

**Part 2A of Form ADV
Brochure for:**

Redmile Group, LLC

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This brochure provides information about the qualifications and business practices of Redmile Group, LLC (“Redmile”). If you have any questions about the contents of this brochure, please contact us at 415.489.9980 AND/OR via email at josh@redmilegrp.com. The information in this brochure has not been approved nor verified by the United States Securities and Exchange Commission or by any state securities authority.

Redmile is a registered investment adviser. Registration of an Investment Adviser does not imply any certain level of skill or training.

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

Item 2 – Material Changes

The following are the material changes to this brochure and/or Redmile Group, LLC since its last annual update on March 31, 2012 and the other than annual update filed on or about September 30, 2013:

- i) This part 2A of Form ADV is presented in two sections. Generally, Section 1, which provides information with regard to the pooled investment vehicles (hedge funds, managed accounts, etc.) managed by Redmile Group, LLC and Section 2, which provides information with regard to the venture capital vehicle for which Redmile Group, LLC is the Investment Manager. Finally, information provided herein, for the most part, is as of December 31, 2013.

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Section 1 of this Part 2A of Form ADV**Item 4 – Advisory Business**

Description of Advisory Firm. Redmile Group, LLC (the “Investment Manager”, “Management Company” or “Redmile”), a Delaware limited liability company, generally provides investment management and advisory services to a Delaware limited partnership (the “Partnership”) and Cayman Islands exempted companies (the Cayman Islands entities, the “Funds”; together, the Partnership and the Funds, the “Pooled Investment Vehicles”). Redmile Group (GP), LLC (the “General Partner”), a Delaware limited liability company, is the General Partner of the Partnership. Services offered by the Investment Manager and/or General Partner, where applicable, are detailed below. The Investment Manager may also serve as the investment manager to separately managed account(s), etc.

In addition, as further discussed in Section 2 of this Part 2A of Form ADV, Redmile generally provides investment management and advisory services to a Delaware limited partnership that is structured similarly to a venture capital investment vehicle (the “VC Partnership”).

The Investment Manager and General Partner were formed in March 2007 and became operational shortly thereafter. The sole managing member and owner of both the Investment Manager and the Partnership's General Partner is Jeremy Green, who will be primarily responsible for all investment decisions. Bryan Crapo is the Chief Operating Officer of the Investment Manager while Josh Garcia serves as the Investment Manager's Chief Financial Officer and Chief Compliance Officer.

Description of Advisory Services. Redmile provides portfolio management and advisory services for the Partnership and the Funds. Redmile manages the portfolios of the Partnership and the Funds on a discretionary basis according to the investment objectives and investment strategies described in the Partnership and/or Funds offering documents, which include a confidential offering circular and/or memorandum, limited partnership agreement or investment management agreement (where applicable), subscription agreement, and subscription questionnaire.

Redmile may also serve as the investment manager to separately managed accounts, etc. In this capacity, Redmile provides portfolio management and advisory services to a specific account. Managed accounts are typically governed by a sub-advisory agreement.

Client Tailored Services and Client Imposed Restrictions. Redmile does not tailor its portfolio management services to the individual needs of limited partners/shareholders in the Partnership and/or Funds. *Generally, the term “Client” or “client” as utilized throughout the entirety of this document refers to the Pooled Investment Vehicles, VC Partnership, managed account(s), etc. for whom Redmile may serve as the investment manager or management company.*

Wrap Fee Programs. Redmile does not participate in wrap fee programs.

Assets Under Management. As of December 31, 2013, Redmile had client assets under management of approximately \$968m on a discretionary basis.

Item 5 – Fees and Compensation

Management Fee (Generally). For its services in evaluating, selecting and, where appropriate, negotiating investments for the Partnership or the Funds, and otherwise managing and administering the Partnership's and Funds' activities and affairs, the Partnership and the Funds will pay Redmile a quarterly Management Fee. The Management Fee is generally between 0.25% and 0.50% per quarter (between 1% and 2% per year). The Investment Manager is paid the Management Fee as of the beginning of each calendar quarter. With regard to the Partnership, the Management Fee is based on the value of limited partner's Basic Capital Account and any Designated Capital Accounts (Designated Capital Accounts hold

investments in private and/or illiquid companies; participation in such may be at the option of the limited partners/shareholders and is further discussed below), without accrual of the Incentive Allocation. With regard to the Funds, the Management Fee is based on the value of the net assets of Common Shares (or the applicable Class/Series of such Common Shares), including that Class/Series of Common Shares holding Designated Investments (further discussed below) or Co-Investments (further discussed below), where applicable, without accrual of the Incentive Fee, held by shareholders in the Funds.

The General Partner and/or Investment Manager may, in its sole discretion, waive or reduce the Management Fee charged to limited partners or shareholders that are members, directors, principals, employees or affiliates of the General Partner or the Investment Manager, relatives of such persons and certain large, strategic or initial investors.

Designated Investments. Note, the Partnership and/or Funds are authorized to acquire securities for which there is no ready market such as private or restricted securities. In the event that the Partnership and/or Funds make such investments, the General Partner and/or Investment Manager may, in its/their sole discretion, designate each such investment a “Designated Investment”. Limited partners and/or shareholders, when making their initial investment in the Partnership and/or Funds, may be able to elect to participate or not participate in Designated Investments. Participation in Designated Investments by limited partners and/or shareholders may be limited to a certain percentage of the Partnership and/or Funds net assets (measured at the time the investment is made or designated) and attributable to those limited partner(s) and/or shareholder(s) who have elected or must participate in Designated Investments. Such investments, however, may exceed that stated percentage provided in the Partnership and/or Funds offering circular and/or memorandum with regard to the value of a particular limited partner’s or shareholder’s overall investment in the Partnership and/or Funds. Designated Investments, with regard to the Partnership, will be held in one of more Designated Capital accounts. Note, a Designated Capital account will be issued with regard to each Designated Investment made by the Partnership. Designated Investments, with regard to the Funds, will be held in a separate Class of Common Shares (while a separate series of such Common Share(s) will be issued with regard to each Designated Investment made by the Funds).

For purposes of determining the Management Fee, Designated Investments will be valued at (i) cost or (ii) fair value on the date first designated as a Designated Investment if such date is after the date such investment was acquired, unless the Investment Manager and/or the General Partner, in its sole discretion, determines a different valuation is more appropriate.

Co-Investments. Co-Investments are applicable and available in certain circumstances via one of the Cayman Island exempted companies to whom Redmile provides investment management and advisory services. While Co-Investments may be available via the VC Partnership as well, the conversation as to Co-Investments in this Section 1 of Part 2A of Form ADV is, unless stated otherwise, related to that Cayman Island exempt company where Co-Investments are applicable and available. Additional information with regard to Co-Investments, as related to the VC Partnership, can be found in Section 2 of this Part 2A of Form ADV or in the Confidential Private Placement Memorandum associated with the VC Partnership. To the extent the Investment Manager, in its sole discretion, determines that the Partnership, the Funds and/or the VC Partnership have received their full allocation of a particular investment or that a particular investment is not an appropriate investment for the Partnership, the Funds and/or the VC Partnership (for the sake of clarification, the Investment Manager may find that an investment opportunity is inappropriate for the Partnership, the Funds and/or the VC Partnership as a Designated Investment or otherwise, but may still be acceptable as a Co-Investment), the Investment Manager may allocate such investment or a portion thereof (a “Co-Investment”) to any persons selected by the Investment Manager (including the principals, employees or affiliates of the Investment Manager), whether or not such persons are investors in the Partnership, the Funds, or the VC Partnership (collectively, “Co-Investors”). Where applicable, Co-Investments will be held in a separate Class of Common Shares (while a separate series of such Common Shares will be issued to represent each Co-Investment). Generally, Co-Investors will make a capital commitment to purchase a particular series of that Class of Common Share utilized to hold Co-Investment opportunities, and such capital commitment will be called down upon notice from Redmile. Finally, a shareholder may not redeem a Co-Investment until that particular Co-Investment is liquidated or otherwise realized or deemed realized.

Co-Investments will be valued at (i) cost or (ii) fair value on the date first designated as a Co-Investment if such date is after the date such investment was acquired, until such investments are liquidated or otherwise realized or deemed realized, unless the Investment Manager, in its sole discretion, determines a different valuation is more appropriate.

In general, the portion of the Management Fee attributable to a particular Designated Investment will be charged to the relevant Basic Capital Account with regard to the Partnership, and the relevant Class/Series of Common Shares (i.e., that Class/Series of Common Shares not holding Designated Investments and/or Co-Investments) held by shareholders participating in the Designated Investment or Co-Investment with regard to the Funds, unless, with respect to a particular Co-Investment, the applicable fund (via instruction from the Investment Manager) has retained a reserve out of the capital contributions by the applicable Co-Investors for payment of the Management Fee and any additional expenses for such Co-Investment.

Performance/Incentive based fees are discussed in Item 6, “Performance-Based Fees and Side-By-Side Management” located below.

Expenses. The General Partner and/or Investment Manager will render the services set forth in the Partnership or Investment Management Agreement at its own expense, including the salaries of employees necessary to render such services and all general overhead expenses attributable to its employees.

The Partnership and/or Funds will pay for or reimburse the General Partner and/or Investment Manager for its own expenses including the fees payable to the General Partner or Investment Manager, the Registrar and Transfer Agent and the Administrator, Directors’ fees, legal, accounting (including outsourced accounting), auditing and other professional expenses, research expenses and investment expenses such as commissions, trading and support services including payments to assisting brokers, interest on margin accounts and other indebtedness, custodial fees, direct fees and expenses such as legal fees and due diligence expenses related to the analysis, purchase or sale of investments (including Designated Investments and Co-Investments) whether or not the investment is consummated, proxy voting service fees, and other expenses related to the purchase, sale or transmittal of the Partnership’s and/or Funds’ assets.

Expenses directly attributable to a particular Designated Investment or Co-Investment as determined by the General Partner and/or Investment Manager generally, and where applicable, will be charged as follows: a) with regard to the Partnership, such charges will be attributed to the Basic Capital Account of those limited partners participating in Designated Investments, and b) with regard to the Funds, such charges will be attributed to that Class/Series of Common Shares not representing Designated Investments or Co-Investments (where applicable), held by those shareholders participating in such Designated Investment or Co-Investment. Co-Investors, for purposes of this paragraph, may be in a unique position of not holding a Class of Common Shares beyond that Class of Common Shares representing a Co-Investment (or Co-Investments); as such, the Investment Manager may attribute such charges/expenses to the reserve that the Investment Manager is entitled to retain out of the capital contributions of such Co-Investors.

The organizational expenses of the Partnership and/or the Funds (including expenses of the initial offer and sale of Common Shares) will be paid by the Partnership and/or Funds. Organizational expenses may be amortized over a period of up to 60 months from the date the Partnership and/or Funds commence operations, which is a departure from U.S. generally accepted accounting principles (“GAAP”).

Additional information with regard to Management Fee(s)/Expenses can be found in the offering documentation associated with each of the Pooled Investment Vehicles. Offering documents contain a complete description of each of the Pooled Investment Vehicles Management Fee(s)/Expenses.

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

Generally. Redmile charges an incentive allocation or incentive fee where applicable with regard to the Partnership and the Funds. The amount of such incentive allocation or incentive fee is generally 20% of

the net profits and net losses of the Partnership and/or Funds (including realized and unrealized gains and losses).

Incentive Allocation to the General Partner with regard to the Partnership. Any net profits and net losses of the Partnership (including realized and unrealized gains and losses) from investments held in the partner's Basic Capital Account will be allocated to the partners in accordance with the ratio of their Basic Capital Account balances. Generally, as of the end of each fiscal year, there shall be reallocated to the General Partner from the Basic Capital Account of each limited partner 20% of each limited partner's share of net profits, if any (the "Incentive Allocation"), subject to a loss carry-forward provision. For this purpose, net profits shall include net unrealized gains and losses on investments other than Designated Investments and net profits or losses from the sale or deemed sale of Designated Investments. The General Partner may, in its sole discretion, waive or reduce the Incentive Allocation charged to limited partners that are members, directors, principals, employees or affiliates of the General Partner or the Investment Manager, relatives of such persons and certain large, strategic or initial investors.

Incentive Fee to the Investment Manager with regard to the Funds. The Investment Manager receives an incentive fee at the end of the fiscal year, of the Funds, generally equal to 20% of the net profits, if any, attributable to each Common Share, subject to a "loss carryforward" provision (the "Incentive Fee"). For this purpose, net profits shall include net unrealized gains and losses on investments other than Designated Investments or Co-Investments (only where applicable) and net profits or losses from the sale or deemed sale of Designated Investments. The Incentive Fee/Allocation with regard to Designated Investments and Co-Investments is further discussed below. The Investment Manager may, in effect, waive or reduce the Incentive Fee charged to shareholders that are members, directors, principals, employees or affiliates of the Investment Manager, relatives of such persons and certain large, strategic or initial investors.

Designated Investments and the Incentive Fee/Allocation (Generally). An Incentive Allocation or Fee generally will not be payable on Designated Investments (held in Designated Capital accounts with regard to the Partnership, and as a separate Class of Common Shares with regard to the Funds), but instead upon the sale or deemed liquidation of any Designated Investment, any appreciation or depreciation of the Designated Investment will be taken into account at the end of the fiscal year such sale or deemed liquidation occurs in calculating the Incentive Fee payable on the Basic Capital Account (with regard to the Partnership) or on that Class of Common Shares not representing Designated Investments (with regard to the Funds) for which the Designated Shares were exchanged. The Incentive Fee is paid on each of the Partnership and the Funds fiscal year-end respectively, and upon withdrawal/redemption of interests/shares during the year.

Co-Investments and the Incentive Fee/Allocation (Generally). The Investment Manager will receive an incentive fee upon the liquidation, realization or deemed realization of a Co-Investment equal to 20% of the net profits, if any, attributable to such Co-Investment (the "Co-Investment Incentive Fee"). Generally, the Co-Investment Incentive Fee will be calculated separately with respect to each Co-Investment and will not be subject to a "loss carryforward" provision or "claw back" provision.

