

PART 2A OF FORM ADV

FIRM BROCHURE



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This Brochure provides information about the qualifications and business practices of Foresite Capital Management, LLC (“Foresite Capital”). If you have any questions about the contents of this Brochure, please call us at (415) 877-4886. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority, and references in this Brochure to Foresite Capital as a “registered investment adviser” are not intended to imply a certain level of skill or training.

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

ITEM 2 – MATERIAL CHANGES

Foresite registered with the SEC effective July 7, 2014, and has made the following amendments to this Brochure since its SEC registration:

- This brochure has been revised in connection with updates of the ADV Part 1 related to principal transactions. Please refer to potential conflicts in Item 11 of this brochure. It should be noted that there has been no change in Foresite's policies, rather the ADV has been updated to more accurately reflect policies and procedures that were already in place.

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ITEM 4 – ADVISORY BUSINESS

A. Advisory Firm and Structure

Foresite Capital Management, LLC (“Foresite Capital”) is a firm formed in 2010 that sponsors funds that make investments in private and public healthcare companies that Foresite Capital believes has proven products, technologies or services (“Portfolio Companies”).

The principal owners of Foresite Capital are James and Dana Tananbaum who indirectly own their interest through a family trust. James Tananbaum is the principal of Foresite Capital (“Principal”). Dana Tananbaum is not involved in the day-to-day activity of Foresite Capital.

Foresite Capital provides discretionary investment advisory services to a number of private pooled investment funds (the “Funds”). Currently, Foresite Capital advises two multi-investment Funds, Foresite Capital Fund I, L.P. (“Fund I”) and Foresite Capital Fund II, L.P. (“Fund II”).

In addition, Foresite Capital advises a number of Funds and other special purpose vehicles that were formed to invest in a single Portfolio Company or to co-invest with, or invest parallel to, Fund I and/or Fund II in a single Portfolio Company (such vehicles are referred to as the “SPVs” and together with the Funds the “Advisory Clients”). Please see the important disclosures regarding potential conflicts of interests related to the SPVs in Item 8. SPVs have been, and generally will be, established for the purpose of investing in a single Portfolio Company, pursuant to the terms of the applicable operating agreement. Other affiliates of Foresite Capital and the Principal may also directly, or indirectly through an SPV, co-invest in certain Portfolio Companies.

Foresite Capital, or an affiliate, may offer co-investment opportunities to existing investors in the Funds, Foresite Capital employees, and key persons, as well as outside parties pursuant to the terms of the applicable limited partnership agreement. As noted above, affiliates of Foresite Capital may also avail themselves of co-investment opportunities.

Foresite Capital may also in the future form and advise parallel funds to invest on a pro-rata basis with the applicable partnership (“Parallel Funds”).

The activities of each Advisory Client are governed by a limited partnership agreement or limited liability company agreement that specifies the investment guidelines and investment restrictions applicable to such Advisory Client (“Fund Agreement”).

Typically, affiliates of Foresite Capital serve as the general partners or managing members of each Fund (each an “Advisory Affiliate”). Each of the Advisory Affiliates is a related person of Foresite Capital. Foresite Capital, together with the Advisory Affiliates, provides investment management and/or investment supervisory services. Typically Foresite Capital manages each Fund’s investments pursuant to the Fund Agreement. Each Advisory Affiliate retains management authority over the business and affairs of the Funds for which it serves as general partner or managing member, but delegates its investment discretion to Foresite Capital.

B. Advisory Services

Foresite Capital offers investment advice solely with respect to the investments made by the Advisory Clients. Such services consist of investigating, identifying, and evaluating investment opportunities, structuring, negotiating, and making investments on behalf of the Advisory Clients, managing and monitoring the performance of such investments, and disposing of such investments. The Advisory Clients invest in private and public company securities.

Foresite Capital generally has broad and flexible investment authority with respect to the Advisory Clients. Each Advisory Client's investment objective and strategy is set forth in the respective Advisory Client's governing documents. All investors in the Advisory Clients ("Investors") are provided with a Fund Agreement and, in the case of certain Advisory Clients, a confidential private placement memorandum or other offering documents prior to making an investment. Investors are urged to carefully review those documents prior to making an investment in the Advisory Client.

Foresite Capital tailors its investment advice to each Advisory Client in accordance with the Advisory Client's investment objectives and strategy as set forth in the relevant Fund Agreement and, if applicable, confidential private placement memorandum.

Generally, Foresite Capital does not tailor its advisory services to the individual needs of Investors. Foresite Capital's investment decisions and advice are subject to the investment objectives and guidelines set forth in the relevant Fund Agreement.

Foresite Capital or an Advisory Affiliate has entered into side letter agreements with certain Investors. Side letters are negotiated prior to investment and may establish rights that supplement or alter the terms of the applicable Fund Agreement. Pursuant to such side letters Foresite Capital or an Advisory Affiliate has granted rights to certain Investors which are not available to other Investors (including without limitation, advisory board representation, transparency rights, reporting rights). Once invested in a Fund, Investors generally cannot impose additional investment guidelines, restrictions or other requirements on such Advisory Client.

Foresite Capital does not participate in wrap fee programs.

As of March 31, 2014 Foresite Capital manages approximately \$680,159,984 of client assets on a discretionary basis. Foresite Capital does not currently manage any client assets on a non-discretionary basis.

