

PART 2A OF FORM ADV: FIRM BROCHURE



RA CAPITAL MANAGEMENT, LLC

**20 Park Plaza, Suite 1200
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This brochure provides information about the qualifications and business practices of RA Capital Management, LLC (“RA Capital” or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at 617-778-2500. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

RA Capital is registered as an investment adviser with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). SEC registration does not imply a certain level of skill or training.

ITEM 2 – MATERIAL CHANGES

RA Capital is updating Item 9 to reflect an order entered by the Securities and Exchange Commission with respect to Rule 105 of Regulation M (“Rule 105”) of the Securities and Exchange Act of 1934, as amended (“Exchange Act”).

Previously, on March 31, 2014, RA Capital filed our Form ADV, Part 2A, which contained material and other changes from our Form ADV, Part 2A dated March 28, 2013 in the Items listed below. We urge you to read these Items in full. The summary below is a summary solely of the material changes made on March 31, 2014, since the last annual update of our brochure as of March 28, 2013.

- Item 4.** - Revised to discuss individual election by Fund investors to participate in side-pocket investments.
- Item 5.** - Revised to discuss research methodology of RA Capital and the nature of and extent to which research expenses will be charged to Advisory Clients.
- Item 8.** - Revised to provide additional detail with respect to RA Capital’s investment strategy, use of short-term trading techniques, investment limitations, investments in private companies, and use of leverage. Additional risk factors have also been added to support the expanded discussion of the investment strategy.
- Item 10.** - Additional disclosure has been added with respect to expenses related to TechAtlas Group, LLC, an affiliate of RA Capital, the use of research “maps” created by TechAtlas, and the sale of such maps to third parties.
- Item 11.** - Further discussion with respect to research expenses has been included, including explanation that RA Capital does not allocate research expenses paid by Advisory Clients to other beneficiaries of the research, including RA Capital, affiliates and family members of principals and employees of RA Capital, and portfolio companies.

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ITEM 4 – ADVISORY BUSINESS

RA Capital Management, LLC (“RA Capital” or the “Adviser”) provides discretionary investment advisory services to RA Capital Healthcare Fund, L.P. (the “Domestic Fund”) and RA Capital Healthcare International Fund, Ltd (the “Offshore Fund” and with the Domestic Fund, the “Funds”) and a separately managed Account (the “Account” and, together with the Funds, the “Advisory Clients”). RA Capital Management was organized under the laws of the Commonwealth of Massachusetts in 2004. The Funds are open only to certain financially sophisticated and high net-worth individuals and entities, as more fully discussed in Item 7, and are organized in a master-feeder structure (the feeder fund, a “Feeder Fund,” and the master fund, the “Master Fund”).

RA Capital is principally owned by Peter Kolchinsky (the “Portfolio Manager”).

RA Capital focuses its investment advisory services on the healthcare and life sciences industries. The terms and investment objectives and strategies applicable to the Funds are set forth in a confidential memorandum or similar documents provided to Investors prior to the time of an investment. RA Capital has broad and flexible investment authority with respect to the Funds.

RA Capital also provides discretionary investment advisory services to the Account in accordance with the same investment parameters as the Funds.

RA Capital tailors its advice to the objectives of its Advisory Clients. RA Capital does not tailor its advice to the objectives of investors in the Funds (“Fund Investors”).

Fund Investors may elect for their investment in the Funds to participate or not participate in side-pocket investments and may select a maximum percentage of their investment that is eligible for participation in such side-pocket investments should they choose to participate. The Account may impose reasonable restrictions on investments.

When deemed appropriate, RA Capital has established, and may in the future establish, separately managed accounts for particular investors. These Accounts are subject to investment objectives, guidelines, restrictions, fee arrangements and other terms that are individually negotiated. These Account relationships generally involve significant account minimums.

RA Capital has entered (and may in the future enter) into agreements, or “side letters,” with Investors whereby such Investors may be subject to terms and conditions that are more advantageous than those applicable to other Investors. For example, such terms and conditions may provide for lower fees or preferential liquidity, among other rights.

As of June 30, 2014, RA Capital manages approximately \$1,620,527,200 of “Regulatory Assets Under Management” (as defined by the SEC), all on a discretionary basis.

ITEM 5 – FEES AND COMPENSATION

RA Capital generally charges Advisory Clients an asset based investment management fee based on the value of the Advisory Client's assets under management. In addition, Advisory Clients also pay RA Capital a performance-based fee or incentive allocation. These fees/allocation are compensation to RA Capital that is based on a share of capital gains on or capital appreciation of the assets of an Advisory Client. Fund Investors are generally subject to their share of management fees and performance-based fees/allocation indirectly through their investment in a Fund.

Fund Fees

RA Capital is compensated by Fund Investors in the form of management fees ("Management Fees") and performance-based allocations ("Performance Allocation") (which may be made to an affiliate of RA Capital). Management Fees are generally calculated monthly (regardless of a client's profits), and generally equal .1667% per month (2.0% per annum), payable on the first day of each month. Management Fees are prorated for partial months. Performance Allocations generally equal 20% of profits, subject to a customary high-watermark. The calculation of the Performance Allocation is complex and Investors and prospective Investors should carefully review the more detailed terms set forth in offering and governing documents.