Additional information with regard to the Incentive Allocation or Incentive Fee, where applicable, can be found in the offering documentation associated with each of the Pooled Investment Vehicles. Offering documents contain a complete description of each of the Pooled Investment Vehicles Performance-Based Fees (i.e., the Incentive Allocation and Incentive Fee).

Item 7 – Types of Clients

In addition to the Pooled Investment Vehicles it sponsors, the VC Partnership is a Redmile client. Redmile may also serve as the investment manager to separately managed account(s), etc.

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

Redmile will implement the investment objectives of the Partnership and/or Funds

as described in each of the Partnership and/or Funds offering circular and/or memorandum. There can be no assurance that the investment objectives of the Partnership and/or Funds will be achieved. Furthermore, an investment in the Partnership and/or Funds may be deemed speculative and is not intended as a complete investment program. The Partnership and/or Funds are designed for experienced and sophisticated persons who are able to bear the risk of the substantial impairment or loss of their investment in the Partnership and/or Funds.

Types of Investments. The Investment Manager will seek to achieve its stated objective(s), as described by the Partnership and/or Funds offering circular and/or memorandum, by investing primarily in U.S. and non-U.S. healthcare companies. While the Investment Manager anticipates that the Partnership and/or Funds will generally invest in public equities, these investments may be in illiquid, publicly-quoted securities. Furthermore, the Partnership and/or Funds may also invest in private companies and non-equity asset classes where the Investment Manager believes such investments offer a superior risk-reward. The Investment Manager may also invest in fields related to healthcare where due diligence shows that the healthcare assets are the driving force behind value creation and may also invest in other sectors from time to time.

While the Investment Manager will invest primarily in public equities of healthcare companies, the Investment Manager generally has broad and flexible investment authority. In order to maintain flexibility and to capitalize on investment opportunities as they arise, the Investment Manager is not required to invest any particular percentage of managed portfolios (of the Pooled Investment Vehicles) in any type of investment or region, and the amount of the portfolios which is invested in any type of investment or which is weighted in different countries or different sectors can change at any time based on the availability of attractive market opportunities. Accordingly, investments may at any time include long or short positions in U.S. or non-U.S. publicly traded or privately issued common stocks, preferred stocks, stock warrants and rights, bonds, notes or other debentures or debt participations, convertible bonds, convertible preference shares, fund interests, swaps, options (including options on stock market indices), futures contracts, commodities, forward contracts and other securities or financial instruments including those of investment companies.

Investment Approach/Strategy. The following are key principles behind the Investment Manager's investment approach and strategy:

Broad healthcare focus:

By focusing on markets, the Investment Manager seeks to find investment ideas that fit its thesis, not a thesis to fit its ideas. The Investment Manager believes that keeping an open mind and not rushing to an investment conclusion gives it a better chance of identifying good investment opportunities. The Investment Manager's goal is to identify promising end markets through its thesis on industry trends and extensive analysis. Once a market has been identified, the Investment Manager will perform detailed due diligence on the opportunities it believes are of the highest quality in that market. Investments in a given market will be driven by the scale of the opportunity each company affords.

Healthcare is a truly global market:

An event in Sydney can impact a company in San Diego in a dramatic fashion – the Investment Manager believes being global in its outlook is key. The Investment Manager believes the United States is the most important healthcare market and will primarily invest in U.S. investment opportunities. The Investment Manager is also very cognizant of the relevance of non-U.S. markets. The Investment Manager views such markets not only as investment opportunities but as key markets for U.S. companies, and perhaps, most importantly, as a primary source of information on new technologies. The Investment Manager believes that ideas generated in one geographical market can translate into an investment opportunity in a different geographical market where the upside can be greater or the risk lower – or ideally both.

Longer investment horizon:

Getting it right in a given month is less important to the Investment Manager than getting it right over a longer timeframe. The Investment Manager believes the healthcare industry provides a unique opportunity to invest in product cycles and investment themes that play out over a sustained period of time. Such cycles and themes are often ignored by the broader market due to the focus on the more traditional quarterly earnings cycle. As such, the Investment Manager's anticipated investment time-frame for each investment is generally twelve to twenty-four months.

In particular, the Investment Manager believes there are considerable opportunities within the healthcare market in which the outcome of a key event can be predicted but the timing is less visible. Such opportunities often result in apathy by the broader market and considerable opportunity for a more patient investor. This type of investment, however, does require an even more detailed analytical approach as capital can be tied up for a sustained period of time. The volatility in some of these investments can be considerable and such volatility in itself can provide opportunities.

Fundamentals are key:

Market forces can dictate short-term moves in stocks, but fundamentals will drive the real value.

Given the Investment Manager's long-term approach, the key aspect of its research process is a detailed understanding of the fundamental outlook for a business and the markets in which such business operates. This approach generates investment opportunities both on the "long" and "short" side as the Investment Manager seeks to exploit the impact of new competitive products that make an existing product obsolete or of reduced utility. The Investment Manager is not looking for a quick trade or an inventory-stocking based on the quarter, it is looking for fundamental changes in the outlook for a particular company.

While the Investment Manager aims to take a longer-term perspective, it recognizes that an understanding of a company's near-term prospects and the expectations of the market are also key in determining when to make an investment and when to wait.

Patience is a virtue:

Ninety percent of ideas should be rejected. While the Investment Manager's process is based around fundamental research, it also recognizes that specific knowledge may not be useful for years.

The Investment Manager anticipates rejecting 90% of its ideas during the investment process. When coupled with the Investment Manager's investment timeframe, it is looking, on average, for one-to-two new ideas per month.

Research Process

Fundamental Research:

"Fundamental research" is at the heart of the Investment Manager's investment process. The Investment Manager seeks to recognize product cycles and investment themes before they become the focus of mainstream investors. As part of this process, the Investment Manager will utilize a number of different avenues to provide information leading to an investment decision.

The following are sources for the Investment Manager's ideas:

- **Contacts with physicians:** Given the Investment Manager's focus on healthcare technologies and the underlying healthcare markets, the Investment Manager seeks to remain up to date on the latest healthcare trends and, more specifically, how new products are being accepted by the medical community. As a result, the Investment Manager will have regular dialogue with doctors in a number of healthcare fields.

- **Focus outside of the US:** Outside of the United States, the Investment Manager will focus on medical markets in which products might be used several years before receiving FDA approval or even entering into U.S. clinical trials. Key markets are Europe, Brazil, India and, increasingly, China.
- **Dialogue with companies:** The Investment Manager anticipates that it will visit and interact regularly with prospective companies, companies in the Partnership's and/or Funds' portfolio(s), and companies that compete with portfolio investments. In some cases, the Investment Manager will meet with a company on a number of occasions over several years before making an investment decision.
- **Attendance at medical conferences:** Attending medical conferences, in particular smaller physician-focused conferences, provides the Investment Manager with insights that it cannot obtain solely by meeting with doctors and company management.
- **Meetings with private companies:** While the Investment Manager will invest in private companies, its primary reason for meeting with such companies is to research public companies and the markets in which they operate.
- **Regular dialogue within the team:** The Investment Manager seeks to encourage as much internal dialogue as possible. This will be done in formal and informal settings.

Research protocols:

While the Investment Manager's idea generation and analysis can be slightly ethereal, the Investment Manager seeks to be rigorous in its financial analysis and investment conclusions. For this reason, the Investment Manager utilizes a note and model process. The following are the Investment Manager's protocols:

- **Company Financial Models:** It is the Investment Manager's belief that investment ideas should be articulated in a financial model. While the Investment Manager is not focused on the impact of investment ideas for the next quarter, the Investment Manager will want to see the potential timing and scale of the impact of an investment idea. The Investment Manager will maintain proprietary models on a broad range of companies, including investments by the Partnership and/or Funds and potential future investments.
- **Market Models:** The Investment Manager will also build and maintain market models for a number of key medical markets. The Investment Manager anticipates that these will enable it to track market share shifts and to accurately forecast the impact of new technologies on a broad range of companies.
- **Investment Theses:** Investments are generally preceded by a research note explaining the thesis, the expected fair value and the risks inherent in such investment. While these notes are useful at the start of the investment, they are particularly useful as time progresses as they allow the Investment Manager to have an audit trail of its views. Such notes also help the Investment Manager prevent 'thesis shift'.
- **Regular Dialogue:** The Investment Manager will often share findings from its research process with its team in brief research notes in order for it to internally leverage its information and ideas as much as possible.

Risk Management

Risk Management Protocols:

- **Single product/market risk analysis:** The Investment Manager believes the most important analysis it can carry out is its exposure to any single medical/health trend or issue. The Investment Manager will seek to monitor each portfolios' total exposure to any single product or market.

- **Longs and shorts are not necessarily matched:** While the Investment Manager will run long and short positions, it does not seek to pair one long against one short to ensure a flat total position. While one can find related longs and shorts that can be valid investment opportunities at the same time, the Investment Manager believes each position should earn its place in the portfolio on its own merits.

- **No pre-defined views on exposure:** As a fundamental investor, the Investment Manager does not have any pre-defined exposure expectations. In general, the research process will dictate exposure levels, rather than a top-down view. However, the Investment Manager may adjust the portfolios' exposure levels, if necessary, by using indexes and custom made baskets.

- **Stop-loss rules:** While the Investment Manager will review all positions, the Investment Manager will carry out a more formal review when a position is down 15% and 25%. At these points, the Investment Manager will aim to make an active decision as to whether to continue with such investment. The Investment Manager does not view a negative move in stock as a reason to sell or cover, rather it views a negative move as a reason to provoke further analysis and internal debate. Stop losses are tighter on the short side.

Risk of Loss. Investing in securities involves risk of loss that client(s) (including, but not limited to, limited partners and shareholders of such) should be prepared to bear. Redmile cannot assure client(s) (including, but not limited to, limited partners and shareholders of such) that (a) it can achieve their investment objectives, (b) their investment strategies will prove successful; or (c) they will not lose all or part of their investment.

Management and Investment Risk

Dependence of Mr. Green. Jeremy Green is the principal of the Investment Manager. If Jeremy Green no longer participated in the management of the Partnership and/or Funds, it is possible that a significant number of limited partners and/or shareholders would exercise their right to redeem at the next applicable withdrawal/redemption date. There can be no assurance that the portfolios of the Pooled Investment Vehicles could be liquidated in an efficient manner to accommodate such withdrawals/redemptions and limited partners and/or shareholders could experience losses. In addition, there can be no assurance that enough limited partners and/or shareholders would choose to remain invested in the Partnership and/or Funds to make it feasible to continue to manage the portfolio.

Redmile's Other Activities. Redmile manages portfolios for multiple clients, and may invest on behalf of a client in transactions without presenting these opportunities to other clients. See "Potential Conflicts of Interest" below and that section entitled "Conflicts of Interest" located in Item 8 in Section 2 of this Part 2A of Form ADV for further information.

Potential Conflicts of Interest. This section entitled "Potential Conflicts of Interest" is to be considered alongside that section entitled "Conflicts of Interest" located in Item 8 of Section 2 of this Part 2A of Form ADV as such may be applicable from time to time.

As noted in this Item 4 above, the Investment Manager is responsible for managing the portfolios of the Pooled Investment Vehicles. Each of the Pooled Investment Vehicles may share a substantially similar investment objective and approach. In addition, the Investment Manager (and its principals or affiliates) or the General Partner may serve as investment adviser or investment manager to other client accounts (including the VC Partnership (further detailed in Section 2 of this Part 2A of Form ADV), separately managed accounts, etc.) and conduct investment activities for its own accounts. Such other entities or accounts (the "Other Clients") may have investment objectives or may implement investment strategies similar to those of the Pooled Investment Vehicles. Redmile Ventures, LLC, for example, is a Delaware limited liability company for which Jeremy Green is the sole Managing Member. Redmile Ventures, LLC only invests in private companies.

The Investment Manager (and its principals or affiliates) may give advice or take action with respect to the Other Clients that differs from the advice given with respect to the Pooled Investment Vehicles. To the extent a particular investment is suitable for both the Pooled Investment Vehicles and the Other Clients, such investments will be allocated between the Pooled Investment Vehicles and the Other Clients pro rata based on assets under management or in some other manner which the Investment Manager determines is fair and equitable under the circumstances to all clients, including the Pooled Investment Vehicles. From the standpoint of the Pooled Investment Vehicles, and where applicable, simultaneous identical portfolio transactions for the Pooled Investment Vehicles and the Other Clients may tend to decrease the price received, and increase the price required to be paid, by the Pooled Investment Vehicles for its portfolio sales and purchases. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favorable price, the shares purchased will be allocated among the Pooled Investment Vehicles and the Other Clients in an equitable manner as determined by the Investment Manager.

Where applicable and unless otherwise obligated, to the extent the Investment Manager, General Partner or VC General Partner (as defined herein) in its sole discretion, determines that the Partnership, the Funds, and/or the VC Partnership have received their full allocation of a particular investment or that a particular investment is not an appropriate investment for the existing partners (with regard to the Partnership or the VC Partnership) and/or shareholders (with regard to the Funds), the Investment Manager may allocate such investment or designate such investment as a Co-Investment (as discussed in Item 5 with regard to the Cayman Island exempted company or as may be applicable to the VC Partnership). For the sake of clarification, the Investment Manager may find that an investment opportunity is inappropriate for the Partnership as a Designated Investment, the Funds as a Designated Investment (including that Cayman Island exempted company organized to hold such Co-Investments) and/or the VC Partnership (where applicable), but may still be acceptable as a Co-Investment in such Cayman Islands vehicle. Co-Investment opportunities may be offered to any persons selected by the Investment Manager, General Partner and/or the VC General Partner (including the principals, employees or affiliates of the Investment Manager), whether or not such persons are investors in the Pooled Investment Vehicles and/or the VC Partnership at the time of such allocation. As a result, the Investment Manager (and its principals, affiliates and employees) may have conflicts of interest in allocating such investments as Co-Investments with regard to the Cayman Island exempted company and/or the VC Partnership.