ITEM 5 – FEES AND COMPENSATION

Management Fees

Foresite Capital is generally compensated for its advisory services through asset-based management fees. With respect to Fund I, the annual management fee is 2% of the aggregate capital commitments of the Investors in Fund I until the earliest of (a) the first full fiscal quarter following the end of the Fund I investment period, (b) the date on which Foresite Capital calls capital from a successor fund and (c) the commencement of a suspension period, during which Fund I cannot make investments in new Portfolio Companies. After such date, management fees are reduced on an annual basis as set forth in the applicable Fund Agreement.

With respect to Fund II, the annual management fee is 2% of the aggregate capital commitments of the Investors in Fund II during Fund II's investment period. After the investment period, management fees are reduced on an annual basis as set forth in the applicable Fund Agreement, but not below 1.5% of the aggregate capital commitments of the limited partners of Fund II. In addition, beginning with the first full fiscal quarter following the seventh anniversary of the first capital contribution to Fund II, the management fee for each fiscal quarter is 0.375% of the lesser of (a) the sum of the capital commitments of the Investors in Fund II and (b) the net asset value of the cash and securities held by Fund II as of the last day of the preceding fiscal quarter.

With respect to the SPVs the management fee is typically a percentage of the capital contributions, or the cost basis or fair value of the acquired Portfolio Company assets.

The management fee is typically paid quarterly in advance. Foresite Capital or the Advisory Affiliates may waive or reduce the management fee at its sole discretion.

Carried Interest

In addition, as described in more detail in Item 6 below, Advisory Affiliates receive performance-based profit distributions (commonly referred to as "Carried Interest") in each of Fund I and Fund II once all capital contributions have been returned to the Investors in the Fund (pursuant to the terms in each Fund Agreement). Additionally, the SPVs provide for similar performance-based profit distributions, with some including a preferred return to Investors along with a full catch-up to the general partner or managing member.

Any new Advisory Client launched by Foresite Capital may have materially different terms than those summarized above. It should be noted that the fees paid by the Advisory Clients are negotiable by Investors only prior to an investment in the Advisory Client, at the discretion of the Advisory Affiliates.

Compensation for Non-Advisory Services

In one instance, Foresite Capital has entered into a management services agreement ("Services Agreement") pursuant to which Foresite Capital receives compensation for providing portfolio management services to an Investor.

Please see Item 9 for additional disclosures regarding compensation of the Principal.

Foresite Capital, or an Advisory Affiliate, is paid the management fees applicable to the appropriate Fund directly from the Fund's assets. Performance based profit distributions described in Item 6 below are paid to the relevant Advisory Affiliates when earned. Investors do not have the ability to choose to be billed directly for management fees.

Expenses

The Advisory Affiliates or Foresite Capital will pay certain ordinary and customary expenses out of the management fee (including salaries, wages, rent, communication costs, equipment and other overhead expenses).

The Funds will bear all other expenses of the Funds including all costs and expenses incurred in respect of: the purchase, holding or sale or exchange or other disposition of securities, including legal fees, accounting fees and reasonable private placement and finder's fees in contemplation of an investment by the Fund paid to persons other than the Advisory Affiliates; real property or personal property taxes on investments; brokerage fees; taxes applicable to the Fund on account of its operations; fees incurred in connection with the maintenance of bank or custodian accounts; legal, audit, and other expenses incurred in connection with the registration of the Fund's securities; and reasonable and documented fees and expenses of investment advisers and independent consultants incurred in investigating and evaluating investment opportunities. The Funds shall also bear the fees in connection with the annual audit of the Fund, legal expenses of the Fund, premiums associated with insurance, if any, to insure against any claims that could be made directly against the Fund and its affiliates or that could give rise to a Fund liability pursuant to the Fund Agreement (the purchase of such insurance, if any, shall be at the discretion of the Advisory Affiliate), preparation and other expenses associated with annual and other reports to the Investors, costs associated with any Fund information meetings, expenses of the advisory board meetings and reimbursement of reasonable out-of-pocket costs for the advisory board members and the affiliates of Foresite Capital to attend such meetings, and indemnification costs.

Each Fund will bear the organizational expenses, syndication and offering costs (subject to the terms and limitations set for the in the Fund Agreements) associated with the formation of such Fund and the relevant Advisory Affiliates, up to a maximum amount equal to the amount detailed in the respective Fund Agreement.

Offset Fees

In addition, Foresite Capital, the Advisory Affiliates or their members, employees or other affiliates may receive certain transaction fees in connection with investments by the Funds as compensation for financial advisory and similar services provided to the Portfolio Companies. If Foresite Capital or any Advisory Affiliate is paid such fees, 100% of the fees will offset the management fees payable by the Funds. These fees, and the associated conflicts of interest they present, are further described in Item 11 below.

Investors in a Fund may not withdraw from a Fund prior to dissolution, and may not transfer any of their interests in the Fund without the prior written consent of Foresite Capital or the applicable Advisory Affiliate.

The management fee obligation of a Fund generally may be terminated only in connection with the dissolution of that Fund. Pursuant to the Fund Agreements, in the event of an early termination of a Fund, a pro-rated portion of the management fees paid in advance of the fiscal period in which such termination occurs would be returned to the applicable Fund.