Management Fees and Performance Allocations are not negotiable but may be waived or modified in the sole discretion of RA Capital.

RA Capital deducts fees from Fund Investor assets invested in the Funds. Investors do not have the ability to choose to be billed directly for fees incurred. Management fees are generally calculated and paid monthly in advance and performance-based fees and allocations (when applicable) are generally paid annually. Management fees are prorated for partial months, if applicable.

In addition to fees payable to RA Capital, the Funds (and therefore Fund Investors) may pay a variety of expenses, including but not limited to:

- a pro rata share of master fund expenses, if applicable;
- the expenses of the organization of the Fund and all offerings of Interests in the Funds;
- all operating expenses, including interest, taxes, custodial fees, brokerage commissions paid in the course of the purchase or sale of securities, and legal and accounting expenses;
- expenses of research that RA Capital in its discretion deems to be in the interest of Advisory Clients or which benefits the Advisory Clients (i) due to the investments of such Advisory Clients in portfolio companies that directly benefit by such research, (ii) due to the increased knowledge base and access to information such research provides RA Capital and its investment team, or (iii) which benefits such Advisory Clients in any other manner, directly or indirectly, as determined by RA Capital in its discretion; and
- other similar expenses related to the Funds.

RA Capital conducts and uses research broadly as one cannot predict what knowledge will be useful at a critical moment when an investment decision needs to be made and therefore knowledge must be assimilated continuously without necessarily an investment goal in mind. RA Capital considers research to include information that facilitates and informs its investment decisions with respect to assets of the Advisory Clients as well as information that is intended to help a portfolio company of the Advisory Clients to be successful. At its discretion, RA Capital shares the majority of its knowledge, typically with those also engaged in healthcare and life sciences research. RA Capital and its employees believe that 99% of the knowledge within the firm need not be exclusive for RA Capital to maintain a competitive edge, whereas its reputation for deep scientific understanding and constructive collaboration is critical to the firm's ability to serve as a high quality provider of financing to the leading innovative companies in its

fields of interest. RA Capital employs a large team of analysts and other professionals carefully selected for their scientific, clinical, and/or business acumen and intellectual curiosity and encourages them to engage extensively in research, which includes the use of many external proprietary and non-proprietary sources of information. Due to the breadth of its research efforts, RA Capital pursues lines of research that are not directly related to specific portfolio investments and it engages in research that it feels will benefit one or more portfolio companies in which an Advisory Client invests. Notwithstanding the foregoing, RA Capital strongly believes that the Research Expenses (as defined below) incurred by the Advisory Clients, relate to research that benefits to some extent the Advisory Clients directly, or indirectly by expanding RA Capital's knowledge base and access to information and thus allowing it to better evaluate potential investments as well as continue holding or the disposition of a current investment.

Research expenses include, without limitation, reasonable fees and salaries of consultants (some consultants are affiliates of RA Capital and family members of employees or principals of RA Capital), research related travel and related expenses such as food, entertainment and lodging; the commissioning of research and other projects for companies in which Advisory Clients invest (e.g., marketing surveys, assessment and drafting of business plans, and laboratory experiments) to seek to further the profitability of such investment and/or help such portfolio companies to be successful development and support of proprietary technology and research methodologies, including the engagement of developers, writers, graphic designers, and data scientists, to assist with the creation of industry specific technology, market, and knowledge "maps" and software systems used by RA Capital in its research efforts (and also sold by an affiliate of RA Capital, as discussed below); use of expert networks; costs of applying research methodologies to fields unrelated to healthcare in an effort to test the efficacy and strength of the such research methodologies and to seek to discover non-healthcare information or technologies that may influence the healthcare and life science markets; and costs and expenses related to publishing at, presenting at, and hosting conferences at which the investment team seek to gather knowledge to further their research goals; and other research efforts and activities that benefit the Advisory Clients due to their investments in the direct beneficiaries of such research (collectively, "Research Expenses"). The Advisory Clients pay such Research Expenses, without allocation or pro rating amongst portfolio companies, RA Capital and affiliates thereof, or family members of principals or employees of RA Capital, in each case, that may also benefit from such research. Such Research Expenses are also not always allocated pro rata amongst investors in the Funds due to each investor's ability to elect to participate in or opt out of side-pocket investments.

Advisory Clients pay, without allocation or pro rating, certain research expenses that also benefit RA Capital, affiliates of RA Capital, relatives of principals and employees of RA Capital, and portfolio companies in which Advisory Clients are invested because RA Capital intends for Advisory Clients to benefit from such research.

Research Expenses have been paid in the past and will be paid in the future to qualified affiliates of RA Capital and to qualified persons who are related to principals or employees of RA Capital. This gives rise to a conflict of interest because it creates an incentive to incur a Research Expense that might not be in the best interest of the Advisory Client. To mitigate such conflicts, RA Capital is adopting a policy to pay such affiliates and related persons amounts less than or equal to what would be paid in an arm's-length transaction.

