and 11. C.</p> <p>The Adviser addresses these potential conflicts through regular monitoring of the Funds' portfolio and investments for consistency with the Funds' objectives, strategies, and target capacity. Further, the Adviser and its affiliates carefully consider the risks involved in any investments and provide extensive disclosure to clients regarding the potential risks that come with an investment in the Funds. The Code requires Access Persons to place the interests of the Funds and Investors over their own or those of the Adviser, its affiliates and all Access Persons are required to acknowledge their receipt and understanding of the Code.</p> <p>Further, the Adviser (or its affiliate) receives management and performance-based compensation. The management fees are payable without regard to the overall success or income earned by the Funds and, therefore, may create an incentive on the part of the Adviser to raise or otherwise increase assets under management to a higher level than would be the case if the Adviser was receiving a lower or no management fee. Performance-based fees may create an incentive for the Manager to make Investments that are riskier or more speculative than in the absence of such performance-based fee.</p>
<b>Item 11.C</b>	<p>If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.</p> <p>The Adviser's investment program does not generally involve investments</p>

	<p>in publicly traded securities.</p> <p>The Adviser manages the potential conflicts of interest inherent in personal trading by Access Persons through rigorous enforcement of its Code, which contains limitations on Access Persons' personal investment activities. Access Persons' personal securities transactions are required to be made in accordance with the Adviser's Code. In addition, the Adviser receives transaction and holdings reports in accordance with Advisers Act Rule 204A-1. The Chief Compliance Officer reviews Access Persons' personal transaction and holdings reports to make sure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code.</p> <p>With the exception of securities of public or private companies in the healthcare industry, initial public offerings and private placements (other than offered by the Adviser), Access Persons are generally permitted to transact in securities for their personal accounts. As such, Access Persons generally are prohibited from personal trading in the securities and investments that comprise the vast majority of the investable universe of the Advisory Clients. However, if upon hire an Access Person holds any such securities or investments, the Access Person may retain them indefinitely or, subject to preapproval by the Chief Compliance Officer, close any such positions, but may not make new investments in such securities while they are Access Persons of the Adviser.</p> <p>The Adviser believes that these personal trading restrictions effectively address the material potential conflict of interest with the Advisory Clients that may arise as a result of personal trading activities.</p> <p>The Adviser maintains a "Restricted List" with the names of issuers of securities about which the Adviser (or its Access Persons) has learned material, non-public information or that may require, for business or legal reasons, that the Advisory Clients and Access Persons do not trade in the securities for a specific period of time. Access Persons are strictly prohibited from trading securities on the Restricted List (or any other securities to which the material, non-public information relates).</p>
<b>Item 11.D</b>	<p><b>If you or a <i>related person</i> recommends securities to <i>clients</i>, or buys or sells securities for <i>client</i> accounts, at or about the same time that you or a <i>related person</i> buys or sells the same securities for your own (or the <i>related person's</i> own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</b></p> <p>Please refer to Items 11.A, 11.B, and 11.C.</p>

## ITEM 12 – BROKERAGE PRACTICES

Item 12.A.1	<p>Describe the factors that you consider in selecting or recommending broker-dealers for <i>client</i> transactions and determining the reasonableness of their compensation (e.g., commissions).</p> <p style="margin-left: 40px;">1. <b>Research and Other Soft Dollar Benefits.</b> If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.</p> <p style="margin-left: 40px;">Note: Your disclosure and discussion must include all soft dollar benefits you receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.</p> <ul style="list-style-type: none"> <li>a. Explain that when you use <i>client</i> brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.</li> <li>b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your <i>clients’</i> interest in receiving most favorable execution.</li> <li>c. If you may cause <i>clients</i> to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.</li> <li>d. Disclose whether you use soft dollar benefits to service all of your <i>clients’</i> accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to <i>client</i> accounts proportionately to the soft dollar credits the accounts generate.</li> <li>e. Describe the types of products and services you or any of your <i>related persons</i> acquired with <i>client</i> brokerage commissions (or markups or markdowns) within your last fiscal year.</li> <li>f. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-</li> </ul>
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	<p><b>dealer in return for soft dollar benefits you received.</b></p> <p>As described in Item 4.B, above, the Adviser is the investment adviser to private investment funds that invest in private companies in the healthcare industry. Due to the nature of the Funds' investment programs, the Adviser and its affiliates do not select or recommend broker-dealers for Fund transactions.</p> <p>The Adviser does not utilize "soft dollars."</p>
Item 12.A.2	<p><b><u>Brokerage for Client Referrals.</u></b> If you consider, in selecting or recommending broker-dealers, whether you or a <i>related person</i> receives <i>client</i> referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.</p> <ol style="list-style-type: none"> <li>a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving <i>client</i> referrals, rather than on your <i>clients'</i> interest in receiving most favorable execution.</li> <li>b. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for <i>client</i> referrals.</li> </ol> <p>Not applicable to the Adviser.</p>
Item 12.A.3	<p><b><u>Directed Brokerage.</u></b></p> <ol style="list-style-type: none"> <li>a. If you routinely <u>recommend</u>, <u>request</u> or <u>require</u> that a <i>client</i> direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their <i>clients</i> to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of <i>client</i> transactions, and that this practice may cost <i>clients</i> more money.</li> <li>b. If you <u>permit</u> a <i>client</i> to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of <i>client</i> transactions. Explain that directing brokerage may cost <i>clients</i> more money. For example, in a directed brokerage account, the <i>client</i> may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the <i>client</i> may receive less favorable prices.</li> </ol>