It is important that Investors refer to the relevant governing documents for a complete understanding of expenses and fees they may pay through an investment in the Funds. The information contained herein is a summary only and is qualified in its entirety by such documents.

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

As described in Item 5.B. above, each Advisory Affiliate receives performance-based profit distributions from the Advisory Clients for which it serves as general partner or managing member. In general, an Advisory Client distributes 20% of its net profits to the applicable Advisory Affiliate. Currently, all Advisory Clients charge a performance-based fee.

The possibility that an Advisory Affiliate may receive Carried Interest creates a potential conflict of interest in that it may create an incentive to make investments that are riskier or more speculative than in the absence of such performance-based distributions.

The multi-investment Funds have and may in the future invest in the same Portfolio Company. As described above, SPVs may invest in existing and/or future Portfolio Companies. In such instances, the Principals of Foresite Capital will review allocations between Advisory Clients as needed and will ensure that any allocation is made in accordance with the applicable Fund Agreements. Foresite Capital, to the extent within its control, will not favor itself or the Advisory Affiliates to the detriment of an Advisory Client and will act in a manner that it reasonably believes over the long term is fair and equitable to all Advisory Clients. Pursuant to the details in the respective Fund Agreement(s), the Advisory Client advisory board(s) will be consulted regarding allocations when there is a perceived conflict of interest. Further, the Investors have been advised of this conflict in the Fund Agreements and have acknowledged the inherent conflict of interest.

Investors are provided with clear disclosure as to how performance-based distributions are charged with respect to the Advisory Clients and the risks associated with such performance-based distributions prior to making an investment.

ITEM 7 – TYPES OF CLIENTS

Foresite Capital provides investment advisory services to the Advisory Clients described in Item 4 above. All Investors in the Advisory Clients are “accredited investors” (as defined in Regulation D under the Securities Act of 1933) and “qualified clients” (as defined in Rule 205-3 of the Investment Advisers Act of 1940). All Investors in Fund II are also “qualified purchasers” (as defined in section 2(a)(51)(A) of the Investment Company Act of 1940).

The Funds are no longer open to new Investors. Any new Fund launched by Foresite Capital may have different terms than those summarized above.

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

A. Investment Strategies

The following summarizes the methods of analysis and investment strategies used by Foresite Capital in formulating investment advice.

The Advisory Clients invest in healthcare companies that Foresite Capital believes have proven products, technologies or services. Foresite Capital seeks to find high quality healthcare growth opportunities. Foresite Capital makes investments in equity or equity-oriented securities it believes have substantial upside potential and considerable downside protection either through structuring or discounted issue or purchase prices.

B. Risk Factors

An investment in the Advisory Clients involves a significant degree of risk. There can be no assurance that the Advisory Clients' targeted rate of return will be achieved or that there will be any return of capital. The environment for private equity investments is increasingly competitive and an Investor should only invest in the Advisory Clients if the Investor can withstand the liquidity constraints of an investment in the Advisory Client and a total loss of its investment.

No guarantee or representation is made that the Advisory Clients' investment program will be successful. Please note that all references to Foresite Capital in this Item 8 shall include the applicable Advisory Affiliate(s). The following are some of the additional material risks associated with an investment in the Advisory Clients:

Competition for investments. The Advisory Clients compete with other entities for the acquisition of investments. There may be intense competition for investments of the type in which the Advisory Clients intend to invest, and such competition may result in less favorable investment terms than would otherwise be the case. The Advisory Clients may be unable to find a sufficient number of attractive opportunities to meet their investment objectives. There can, therefore, be no assurance that investments of the Advisory Clients will meet all the investment objectives, or that the Advisory Clients will be able to invest all of their available capital.

Issuer and non-issuer transactions. Foresite Capital intends that the Advisory Clients may acquire investments through both issuer and non-issuer transactions. In the case of a non-issuer transaction, the Advisory Clients will purchase securities from existing shareholders (either directly or by means of a secondary market). In many cases, the price that the Advisory Clients must pay to acquire securities in a non-issuer transaction will exceed the price that the Advisory Clients would have paid if they had been able to acquire such securities directly from the issuer. Furthermore, in the event of a non-issuer transaction, there is no guarantee that the Advisory Clients will accede to the same rights (e.g., information rights, voting rights, and rights of first refusal and co-sale) as the selling shareholder.

No assurance of investment return. The task of identifying opportunities in private operating companies, managing such investments and realizing a significant return for Investors is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage, and realize such investments successfully. There is no assurance that the Advisory Clients will be able to invest capital on attractive terms or generate returns for their Investors. There is no assurance that the investments will be profitable and there is a risk that the Advisory Clients' losses and expenses will exceed their income and gains. As such, there is no assurance of any distribution to the Investors prior to, or upon, liquidation of an Advisory Client.

Valuation of securities. Different methods of valuing securities may provide materially different results. Actual realized returns on all unrealized investments will depend among other things on the value of the securities at the time of disposition, any related transaction costs and the manner of sale. Accordingly, the actual realized return on all unrealized investments may differ materially from the values presented to the Investors.

Long-term & illiquid investment within the Advisory Clients. An investment in an Advisory Client is a long-term commitment. Generally, interests in the Advisory Client are highly illiquid and have no public market value. No secondary market for the interests exists, and no such market will be established or supported by Foresite Capital. Furthermore, the sale or transfer of interests is subject to approval of Foresite Capital and other restrictions contained in the Fund Agreements. Consequently, Investors may not be able to liquidate an investment in the event of an emergency or for any other reason. An investment in an Advisory Client is suitable only for persons and entities who have no need for liquidity with respect to their investment.