Research Expenses have been paid in the past and will be paid in the future that benefit one or more portfolio companies in which Advisory Clients are invested or may invest. Such research is intended to increase the probability of success of such portfolio company thus indirectly benefiting the Advisory Clients as investors in such portfolio company. RA Capital also feels that such research expands the knowledge base of its investment team, which makes it more capable of evaluating investment opportunities for its Advisory Clients. In addition, a principal or employee or other nominee of RA

Capital has served on the board of directors and/or has been affiliated with such a portfolio company in the past and it is intended that such arrangements continue in the future. Although it is generally not the case, this arrangement may give rise to a conflict of interest if the principal or other nominee stands to benefit personally from the success of the portfolio company other than as an investor in one of the Advisory Clients.

Research Expenses have been paid in the past and will be paid in the future by the Advisory Clients that benefit RA Capital, affiliates of RA Capital, or an employee's or principal's family members. See Items 10 & 11. This gives rise to a conflict of interest because it creates an incentive to incur a Research Expense that might not be in the best interest of the Advisory Client. Notwithstanding the foregoing, research expenses are chargeable to Advisory Clients only when the research directly or indirectly benefits the Advisory Clients. Some knowledge gained from these research activities may also be used by RA Capital or an affiliate to generate revenue that RA Capital or such affiliate retains.

RA Capital may also draw upon its research to provide information from time to time to individuals associated with RA Capital or its affiliates, including limited partners in the Funds, who enquire about specific medical conditions.

It is critical that Fund Investors refer to their respective Fund's private placement memorandum (or similar materials) and governing documents for a complete understanding of fees they may incur and how such fees are deducted from their assets. The information contained herein is a summary only and is qualified in its entirety by such documents.

Account Fees

Fee arrangements with the Account are individually negotiated and are generally based on assets under management and include performance-based fees. Management fees are prorated for partial months, if applicable.

Account owners may negotiate the terms of their investment management agreements and are generally billed for management fees monthly in advance and for performance-based fees annually.

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

As described in Item 5 above, all of RA Capital's Advisory Clients are subject to performance-based fees. It should be noted that such a compensation arrangement may create an incentive for RA Capital to effectuate larger and more risky transactions than would be the case in the absence of such form of compensation. Since the performance-based fees are calculated on a basis that includes unrealized appreciation of Advisory Client assets, such allocation may be greater than if it were based solely on realized gains. Investors are provided with clear disclosure as to how performance-based compensation is charged with respect to a particular Fund and the risks associated with such performance-based compensation prior to making an investment.

RA Capital recognizes that it must treat all Advisory Clients fairly and must refrain from favoring one Advisory Client's interests over another's.

ITEM 7 – TYPES OF CLIENTS

As previously described in Item 4, RA Capital's clients consist of private investment funds and a separately managed account for institutional or sophisticated investors. With respect to the Funds, any initial and additional subscription minimums are disclosed in the relevant offering documents, and may be waived or modified by RA Capital or its affiliates (as the case may be), but not below applicable minimums set forth in the Funds' governing documents. The Funds are open only to certain financially sophisticated investors who meet eligibility criteria. With respect to separately managed accounts, RA Capital determines the minimum investment amounts on a case-by-case basis. In general, such accounts involve significant minimum investments.

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

Methods of Analysis

RA Capital's due diligence includes, in particular cases, interviews with management, clinical investigators, physicians and sell-side research analysts. The Adviser has and intends to continue to conduct extensive surveys of physicians to identify new market opportunities, has and intends to continue to hire consulting firms to validate aspects of investment theses where significant capital may be deployed, and has taken Board seats or observer positions and will continue to do so in the future.

Investment Strategies

RA Capital has broad authority under the terms of the investment management agreements with the Advisory Clients and uses such authority to implement investment strategies opportunistically to achieve an investment objective of achieving positive absolute returns in various market environments.

In practice, we make long and short investments, generally in securities of or related to companies with substantial operations in healthcare and life sciences. The companies in which we typically invest are associated with products ranging from drugs to research tools, to diagnostics, to devices, and to services and may be based in the United States and other countries. RA Capital's investment strategy most typically focuses on smaller companies that develop drugs, devices, or diagnostics. Investments held long are generally in both equity and debt. We also purchase options and warrants as well as occasional purchase of restricted stock and royalties. We also sometimes purchase securities of companies that do not have substantial operations in healthcare and life sciences, including shares of ETFs that are not specific to healthcare. While a primary focus is to invest in publicly-traded companies, we invest in private companies when we determine the probability of a high return appears to outweigh the relative lack of liquidity.

Most typically, when we purchase equity in companies we anticipate it will take a significant amount of time to reach valuations that RA Capital believes merit selling the security. RA Capital, however, also engages in short-term trades, generally, with the intent to capitalize on short-term inefficiencies.

RA Capital seeks opportunities to short securities that in our judgment have extended valuations relative to the marketplace. Securities held short by the Advisory Clients most typically are in a number of securities. We also seek to hedge a long position in a security from time to time by selling short the same or a similar security.

RA Capital generally does not intentionally seek to acquire a position in a security that represents more than fifteen percent (15%) of the net asset value of such Advisory Client. However, the Advisory Clients may exceed such percentage due to subsequent appreciation or depreciation in value of the investment and in such circumstances may come to hold more than fifteen percent (15%) of the Advisory Client's net asset value in a single security. In particular, successful side-pocket private investments that go public and appreciate significantly in value can exceed this fifteen percent (15%) limitation. In addition, we may not sell a security that exceeds the fifteen (15%) limitation because of our judgment about potential for appreciation or because of restrictions such as those that in some instances are placed on pre-IPO holders.