	Not applicable to the Adviser.
Item 12.B	<p><b>Discuss whether and under what conditions you aggregate the purchase or sale of securities for various <i>client</i> accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to <i>clients</i> of not aggregating.</b></p> <p>The Adviser recognizes that, as a fiduciary, it has a duty to allocate investment opportunities among its private funds in a fair and equitable manner. If the Adviser determines that it would be appropriate for more than one fund to participate in an investment opportunity, the Adviser will seek to allocate the investment opportunity to all of the participating funds on a fair and equitable basis. Generally, investment opportunities will be allocated pro rata based upon each participating Fund's assets under management; provided, however, that the Adviser, in its sole discretion, may make allocations based upon other considerations.</p>

## ITEM 13 – REVIEW OF ACCOUNTS

Item 13.A	<p>Indicate whether you periodically review <i>client</i> accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the <i>supervised persons</i> who conduct the review.</p> <p>The Funds' portfolio and Investments are under continuous review by the Adviser's investment team.</p>
Item 13.B	<p>If you review <i>client</i> accounts on other than a periodic basis, describe the factors that trigger a review</p> <p>Please see Item 13.A. The accounts are under continuous review.</p>
Item 13.C	<p>Describe the content and indicate the frequency of regular reports you provide to <i>clients</i> regarding their accounts. State whether these reports are written.</p> <p>Generally, Investors will receive unaudited, reports at least quarterly. In addition, Investors will receive annual audited financial statements within 120 days of the fiscal year-end. The Adviser will hold annual meetings to provide Investors with the opportunity to review and discuss with the Adviser (and its affiliates) the Funds' investment activities and portfolio.</p>

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Item 14.A	<p>If someone who is not a <i>client</i> provides an economic benefit to you for providing investment advice or other advisory services to your <i>clients</i>, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.</p> <p>Not applicable to the Adviser.</p>
Item 14.B	<p>If you or a <i>related person</i> directly or indirectly compensates any <i>person</i> who is not your <i>supervised person</i> for <i>client</i> referrals, describe the arrangement and the compensation.</p> <p>The Adviser has engaged a third party solicitor to refer prospective investors to the Funds. All such referral activities are conducted in a manner that is consistent with Advisers Act Rule 206(4)-3 and relevant SEC guidance. In general, the Adviser may pay third party solicitors a placement fee based on the amount of capital commitments to the Funds by investors introduced by the placement agent. Any placement agent fees and expenses are borne by the Funds subject to a 100% offset against the amounts payable with respect to the Management Fee.</p>

## ITEM 15 – CUSTODY

**If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.**

The Adviser is deemed to have custody of the Funds' assets pursuant to Advisers Act Rule 206(4)-2. To ensure compliance with Rule 206(4)-2 under the Advisers Act, the Adviser provides audited financial statements to Investors within 120 days after the end of the relevant Funds' fiscal year (i.e., generally by April 30).

As the Adviser's investment program exclusively involves investments in private companies in the healthcare industry, the Adviser generally will be exempt from the requirement that securities be maintained with a "qualified custodian." The Adviser anticipates that the majority of its investments will involve securities that are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated to the extent ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the client; and (iii) transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer.

To the extent that the Adviser's investments involve securities that are certificated, but also are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering and (ii) transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer, the Adviser will maintain such certificates with a qualified custodian.

## **ITEM 16 – INVESTMENT DISCRETION**

**If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).**

The Adviser has discretionary authority to manage securities accounts on behalf of the Funds. The Adviser is authorized to make transaction recommendations for the Funds. Investors do not have the ability to impose limitations on the discretionary authority of the Adviser. Further, Investors must execute subscription documents that contain a power of attorney.

## ITEM 17 – VOTING CLIENT SECURITIES

Item 17.A	<p>If you have, or will accept, authority to vote <i>client</i> securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your <i>clients</i> can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your <i>clients</i> with respect to voting their securities. Describe how <i>clients</i> may obtain information from you about how you voted their securities. Explain to <i>clients</i> that they may obtain a copy of your proxy voting policies and procedures upon request.</p> <p>Based upon the Adviser's investment strategy and business as a private equity fund manager (and lack of involvement in publicly-traded equities) it does not vote proxies. If in the future it is contemplated that the Adviser may exercise voting authority with respect to any client securities, the Adviser will adopt proxy policies and procedures that are consistent with Rule 206(4)-6.</p>
Item 17.B	<p>If you do not have authority to vote <i>client</i> securities, disclose this fact. Explain whether <i>clients</i> will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) <i>clients</i> can contact you with questions about a particular solicitation.</p> <p>Please see the response in 17.A above.</p>

## ITEM 18 – FINANCIAL INFORMATION

Item 18.A	<p>If you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, include a balance sheet for your most recent fiscal year.</p> <ol style="list-style-type: none"> <li>1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.</li> <li>2. Show parenthetically the market or fair value of securities included at cost.</li> <li>3. Qualifications of the independent public accountant and any accompanying independent public accountant’s report must conform to Article 2 of SEC Regulation S-X.</li> </ol> <p>Not applicable to the Adviser.</p>
Item 18.B	<p>If you have <i>discretionary authority</i> or <i>custody</i> of <i>client</i> funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to <i>clients</i>.</p> <p>Not applicable to the Adviser.</p>
Item 18.C	<p>If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.</p> <p>Not applicable to the Adviser.</p>