Economic interest of Foresite Capital. Because the percentage of profits allocated to Foresite Capital will exceed the capital contribution percentage of Foresite Capital, and because certain net losses otherwise allocable to Foresite Capital will be specially allocated to all the Investors (up to the point that the Investors' capital account balances reach zero), Foresite Capital may have an incentive to make investments that are riskier or more speculative than if Foresite Capital received allocations on a basis identical to that of the Investors. Please also see other disclosures herein.

Liquidation. If the Advisory Clients should become insolvent, the Investors may be required to return with interest any property distributed that represented a return of capital, repay any distributions wrongfully made to them and forfeit any undistributed profits.

Portfolio Company Risks

Late stage investments. The Advisory Clients will invest in both public companies and in privately-held, growth stage healthcare companies. These companies may not be profitable or generating significant revenue, and may not have products approved for market. They may require considerable additional capital to develop technologies and markets, obtain FDA approval, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or on acceptable terms. Further, the technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Each Portfolio Company will be managed by its own officers (who generally will not be affiliated with the Advisory Clients or Foresite Capital). Portfolio companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage.

Lack of diversification. The Advisory Clients are not subject to any extensive diversification requirements and may invest in a limited number of companies, sectors, countries, or regions. Because the Advisory Clients will concentrate their investments in the healthcare sector, investments will become more susceptible to fluctuations in value resulting from adverse business or economic conditions affecting that particular sector. As a consequence, the aggregate return of the Advisory Clients may be adversely affected by the unfavorable performance of one or a small number of companies in which the Advisory Clients have invested.

Availability of investment capital. Portfolio companies may require additional capital infusions before such Portfolio Companies reach maturity. If an investor in a privately-held company does not have funds

available to participate in subsequent rounds of financing, that shortfall may have a significant negative impact on both the Portfolio Company and the face value of the venture investor's original investment. Although it will be the Advisory Clients' policy to maintain sufficient liquidity to allow it to participate in follow-on rounds of financings, the Advisory Clients do not intend to provide all necessary follow-on capital required by a Portfolio Company. Accordingly, third-party sources of financing may be required. There is no assurance that such additional sources of financing will be available, or, if available, will be on terms beneficial to the Advisory Clients. Furthermore, the Advisory Clients' capital is limited and may not be adequate to protect the Advisory Clients from dilution in multiple rounds of Portfolio Company financing.

Lack of liquidity within investment portfolio. Investments will consist of investments in both public and private companies. The marketability and value of each such investment will depend upon many factors beyond Foresite Capital's control. A significant portion of the investments made by the Advisory Clients will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. At the time of an investment, a Portfolio Company may lack one or more key attributes (e.g., proven technology, marketable product, complete management team, or strategic alliances) necessary for success. For some of the Advisory Client's investments, particularly for the investments in private companies, there may be no readily available market for the Advisory Clients' investments, many of which will be difficult to value, and the disposal of a portfolio investment by the Advisory Clients may be prohibited or delayed many years from the date of initial investment for legal and/or regulatory reasons. The public market for high technology and other emerging growth companies is volatile. Such volatility may adversely affect the development of Portfolio Companies, the ability of an Advisory Client to dispose of investments, and the value of investment securities on the date of sale or distribution by an Advisory Client.

Leverage. Investments may include Portfolio Companies with capital structures that include significant leverage. These companies may be subject to restrictive financial and operating covenants. The leverage may impair these companies' ability to finance their future operations and capital needs. The leveraged capital structure of such investments will increase the exposure of the Portfolio Companies to adverse economic factors such as rising interest rates, downturns in the economy, or deteriorations in the condition of the Portfolio Companies or their industries.

Bridge Financings. From time to time, the Advisory Clients may lend to Portfolio Companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in the Advisory Client's control, such long-term securities may not be issued 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 Advisory Clients.

Non-controlling investments. The Advisory Clients may hold a non-controlling interest in certain Portfolio Companies and, therefore, may have a limited ability to protect its position in such Portfolio Companies. However, as a condition to an investment in a Portfolio Company, it is expected that appropriate rights generally will be sought to protect the Advisory Clients' interests to the extent possible. There can be no assurance that such minority shareholder rights will be available.

Management Risks

Other activities. The members of the investment team and their affiliates will devote such portion of their time to the affairs of the Advisory Client as they consider appropriate in their respective judgment to manage effectively the affairs of the Advisory Clients and as required in the Fund Agreements. Other activities of affiliates of Foresite Capital with which such personnel are associated, or with which they may become associated in the future, may require them to devote substantial amounts of their time to matters unrelated to the business of the Advisory Clients.

Investors and prospective Investors are provided with offering documents that contain a detailed description of the material risks related to an investment in the Funds, and are advised to carefully review all risk factors set forth in the relevant offering documents.