RA Capital may direct the Advisory Clients to buy shares on the open market or in initial public offerings (IPOs), secondary offerings, convertible debt offerings, debt offerings, and private investment in public equities, or "PIPE", transactions, and may hold options and warrants depending on the structure of these transactions.

The frequency with which we engage in short term trading, hedging by selling short the same or a similar security, or purchase of interests in private companies is expected to vary over time. As our investment decisions are based on our judgment about the best use of Advisory Client assets in light of available opportunities, we cannot predict in advance the frequency with which different trading strategies will be used or the percentage of the trading portfolio that will be dedicated to any one strategy at any one time.

RA Capital has authority borrow funds and does so from time to time and is not limited in the amount of leverage that may be used. However, we expect moderate use of leverage on average but may opportunistically increase or decrease leverage.

Depending on conditions and trends in securities markets, we may pursue strategies and employ techniques other than those described above, to the extent we consider doing so appropriate and in the best interest of the Advisory Clients.

Material Risks

Achievement of the Adviser's Investment Objective

No guarantee or representation is made that the RA Capital's investment strategy will be successful. The Adviser's investment program may include such investment techniques as leverage, short sales, illiquid investments, and limited diversification which practices can, in certain circumstances, maximize the adverse impact to which the Funds' investments may be subject. No assurance can be given that the Adviser will achieve its investment objective or that the ultimate achievement of the Adviser's investment objective will be profitable for all of the Funds.

Unspecified Investments

Funds must rely on the ability of RA Capital and its employees to identify and make investments consistent with the Funds' investment strategy. Fund Investors neither participate in the making of any investment decisions nor have the opportunity to evaluate personally the relevant economic, financial and other information used by the Adviser in its selection, monitoring and disposition of investments. Accordingly, no purchase of Interests should be made unless prospective Fund Investors are willing to entrust all aspects of the management and investments of the Fund to the Adviser.

No Diversification

The Funds' assets will have limited diversification. Although the Funds may trade a variety of securities, it is anticipated that the Fund's portfolio will be invested primarily in publicly-traded U.S. equities in the healthcare and life-sciences sectors. Accordingly, the Fund's portfolio may not be diversified among types of securities or a wide range of issuers. In addition, there are no limits on how much the Funds may invest in the securities of a single company. Accordingly, the investment portfolio of the Funds may be subject to more rapid change in value than would be the case if the Funds were required to maintain investments in a large number of securities and maintain a wide diversification among industries, areas, types of securities and issuers.

Lack of Liquidity of Fund Assets

Fund assets may, at any given time, include securities and other financial instruments or obligations which are very thinly traded or which are restricted as to their transferability under applicable securities laws. The Funds may own securities that are relatively liquid when acquired but that become illiquid after the Fund's investment. The sale of any such illiquid investments may be possible only at substantial discounts. Further, such investments may be extremely difficult to value with any degree of certainty. In

addition, the size of the Fund's position in a security may limit its ability to sell the security without difficulty.

Short Sales

The Fund may engage in short sales by selling equity securities that it does not own at the time of sale. By doing so, the Fund will become obligated to purchase and deliver such securities against the short position. In the event that the price of a security increases between the short sale and the Fund's subsequent purchase of shares of that security, the Fund will suffer a loss on that transaction and the value of the Fund Investors' investments will decrease accordingly. There can be no assurance that the Fund will not suffer such losses. In theory, a short sale has the potential for unlimited loss. In connection with short sales, the Fund will have to deliver cash or United States Treasury securities or other securities to brokers to assure delivery of securities against short positions. The Fund will be able to keep only a negotiated percentage of the yield of such United States Treasury or other securities.

Use of Borrowed Funds

The Adviser may cause the Fund to leverage its investment positions by borrowing funds from securities broker-dealers, banks, or others. Such leverage increases both the possibilities for profit and the risk of loss. In a downward trending market the use of leverage for long positions could have a material adverse effect on the Fund's profitability and operations. Extensions of credit and guarantees by broker-dealers of performance of the Fund's obligations will typically be secured by the Fund's securities and other assets. Under certain circumstances, a broker-dealer may demand an increase in the collateral that secures the Fund's obligations, and if the Fund were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the Fund's obligation to the broker-dealer. Liquidation in such manner could have materially adverse consequences. In addition, the amount of the Fund's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the Fund's profitability.