In addition, purchase and sale transactions (including swaps) may be effected between the Pooled Investment Vehicles and the Other Clients subject to the following guidelines: (i) such transactions shall be effected for cash consideration at the current market price of the particular securities, and (ii) no extraordinary brokerage commission fee (except for customary transfer fees or commissions) or other remuneration shall be paid in connection with any such transaction.

While Morgan Stanley Fund Services (the, “Administrator”) typically will calculate the value of the Pooled Investment Vehicles portfolio(s) based on pricing information from independent sources such as pricing services and brokers, including the prime broker, it may also rely on information furnished by the Investment Manager or the General Partner. Because the Investment Manager and/or the General Partner is paid an Incentive Allocation based on a percentage of the net profits of each limited partner’s or shareholder’s capital account (which includes unrealized gains on the Pooled Investment Vehicles securities) the Investment Manager’s or General Partner’s involvement regarding valuation may present a potential conflict of interest.

The Managing Member and/or certain employees of the Investment Manager may also serve as a Director to one or more of the Funds. The fiduciary duty of a Director may compete with or be different from the interests of the Investment Manager. As such, the Directors may have conflicts of interest, where applicable, in relation to their duties to the Funds.

As a result of the foregoing, the General Partner and the Investment Manager (and its principals or affiliates) may have conflicts of interest in allocating their time and activity between each of the Pooled Investment Vehicles and the Other Clients, in allocating investments among the Pooled Investment

Vehicles and the Other Clients and in effecting transactions between the Pooled Investment Vehicles and the Other Clients, including ones in which the General Partner and the Investment Manager (and its principals or affiliates) may have a greater financial interest.

The General Partner and the Investment Manager (and its principals or affiliates) will use its best efforts in connection with the purposes and objectives of the Pooled Investment Vehicles and will devote so much of its time and effort to the affairs of the Pooled Investment Vehicles as may, in its judgment, be necessary to accomplish the purposes of the Pooled Investment Vehicles. The Partnership Agreement and/or Investment Management Agreement specifically provides that the General Partner and the Investment Manager (and its principals and affiliates) may conduct any other business including any business within the securities industry whether or not such business is in competition with the Pooled Investment Vehicles. Without limiting the generality of the foregoing, the General Partner and the Investment Manager (and its principals or affiliates) may act as investment adviser or investment manager for others, may manage funds or capital for others, may have, make and maintain investments in its own name or through other entities and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, partnerships, securities firms or advisory firms. The Partnership Agreement and/or Investment Management Agreement also recognizes that it may not always be possible or consistent with the investment objectives of the various persons or entities described above and of the Pooled Investment Vehicles for the same investment positions to be taken or liquidated at the same time or at the same price.

Investment/Certain Risk. The Partnership and/or Funds may be deemed to be a speculative investment and is not intended as a complete investment program. Investment in the Partnership and/or Funds is suitable only for persons who can bear the economic risk of the loss of their investment, who have limited need for liquidity in their investment and who meet the conditions set forth in each of the Partnership and/or Funds offering circular and/or memorandum and the associated subscription agreement(s). There can be no assurances that the Partnership and/or Funds will achieve its investment objective. Investment in the Partnership and/or Funds involves significant risks and while the following summary of certain of these risks should be carefully evaluated before making an investment in the Partnership and/or Funds, the following does not intend to describe all possible risks of such an investment:

Market Risks. The profitability of a significant portion of the Partnership and/or Funds investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Investment Manager will be able to predict accurately these price movements. Although the Investment Manager may attempt to mitigate market risk through the use of long and short positions or other methods, there may be a significant degree of market risk.

Non-Diversification. The Partnership and/or Funds portfolio(s) are invested primarily in equities and equity-related securities, with an emphasis on healthcare companies. Further, the Partnership and/or Funds portfolio(s) may not be widely diversified among a wide range of issuers, geographic areas, capitalizations or types of securities. Accordingly, the investment portfolio of the Partnership and/or Funds may be subject to more rapid change in value than would be the case if the Partnership and/or Funds were required to maintain a wide diversification among issuers, industries, geographic areas, capitalizations or types of securities.

Investing in Healthcare Companies. Investing in securities and other instruments of healthcare companies involves substantial risks. Such risks include, but are not limited to, the following: change in government policies, including policies regarding reimbursement of medical expenses; certain companies in which the Partnership and/or Funds may invest may have limited or no operating histories, or may have limited products, markets and financial resources; rapidly changing technologies may cause products to quickly become obsolete; unanticipated problems often arise in connection with the development of new products, and many such efforts are ultimately unsuccessful; scarcity of management and marketing personnel with appropriate technological or medical training may slow or impede companies' growth; the possibility of lawsuits related to technological and medical patents could cause delays and expense in product development and implementation, regulatory changes and/or government actions may prevent a

company from marketing; changing investors' sentiments and preferences with regard to investments in healthcare companies (which are generally perceived as risky) may have an adverse effect on the price of underlying securities; volatility in the global stock markets affecting the prices of healthcare company securities may cause the Partnership and/or Funds to experience substantial volatility; and certain healthcare companies may be subject to extensive government regulation. In addition, many healthcare companies may have substantial and ongoing capital needs for research and development, clinical trials and marketing and may have difficulty obtaining such funding under various market conditions or even under normal market conditions or such capital may be obtained on terms that are not favorable to existing equity holders. Also, obtaining government approval for new products from governmental agencies can be lengthy, expensive and uncertain, and withdrawal or curtailment of government support could have an adverse impact on the profitability or market price of healthcare companies. Furthermore, delays in generating products (as well as more general ongoing capital requirements) may result in the need for companies to seek additional capital, potentially diluting the interest of existing investors, such as the Partnership and/or Funds.

Short Sales. Short selling, or the sale of securities not owned by the Partnership and/or Funds, necessarily involves certain additional risks. Such transactions expose the Partnership and/or Funds to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Partnership and/or Funds in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Partnership and/or Funds might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Leverage. The Partnership and/or Funds may leverage its capital because the Investment Manager believes that the use of leverage may enable the Partnership and/or Funds to achieve a higher rate of return. Accordingly, the Partnership and/or Funds may pledge its securities to the lender in order to borrow additional funds for investment purposes. The Partnership and/or Funds may also leverage its investment return with options, short sales, swaps, forwards and other derivative instruments. The amount of borrowing which the Partnership and/or Funds may have outstanding at any time may be substantial in relation to its capital.

While leverage presents opportunities for increasing the Partnership's and/or Funds' total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by the Partnership and/or Funds would be magnified to the extent the Partnership and/or Funds are leveraged. The cumulative effect of the use of leverage by the Partnership and/or Funds in a market that moves adversely to the Partnership's or Funds' investments could result in a substantial loss to the Partnership and/or Funds which would be greater than if the Partnership and/or Funds were not leveraged.

In general, the anticipated use of short-term margin borrowings results in certain additional risks to the Partnership and the Funds. For example, should the securities pledged to brokers to secure the Partnership's or Funds' margin accounts decline in value, the Partnership and Funds could be subject to a "margin call," pursuant to which the Partnership and/or Funds must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Partnership or Funds, assets, the Partnership and/or Funds might not be able to liquidate assets quickly enough to satisfy its margin requirements.

In an unsettled credit environment, the Investment Manager may find it difficult or impossible to obtain leverage for the Partnership and/or Funds. In such event, the Partnership and/or Funds could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Investment Manager being forced to unwind positions quickly and at prices below what the Manager deems to be fair value for the positions.

Non-U.S. Securities. Investing in securities of non-U.S. governments and companies which are generally denominated in non-U.S. currencies, and utilization of currency forward contracts and options on currencies involve certain considerations comprising both risks and opportunities not typically associated with investing in securities of United States issuers. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of non-U.S. taxes, less liquid markets and less available information than are generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Currency Risks. In general, the Partnership's and/or Funds' investments that are denominated in currencies other than the U.S. dollar are subject to the risk that the value of the particular currency will change in relation to the U.S. dollar. As a result, the Partnership and/or Funds could realize a net loss on an investment, even if there was a gain on the underlying investment before currency losses were taken into account. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. Further, investments in Euro Class Shares of the Funds, where applicable, are subject to the risk of change in value of the Euro in relation to the U.S. dollar. The Investment Manager may seek to hedge these risks by investing in currencies and options thereon, forward currency exchange contracts or similar instruments, or any combination thereof, but there can be no assurance that such strategies will be implemented, or, if implemented, will be effective. In addition, because the Partnership and/or Funds may have some investments that are denominated in currencies other than the U.S. dollar, the Euro Class shares, where applicable, will bear their pro rata share of expenses of hedging such investments back to the U.S. dollar even though the Euro Class Shares, where applicable, may not benefit significantly from such hedges since they are denominated in Euros. Further, because the Partnership and/or Funds may have some investments denominated in currencies other than the U.S. dollar and may not always hedge such exposure back to the U.S. dollar, the Euro Class Shares, where applicable, will indirectly be exposed to the currency risk of such currencies to the U.S. dollar.

Small Cap Stocks. The Partnership and/or Funds may invest a portion of their assets in stocks of companies with small-to medium-sized market capitalizations. While the Investment Manager believes these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger, better known companies.

Investments in Undervalued Securities. One of the primary objectives of the Partnership and/or Funds is to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Partnership's and/or Funds' investments may not adequately compensate for the business and financial risks assumed. Further, there are no assurances that the securities purchased will in fact be undervalued or that undervalued securities will ever cease to be undervalued. The Partnership and/or Funds may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of the Partnership's and/or Funds' capital would be committed to the securities purchased, thus possibly preventing the Partnership and/or Funds from investing in other opportunities. In addition, the Partnership and/or Funds may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

Distressed Securities. The Partnership and/or Funds may invest in "distressed" securities, claims and obligations of domestic and foreign entities which are experiencing significant financial or business difficulties. Investments may include loans, commercial paper, loan participations, trade claims held by trade or other creditors, stocks, partnership interests and similar financial instruments, executory contracts

and options or participations therein not publicly traded. Distressed securities may result in significant returns to the Partnership and/or Funds, but also involve a substantial degree of risk. The Partnership and/or Funds may lose a substantial portion or all of their investment in a distressed environment or may be required to accept cash or securities with a value less than the Partnership and/or the Funds investment. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of such instruments are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such instruments may be greater than normally expected. In trading distressed securities, litigation is sometimes required. Such litigation can be time-consuming and expensive, and can frequently lead to unpredicted delays or losses.

Special Situations. The Partnership and/or Funds may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies or sovereign debt involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Partnership and/or Funds of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Partnership and/or Funds may be required to sell their investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Partnership and/or Funds may invest, there is a potential risk of loss by the Partnership and/or Funds of its entire investment in such companies.

Lack of Liquidity of Fund Assets. Partnership and/or Funds assets may, at any given time, include securities and other financial instruments or obligations which are restricted as to sale or which are very thinly traded. The sale of any such investments may be possible only at substantial discounts. Finally, if a substantial number of limited partners and/or shareholders were to redeem their interests/shares and the Partnership and/or Fund did not have a sufficient amount of cash or liquid securities, the Partnership and/or Funds might have to meet such withdrawal/redemption requests through distributions of illiquid securities. See "Limited Withdrawal/Redemptions and Transfer Rights: In Kind Distributions" below.

Convertible Securities. Convertible securities are securities that may be exchanged or converted into a predetermined number of the issuer's underlying shares or the shares of another company or that are indexed to an unmanaged market index at the option of the holder during a specified time period. Convertible securities may take the form of convertible preferred stock, convertible bonds or debentures, stock purchase warrants, zero-coupon bonds or liquid-yield option notes, stock index notes, mandatories, or a combination of the features of these securities. Prior to conversion, convertible securities have the same general characteristics as non-convertible debt securities. As with all debt securities, the market value of convertible securities tends to decline as interest rates increase and conversely, increases as interest rates decline. Convertible securities, however, also appreciate when the underlying common stock appreciates, and conversely, depreciate when the underlying common stock depreciates.

Counterparty Risk. To the extent the Partnership and/or Funds invest in swaps, derivative or synthetic instruments, or other over-the-counter transactions including forward contracts, or in certain circumstances, non-U.S. securities, the Partnership and/or Funds may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

Custody and Prime Brokerage Risk. There are risks involved in dealing with the custodians or prime brokers who settle the Partnership's and/or Funds' trades. The Partnership and/or Funds maintain custody accounts with its prime brokers and primary custodians (the "Prime Brokers"). Although the Investment Manager monitors the Prime Brokers and believes that they are appropriate custodians, there is no guarantee that the Prime Brokers, or any other custodian that the Partnership and/or Funds may use from time to time, will not become bankrupt or insolvent. While both the U.S. Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of Partnership and/or Funds assets, the Partnership and/or Funds would not incur losses due to the Partnership's and/or Funds' assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

The Partnership, the Funds and/or the Prime Brokers may appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of the Partnership and/or Funds. The Prime Brokers may not be responsible for cash or assets which are held by sub-custodians in certain non-U.S. jurisdictions, nor for any losses suffered by the Partnership and/or Funds as a result of the bankruptcy or insolvency of any sub-custodian. The Partnership and/or Funds may therefore have a potential exposure on the default of any sub-custodian and, as a result, many of the protections that would normally be provided to a fund by a custodian may not be available to the Partnership and/or Funds. Under certain circumstances, including certain transactions where the Partnership's and/or Funds' assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of the Prime Brokers, or where the Partnership's and/or Funds' assets are held at a non-U.S. custodian, the securities and other assets deposited with the custodian or broker may not be clearly identified as being assets of the Partnership and/or Funds and hence the Partnership and/or Funds could be exposed to a credit risk with regard to such parties. Custody services in certain non-U.S. jurisdictions remain undeveloped and, accordingly, there is a transaction and custody risk of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy, insolvency, or mismanagement in certain non-U.S. jurisdictions, the ability of the Partnership and/or Funds to recover assets held by a sub-custodian in the event of the sub-custodian's bankruptcy or insolvency could be in doubt, as the Partnership and/or Funds may be subject to significantly less favorable laws than many of the protections that would be available under U.S. laws. In addition, there may be practical or time problems associated with enforcing the Partnership's and/or Funds' rights to its assets in the case of a bankruptcy or insolvency of any such party. Note, brokerage Practices are further discussed in Item 12.