ITEM 9 – DISCIPLINARY INFORMATION

Foresite Capital has no legal or disciplinary information to disclose at this time.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Foresite Capital does not have any related persons listed in Item 10.C of the ADV Part 2A. Notwithstanding the prior sentence, Foresite Capital is of the view that the following should be noted:

1. The Advisory Affiliates are related persons of Foresite Capital and serve as general partners, or managing members, to the Advisory Clients. In connection therewith the Advisory Affiliates maintain investments in the Advisory Clients and provide investment management and administrative services to the Advisory Clients.

As described in Item 6, the Advisory Affiliates are entitled to receive performance-based profit distributions from the Advisory Clients, which may in certain circumstances create a conflict of interest, as described in Item 6 above.

2. As described elsewhere in this Brochure, Foresite Capital generally seeks to make significant investments in Portfolio Companies. Foresite Capital sometimes seeks control or substantial minority positions in Portfolio Companies, with board representation and customary shareholder rights. As such, Foresite Capital's management persons may have board positions with Portfolio Companies. Certain of the Principals serve, and may in the future serve, on the board of directors of certain of such Portfolio Companies. Foresite Capital does not believe these relationships create a material conflict of interest.

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

A. Code of Ethics

Foresite 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 Foresite Capital's "Access Persons." Access Persons include any member, officer or director of Foresite Capital and employee of Foresite 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. In addition, certain other individuals, such as temporary employees or independent contractors may also be deemed to be Access Persons by the Chief Compliance Officer.

The Code sets forth a standard of business conduct that takes into account Foresite Capital's status as a fiduciary to the Advisory Clients and requires Access Persons to place the interests of Advisory Clients above their own interests and the interests of Foresite 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 Foresite Capital's 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 Foresite Capital's Chief Compliance Officer with a list of their personal accounts and an initial holdings report listing the holdings of such personal accounts within 10 days of becoming an Access Person. In addition, Foresite Capital's Access Persons must provide annual holdings reports and quarterly transaction reports detailing, respectively, the holdings and quarterly transactions in their personal accounts in accordance with Advisers Act Rule 204A-1.

The Code also describes Foresite Capital's duty to protect material non-public information about securities/investment recommendations provided to (or made on behalf of) advisory clients. Underlying these policies and procedures are two primary principles. First, confidential information must be maintained in confidence. Second, Access Persons who possess material non-public information about public companies must not trade in the securities affected by such information, must not disclose such information to anyone who does not have a legitimate need to know it and must immediately disclose such information to the Chief Compliance Officer.

Investors or prospective Investors may obtain a copy of the Code by contacting Foresite Capital.

B. Potential Conflicts

As explained in Item 10.C above, the Advisory Affiliates, which are owned in part by the Principals, and are related persons of Foresite Capital, serve as the general partners and managing members of the Advisory Clients. These Advisory Affiliates also commit capital to the Advisory Clients, and as a result every investment made by an Advisory Client involves a purchase of securities whereby related persons of Foresite Capital indirectly acquire an indirect interest in such securities.

Foresite Capital's Principals, Advisory Affiliates, and Access Persons maintain investments directly in certain of the Advisory Clients. The fact that Foresite Capital's Principals, Advisory Affiliates, and Access Persons have financial interests in the Advisory Clients could create a potential conflict in that it could cause Foresite Capital to make different investment decisions than if such parties did not have such

financial ownership interests. However, Foresite Capital believes that these financial interests align Foresite Capital's and the Advisory Affiliates' incentives with those of the Investors.

Foresite Capital or the Advisory Affiliates have formed SPVs to co-invest in some of the Portfolio Companies. Further, in certain cases, the Principal is and may be the majority owner of a SPV. As noted in Item 4, co-investment opportunities may not be offered equally to all Investors. Foresite Capital has fully disclosed this conflict in the Fund Agreements and further the Fund Agreements state that by subscribing for an interest in the Advisory Client, each Investor understands, consents and agrees to such conflicts of interest.

As further described in Item 6 above, from time to time, more than one multi-investment Advisory Client may invest in the same or similar securities issued by the same Portfolio Company. SPVs have and may in the future participate in the same Portfolio Company investments as one or more multi-investment Advisory Clients. Foresite Capital may have an incentive to allocate particularly attractive investment opportunities to an Advisory Client that is expected to generate greater carried interest, or to a SPV in which Foresite Capital or its related persons have a greater interest, or to permit that Advisory Client to exit investments at a time that would maximize its returns, potentially to the detriment of the other Advisory Client. As noted in Item 6, this conflict is mitigated by the fact that Foresite Capital and the Advisory Affiliates seek to ensure that all investments made by Advisory Clients and SPVs are fairly and equitably allocated. Further, Foresite Capital allocates investment opportunities among its advisory clients in a fair and equitable manner that is permissible under the respective Fund Agreements. Generally, as appropriate and in accordance with the Fund Agreements, investment opportunities will be allocated pro rata based on each participating Advisory Client's capital commitments or some other systematic and fair methodology. As needed, the respective Advisory Client advisory boards will be consulted regarding allocations when there is a perceived conflict of interest or otherwise.

In addition, Foresite Capital and the Principals have invested directly in certain Portfolio Companies.