Healthcare and Life-Sciences Sector

The Funds intend to focus on investments in the healthcare and life-sciences industries. Companies in these industries are subject to extensive government regulation which may change in a way adverse to the industry. Research and development in the industries is costly and long in duration and the approval of new products is lengthy and uncertain. As a result, investments in this sector may be riskier than other market sectors. In addition, the investments the Funds will make will generally be subject to certain risks inherent in the life-sciences area, including the following:

- a) *Rapid Changes.* The healthcare and life-sciences sectors are characterized by significant and rapid change. A company's research, technologies, and/or products may quickly be rendered obsolete by the research and discoveries of competitors prior to revenue generation.
- b) *Volatility.* The market value of healthcare and life-sciences companies in general has been highly volatile, with significant price fluctuations that are often unrelated to the operating performance of particular companies.
- c) *Product Failure.* The success of healthcare and life-sciences companies often hinges upon the success of one product or potential products (or a small number of products or potential products). It is possible that potential products may fail to produce intended results, produce results that were unexpected or unintended, and/or fail to obtain necessary regulatory approvals including Food and Drug Administration ("FDA") approval. In addition, the cost of obtaining such regulatory approvals could be substantial.
- d) *Product Liability Risks.* Healthcare companies, and drug companies in particular, face inherent risks of product liability exposure related to the testing and/or selling of products. Product

liability claims may result in, among other things: (i) injury to reputation, (ii) withdrawal of clinical trial volunteers, (iii) litigation costs, (iv) decreased demand for products, and (v) substantial monetary awards to third parties.

- e) *Key Personnel*. Healthcare and life-sciences companies often depend on key scientific, research and/or management personnel. Such companies' abilities to pursue the development of current and future potential products depends largely on retaining the services of existing personnel and hiring additional qualified personnel to perform research and developments. Such companies may not be able to attract and retain personnel on acceptable terms given the competition for such personnel among life-sciences companies. Any such failure to attract and retain personnel might delay the development of products and result in harm to the companies' business.
- f) *Proprietary Rights*. The success of healthcare and life-sciences companies depends, in part, on the ability to maintain protection for products and/or technologies under the patent laws of the United States and other countries, and on the ability to avoid infringing the proprietary rights of others. The patent positions of healthcare and life-sciences companies can be highly uncertain and involve complex legal and factual questions. In addition, such companies often rely upon unpatented technology, trade secrets, and other confidential information that may be difficult to protect.
- g) *Government Regulations and Regulatory Approvals*. Certain product candidates of life sciences companies likely will be subject to extensive and rigorous government regulations. The FDA regulates the development, testing, manufacture, safety and record keeping, labeling, distribution and promotion of, among other things, certain medical devices and pharmaceutical products. If a company fails to comply with the FDA's requirements it may face a number of consequences, including: (i) fines; (ii) injunctions; (iii) civil penalties; (iv) recall or seizure of products; (v) total or partial suspension of production; (vi) failure of the FDA to grant pre-market clearance or approval of devices or products; (vii) withdrawal of marketing approvals; (viii) limited indicated uses for which potential products may be marketed; (ix) costly requirements imposed on activities; and (x) criminal prosecution.
- h) *Third Party Reimbursement; Healthcare Reform*. The ability of certain life-sciences companies to commercialize certain of their products and potential products depends, in part, upon the availability of reimbursement from third-party payors, such as government health administration authorities, private health insurers and other organizations. Government and other third-payors increasingly attempt to contain healthcare costs by limiting both coverage and level of reimbursement for certain products. If government and third-party payors do not provide adequate coverage and reimbursement levels for certain products the market acceptance of those products may be drastically limited, with such limitation resulting in harm to the companies' business.

Investments in Companies with Small Market Capitalization

The Funds will invest a significant portion of their assets, either directly or through derivative securities, in securities of companies with relatively small market capitalizations. While RA Capital believes these securities can provide significant potential for profit, they can involve higher risks in some respects than investments in securities of larger companies. For example, prices of small capitalization and even some medium capitalization stocks are often more volatile than prices of large capitalization stocks and the risk of bankruptcy or insolvency of many smaller companies is higher than for larger capitalization companies. In addition, due to thin trading in some small capitalization stocks, an investment in those stocks may be considered illiquid.

Risk of Derivatives

The Advisory Clients may trade and invest in a variety of derivative instruments. Derivatives are financial instruments or arrangements in which the risk and return are related to changes in the value of other assets such as stocks, reference rates or indices. They can provide a form of “leverage” in that they permit the Advisory Clients to speculate on fluctuations in the prices of securities indices or other assets while investing only a small percentage of the value of the underlying securities, or other assets. Trading and investing in derivatives can be highly speculative and can entail greater risks than the risks of investing in other securities. Prices of equity derivatives are generally more volatile than prices of the securities on which they are based. A change in the market price of the underlying securities, indices or other assets or rates will cause a much greater change in the price of the derivative. The ability to profit or avoid risk through trading or investing in derivatives will depend largely on the RA Capital’s ability to anticipate changes in the prices of underlying assets, reference rates or indices.

Turnover and Trading Costs

It is anticipated that our investment strategy will include active trading of securities. As a result, the investment strategy employed by RA Capital will result in the portfolio having a higher degree of turnover and higher transaction costs than would be the case if the Advisory Clients employed solely a buy-and-hold strategy. The transaction costs associated with active trading will lower returns unless offset by gains from trading. Active trading generally generates significant short-term capital gains. Short term capital gains are taxed at higher rates than long-term capital gains.

Exchange Traded Funds.

We invest in and may sell short shares of exchange traded funds (“ETFs”) and other similar instruments. These transactions will be used to gain exposure to the general market or industry sectors and the performance of many securities. ETFs and other similar instruments involve risks generally associated with investments in a broadly based portfolio of common stocks, including the risk that the general level of stock prices, or that the prices of stocks within a particular sector, increases or decreases, thereby affecting the value of the shares of the ETF or other instruments.

Put and Call Options.