Commodities and Futures Contracts. Trading in commodities and futures contracts are highly specialized activities that may entail greater than ordinary investment risks. Commodity futures markets (including financial futures) are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin of deposit normally required in commodity futures trading, a high degree of leverage is typical of a commodity futures trading account. Consequently, a relatively small price movement in a commodity futures contract may result in substantial losses to the trader. Commodity futures trading may also be illiquid. Certain commodity exchanges do not permit trading in a particular type of future beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits – which conditions have in the past sometimes lasted for several days in certain contracts – the Partnership and/or Funds could be prevented from promptly liquidating unfavorable positions and thus be subject to substantial losses.

High Growth Industry Related Risks. The Partnership and/or Funds may have investments in the securities of companies in high growth industries (e.g., healthcare). To the extent that the Partnership and/or Funds invest in such securities, it is noted that these securities may be very volatile. In addition, these companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses, have limited ability to protect their rights to certain patents, copyrights, trademarks and other trade secrets, or be otherwise adversely affected by the extremely competitive markets in which many of their competitors operate.

Interests/Shares Subject to Liabilities of Other Classes. Although the assets and liabilities of each of the Partnership's and/or Funds' tranches or classes of common shares that have been or may, in the future, be created may, in effect, be segregated into a separate tranche or sub-fund, investors should be aware of the special risk that the assets of any tranche or class may be applied to meet any claims by creditors of the Partnership and/or Funds in circumstances in which the liabilities of a tranche or class exceed its assets. Thus the assets of a solvent tranche or class may be at risk with respect to and may be used to satisfy the liabilities of an insolvent tranche or class.

Non-Disclosure of Positions. In an effort to protect the confidentiality of its positions, the Partnership and/or Funds may not disclose all of its positions to limited partners and/or shareholders on an ongoing basis, although the Partnership and/or Funds, in its sole discretion, may permit such disclosure on a select basis to certain limited partners/shareholders if the Partnership and/or Funds determine that there are sufficient confidentiality agreements and procedures in place.

Limited Withdrawal/Redemption and Transfer Rights; In Kind Distributions. Limited partners and shareholders are subject to significant restrictions on withdrawals/redemptions and transfers. Furthermore, a limited partner and/or shareholder may not redeem assets in Designated Capital accounts, assets in Class C Common Shares or assets in Class D Common Shares until the particular Designated Investment/Co-Investment underlying such Designated Capital account, Class C Common Share or Class D Common Share is sold or otherwise liquidated. Accordingly, purchasing partnership interests or shares in the Partnership and/or Funds is a relatively illiquid investment. In addition, if a substantial number of limited partners and/or shareholders were to make withdrawals/redemptions and the Partnership and/or Funds did not have a sufficient amount of cash or liquid securities, the Partnership and/or Funds might have to meet such withdrawals/redemptions through distributions of illiquid securities (either directly or through a liquidating account mechanism). Further, the transfers of interests/shares will be permitted only with the written consent of the Partnership and/or Funds. As a result, the interests/shares should only be acquired by limited partners and/or shareholders willing and able to commit their assets for an appreciable period of time.

Valuation. The Partnership's and/or Funds' assets may be invested in privately placed securities of publicly traded or private companies or in securities which are illiquid or very thinly traded and the Partnership and/or Fund may determine not to treat such investments as Designated Investments. It is noted that these investments may be extremely difficult to value accurately. In light of the foregoing, there is a risk that a limited partners and/or shareholder who redeems all or part of his investment while the Partnership and/or Funds hold such private, illiquid or thinly traded investments will be paid an amount less than he would otherwise be paid if the actual value of such private investments is higher than the value designated by the Partnership and/or Funds. Similarly, there is a risk that such limited partner/shareholder might, in effect, be overpaid if the actual value of the private, illiquid or thinly traded investment is lower than the value designated by the Partnership and/or Funds. In addition, there is a risk that an investment in the Partnership and/or Funds by a new limited partner or shareholder (or an additional investment by an existing limited partner or shareholder) could dilute the value of such private, illiquid or thinly-traded investments.

Because of overall size or concentration in particular markets of positions held by the Partnership and/or Funds, the value at which its investments can be liquidated may differ, sometimes significantly,

from the interim valuations arrived at using the methodology described herein. In addition, the timing of liquidations may also affect the values obtained on liquidation. Third party pricing information may not be available for certain positions held by the Partnership and/or Funds. Securities to be held by the Partnership and/or Funds may trade with bid-ask spreads that may be significant.

The Partnership and/or Funds are entitled to rely, without independent investigation, upon pricing information and valuations furnished by third parties, including pricing services.

Incentive Allocation/Fee. The payment of the Incentive Allocation/Fee to the General Partner and/or Investment Manager, as noted in Item 6 above, may create an incentive for the General Partner and/or Investment Manager to cause the Partnership and/or Funds to make investments that are riskier or more speculative than would be the case if the Incentive Allocation/Fee were not made. Since the Incentive Allocation/Fee is calculated on a basis which includes unrealized appreciation of the Partnership's and/or Funds' assets, such fee may be greater than if it were based solely on realized gains. In addition, upon complete withdrawal/redemption from the Partnership and/or Funds by a limited partner or shareholder at a time when he holds that Class of Common Shares that represents Designated Investment(s), the Incentive Allocation/Fee to the General Partner and/or Investment Manager will be made with respect to the redeeming limited partner/shareholder on each date that a Designated Investment is sold. In this situation, if a Designated Investment is sold at a loss, the loss will be carried forward to reduce the Incentive Allocation/Fee with respect to any Designated Investments which are sold after such loss but the loss will not be carried back against any prior Incentive Allocation/Fee (i.e., generally, there is no so-called "claw back" provision).

Additional information with regard to Performance-Based Compensation (i.e., the Incentive Allocation or Incentive Fee), where applicable, can be found in the offering documentation associated with each of the Pooled Investment Vehicles. This offering documentation contains a complete description of each of the Pooled Investment Vehicles Performance- Based Fees (i.e., the Incentive Allocation and Incentive Fee).

Side Letters/Other. The Partnership and/or Funds have in limited circumstances entered into and may, in the future, enter into agreements ("Side Letters") with certain prospective or existing limited partners/shareholders whereby such limited partners/shareholders may be subject to terms and conditions that are more advantageous than those set forth in the applicable offering circular and/or memorandum. For example, such terms and conditions may provide for special rights to make future investments in the Partnership and/or Funds, other investment vehicles or managed accounts, as appropriate; special withdrawal/redemption rights, relating to frequency, notice, a reduction or rebate in fees or withdrawal/redemption penalties to be paid by the limited partner/shareholder and/or other terms; rights to receive reports from the Partnership and/or Funds on a more frequent basis or that include information not provided to other limited partners/shareholders (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the Partnership and/or Funds and such limited partners/shareholders. The modifications are solely at the discretion of the Partnership and/or Funds and may, among other things, be based on the size of the limited partner's and/or shareholder's investment in the Partnership and/or Funds or affiliated investment entity, an agreement by a limited partner/shareholder to maintain such investment in the Partnership and/or Funds for a significant period of time, or other similar commitment by a limited partner/shareholder to the Partnership and/or Funds.

No Separate Counsel; No Responsibility or Independent Verification. Seward & Kissel LLP acts as United States counsel to the General Partner, Investment Manager, Partnership and Funds (collectively, the "Parties"). Appleby acts as Cayman Islands counsel to the Funds. The Partnership and/or Funds do not have United States counsel separate and independent from counsel to the General Partner and/or Investment Manager. Neither Seward & Kissel LLP nor Appleby represent investors in the Partnership and/or Funds, and no independent counsel has been retained to represent investors in the Partnership and/or Funds. Neither Seward & Kissel LLP nor Appleby are responsible for any acts or omissions of the Parties (including their compliance with any guidelines, policies, restrictions or applicable law, or the selection, suitability or advisability of their investment activities) or any administrator,

accountant, custodian/prime broker or other service provider to the Parties. This Memorandum was prepared based on information furnished by the General Partner and/or Investment Manager and neither Seward & Kissel LLP nor Appleby has independently verified such information.

Business and Regulatory Risks of Hedge Funds. Legal, tax and regulatory changes could occur during the term of the Partnership and/or Funds that may adversely affect the Partnership and/or Funds. The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held by the Partnership and/or Funds and the ability of the Partnership and/or Funds to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivative transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. The effect of any future regulatory change on the Partnership and/or Funds could be substantial and adverse including, for example, increased compliance costs, the prohibition of certain types of trading and/or the inhibition of the Partnership's and/or Funds' ability to pursue certain of its investment strategies as described herein.

Accounting for Uncertainty in Income Taxes. The Financial Accounting Standards Board has released Accounting Standards Codification Topic 740 ("ASC 740") (formerly known as "FIN 48") to provide consistent guidance on the recognition of uncertain tax positions. ASC 740 prescribes, among other things, the minimum recognition threshold that a tax position is required to meet before being recognized in an entity's financial statements. Prospective shareholders should be aware that, among other things, ASC 740 could have a material adverse effect on the periodic calculations of the net asset value of the Fund, including reducing the net asset value of the Fund to reflect reserves for income taxes that may be payable in respect of prior periods by the Fund. This could adversely affect certain shareholders, depending upon the timing of their purchase and redemption of Common Shares.

Additional information with regard to the Methods of Analysis, Investment Strategies and Risk of Loss, amongst other items, can be found in the offering documentation associated with each of the Pooled Investment Vehicles. Offering documents contain a complete description and information of the Methods of Analysis, Investment Strategies and Risk of Loss utilized/posed by each of the Pooled Investment Vehicles.

Item 9 – Disciplinary Information

There have been no legal or disciplinary events that would be material to a client's evaluation of Redmile or the integrity of Redmile's management.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Redmile nor any of Redmile's management persons are registered, or have an application pending to register as:

- a) a broker-dealer or a registered representative of a broker-dealer; or
- b) a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entity.

Given the relationship between the Investment Manager and the General Partner, it is likely that the General Partner is deemed to be a related person or affiliate of the Investment Manager. As such, the Investment Manager may recommend to clients the purchase or sale of securities which includes an investment in the Partnership. Notwithstanding any conflicts, the Investment Manager will allocate transactions and opportunities among the various accounts it manages in a manner it believes to be as equitable as possible, considering suitability and each account's objectives, programs, limitations and

capital available for investments, but even accounts with similar objectives will often have different investment portfolios.

Neither Redmile nor the General Partner recommend or select other investment advisers for its clients for compensation.

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

Redmile has adopted a Code of Ethics (“Code”) that describes the standards of business conduct that it requires of employees (and any other(s) subject to the Code) and accounts owned predominantly by persons associated with Redmile and establishes procedures intended to prevent Redmile and its personnel and certain of their relatives, from inappropriately benefiting from Redmile’s relationships with its clients. The Code is based on a few basic principles that should pervade all investment-related activities of all Employees, personal as well as professional: (i) the interests of Redmile’s clients come before Redmile’s interests or any Employee’s interests; and (ii) each Employee’s professional activities and personal investment activities must be consistent with this Code and avoid any actual or potential conflict between the interests of clients and those of Redmile or the Employee.

Furthermore, as a matter of general policy, including provisions outlined in the Code and the Redmile Policies and Procedures Manual, in addition to the terms of each Employee’s employment, the following types of activities are strictly prohibited:

- Using any device, scheme or artifice to defraud, or engaging in any act, practice, or course of conduct that operates or would operate as a fraud or deceit upon, any client or prospective client or any party to any securities transaction in which Redmile or any of its clients is a participant;
- Making any untrue statement of a material fact or omitting to state to any person a material fact necessary in order to make the statements Redmile has made to such person, in light of the circumstances under which they are made, not misleading;
- Engaging in any act, practice, or course of business that is fraudulent, deceptive, or manipulative, particularly with respect to a client or prospective client; and
- Causing Redmile, acting as principal for its own account or for any account in which Redmile or any person associated with Redmile, to make an investment in violation of any applicable law, rule or regulation of a governmental agency.

The Code generally prohibits employees from trading in any securities held by client accounts and requires employees to report personal securities holdings on an annual basis. In addition, Redmile monitors all employees’ securities transactions: employees must arrange for duplicate copies of their brokerage statements and trade confirmations to be sent to the Chief Compliance Officer (or his or her designee). The Code includes procedures for and restrictions (including a restriction with regard to purchase and/or sale of securities in the healthcare sector) on employee trading intended to prevent employees from benefiting from, or appearing to benefit from, any price movement that may be caused by client transactions or Redmile’s recommendations regarding securities. Among other things, these include requirements that employees make a written request for and receive clearance from Redmile’s Chief Compliance Officer (or his or her designee) before they buy or sell any security (other than certain government securities, shares of mutual funds not managed by Redmile, and certain other types of securities that Redmile does not believe create a potential for conflicts of interest). Pre-cleared transactions must be completed within a reasonable time frame. The Code also contains restrictions on and procedures to prevent inappropriate trading while Redmile is in possession of material nonpublic information.

Redmile will provide a copy of its Code of Ethics to any client, limited partner or shareholder and/or prospective client, limited partner or shareholder upon request. Such a request may be made by submitting a written request to Redmile at the address on the cover page to this brochure.

With the exception of the General Partner, Redmile does not recommend to clients, or buy or sell for client accounts, securities in which it or a related person has a material financial interest. As stated above, the General Partner may be considered an affiliate of related person of the Investment Manager.