Foresite may on rare occasions participate in "principal transactions" or "cross trades" (as defined below). In cases where Foresite acts as a principal for its own account (i.e. Foresite and its control persons in the aggregate own greater than 25% of an Advisory Client, a Portfolio Company, or Portfolio Security), and Foresite is seeking to effect a transaction that would be deemed a principal transaction, Foresite will disclose to the Advisory Client in writing the capacity in which Foresite is acting and receive consent from the Advisory Client. On a case by case basis Foresite may determine it is necessary to disclose the transaction to the Advisory Board, members or limited partners of the Advisory Clients. A "cross trade" occurs where it is advantageous to effect a securities transaction between two Advisory Clients. In the event that a cross trade would be in the best interests of both Advisory Clients and permitted under the governing documents of each Advisory Client, Foresite may affect the cross trades subject to the approval of the appropriate Funds' Advisory Boards, as detailed in the respective Fund(s) offering documents.

As described in Item 5 above, in limited cases Foresite Capital, or an Advisory Affiliate, or a Principal may receive certain advisory fees, director's fees, break-up fees or other similar fees in connection with portfolio investments of the Advisory Clients as compensation for financial advisory and similar services provided by them to the Portfolio Companies. Payment of such fees may create a conflict of interest because it could create an incentive for Foresite Capital or an Advisory Affiliate to cause an Advisory Client to invest its capital in a company that will pay such a fee to Foresite Capital or its affiliate. Foresite Capital mitigates such potential conflicts of interest by requiring that all transaction fees received by Foresite Capital, an Advisory Affiliate or a principal offset and reduce the management fees that would otherwise be paid by the Advisory Clients. Foresite Capital further mitigates this conflict of interest by negotiating such fees at arm's length with such Portfolio Company and generally seeking to ensure that such fees are, in the good faith opinion of Foresite Capital, in accordance with prevailing market rates in the relevant industry. Foresite Capital does not take into consideration whether a Portfolio Company will pay Foresite Capital or its affiliate a services fee when making an investment determination.

As described in Item 6, Foresite Capital or the Advisory Affiliates receive management fees and performance-based profit distributions from the Advisory Clients. The 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 Foresite Capital to raise or otherwise increase capital commitments to a higher level than would be the case if Foresite Capital were receiving a lower or no management fee. Performance-based profit distributions may create an incentive for Foresite Capital or the Advisory Affiliates to make investments that are riskier or more speculative than in the absence of such performance-based profit distributions.

In addition to the foregoing, Foresite Capital seeks to address the above conflicts through regular monitoring of the Advisory Clients' portfolios for consistency with objectives, strategies, and target capacity. Further, Foresite Capital carefully considers the risks involved in any investments and Foresite Capital provides extensive disclosure to Investors regarding the potential risks that come with an investment with Foresite Capital. As stated above the Code provides guidelines for identifying and addressing conflicts of interest and requires Access Persons to place the interests of the Advisory Clients above their own or those of Foresite Capital, and all Access Persons are required to acknowledge their receipt and understanding of the Code.

In addition, each of the Funds has an advisory board consisting of representatives of certain Investors in the respective Advisory Client. The advisory boards advise and counsel Foresite Capital and the Advisory Affiliates on issues relating to conflicts of interest and matters specifically set forth in the limited partnership agreements. Foresite Capital typically consults with the advisory board of the Advisory Client in question if a significant or material conflict of interest described in this Item 11 arises with respect to such Advisory Client.

Foresite Capital's Access Persons are permitted to make certain securities transactions in their Personal Accounts. Foresite Capital's Access Persons have made, and may in the future under certain limited circumstances make investments, directly, or indirectly, for their personal accounts in the Portfolio Companies. Such investments may be made concurrently with, or in advance of, investments by an Advisory Client. Such investments could create a conflict of interest in that it could give Foresite Capital or an Advisory Affiliate an incentive to cause an Advisory Client to invest its capital in a company in which it would not otherwise invest, or to dispose of its investment in a company at a time or for a price which it would not otherwise recommend for the Advisory Client absent such Access Person's ownership of such securities. The Fund Agreements include limitations on the ability of certain Access Persons to make such investments.

In addition the Code restricts the ability of Access Persons to hold interests in Portfolio Companies outside of their indirect interests through the Advisory Affiliates or the Advisory Client. All such investments require approval of the Chief Compliance Officer, which approval would only be granted once any associated conflicts of interest are adequately addressed and remedied.

Foresite Capital enforces the foregoing policy and manages the potential conflicts of interest inherent in Access Person personal trading by rigorous enforcement of its Code, which contains pre-clearance and reporting guidelines for Access Persons.

Foresite Capital requires that Access Person's transactions in certain "reportable securities" (as defined in Section 202(a)(18) of the Advisers Act) be pre-cleared with the Chief Compliance Officer. Further details are available in the Code which is available to Investors upon request.

Foresite Capital maintains a "Restricted List" with the names of issuers of public securities in which Foresite Capital or its affiliates (including Access Persons) holds an interest or about which Foresite Capital or its affiliates (including Access Persons) has learned material, non-public information. In order

to minimize the risk of improper transactions, this includes public companies known by Foresite Capital to be considering the purchase or sale of Portfolio Companies. This could also include a Portfolio Company that is considering going public. Where Foresite Capital or an affiliate owns more than 10% of a public company or has board representation, such company will be placed on the Restricted List. Pre-clearance approval, if given, generally will be granted only within the company's quarterly "open trading window" period. Foresite Capital also maintains a "Watch List" including, but not limited to, all Portfolio Companies and any other securities with respect to which the Principal and/or the Chief Compliance Officer feel there is a conflict of interest. Access Persons are generally prohibited from trading securities on the Restricted List or the Watch List without the prior written consent of the Chief Compliance Officer so that the Chief Compliance Officer may confirm that the proposed investment meets the requirements of the applicable Fund Agreements and the Code. If there are no potential conflicts of interests, pre-clearance requests may be approved on a case by case basis.