We purchases exchange-listed and over-the-counter (“OTC”) put and call options. In addition, we may write and sell covered or uncovered call and put option contracts. A call option gives the purchaser of the option the right to buy, and obligates the writer to sell, the underlying investments at a stated exercise price at any time prior to the expiration of the option. Similarly, a put option gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying investments at a stated exercise price at any time prior to the expiration of the option. Options written by Advisory Clients may be wholly or partially covered (meaning that the Advisory Clients hold an offsetting position) or uncovered. Options on specific investments sometimes are used to seek enhanced profits with respect to a particular investment. Alternatively, they may be used for various defensive or hedging purposes. For example, they sometimes are used to protect against a future adverse change in the market price of particular portfolio investments without requiring a sale of the investments.

Use of put and call options may result in losses, force the sale or purchase of portfolio investments at inopportune times or for prices higher than (in the case of put options) or lower than (in the case of call options) current market values, limit the amount of appreciation the Advisory Clients can realize on their investments or cause Advisory Clients to hold an investment it might otherwise sell. For example, a decline in the market price of a particular investment could result in a complete loss of the amount expended by Advisory Clients to purchase a call option (equal to the premium paid for the option and any associated transaction charges). An adverse price movement may result in unanticipated losses with

respect to covered options sold. The use of uncovered option writing techniques generally entails greater risk loss than other forms of options transactions. For example, a rise in the market price of the underlying investment will result a Client realizing a loss on the calls written, which would not be offset by the increase in the value of the underlying investments to the extent the call option position was uncovered.

Material Nonpublic Information

We from time to time come into possession of material nonpublic information. If RA Capital comes into possession of material inside information, in some circumstances, it will be unable to trade certain securities, including certain securities that Advisory Clients hold, until the information is made public.

ITEM 9 – DISCIPLINARY INFORMATION

We entered into a settlement with the Securities and Exchange Commission (the “SEC”) concerning our purchases of securities in certain secondary offerings. By agreement, on September 16, 2014, the SEC issued an order finding that we violated SEC Rule 105. Rule 105 generally provides, subject to certain exceptions, that an entity may not participate in a secondary offering of an issuer if the entity has sold short shares of the same issuer within the restricted period. A violation of the rule does not require fraudulent intent. We neither admitted nor denied the order’s findings.

The order directed that we cease-and-desist from violating Rule 105 and pay disgorgement of \$2,646,395.21, pre-judgment interest of \$73,394.16, and a civil penalty of \$904,570.84.

RA Capital has complied with all terms of the order, submitted payment of all amounts above to the United States Treasury on September 19, 2014 and has implemented heightened policies and procedures concerning Rule 105 compliance.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither RA Capital nor its management persons are registered or have an application pending to register as a broker-dealer or registered representative of a broker-dealer.

Neither RA Capital nor its management persons are registered or have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

In addition, the following individuals are directors of the offshore Feeder Fund:

- James M. Keyes
- Peter Kolchinsky

As disclosed in Item 6.B and Schedule D of RA Capital's Form ADV Part 1, Dr. Kolchinsky is the sole member of TechAtlas Group, LLC ("TechAtlas"), a firm that provides landscape mapping products for companies in the healthcare industry, including but not limited to companies in which RA Capital's Advisory Clients may be invested. Some RA Capital employees work full or part time on creating these large, graphic-intensive "maps" of landscapes to clearly communicate their research findings. The maps are designed to assist RA Capital with its research by organizing thoughts, communicating clearly, revealing emergent competitive phenomena that help see into the future of the particular landscape, facilitate discussion with individuals who come through the RA Capital offices, which supports RA Capital's reputation for research thoroughness, among other objectives. The TechAtlas maps are designed to contribute to the research process of RA Capital. The costs of any research completed by RA Capital employees who are working on the TechAtlas maps (excluding salaries of such employees, which is an expense born by RA Capital) is charged to the Advisory Clients and the research used to create such TechAtlas maps is research that RA Capital would have conducted on behalf of the Advisory Clients regardless of the production of such maps. TechAtlas has sold and may sell these maps in the future to companies and donated them to health-related non-profit organizations in exchange for knowledge-sharing; TechAtlas does not sell these maps to other investors. In addition to the underlying research used in producing the maps, allowing companies to purchase the maps creates opportunities for knowledge exchange between RA Capital and these companies, which facilitates our ongoing research and therefore benefits the Advisory Clients by allowing the investment team to make informed investment decisions. The revenues generated from selling the maps are paid to RA Capital. The opportunity for conflict of interest from sale of the maps is also constrained by the fact that incurring external research expenses requires considerable allocation of the time by employees whose salaries are paid by RA Capital. The external research expenses per analyst that are charged to the Advisory Clients are lower than the average salary of each analyst. The expense to RA Capital of increasing research bandwidth exceed the increase in research cost to the Advisory Clients of that research. See Item 5.

Principals and employees of RA Capital also consult to companies or serve as interim-executives for companies, likely portfolio companies, and any compensation for their work will be paid to RA Capital and not to Advisory Clients, even though, in their consulting or executive functions, principals and employees of RA Capital will rely on knowledge gained from research partly funded by the Advisory Clients.