Item 12 – Brokerage Practices

Brokerage Selection (Generally). The Investment Manager is authorized to determine the broker or dealer to be used for each securities transaction for managed portfolios. In selecting brokers or dealers to execute transactions, the Investment Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Investment Manager's practice to negotiate "execution only" commission rates, thus the clients may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate. These services may include, among other things, research services, economic and market information, portfolio strategy advice, industry and company comments, technical data, recommendations, research conferences, general reports, consultations, performance measuring dates, on-line pricing, special execution capabilities, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, willingness to commit capital, knowledge of other buyers and sellers, order of call, offering to Redmile on-line access to computerized data regarding Redmile account(s), clearance, settlement, reputation, financial strength and stability, efficiency or execution and error resolution, the availability of stocks to borrow for short trades, confidentiality, custody, recordkeeping and similar services, and other matters involved in the receipt of brokerage services generally.

Research and Other Soft Dollar Benefits. As noted above, Redmile may cause a client to pay a brokerage commission in excess of that which another broker might charge for effecting the same transaction in recognition of the value of the brokerage, research and other services and soft dollar relationships. Although Redmile believes that clients benefit from many of the services obtained with soft dollars generated by client trades, client do not benefit exclusively. Redmile, its affiliates and other client accounts also derive direct or indirect benefits from some or all of these services, particularly to the extent that Redmile uses "soft" or commission dollars to pay expenses that Redmile would otherwise be require to pay or produce itself.

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits an investment manager to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Except for services that would be a client expense or as otherwise described below, the Investment Manager will limit the use of "soft dollars" to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an Investment Manager and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations. The use of commissions arising from clients' investment transactions for services other than research and brokerage will be limited to services that would otherwise be a client expense. The use of commissions to obtain such other services would be outside the parameters of Section 28(e).

In some instances, the Investment Manager may receive a product or service that may be used only partially for functions within Section 28(e) (e.g. an order management system, trade analytical software or proxy services). In such instances, the Investment Manager will make a good faith effort to determine the relative proportion of the product or service used to assist the Investment Manager in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting the Investment Manager in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Investment Manager from its own resources unless it is attributable to items that would otherwise be a client expense in which case it will either be paid by the client or be paid through brokerage commissions generated by the client's transactions.

Research and brokerage services obtained by the use of commissions arising from clients' portfolio transactions may be used by the Investment Manager in its other investment activities and thus, the client may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

Although the Investment Manager will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commission rates are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable. The receipt of such products or services and the determination of the appropriate allocation in the case of "mixed use" products or services creates a potential conflict of interest between the Investment Manager and its clients.

In selecting brokers and negotiating commission rates, the Investment Manager will take into account the financial stability and reputation of brokerage firms, and the research, brokerage or other services provided by such brokers. The Investment Manager may place transactions with a broker or dealer that (i) provides the Investment Manager (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to the Partnership or the Funds or other products advised by the Investment Manager (or an affiliate), if otherwise consistent with seeking best execution; provided the Investment Manager is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of investors.

The Investment Manager may employ one or more firms to provide various trading services and support to the Investment Manager, including the direct execution of trades and the direction and allocation of orders (such firms, the "Assisting Brokers"). Expenses related to such Assisting Brokers will be borne by the Pooled Investment Vehicles.

When appropriate, the Investment Manager may, but is not required to, aggregate client orders to achieve more efficient execution or to provide for equitable treatment among accounts. Clients participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

Prime Brokerage Practices. Client accounts are established at prime brokers. Redmile may replace a client's prime broker or appoint an additional prime broker and custodian at any time. The services that Redmile and its clients receive from its clients' prime brokers may include custody, margin financing, clearing, settlement, stock borrowing, office space, and select technology services. Redmile may receive additional services from other brokers, including technology services, capital introduction services, portfolio reporting and access to electronic communications networks. Redmile will use a substantial portion of these services for research and trading on behalf of client accounts, but some may be used for administrative purposes, which would not be within the safe harbor of Section 28(e). Although many prime brokers provide similar services to investment advisers in exchange for brokerage, custody and clearance fees and other charges, if Redmile did not receive these services from its clients' prime brokers, Redmile would be required to pay for all or some portion of them. Redmile is not required to direct a particular

number of trades to a prime broker or to continue to use any prime broker as a client's custodian, but it has an incentive to do so based on its prior and continued services.

The Partnership and the Funds may maintain accounts at Morgan Stanley & Co., Jefferies, and/or J.P. Morgan, their prime broker(s), through which the Partnership and the Funds may execute trades, borrow securities and maintain custody of its securities. Note, the primary prime broker with regard to the Pooled Investment Vehicles is Morgan Stanley.

The Investment Manager reserves the right, in its sole discretion, to change the brokerage and custodial arrangements, described above, without further notice to the limited partners or shareholders.

Brokerage for Client Referrals. Redmile does not direct client transactions to a particular broker-dealer in return for client referrals.

Directed Brokerage. Redmile does not recommend, request, require or permit a client to direct Redmile to execute transactions through a specified broker-dealer.

Aggregation of Securities Transactions. Redmile generally aggregates sale and purchase orders of securities held by multiple clients if, in its judgment, the trade is appropriate for all such client accounts. Redmile implements procedures intended to ensure that no account is favored over any other account in the aggregation process, and that over the course of a buying or selling program, all client accounts receive equitable treatment. In many instances, Redmile purchases or sells securities for clients simultaneously with purchases or sales of like securities for other client accounts. These transactions may be made at slightly different prices, because of the volume of securities purchased or sold. As a result of aggregating trades, however, the price may be less favorable to a particular client than it would be if similar transactions were not being executed concurrently for other accounts.

Principal Transactions. Redmile does not anticipate making use of principal transactions in its regular course of business and the future use of such transactions is unlikely. If utilized, however, Redmile policies and procedures require that the appropriate reviews, approvals and disclosures take place – allowing Redmile to meet its regulatory requirements and maintain proper records with regard to principal transactions.

Cross Transactions. Periodically, Redmile may seek to adjust or rebalance the portfolios of clients by effecting cross trades between or among those accounts (i.e., causing one or more of client accounts to sell securities to one or more other client accounts). In effecting cross trades, Redmile seeks to reduce the transaction costs to its clients of such account adjustments. All cross trades will be consistent with the investment objectives and policies of each client account involved in the trades.

Information provided in this Item 12 may be further discussed in Item 8 of this brochure.

Item 13 – Review of Accounts

Client investment positions are actively monitored and are reviewed regularly, typically daily, but no less frequently than weekly by the Investment Manager.

Redmile, on behalf of each of the Partnership and/or Funds, sends to each limited partner or shareholder an unaudited monthly net asset value statement (i.e. performance update) from the administrator or registrar and transfer agent. In addition, limited partners and shareholders are provided audited financial statements of each of the Partnership and/or Funds.

Item 14 – Client Referrals and Other Compensation

Redmile does not receive any economic benefit from a person who is not a client for providing investment advice or other advisory services to Redmile’s clients. Redmile does not directly or indirectly compensate any person who is not a supervised person for client referrals.

Item 15 – Custody

Generally, Redmile obtains custodial, clearing, settlement and related services on behalf of its clients through what is known as a “prime brokerage” arrangement. See “Item 12 – Brokerage Practices”, and more specifically, that section titled “Prime Brokerage Practices” above. Under that arrangement, a brokerage firm (the “Prime Broker”) maintains custody of each client’s assets (either directly or through its clearing brokerage firm). The Prime Broker is a “qualified custodian” and maintains custody of each client’s funds and securities in a separate account for that client. The Prime Broker sends quarterly, or more frequent, account statements to clients. Limited partners or shareholders in the Partnership and/or Funds managed by Redmile do not receive account statements from the primer broker as these statements are directed to Redmile as the investment manager of the Partnership and/or Funds.

Although Redmile is deemed, under the “custody rule”, to have custody of the funds and securities of the Pooled Investment Vehicles, Redmile is exempt from many of the provisions of such rule as Redmile undertakes to deliver to limited partners/shareholders, within 120 days after the end of the fiscal year of the relevant Pooled Investment Vehicle, financial statements of such fund that are: i) prepared in accordance with U.S. generally accepted accounting principals, and ii) audited by and independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board.

Item 16 – Investment Discretion

As the General Partner and/or Investment Manager of the Partnership and/or Funds, Redmile has broad discretion, without limitation, to determine the:

- securities to be bought or sold for the Partnership and/or Funds account(s);
- amount of securities to be bought or sold for the Partnership and/or Funds account(s);
- broker or dealer to be used for a purchase or sale of securities for the Partnership and or Funds account(s); and
- commission rates to be paid to a broker or dealer for the Partnership and/or Funds securities transaction(s).

Item 17 – Voting Client Securities

The Investment Manager takes seriously its legal and fiduciary obligations concerning proxy voting. The Investment Manager has adopted and implemented policies and procedures that it believes are reasonably designed to ensure that proxies are voted in the best interest of its clients, in accordance with ERISA, its fiduciary duties and SEC Rule 206(4)-6 under the Investment Advisers Act of 1940. In situations where there may be a conflict of interest between the firm’s proxy voting policy and the interests of the client, the firm will cast the vote in accordance with the client’s interests and directions.

Redmile’s authority to vote the proxies of its clients is established in its advisory contracts or comparable documents, and its proxy voting guidelines have been tailored to reflect these specific contractual obligations. In accordance with SEC Rule 206(4)-6 of the Investment Advisers Act of 1940, clients may request information concerning how the Investment Manager voted proxies on their behalf.

The Employee Retirement Income Security Act (ERISA) requires fiduciaries to act “solely in the interest of the participants and beneficiaries of the plan” and “for the exclusive purpose of providing benefits to and defraying reasonable expenses of administering the plan.” While ERISA is silent on proxy voting, the Labor Department has held that the right to vote shares of stock owned by a pension plan is an asset of the plan. Therefore, the fiduciary’s responsibility to manage the assets includes proxy voting.

Item 18 – Financial Information

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about Redmile’s financial condition. Redmile has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

Principal Executive Officers and Management Persons. Jeremy Green is Redmile’s sole owner and managing member. For information about Mr. Green’s formal education and business background, see the *Redmile Brochure Supplement for Jeremy Green* (which will be made available, upon request).

Other Business Activities. Redmile is not actively engaged in any business other than giving investment advice.

Performance-Based Compensation. In addition to the management fees identified in “Item 5 – Fees and Compensation” above, Redmile is compensated for advisory services with performance-based fees as described in “Item 6 – Performance Based Fees and Side-By-Side Management”. Please refer to “Item 6 – Performance-Based Fees and Side-By-Side Management” for a description of how the performance-based allocation/fee is calculated. Performance-based compensation provisions may create an incentive for Redmile to make investments that are riskier or more speculative than would be the case in the absence of performance-based compensation to Redmile based on performance. Notwithstanding this potential incentive, Redmile will evaluate investments in a manner that it considers to be in the best interest of the client, given that client’s investment objectives, investment strategies, suitability of the investment, and the client’s risk profile.

Additional information with regard to Performance-Based Compensation (i.e., the Incentive Allocation or Incentive Fee), where applicable, can be found in the offering documentation associated with each of the Pooled Investment Vehicles. This offering documentation contains a complete description of each of the Pooled Investment Vehicles Performance- Based Fees (i.e., the Incentive Allocation and Incentive Fee).

Additional Disclosure Events. None.

Relationships with Securities Issuers. Redmile is the investment manager and sponsor to the Pooled Investment Vehicles and that entity described in Section 2 of this Part 2A of Form ADV. In addition, Redmile has the following affiliated entities, Redmile Group (GP), LLC, which serves as they General Partner to the Partnership and Redmile Private Investments I (GP), LLC, which serves as the General Partner to the VC Partnership. For complete disclosure information about these relationships, see “Item 10 – Other Financial Industry Activities and Affiliations” in both Section 1 and Section 2 of this Part 2A of From ADV.

Section 2 of this Part 2A of Form ADV

Item 4 – Advisory Business

Description of Advisory Firm. As previously noted, in addition to those entities described in Section 1 of this Part 2A of Form ADV, Redmile generally provides investment management and advisory services to the VC Partnership. Redmile Private Investments 1 (GP), LLC (the "VC General Partner"), a Delaware limited liability company, is the General Partner of the VC Partnership. Services offered by the Investment Manager and/or the VC General Partner, where applicable, are detailed below.

The Investment Manager was formed in March 2007 while the VC General Partner was formed in March 2013; both became operational shortly after formation. The sole managing member of the Investment Manager is Jeremy Green. The Managers of the VC General Partner are Jeremy Green, Gerard van Hamel Platerink, Robert Faulkner, and Michael Lee. Generally, investment recommendations will be made by the Investment Manager. Bryan Crapo is the Chief Operating Officer of the Investment Manager while Josh Garcia serves as the Investment Manager's Chief Financial Officer and Chief Compliance Officer.

Description of Advisory Services. Redmile provides portfolio management and advisory services for the VC Partnership. Redmile manages the VC Partnership in accordance with the investment objective and investment strategy described in the VC Partnership offering documents, which includes a confidential private placement memorandum, limited partnership agreement, subscription agreement and/or subscription questionnaire, etc.

Client Tailored Services and Client Imposed Restrictions. Redmile does not tailor its portfolio management services to the individual needs of limited partners in the VC Partnership.

Wrap Fee Programs. Redmile does not participate in wrap fee programs.

Assets Under Management. As of December 31, 2013, Redmile had client assets under management of approximately \$968m on a discretionary basis.

Item 5 – Fees and Compensation

Management Fee (Generally). The VC Partnership will pay to the VC General Partner or an affiliate designated thereby an annual management fee (the "*Management Fee*") equal to 2.0% of the aggregate capital commitments of the partners, per annum, payable on a semi-annual basis in advance. The Management Fee may be reduced as described under the "VC General Partner Commitment" and under the "Organizational Expenses" as further described in the offering documents of the VC Partnership.