In addition, Foresite Capital receives transaction and holdings reports in accordance with Advisers Act Rule 204A-1. The Chief Compliance Officer, or his designated person, reviews Access Persons' personal transaction and holdings reports to make sure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code.

ITEM 12 – BROKERAGE PRACTICES

A. Best Execution and Soft Dollars

Foresite’s investment strategy may involve placing trades with a broker dealer. Foresite recognizes its duty to obtain best execution in effecting transactions on behalf of the Advisory Clients.

Foresite Capital has complete discretion in selecting the broker that it uses for Advisory Client and co-investment transactions and the commission rates that the Advisory Clients pay such brokers. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer’s services. In selecting a broker for any transaction or series of transactions, Foresite Capital may consider a number of factors, including, for example:

- net price, clearance, settlement and reputation;
- financial strength and stability;
- efficiency of execution and error resolution;
- ability to arrange for sales and transfers of restricted and illiquid securities;
- willingness to execute related or unrelated difficult transactions in the future;
- ability to establish brokerage accounts on an efficient and expedited basis; and
- special execution capabilities;

Foresite Capital maintains custodial accounts for certain of the Advisory Clients’ holdings in public securities and any transactions in such securities will generally be executed through the custodial broker-dealer when Foresite Capital believes that doing so is consistent with best execution. Although Foresite Capital generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest price. Among other reasons, transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions than would be the case for more routine services.

Foresite Capital currently does not participate in any soft dollar arrangements outside of receiving research and related and permissible services that are available to other institutional investors. Research services received from brokers and dealers are supplemental to Foresite Capital’s own research effort. To the best of Foresite Capital’s knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. Foresite Capital does not separately compensate such broker-dealers for the research and does not believe that it “pays-up” for such broker-dealers’ services.

In the event that Foresite Capital does enter into any soft dollar arrangements in the future, the following policy will apply to Foresite Capital’s practices:

As discussed above, in selecting a broker for any transaction or series of transactions, Foresite Capital may consider a number of factors. Where comparable execution may be obtained from more than one broker, Foresite Capital may select brokers in recognition of the value of various services or products, beyond transaction execution, that they provide to Foresite Capital or its clients. The amount of compensation paid to such broker-dealer may be higher than what another, equally capable broker-dealer might charge. Selecting a broker or dealer in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with soft dollars. Although customary, these arrangements present potential conflicts of interest in allocating securities transaction business to broker-dealers in exchange for soft dollar benefits, including an incentive to select a broker-dealer based on Foresite Capital’s interest in receiving research or other products or services, rather than on the Advisory Clients’ interest in receiving the most favorable execution.

Pursuant to Section 28(e) of the Securities Exchange Act of 1934, as amended, Foresite Capital may use soft dollars to acquire a variety of eligible “research” and “brokerage” services and products from a broker-dealer, provided that the commissions paid are reasonable in light of the value of the brokerage and research products or services provided, as determined by Foresite Capital in good faith. For these purposes, “research” means services or products used to provide lawful and appropriate assistance to Foresite Capital in making investment decisions for the Advisory Clients. “Brokerage” services and products are those used to effect securities transactions for the Advisory Clients or to assist in effecting those transactions.

Foresite Capital periodically evaluates the execution performance of brokers to ensure that the services provided are consistent with best execution.

B. Aggregation of Securities

Upon determination to buy or sell the same Portfolio Company security on behalf of more than one Advisory Client (based upon the investment mandates and available capital of such Advisory Clients), Foresite Capital will generally aggregate such transactions. Private company securities which are a significant part of the investments made by the Advisory Clients are generally purchased in private placement transactions, and thus a purchase or sale transaction by multiple Advisory Clients will generally be consummated simultaneously. However, there could be circumstances in which the liquidity needs, partnership terms or other considerations require the purchase or sale of Portfolio Company securities by Advisory Clients at different times. In such cases, Foresite Capital will seek to act in a fair and equitable manner with regard to all participating Advisory Clients and to take into account the investment objectives and results of each Advisory Client. Notwithstanding the foregoing, the purchase or sale of Portfolio Company securities by different Advisory Clients at different times could result in increased transaction costs and different investment results for such Advisory Clients and their Investors.

Foresite Capital recognizes that, as a fiduciary, it has a duty to allocate investment opportunities among its advisory clients in a fair and equitable manner. The Advisory Clients have overlapping investment programs and may participate in the same investments. If Foresite Capital determines that it would be appropriate for more than one Advisory Client to participate in an investment opportunity, Foresite Capital will seek to allocate the investment opportunity to all of the participating Advisory Clients on a fair and equitable basis, as described in greater detail in Item 11 above.

ITEM 13 – REVIEW OF ACCOUNTS

A. Account Review

The accounts of the Advisory Clients are under periodic review by the Principal and other investment professionals of Foresite Capital. Such reviews include a review of investment policy, the suitability of the investments used to meet policy objectives, and investment objectives. Foresite Capital 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.