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

RA Capital's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). The Code applies to RA Capital's "Access Persons." Access Persons include, generally, any partner, officer or director of RA Capital and any employee or other supervised person of RA Capital who, in relation to the Advisory Clients, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. All RA Capital employees are deemed to be Access Persons.

The Code sets forth a standard of business conduct for RA Capital and requires Access Persons to place the interests of Advisory Clients above their own interests and the interests of RA Capital. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of RA Capital's Chief Compliance Officer (the "Chief Compliance Officer"). All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1. Access Persons are generally not permitted to trade for their personal accounts any security with a market capitalization under \$5 billion in the health and life sciences sector, unless the security has been placed on a list of allowable securities. Access Persons are prohibited from transacting in any security on RA Capital's Restricted List.

RA Capital has a material financial interest with respect to fees paid by Advisory Clients and Fund Investors. Management fees are payable without regard to the overall success or income earned by the Advisory Clients and therefore may create an incentive on the part of RA Capital to raise or otherwise increase assets under management to a higher level than would be the case if RA Capital were receiving a lower or no management fee. Performance-based fees may create an incentive for RA Capital to make investments that are riskier or more speculative than in the absence of such incentive allocations.

RA Capital's employees also invest directly in certain of the Funds. It should be noted that investments in the Funds made by such parties generally are not subject to the management or performance-based fees described in Item 5 above.

The fact that RA Capital's employees have financial ownership interests in certain of the Funds creates a potential conflict in that it could cause RA Capital to make different investment decisions than if such parties did not have such financial ownership interests. Such potential conflicts are addressed by the personal securities transaction pre-clearance and holding requirements described in this section.

RA Capital addresses these potential conflicts through regular monitoring of the Advisory Client portfolios for consistency with Advisory Client objectives, strategies, and target capacity. Further, RA Capital carefully considers the risks involved in any investments and RA Capital provides extensive disclosure to Fund Investors regarding the potential risks that come with an investment in the Funds or through a separately managed account. The Code requires Access Persons to place the interests of Advisory Clients over their own or those of RA Capital, and all Access Persons are required to acknowledge their receipt and understanding of the Code.

RA Capital recognizes the potential conflict when employees of an investment adviser make transactions in their personal securities accounts. RA Capital reduces this risk by requiring Access Persons to pre-clear personal account transactions in initial public offerings, limited offerings, and prohibiting Access Persons from transacting in any security with a market capitalization under \$5 billion in the health and life sciences sector, unless the security has been placed on a list of allowable securities.

As noted above, some of RA Capital's Access Persons have purchased interests in certain of the Funds. RA Capital believes that when Access Persons invest in a Fund it aligns Access Persons' interests with those of Fund Investors.

Advisory Clients pay, without allocation or pro rating, certain research expenses that also benefit RA Capital, affiliates of RA Capital, relatives of principals and employees of RA Capital, and portfolio companies in which Advisory Clients are invested because the intended benefits of such research to the Advisory Clients are increased value in the portfolio companies in which they invest, increased knowledge and expertise of RA Capital and its investment team, and increased access to information. See Item 5. Certain research paid for by the Advisory Clients is used to create the TechAtlas maps. See Item 10.

Affiliates of RA Capital and relatives of its principals with professional experience and knowledge considered by RA Capital to be relevant to its investment research have provided research services paid for by Advisory Clients and we expect that they will continue to do so. See Item 4 & 10.

RA Capital expects to seek to amend Fund documents to remove any doubt that owners and employees of RA Capital that participate in Special Investments will be allocated a share of Special Investments pro rata to their investment in the Funds directly or via RA Capital up to their Maximum Percentage, subject to the 5% Limitation, unless waived via a waiver offered to all Limited Partners.

Conflicts of interest are managed by RA Capital's implementation of the Code of Ethics, which recognizes that RA Capital and its employees are fiduciaries to Advisory Clients and must place the interests of Advisory Clients and Investors over their own. All employees of RA Capital are required to acknowledge their receipt and understanding of the Code of Ethics.

ITEM 12 – BROKERAGE PRACTICES

RA Capital is authorized to determine the broker-dealers used to execute trades and to negotiate any commissions paid on such transactions. RA Capital's primary consideration in placing transactions with particular broker-dealers is to obtain execution in the most effective manner possible. RA Capital also takes into account a variety of other factors, including the financial strength, integrity and stability of the broker-dealer and the commissions to be paid. RA Capital may also consider the quality comprehensiveness and frequency of available research and other products and services considered to be of value. The products and services furnished by broker-dealers may include, among other things, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts, statistics and pricing or appraisal services, discussion with research personnel, special execution capabilities, order of call and the availability of stocks to borrow for short trades.

RA Capital is authorized to pay brokerage commissions which may be in excess of the lowest rates available to brokers who execute transactions for the Funds or who otherwise provide brokerage and research services utilized by RA Capital. However, RA Capital must first determine in good faith that the amount of each such commission paid to a broker is reasonable in relation to the value of the brokerage and research services provided by such broker viewed in terms of either the particular transaction to which the commission relates or RA Capital's overall responsibilities with respect to accounts as to which the Firm exercises investment discretion. Accordingly, the Funds may be deemed to be paying for research and other products and services with "soft" or commission dollars.