Furthermore, the VC General Partner may enter into a side letter or similar agreement with a Limited Partner of the VC Partnership, without the approval of any other Limited Partner in the VC Partnership, which has the effect of establishing rights under, or altering or supplementing the terms of the VC Partnership's offering documents. Limited Partners of the VC Partnership who are or become investors in one or more prior Redmile investment funds or the VC Partnership and who will have a collective capital commitment of at least \$50 million to the VC Partnership, the affiliates fund and parallel funds and such other prior Redmile investment funds and/or certain investors who jointly have or will have a collective capital commitment of at least \$50 million to the VC Partnership, the affiliates fund and parallel funds and such other prior Redmile investment funds and who are advised by the same investment advisor or by affiliated investment advisors,

may have a reduced carried interest and/or management fee chargeable by the VC Partnership, but only for up to 25% of such Limited Partner's Capital Commitment and only to the extent of the carried interest and/or management fee reduction that such Limited Partner enjoys with respect to such prior Redmile investment fund.

Organizational Expenses. The VC Partnership will bear all expenses associated with the organization of the VC Partnership and offering of the limited partner Interests, including, but not limited to, out-of-pocket costs incurred by or on behalf of the VC General Partner or its affiliates in connection with the marketing, formation, and organization of the VC Partnership and the VC General Partner including legal, accounting, travel, meeting, printing and other fees and expenses incident thereto, up to a maximum of \$500,000 in the aggregate. The Management Fee will be reduced by (i) organizational expenses paid by the VC Partnership in excess of this amount and (ii) any placement fees paid by the VC Partnership with respect to the sale of Limited Partner Interests in the VC Partnership.

Operating Expenses. The VC General Partner, Management Company or an affiliate thereof will be responsible for all of the normal day-to-day overhead expenses of managing the VC General Partner and the Management Company, including wages, salaries, rent, utilities and expenses for administrative, clerical and related support services. In addition, the VC General Partner, Management Company or an affiliate thereof will be responsible for expenses incurred in connection with the research and analysis of industry sectors in which the VC Partnership invests and in identifying potential investment opportunities, except to the extent that legal, accounting or other specialized consulting, advisory or professional services are required that the VC General Partner or such affiliate thereof would not normally be expected to render with its own professional staff.

In addition to the Management Fee, the VC Partnership will be responsible for all other costs and expenses of the VC Partnership that are not reimbursed by third parties, including, but not limited to, all expenses incurred in connection with VC Partnership operations, including legal, custodial, audit, appraisal and accounting fees and expenses, fees and expenses relating to outsourced finance and accounting services, fees and expenses relating to specialized consulting, advisory or professional services, fees and expenses relating to regulatory compliance, meeting expenses, expenses associated with VC Partnership communications with partners, including preparation and distribution of financial statements and annual or other reports to the partners, expenses associated with the preparation and filing of tax returns, any sales or other taxes, fees or government charges which may be assessed against the VC Partnership, investment related travel expenses, expenses incurred in connection with the purchase, holding, sale or proposed sale of any VC Partnership investment (whether or not any such purchase or sale is consummated), interest on and fees and expenses arising out of all permitted borrowing made by the VC Partnership, expenses of members of the Advisory Committee (including travel-related costs and expenses), all expenses relating to litigation and threatened litigation involving the VC Partnership, including indemnification expenses; premiums for insurance to protect the VC Partnership, the VC General Partner, the members of the VC General Partner, the Management Company, the members of the Management Company, the members of the Advisory Committee and any of their respective partners, members, stockholders, managers, managing directors, officers, directors, trustees, employees, consultants, agents or affiliates in connection with the activities of the VC Partnership, liquidation expenses of the VC Partnership, and all other expenses properly chargeable to the activities of the VC Partnership.

Additional information with regard to Management Fee(s)/Expenses can be found in the offering documentation associated with VC Partnership. Offering documents contain a complete description of the VC Partnership Management Fee(s)/Expenses.

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

Generally. Redmile charges an incentive allocation, incentive fee, and/or carried-interest fee where applicable with regard to the VC Partnership. Typically, the incentive allocation, incentive fee or carried-interest fee, specific to the VC Partnership, is dealt with via distribution(s). The amount of such incentive allocation, incentive fee or carried-interest fee handled via distributions with regard to the VC Partnership is generally 20%. Typically, distributions will be handled as follows: i) first, 100% to the partners (in proportion to their capital commitments) until each partner has received cumulative distributions equal to such partner's aggregate capital contributions; and ii) second, a) 80% to the partners (in proportion to their capital commitments) and b) 20% to the VC General Partner.

Furthermore, the VC General Partner may enter into a side letter or similar agreement with a Limited Partner, without the approval of any other Limited Partner, which has the effect of establishing rights under, or altering or supplementing the terms of this Memorandum, the VC Partnership Agreement, or a Subscription Agreement. Limited partners who are or become investors in one or more prior Redmile investment funds or the VC Partnership and who will have a collective capital commitment of at least \$50 million to the VC Partnership, the affiliates fund and parallel funds and such other prior Redmile investment funds and/or certain investors who jointly have or will have a collective capital commitment of at least \$50 million to the VC Partnership, the affiliates fund and parallel funds and such other prior Redmile investment funds and who are advised by the same investment advisor or by affiliated investment advisors, may have a reduced carried interest and/or management fee chargeable by the VC Partnership, but only for up to 25% of such Limited Partner's Capital Commitment and only to the extent of the carried interest and/or management fee reduction that such Limited Partner enjoys with respect to such prior Redmile investment fund.

Additional information with regard to the Incentive Allocation, Incentive Fee, Carried-Interest Fee and/or distribution(s) where applicable, can be found in the offering documentation associated with the VC Partnership. Offering documents contain a complete description of the VC Partnership's Performance-Based Fees, etc. (i.e., the Incentive Allocation, Incentive Fee, Carried-Interest and/or distributions).

Item 7 – Types of Clients

In addition to the VC Partnership, Redmile's clients include the Pooled Investment Vehicles that it sponsors; namely, the Partnership and the Funds mentioned in Section 1 of this Part 2A of Form ADV. Redmile may also serve as the investment manager to separately managed account(s), etc.

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

Investment Objective. The objective of the VC Partnership is to generate significant returns through the long-term capital appreciation of private equity investments made by the VC Partnership. These investments will be structured as equity and equity-related investments principally in health care related businesses with a healthcare focus.

Types of Investments and Risks Inherent in Private Capital Investments. The VC Partnership will seek to achieve its stated objective(s), as described by VC Partnership offering documents, by investing substantially all of its available capital in securities of portfolio companies. The types of investments that the VC Partnership anticipates making involve a high degree of risk. In general, financial and operating risks confronting portfolio companies can be significant. While targeted returns should reflect the perceived level of risk in any investment situation, there can be no assurance that the VC Partnership will be adequately compensated for risks taken. A loss of an investor's entire investment is possible. The timing of profit realization is highly uncertain. Losses are likely to occur early in the VC Partnership's term, while successes often require a long maturation.

Development-stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing which may not be available through institutional private placements or the public markets. The percentage of companies that survive and prosper can be small.

Investments in more mature companies in the expansion or profitable stage involve substantial risks. Such companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire other businesses, or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing, and general management of these activities.

The VC Partnership may invest a substantial portion of its assets in companies with modest capitalization. While the VC General Partner believes that small and medium-sized companies can provide greater growth potential than larger, more mature companies, investing in the securities of such companies also involves greater risk, potential price volatility and cost. Investments in these companies often involve higher risks because the companies lack the management experience, financial resources, product diversification, markets, distribution channels and competitive strengths of larger companies. In addition, in many instances, the frequency and volume of the trading activity in their stock is substantially less than is typical of larger companies. Therefore, the securities of smaller companies may be subject to wider price fluctuations. The spreads between the bid and asked prices of the securities of these companies in the U.S. over-the-counter market typically are larger than the spreads for more actively traded securities. As a result, the VC Partnership could incur a loss if it were to sell such a security a short time after its acquisition. When making a large sale, the VC Partnership may have to sell a portfolio holding at a discount from quoted prices or may have to make a series of small sales over an extended period of time because of the limited trading volume of smaller company securities.

Investment Approach/Strategy, Research Process, Risk Management.

The VC Partnership plans to focus its investing primarily on healthcare companies. The value of the VC Partnership's interests may be susceptible to factors affecting such companies and to a greater risk and market fluctuation than an investment in a fund that invests in a broader range of securities. The specific risks faced by such companies include:

- rapidly changing science and technologies;
- new competing products and improvements in existing products which may quickly render existing products or technologies obsolete;
- exposure, in certain circumstances, to a high degree of government regulation, making these companies susceptible to changes in government policy and failures to secure, or unanticipated delays in securing, regulatory approvals;
- exposure to the outcome of clinical trials;
- scarcity of management, technical, scientific, research and marketing personnel with appropriate training;

- the possibility of lawsuits related to intellectual property rights;
- and rapidly changing investor sentiments and preferences with regard to healthcare sector investments (which are generally perceived as risky).

Legal and Regulatory Risks in Medical Technology Portfolio Companies. Legal and regulatory changes could occur during the term of the VC Partnership that may adversely affect the VC Partnership. The products of portfolio companies and some VC Partnership assets may be subject to extensive and rigorous regulation by United States local, state and federal regulatory authorities and by foreign regulatory bodies. There can be no assurance that products developed by the VC Partnership's portfolio companies will ever be approved by such governmental authorities. Prior to the grant of marketing approvals by the U.S. Food and Drug Administration and corresponding regulatory authorities outside of the U.S., many of the products of portfolio companies may have to undergo extensive investigation and clinical trials to meet stringent safety and efficacy requirements. There have been instances when the discovery of previously unknown problems with a product, manufacturer or facility have resulted in restrictions on the use or the manufacture of such product, including costly recalls or even withdrawal of the product from the market. Such events, whether voluntarily or mandated by a regulatory authority, typically result in an immediate reduction or discontinuation of revenues from the product worldwide. If such an event were to occur, it would likely have a significant and adverse effect on the performance of a particular product or associated royalty interest and could have a material adverse effect on the aggregate performance of the VC Partnership.

Risks Associated with the Healthcare Industry. The healthcare industry is dominated by large multi-national corporations with substantially greater financing and technical resources than generally will be available to the VC Partnership's portfolio companies. Such large corporations may be better able to adapt to the challenges presented by continuing rapid and major scientific, regulatory and technological changes as well as related changes in governmental and third party reimbursement policies. Many of the VC Partnership's portfolio companies will be at least partially dependent for their success upon governmental and third party reimbursement policies that are under constant review and are subject to change at any time. Any such change could adversely affect the viability of one or more portfolio companies. Within the healthcare and medical technology industries, the development of products generally is a costly and time consuming process. Many highly promising products ultimately fail to prove safe and effective. Products under development and pre-clinical testing generally will require extensive clinical testing prior to application for commercial use. There can be no assurance that the research or product development efforts of the VC Partnership's portfolio companies or those of their collaborative partners will be successfully completed, that specific products can be manufactured in adequate quantities at an acceptable cost and with appropriate quality, or that such products can be successfully marketed or achieve customer acceptance. Many of the VC Partnership's portfolio companies will depend heavily upon intellectual property for their competitive position. There can be no assurance that the VC Partnership's portfolio companies will be able to obtain patents for key inventions. Moreover, within the health care industry, patent challenges are frequent. Even if patents held by the VC Partnership's portfolio companies are upheld, any challenges thereto may be costly and distracting to the portfolio companies' management.

Investments in Royalty Interests. The VC Partnership may purchase royalty interests. Royalty interests are generally derived from long-term contractual agreements between licensors and licensees, and there may be provisions in such agreements that restrict the VC Partnership's ability to transfer such royalty interests without the express written consent of the licensors or licensees. Distributions to limited partners of the VC Partnership from royalty interests, if any, will be tied to the revenue levels achieved by the products underlying each royalty interest. Although revenue projections developed by the VC General Partner and the Management Company at the time of the VC Partnership's acquisition may contemplate additional indications and markets than those for which the products underlying the royalty interest are approved at the time of the VC Partnership's acquisition, the time required for these approvals is uncertain and can take a number of years, depending on the type, complexity and novelty of the product. Neither

the VC General Partner nor the Management Company will have any influence or control over the amount and timing of revenues generated by each product. Such revenues typically vary from quarter to quarter. Although the variations are typically gradual and cyclical, in certain cases they could be material and adverse. This could be the result of many different factors including but not limited to adverse market conditions, unanticipated regulatory changes, business disruptions, and other factors that may not be foreseen by the VC General Partner and the Management Company at the time of acquisition. In addition, the commercial success of the products underlying the royalty interest depends in part on the ability of the developing and marketing companies or their collaborative partners to obtain patents and successfully defend issued patents against invalidity claims. The determination of the strength of the patent position involves complex legal and factual questions and, therefore, enforceability of a patent cannot be predicted with certainty.

Investment in Publicly Traded Securities. The VC Partnership may invest in publicly traded securities. Investments in public securities can entail certain risks. For example, the VC Partnership, the VC General Partner and the Management Company may obtain less information and disclosure about a company whose securities are publicly traded than from a privately held company. Further, the market for publicly traded securities is extremely volatile due to economic conditions, political events, and for many other reasons. Such volatility may adversely affect the ability of the VC Partnership to dispose of investments or affect the value of investment securities on the date of sale by the VC Partnership. Furthermore, notwithstanding the existence of a public market for the securities of a particular portfolio company of the VC Partnership, publicly traded securities held by the VC Partnership may be thinly traded or may cease to be traded after the VC Partnership invests in them. Any securities that the VC Partnership holds that are thinly traded may be subject to wider price fluctuations than other companies whose securities are more actively traded, and the spreads between the bid and ask prices of thinly traded securities of these companies may be larger than the spreads for more actively traded securities. There can be no assurance that the VC Partnership's investments in publicly traded securities will be profitable, and there is a material risk that the VC Partnership could incur losses from its investments in publicly traded securities.

Investments in PIPES. The VC Partnership may be involved in private investments in public equities ("*PIPES*") or private financing of public companies. PIPE transactions may involve the sale of equity-like securities of an already public company. In a PIPE transaction, the VC Partnership may bear the price risk from the time of pricing until the time of closing. In addition, the VC Partnership may have to commit to purchase a specified number of shares at a fixed price, with the closing conditioned upon, among other things, the Securities and Exchange Commission's preparedness to declare effective a resale registration statement covering the resale, from time to time, of the shares sold in the private financing.