B. Reporting to Clients and Investors

. Investors in each Fund generally receive quarterly reports after the close of each of the first three calendar quarters, which include quarterly unaudited financial statements of the Fund, a summary of acquisitions and dispositions of the investments of the Fund and a list of investments then held, together with a valuation and summary update of such investments. Annually, Investors receive an annual financial report audited by a nationally recognized accounting firm, information regarding the Fund necessary for the completion of each Investor's tax return, and a list of investments then held by the relevant Fund and a valuation of such investments. Reports to the SPV investors are sent in accordance with the Fund Agreement.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

As the Advisory Clients are Funds and SPV's, Foresite does not provide compensation for client referrals. However, certain of the Advisory Clients compensate third parties for introducing Investors to the Advisory Clients. Pursuant to such arrangements among the applicable Advisory Client, Foresite Capital and a third party placement agent, and in accordance with and subject to limitations set forth in the applicable Fund Agreement, the Advisory Client pays such placement agent a fee generally based on the capital commitment of the investor introduced to the Advisory Client by the placement agent. For Fund II, placement agent fees paid by Fund II offset and reduce the management fees otherwise payable by Fund II to the Management Company over five years. Investors introduced to an Advisory Client by a placement agent do not pay Foresite Capital or any Advisory Affiliate higher management fees or carried interest than Investors not introduced by a placement agent.

ITEM 15 – CUSTODY

Pursuant to Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), Foresite Capital is deemed to have custody of the assets held by the Advisory Clients because affiliates of Foresite Capital serve as the general partners or managing members of the Advisory Clients.

To ensure compliance with the Custody Rule, Foresite Capital will ensure that the Advisory Clients are subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board (“PCAOB”) and that the audited financial statements of each Advisory Client will be prepared in accordance with generally accepted accounting principles and distributed to Investors within 120 days of the end of each Advisory Client’s fiscal year. Investors should carefully review the audited financial statements of the Advisory Clients upon receipt, and should compare these statements to any account information provided by Foresite Capital.

As Foresite Capital’s investment program involves some investments in privately offered securities issued by venture capital stage operating companies, Foresite Capital generally will be exempt from the requirement that securities be maintained with a “qualified custodian.” Foresite Capital anticipates that many of its investments will involve securities that are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated, and ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the client; and (iii) transferable only with prior consent of the issuer or holders of the issuer’s outstanding securities.

To the extent that Foresite Capital holds any publicly traded securities or securities which are otherwise ineligible for an exemption from qualified custodian requirement of the Custody Rule, Foresite Capital will maintain such securities with a qualified custodian in an account in the name of the Advisory Client or in accounts that contain only funds and securities owned by the Advisory Clients, under Foresite Capital’s name as agent or trustee for the Advisory Clients.

ITEM 16 – INVESTMENT DISCRETION

Foresite Capital has discretionary authority to manage securities accounts on behalf its clients. Foresite Capital is authorized to make transaction recommendations for the Advisory Clients. As explained in Item 4.C above, each Advisory Client's investment strategy is set forth in detail in such Advisory Client's offering documents and Fund Agreement. Investors do not have the ability to impose limitations on Foresite Capital's discretionary authority. 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.

ITEM 17 – VOTING CLIENT SECURITIES

Foresite Capital does not vote securities held by the Advisory Clients. Securities held by the Advisory Clients are voted by the respective general partner or managing member of the Advisory Client. Any proxies or other solicitations received by Foresite Capital will be reviewed and acted upon by the principals of the general partner or managing member. Notwithstanding the above, Foresite Capital has adopted a proxy voting policy that is applicable to it and its Advisory Affiliates.

Foresite Capital and its Advisory Affiliate understand and appreciate the importance of proxy voting. Securities held by the Advisory Clients are voted by the respective general partner or managing member. Any proxies or other solicitations received by Foresite Capital will be forwarded to a representative of the appropriate general partner or managing member.

Foresite Capital and its Advisory Affiliates have adopted proxy voting policies and procedures that are designed to ensure that when an Advisory Affiliate votes a proxy with respect to securities held on behalf of the Advisory Clients, such proxies are voted in the clients' best interests, in the judgment of the Advisory Affiliate to the extent reasonably practicable. The procedures also require that the Advisory Affiliates identify and address conflicts of interest. If a material conflict of interest is identified, the Advisory Affiliate will determine whether voting in accordance with the guidelines set forth in the procedures is in the best interests of its Advisory Clients or whether taking some other action may be more appropriate.

If a conflict is identified, such individuals will then make a determination (which may be in consultation with outside legal counsel or compliance consultants) as to whether the conflict is material or not. If a conflict is material, the Advisory Affiliate will determine what course of action is in the best interests of the client (which may include utilizing an independent third party to vote such proxies).

Foresite Capital keeps a record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received and internal documents created that were material to voting decisions and each client request for proxy voting records and the Advisory Affiliate's response for the previous five years.

Investors generally do not have the ability to direct proxy votes. Investors may obtain additional information regarding how the Advisory Affiliate voted proxies and may obtain a copy of Foresite Capital's proxy voting policies and procedures by contacting the Chief Compliance Officer.

ITEM 18 – FINANCIAL INFORMATION

Foresite Capital and its affiliates do not require or solicit prepayment of advisory fees six months in advance. Foresite Capital is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Advisory Clients or Investors.