Any use of commissions or "soft dollars" generated by the Funds to pay for brokerage and research products or services will fall within the safe harbor created by Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended. Where a product or service obtained with commission dollars provides both research and non-research assistance to the Funds, RA Capital will make a reasonable allocation of the cost that may be paid for with commission dollars.

When RA Capital uses soft dollars to obtain research or other products or services from broker-dealers, it receives a benefit because it does not have to produce or pay for the research, products or services. RA Capital also has the authority to cause the Funds to pay brokers directly for research.

Further, RA Capital has an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on a client's interest in receiving most favorable execution.

Such soft dollar benefits may be used to service all of RA Capital's Advisory Clients and not just those that paid for the benefits. It is anticipated that any soft dollar benefits received by RA Capital will generally be applicable to all of RA Capital's clients.

When the purchase and sale of securities is considered to be in the best interest of more than one Advisory Client, the securities to be purchased or sold may be aggregated in order to obtain superior execution and/or lower brokerage expenses. Advisory execution prices for identical securities purchased or sold on behalf of multiple accounts in any one day may be (but are not required to be) averaged. In such instances, allocation of prices, as well as expenses incurred in the transaction, will be made in a manner that RA Capital considers to be equally as favorable to the Funds as to any other party.

Allocation of investment opportunities among the Funds and other Accounts managed by RA Capital or one of its affiliates will be made by RA Capital based upon the investment objectives and investment portfolio of the Funds and such other Accounts.

ITEM 13 – REVIEW OF ACCOUNTS

The Advisory Client portfolios are under continuous review by the Portfolio Manager. Such reviews include a review of existing investments, potential investments, investment policy, the suitability of the investments used to meet policy objectives, cash availability, and investment objectives. The Portfolio Manager considers, among other things, investment performance, the portfolio's sensitivity to market changes, and whether anything has changed subsequent to an initial investment decision that impacts the risk or potential return.

Fund Investors may receive the following:

- monthly performance letters for certain of the Advisory Clients;
- unaudited quarterly performance letters;
- annual audited financial statements; and
- K-1s (Fund Investors in the Master Fund only).

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Not applicable to the Adviser.

ITEM 15 – CUSTODY

RA Capital is deemed to have custody of the Funds' assets and securities by virtue of its status as a general partner. The qualified custodians are National Financial Services, LLC, 200 Seaport Boulevard, Boston, MA 02210 and Goldman, Sachs & Co., 200 West Street, 3rd Floor, New York, NY 10282.

To ensure RA Capital is in compliance with Rule 206(4)-2 under the Advisers Act, RA Capital or the Funds' administrators provide Fund Investors with audited financial statements for their respective Funds within 120 days of the end of such Funds' fiscal years (i.e., generally by April 30). Fund Investors should carefully review such statements.

ITEM 16 – INVESTMENT DISCRETION

RA Capital has discretionary authority to manage securities accounts on behalf of the Funds, and is authorized to make transaction for the Funds. As explained in Item 4.C above, each Fund's investment strategy is set forth in detail in such Fund's prospectus and governing documents. Fund Investors do not have the ability to impose limitations on the discretionary authority of RA Capital. Fund Investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool. Further, Fund Investors in the domestic Fund must execute a limited partnership agreement that contains a power of attorney.

RA Capital has discretionary authority to manage Accounts for certain Advisory Clients. Such Accounts are subject to investment objectives, guidelines, and restrictions, and fee arrangements, as well as other terms that are individually negotiated with each Account owner, and set forth in an investment management agreement (or similar agreement).

ITEM 17 – VOTING CLIENT SECURITIES

RA Capital has authority to vote the securities of certain Advisory Clients. RA Capital understands and appreciates the importance of ensuring that its proxy voting procedures are clearly described to Advisory Clients and Investors.

All proxies will be provided to the Portfolio Manager (or his Designated Person) who, prior to voting any proxies, will determine if there are any conflicts of interest related to the proxy in question. If a potential conflict is identified, the Portfolio Manager will inform the Chief Compliance Officer of the details of such proxy and the perceived conflict of interest. The Portfolio Manager and the Chief Compliance Officer together will make a determination as to whether the conflict is material. If no material conflict is identified, RA Capital will vote the proxy in question in accordance with the best interest of the relevant Advisory Client(s).

If a material conflict is identified by the Portfolio Manager and Chief Compliance Officer, RA Capital will generally seek to mitigate the conflict by either appointing an independent third party to vote such proxies or disclosing the conflict to affected Advisory Clients (or Fund Investors) and giving such Advisory Clients (or Fund Investors) the opportunity to vote the proxies in question themselves.

RA Capital delivers completed proxies in accordance with instructions related to such proxy. RA Capital keeps a record of its proxy voting policies and procedures, proxy statements received, votes cast, communications received and internal documents created that were material to voting decisions and Investor requests for proxy voting records and RA Capital's response.

Fund Investors do not have the ability to direct proxy votes.

Advisory Clients and Fund Investors may obtain additional information regarding how RA Capital voted proxies and may obtain a copy of RA Capital's proxy voting policies and procedures by contacting the Chief Compliance Officer, Amanda Daniels, at adaniels@racap.com.

ITEM 18 – FINANCIAL INFORMATION

Not applicable to the Adviser.