No Assurance of Returns. There can be no assurance that the limited partners of the VC Partnership will receive distributions from the VC Partnership in an amount equal to their investment in the VC Partnership. The timing of profit realization, if any, is highly uncertain.

Lack of Operating History. The VC Partnership and the VC General Partner are newly formed entities, and, accordingly have no operating history, historical results or investments upon which investors can evaluate the potential performance of the VC Partnership. The prior performance of the Managing Directors or their investments as described in this Memorandum is not necessarily indicative of the VC Partnership's future results. There can be no assurance that investments by the VC Partnership will achieve returns comparable to the historical performance reflected in this Memorandum, and in any event, the returns achieved by the VC Partnership will be subject to the Management Fee and the VC General Partner's carried interest. Any given investment made by the VC Partnership may prove to be worthless, and there is a risk that investors could lose money.

Reliance on the VC General Partner. The VC General Partner will have sole discretion over the investment of the funds committed to the VC Partnership as well as the ultimate realization of any profits. The limited partners of the VC Partnership will not receive the detailed financial

information issued by portfolio companies that will be available to the VC Partnership. Accordingly, the limited partners will not have the opportunity to evaluate the relevant economic, financial and other information that will be utilized by the VC General Partner in its selection of investments. As such, the pool of funds in the VC Partnership represents a blind pool of funds. Investors in the VC Partnership will be relying on the VC General Partner to identify, structure, and implement investments consistent with the VC Partnership's investment objectives and policies and to conduct the business of the VC Partnership as contemplated by this Memorandum. The limited partners will not make decisions with respect to the management, disposition or other realization of any investment made by the VC Partnership, or other decisions regarding the VC Partnership's business and affairs.

Reliance on the Managing Directors. The loss of one or more of the Managing Directors could have a significant adverse impact on the business of the VC Partnership and its financial performance. No assurances can be given that each of the Managing Directors will continue to be affiliated with the VC Partnership throughout its term. Notwithstanding any prior experience that such Managing Directors may have in making investments of the type expected to be made by the VC Partnership, any such experience necessarily was obtained under different market conditions and with different technologies at the forefront of development. There can be no assurance that the Managing Directors will be able to duplicate prior levels of success.

Focused Investment Strategy. The VC Partnership will be focused on investments in healthcare companies and may not enjoy the reduced risks of a broadly diversified portfolio. A specific investment focus is inherently more risky and could cause the VC Partnership's investments to be more susceptible to particular economic, political, regulatory, technological or industry conditions or occurrences compared with a fund, or a portfolio of funds, that is more diversified or has a broader industry focus. A downturn of the economy or in the business of any one company could impact the aggregate returns delivered to limited partners by the VC Partnership.

Difficulty in Valuing Portfolio Investments. Generally, there will be no readily available market for a substantial number of the VC Partnership's investments and hence, most of the VC Partnership's investments will be difficult to value. Despite the efforts of the VC General Partner and the Management Company to acquire sufficient information to monitor certain of the VC Partnership's investments and make well-informed valuation and pricing determinations, the VC General Partner and the Management Company may only be able to obtain limited information at certain times. It is possible that the VC General Partner and the Management Company may not be aware on a timely basis of material adverse changes that have occurred with respect to certain of the VC Partnership's investments. The VC General Partner and the Management Company may have to make valuation determinations without the benefit of an adequate amount of relevant information. Prospective limited partners of the VC Partnership should be aware that as a result of these difficulties, as well as other uncertainties, any valuation made by the VC General Partner and the Management Company may not represent the fair market value of the securities acquired by the VC Partnership.

Competitive Marketplace. The marketplace for private equity investing has become increasingly competitive. Participation by financial intermediaries has increased, substantial amounts of funds have been dedicated to making investments in the private sector and the competition for investment opportunities is at high levels. Some of the VC Partnership's potential competitors may have greater financial and personnel resources than the VC General Partner and the Management Company. There can be no assurances that the VC General Partner and the Management Company will locate an adequate number of attractive investment opportunities and the VC General Partner and the Management Company may not be able to identify and successfully close a sufficient number of high quality investments to utilize all of the VC Partnership's capital. Such competition may adversely impact the length of time required to fully invest the VC Partnership's capital and may adversely impact returns to limited partners in the VC Partnership.

Changing Economic Conditions. The success of the investment strategy of the VC General Partner and the Management Company could be significantly impacted by changing external economic conditions in the United States and global economies. The stability and sustainability of growth in global economies may be impacted by terrorism or acts of war. The availability, unavailability, or hindered operation of external credit markets, equity markets and other economic systems which the VC Partnership may depend upon to achieve its objectives may have a significant negative impact on the VC Partnership's operations and profitability. There can be no assurance that such markets and economic systems will be available or will be available as anticipated or needed for the VC Partnership to operate successfully. Changing economic conditions could potentially adversely impact the valuation of portfolio holdings.

Minority Investments. A significant portion of the VC Partnership's investments may represent minority stakes in privately held companies. In addition, during the process of exiting investments, the VC Partnership is likely to hold minority equity stakes if portfolio holdings are taken public. As is the case with minority holdings in general, such minority stakes that the VC Partnership may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. The VC Partnership may also invest in companies for which the VC Partnership has no right to appoint a director or otherwise exert significant influence. In such cases, the VC Partnership will be reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the VC Partnership is not affiliated and whose interests may conflict with the interests of the VC Partnership.

No Assurance of Additional Capital for Investments. After the VC Partnership has financed a company, continued development and marketing of products may require that additional financing be provided. The VC Partnership expects to invest in companies that have substantial capital needs that are typically funded over several stages of investment. No assurance can be given that such additional financing will be available and no assurance can be made as to the terms upon which such financing may be obtained. Alternatively, the VC Partnership, either directly or through one of its portfolio companies, may elect to sell developed or undeveloped technologies to existing companies. No assurance can be made that buyers for such technologies can be located or that the terms of any such sales will be advantageous.

No Assurance of Investment Opportunities. Although the VC Partnership expects to have significant access to private investment opportunities through the network of relationships of the Managing Directors, there can be no assurance that investment opportunities for the VC Partnership will materialize and that companies select the VC Partnership as an investor. Similarly, the VC Partnership may be unable to identify or consummate investments in public companies that meet its criteria. There can be no assurances that the VC General Partner and the Management Company will locate an adequate number of attractive investment opportunities that meet the VC Partnership's investment objectives.

Nature of Direct Investments. Many of the VC Partnership's investments will be highly illiquid. As such, there will be no public markets for the securities held by the VC Partnership and there can be no assurance that the VC Partnership will be able to realize such investments in a timely manner. In addition, the realization of value for any investments will not be possible or known with any certainty until the VC General Partner and the Management Company elect, in their sole discretion, to sell the VC Partnership's investments and subsequently distribute the proceeds to its limited partners or to distribute securities to limited partners in lieu of cash. Also, since the VC Partnership may only make a limited number of investments and since many of the VC Partnership's investments may involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to the limited partners. *Additionally, it should be noted that past performance of the Managing Directors and their affiliates is not a guarantee of future results.*

Future and Past Performance. The performance of the prior funds is not necessarily indicative of the VC Partnership's future results. While the VC General Partner intends for the VC Partnership to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurance that targeted results will be achieved. Loss of principal is possible on any given investment.

Bridge Financing. The VC Partnership may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in the VC Partnership's control, such long-term securities may not issue and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the VC Partnership.

Leverage. To the extent that any investment is made in a portfolio company with a leveraged capital structure or any portfolio company borrows or enters into other financing transactions requiring periodic payments, such investment will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such company or its industry. If such a company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of any equity investment by the VC Partnership in such company could be significantly reduced or even eliminated.

Limitations on Ability to Exit Investments. The VC General Partner expects to exit from its investments in two principal ways: (i) private sales (including acquisitions of its portfolio companies) and (ii) initial and secondary public offerings. At any particular time, one or both of these avenues may not be open to the VC Partnership, or timing with respect to these exit mechanisms may be inopportune. As such, the ability to exit from and liquidate portfolio holdings may be constrained at any particular time.

Certain Litigation Risks. The VC Partnership will be subject to a variety of litigation risks, particularly if one or more of its portfolio companies face financial or other difficulties during the life of the VC Partnership. Legal disputes, involving any or all of the VC Partnership, the VC General Partner, the Management Company, their members or their affiliates, may arise from the VC Partnership's activities and investments and could have a significant adverse effect on the VC Partnership.

Potential Liabilities. In connection with its investments, the VC Partnership may negotiate the right to appoint one or more of the Managing Directors or other employees or representatives of the Management Company as a member of the portfolio company's board of directors. Such membership on the board of directors of a company can result in the VC Partnership or the individual director being named as a defendant in litigation or other disputes or investigations. The VC Partnership may also participate in portfolio company financings at valuations lower than the valuations in preceding rounds of financing. Disputes arising out of such down-round financings may result in the VC Partnership, the VC General Partner, the Management Company, or their members being named as defendants. Typically, portfolio companies will have insurance to protect directors and officers, but this insurance may be inadequate. The VC Partnership will also indemnify the VC General Partner, the Managing Directors, the Management Company and their respective affiliates, among others, for liabilities incurred in connection with operations of the VC Partnership, including liabilities arising from such disputes. Such indemnification obligations and other liabilities could be substantial. The limited partners of the VC Partnership may also be required to return distributions previously made to them to satisfy the VC Partnership's indemnification obligations. While the VC General Partner and the Management Company intend to manage the VC Partnership in a way that will minimize exposure to these risks, the possibility of successful claims or lawsuits or adverse regulatory action cannot be eliminated, and such events could have significant adverse effects on the VC Partnership.

Contingent Liabilities on Disposition of Investments. In connection with the disposition of an investment in a portfolio company, the VC Partnership may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. To the extent that any such representations are inaccurate, the VC Partnership may be required to indemnify the purchasers of such investment and may be liable to the purchasers for breach of contract. These arrangements may result in the incurrence of contingent liabilities for which the VC General Partner may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires. The partners may also be required to return distributions previously made to them to satisfy the VC Partnership's obligations with respect to the foregoing.

Reserves. As is customary in the industry, the VC General Partner and the Management Company may establish reserves for follow-on investments by the VC Partnership in portfolio companies, operating expenses (including the Management Fee), VC Partnership liabilities, and other matters. Estimating the appropriate amount of such reserves is difficult, especially for follow-on investment opportunities, which are directly tied to the success and capital needs of portfolio companies. Inadequate or excessive reserves could impair the investment returns to the limited partners of the VC Partnership. If reserves are inadequate, the VC Partnership may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or other punitive terms associated with "pay-to-play" or similar provisions. If reserves are excessive, the VC Partnership may decline attractive investment opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts.

Absence of Liquidity and Public Markets. The VC Partnership's investments will generally be private, illiquid holdings. As such, there will be no public markets for the securities held by the VC Partnership and no readily available liquidity mechanism at any particular time for any of the investments held by the VC Partnership. In addition, the realization of value from any investments will not be possible or known with any certainty until the VC General Partner and the Management Company elect, in their sole discretion, to sell the VC Partnership's investments and subsequently distribute the proceeds to its investors or to distribute securities to investors in lieu of cash.

No Market; Illiquidity of Limited Partner Interests. An investment in the VC Partnership will be illiquid and involves a high degree of risk. There is no public market for the Interests in the VC Partnership, and it is not expected that a public market will develop. Consequently, limited partners of the VC Partnership will bear the economic risks of their investment for the term of the VC Partnership. Prospective investors will be required to represent and agree that they are purchasing the Interests for their own account for investment only and not with a view to the resale or distribution thereof.

Certain Limitations on Ability of Limited Partners to Transfer Their Interests in the VC Partnership. The transferability of interests in the VC Partnership will be restricted by the VC Partnership Agreement and by United States federal and state securities laws. In general, limited partners will not be able to sell or transfer their interests in the VC Partnership to third parties without the consent of the VC General Partner.

Legal and Regulatory Risks. The VC Partnership is not and does not expect to be registered as an "investment company" under the United States Investment Company Act of 1940, as amended (the "*Investment Company Act*"), pursuant to an exemption set forth in Sections 3(c)(1) and/or 3(c)(7) of the Investment Company Act. There is no assurance that such exemptions will continue to be available to the VC Partnership. Due to the burdens of compliance with the Investment Company Act, the performance of the VC Partnership's investment portfolio could be materially adversely affected, and risks involved in financing portfolio companies could substantially increase, if the VC Partnership becomes subject to registration under the Investment Company Act. Neither the VC Partnership nor its counsel can assure investors that, under certain

conditions, changed circumstances, or changes in the law, the VC Partnership may not become subject to the Investment Company Act or other burdensome regulation.

Tax Risks. Certain tax risks relating to an investment in the VC Partnership are discussed in the section titled “Certain Tax and Regulatory Matters,” which prospective investors should read carefully. No assurances can be given that current tax laws, rulings and regulations will not be changed during the life of the VC Partnership. In determining whether or not to make an investment in the VC Partnership, each prospective Limited Partner should consider the tax consequences of such an investment. In addition, each prospective Limited Partner is advised to consult its own tax counsel as to the U.S. federal income tax consequences of an investment in the VC Partnership and as to applicable foreign, state and local taxes.

Withholding and Other Taxes. The VC General Partner intends to structure the VC Partnership’s investments in a manner that is intended to achieve the VC Partnership’s investment objectives and, notwithstanding anything contained herein to the contrary, there can be no assurance that the structure of any investment will be tax efficient for any particular investor or that any particular tax result will be achieved. In addition, tax reporting requirements may be imposed on investors under the laws of the jurisdictions in which investors are liable for taxation or in which the VC Partnership makes portfolio investments. Prospective investors should consult their own professional advisors with respect to the tax consequences to them of an investment in the VC Partnership under the laws of the jurisdiction in which they are liable for taxation. Furthermore, the VC Partnership’s returns in respect of its investments may be reduced by withholding or other taxes.

Redmile’s Other Activities. Redmile manages portfolios for multiple clients, and may invest on behalf of a client in transactions without presenting these opportunities to other clients. See “Conflicts of Interest below and that section entitled “Potential Conflicts of Interest” located in Item 8 in Section 1 of this Part 2A of Form ADV for further information.

Conflicts of Interest. This section entitled “Conflicts of Interest” is to be considered alongside that section entitled “Potential Conflicts of Interest” located in Item 8 in Section 1 of this Part 2A of Form ADV as such may be applicable from time to time.

The following discussion enumerates certain potential conflicts of interest that should be carefully evaluated before making an investment in the VC Partnership. The following is not intended as an exhaustive list of the potential conflicts. Instances may arise where the interest of the VC General Partner (or its members), the Management Company and/or their affiliates may potentially or actually conflict with the interests of the VC Partnership and its limited partners. Among others, investors should consider the following conflicts of interest:

- The existence of the VC General Partner’s carried interest may create an incentive for the VC General Partner to make riskier or more speculative investments on behalf of the VC Partnership than it would otherwise make in the absence of such performance-based arrangements.
- Conflicts may arise in the allocation of investment opportunities and the Managing Directors’ time among the VC Partnership and parallel or co-investment entities, on the one hand, and any prior or future investment funds or vehicles or other entities organized in accordance with the VC Partnership Agreement or other fund(s) advised (such as those funds mentioned in Section 1 of this Part 2A of Form ADV) by the Management Company, on the other hand.
- Conflicts may arise where the VC Partnership and parallel or co-investment entities invest in an earlier or future round of financing of a portfolio company owned by a prior or future investment funds or vehicles or other entities organized in accordance with the VC Partnership Agreement or other fund(s) advised by the Management Company, or its

affiliates. In such a circumstance, the VC General Partner may cause the VC Partnership to invest in such portfolio company at a higher valuation or lower valuation than such other investment funds, and may earn lower profit, or realize higher loss, as a result.

- The Management Company (and its principals or affiliates) or the VC General Partner may serve as investment adviser or investment manager to other client accounts (including those mentioned in Section 1 of this Part 2A of Form ADV, separately managed accounts, etc.) and conduct investment activities for its own accounts. Such other entities or accounts may have investment objectives or may implement investment strategies similar to those of the VC Partnership. Redmile Ventures, LLC, for example, is a Delaware limited liability company for which Jeremy Green is the sole Managing Member. Redmile Ventures, LLC only invests in private companies and may invest in companies that are in the VC Partnership's Target Sector.

While certain assurances are provided in the VC Partnership Agreement to address these potential conflicts, certain risks may remain. By acquiring an Interest in the VC Partnership, each Limited Partner will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflicts of interest.

Diverse Investors. Limited partners may have conflicting investment, tax, and other interests with respect to their investments in the VC Partnership. The conflicting interests of individual limited partners of the VC Partnership may relate to or arise from, among other things, the nature of investments made by the VC Partnership, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the VC General Partner and the Management Company with respect to the nature or structuring of investments that may be more beneficial for some limited partners of the VC Partnership than for others, particularly with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the VC Partnership, the VC General Partner and the Management Company will consider the investment and tax objective of the VC Partnership and the partners as a whole, not the investment, tax or other objective of any Limited Partner individually.

Risk of Dilution. Limited partners subscribing for interests at subsequent closings will participate in existing investments of the VC Partnership, diluting the interest of existing limited partners therein. Although such limited partners will contribute their pro rata share of prior capital contributions previously drawn down by the VC Partnership (plus an additional amount thereon), there can be no assurance that such payment will reflect the fair value of the VC Partnership's existing investments at the time such additional limited partners of the VC Partnership subscribe for such interests.

Failure to Make Capital Contributions. If a limited partner of the VC Partnership fails to pay when due installments of its capital commitment to the VC Partnership, and the contributions made by non-defaulting limited partners and borrowings by the VC Partnership are inadequate to cover the defaulted capital contribution, the VC Partnership may be unable to pay its obligations when due. As a result, the VC Partnership may be subjected to significant penalties that could materially and adversely affect the returns to the limited partners of the VC Partnership (including non-defaulting limited partners). If a limited partner of the VC Partnership defaults, it may be subject to various remedies as provided in the VC Partnership Agreement.

Foreign Investments. The VC Partnership may invest in companies that are based outside of the United States or the operations of which are primarily outside of the United States. Any investment in a foreign country involves risks not found in the domestic securities market, including the following: the risk of economic and financial instability in the foreign country, which in some cases may include a collapse in credit markets, stock prices, currencies and/or consumer spending; the risk of adverse social and political developments, including

nationalization, confiscation without fair compensation, political and social instability and war; the risk that the foreign country may impose restrictions on the repatriation of investment income or capital or on the ability of foreign persons to invest in certain types of companies, assets or securities; risks related to the possible lack of availability of sufficient financial information as a result of accounting, auditing, and financial disclosure standards that differ, in some cases significantly, from those in the United States; risks related to foreign laws and legal systems, which are likely to differ from those of the United States, including in particular the laws with respect to the rights of investors which may not be as comprehensive or well developed as those in the United States and the procedures for the judicial or other enforcement of such rights which may not be as effective as in the United States; risks related to the fact that some investments or portfolio company operations may be denominated in foreign currencies and, therefore, will be subject to fluctuations in exchange rates; and risks related to applicable tax laws and regulations and tax treaties, which are likely to vary from country to country and may be less well developed than those in the United States, possibly resulting in retroactive taxation so that the VC Partnership could become subject to an unanticipated local tax liability. The profits or losses of the VC Partnership on any investment, as measured in United States dollars, will be affected by fluctuations in currency exchange rates and exchange control regulations as well as by the success of the investment itself. In addition, the VC Partnership may incur costs in connection with conversions between various currencies. The VC Partnership does not presently intend to seek to reduce currency risks through “hedging” or other methods.

Confidential Information. The VC Partnership Agreement will contain confidentiality provisions intended to protect proprietary and other information relating to the VC Partnership and the VC Partnership’s portfolio companies. To the extent that such information is publicly disclosed, competitors of the VC Partnership and/or competitors of its portfolio companies, and others, may benefit from such information, thereby adversely affecting the VC Partnership, its portfolio companies, the VC General Partner and the economic interests of limited partners of the VC Partnership.

Counsel to the VC Partnership Does Not Represent the Limited Partners. The VC General Partner has retained Cooley LLP in connection with the formation of the VC Partnership and may retain Cooley LLP as legal counsel in connection with the management and operation of the VC Partnership, including, without limitation, the making and holding of investments. Cooley LLP will not represent any Limited Partner or prospective limited partner of the VC Partnership, unless the VC General Partner and such Limited Partner or prospective limited partner otherwise agree and such Limited Partner or prospective limited partner separately engages Cooley LLP, in connection with the formation of the VC Partnership, the offering of the Interests, the management and operation of the VC Partnership or any dispute that may arise between any Limited Partner, on the one hand, and the VC General Partner, the VC Partnership, the Management Company and/or their affiliates on the other hand (the “VC *Partnership Legal Matters*”). Any Limited Partner or prospective limited partner will, if it wishes counsel on any VC Partnership Legal Matter, retain its own independent counsel with respect thereto and will pay all fees and expenses of such independent counsel. Each Limited Partner and prospective limited partner acknowledges that Cooley LLP may represent the VC General Partner and/or the VC Partnership in connection with any and all VC Partnership Legal Matters.

Written Agreements. The VC Partnership, the VC General Partner and the Management Company will be authorized, without the approval of any limited partner of the VC Partnership, to enter into side letters or similar written agreements with limited partners of the VC Partnership that have the effect of establishing rights under, or altering or supplementing the terms of this Memorandum, the VC Partnership Agreement, such limited partner’s Subscription Agreement or other related agreements. The ability of other limited partners of the VC Partnership to elect to receive the benefit of such side agreements will be limited.

The foregoing risks do not purport to be a complete enumeration or explanation of all the risks involved in acquiring an Interest in the VC Partnership. Potential investors are urged to read the entire Memorandum, the Subscription Agreement and the VC Partnership

Agreement and consult their own advisers before making a determination whether to invest in the VC Partnership.

Additional information with regard to the Methods of Analysis, Investment Strategies and Risk of Loss, amongst other items, can be found in the offering documentation associated with the VC Partnership. Offering documents contain a complete description and information of the Methods of Analysis, Investment Strategies and Risk of Loss utilized/posed by the VC Partnership.

Item 9 – Disciplinary Information

There have been no legal or disciplinary events that would be material to a client's evaluation of Redmile or the integrity of Redmile's management.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Redmile nor any of Redmile's management persons are registered, or have an application pending to register as:

- a) a broker-dealer or a registered representative of a broker-dealer; or
- b) a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entity.

Given the relationship between the Investment Manager and the VC General Partner, it is likely that the VC General Partner is deemed to be a related person or affiliate of the Investment Manager. As such, the Investment Manager may recommend to clients the purchase or sale of securities which includes an investment in the VC Partnership. Notwithstanding any conflicts, the Investment Manager will allocate transactions and opportunities among the various accounts it manages in a manner it believes to be as equitable as possible, considering suitability and each account's objectives, programs, limitations and capital available for investments, but even accounts with similar objectives will often have different investment portfolios.

Neither Redmile nor the VC General Partner recommend or select other investment advisers for its clients for compensation.

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

Please see Item 11 in Section 1 of this Part 2A of Form ADV.

Item 12 – Brokerage Practices

Where and when applicable, please see Item 12 in Section 1 of this Part 2A of Form ADV.

Item 13 – Review of Accounts

Client investment positions are actively monitored and are reviewed regularly.

Redmile, on behalf of the VC Partnership, will provide to each limited partner an unaudited quarterly net asset value statement (i.e. performance update) from the administrator or registrar and transfer agent. In addition, limited partners will be provided audited financial statements of the VC Partnership.

Item 14 – Client Referrals and Other Compensation

Redmile does not receive any economic benefit from a person who is not a client for providing investment advice or other advisory services to Redmile's clients. Redmile does not directly or indirectly compensate any person who is not a supervised person for client referrals.

Item 15 – Custody

Similar to Item 15 in Section 1 of this Part 2A of Form ADV (which may provide additional information); generally, Redmile may obtain custodial, clearing, settlement and related services on behalf of its clients through what is known as a prime brokerage and/or custodial arrangements. Under such an arrangement, a brokerage firm, bank, etc. maintains custody of client assets (either directly or through its clearing brokerage firm). Generally, the brokerage firm, bank, etc. is a "qualified custodian" and maintains custody of client funds and securities in a separate account for that client. The qualified custodian sends quarterly, or more frequent, account statements to clients. Typically, limited partners in the VC Partnership managed by Redmile do not receive account statements from the custodian(s) as these statements are directed to Redmile as the investment manager of the VC Partnership.

Although Redmile will be deemed, under the "custody rule", to have custody of the funds and securities of the VC Partnership, Redmile is exempt from many of the provisions of such rule as Redmile undertakes to deliver to limited partners, within 120 days after the end of the fiscal year of the VC Partnership, financial statements of such fund that are: i) prepared in accordance with U.S. generally accepted accounting principles, and ii) audited by and independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board.

Item 16 – Investment Discretion

As the VC General Partner and/or Investment Manager of the VC Partnership, Redmile has broad discretion, without limitation, to determine the:

- securities to be bought or sold for the VC Partnership;
- amount of securities to be bought or sold for the VC Partnership;
- where applicable, broker or dealer to be used for a purchase or sale of securities for the VC Partnership; and
- where applicable, commission rates to be paid to a broker or dealer for the VC Partnership securities transaction(s).

Item 17 – Voting Client Securities

Please see Item 17 in Section 1 of this Part 2A of Form ADV.

Item 18 – Financial Information

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about Redmile's financial condition. Redmile has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

Principal Executive Officers and Management Persons. Jeremy Green is Redmile’s sole owner and managing member. For information about Mr. Green’s formal education and business background, see the *Redmile Brochure Supplement for Jeremy Green* (which will be made available, upon request).

Other Business Activities. Redmile is not actively engaged in any business other than giving investment advice.

Performance-Based Compensation. In addition to the management fees identified in “Item 5 – Fees and Compensation” in this Section 2 of Part 2A of Form ADV provided herein, Redmile is compensated for advisory services with performance-based fees as described in “Item 6 – Performance Based Fees and Side-By-Side Management”. Please refer to “Item 6 – Performance-Based Fees and Side-By-Side Management”, in this Section 2 of Part 2A of Form ADV, for a description of how the performance-based fee (i.e., the carried-interest fee, distribution(s)) is calculated. Carried-interest compensation provisions may create an incentive for Redmile to make investments that are riskier or more speculative than would be the case in the absence of performance-based compensation to Redmile based on performance. Notwithstanding this potential incentive, Redmile will evaluate investments in a manner that it considers to be in the best interest of the client, given that client’s investment objectives, investment strategies, suitability of the investment, and the client’s risk profile.

Additional information with regard to the Incentive Allocation, Incentive Fee, Carried-Interest Fee and/or distribution(s) where applicable, can be found in the offering documentation associated with the VC Partnership. Offering documents contain a complete description of the VC Partnership’s Performance-Based Fees, etc. (i.e., the Incentive Allocation, Incentive Fee, Carried-Interest and/or distributions).

Additional Disclosure Events. None.

Relationships with Securities Issuers. Redmile is the investment manager and sponsor to the VC Partnership and those entities described in Section 1 of this Part 2A of Form ADV. In addition, Redmile has the following affiliated entities, Redmile Group (GP), LLC, which serves as they General Partner to the Partnership and Redmile Private Investments I (GP), LLC, which serves as the General Partner to the VC Partnership. For complete disclosure information about these relationships, see “Item 10 – Other Financial Industry Activities and Affiliations” in both Section 1 and Section 2 of Part 2A of Form ADV.