

**INVESTMENT ADVISER BROCHURE**

**AMULET CAPITAL PARTNERS, L.P.**

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**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Amulet Capital Partners, L.P. (“Amulet Capital Partners”). If you have any questions about the contents of this Brochure, please contact us at 646-561-6655. 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 authority.**

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

Additional information regarding Amulet Capital Partners is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## ADVISORY BUSINESS

Amulet Capital Partners, L.P., a Delaware limited partnership (“**Amulet Capital Partners**”) and a registered investment adviser, and its affiliated investment advisers provide investment advisory services to private investment funds. Amulet Capital Partners commenced operations in June 2012.

Amulet Capital Partners’ clients include Amulet Capital Fund I, L.P. (the “**Fund**,” and together with any future private investment funds to which Amulet Capital Partners and/or its affiliates provide investment advisory services, “**Private Investment Funds**”).

Amulet Capital Fund GP, L.P. (the “**General Partner**” and together with Amulet Capital Partners and their affiliated entities “**Amulet**” or the “**Firm**”) is an investment adviser affiliated with Amulet Capital Partners.

The General Partner is registered under the Advisers Act pursuant to Amulet Capital Partners’ registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partner, which operates as a single advisory business together with Amulet Capital Partners.

The Fund, and any other Private Investment Funds, are private equity funds and invest, directly or indirectly, through negotiated transactions in operating entities. The Firm’s investment advisory services to Private Investment Funds consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for such investments. Investments are made predominantly in non-public companies, although investments in public companies are permitted subject to the Fund’s and/or Private Investment Fund’s limited partnership agreement. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of Amulet Capital Partners or its affiliates may serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies held by Private Investment Funds.

The Firm’s advisory services for Private Investment Funds are detailed in the applicable private placement memoranda, management services agreements and limited partnership agreements and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Investors in Private Investment Funds participate in the overall investment program for the applicable fund, but may be excluded or excused from a particular investment due to legal, regulatory or other applicable constraints. Any of the Private Investment Funds or the General Partner may enter into side letters or other similar agreements with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, such a Private Investment Fund’s limited partnership agreement (or other governing document) or subscription agreement with respect to such investors.

Additionally, from time to time, Amulet may provide (or agree to provide) certain investors or other persons the opportunity to participate in co-invest vehicles that will invest in certain portfolio companies alongside a Private Investment Fund. Subject to, among other things, certain tax, legal, regulatory, accounting or other similar considerations, and on terms at

the investment level no more materially favorable than those received by such Private Investment Fund, such co-invest vehicles typically invest and dispose of their investments in the applicable portfolio company at the same time as the Private Investment Fund making the investment. However, from time to time, for strategic or other reasons, a co-invest vehicle may purchase a portion of an investment from a Private Investment Fund. Any such purchase from a Private Investment Fund by a co-invest vehicle generally occurs shortly after the Private Investment Fund's completion of the investment to avoid any changes in valuation of the investment, and the co-invest vehicle may be charged interest on the purchase to compensate the relevant Private Investment Fund for the holding period.

As of the date of this Brochure, Amulet has no client assets under management. Amulet Capital Partners, L.L.C., a Delaware limited liability company, acts as the general partner of Amulet Capital Partners. Amulet Capital Partners is wholly controlled solely by Ramsey Frank.

### **FEES AND COMPENSATION**

In general, Amulet Capital Partners receives a management fee in connection with advisory services, and the General Partner receives a carried interest based on a percentage of net profits. Amulet Capital Partners or other Amulet entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies of Private Investment Funds and such additional compensation will offset in whole or in part the management fees otherwise payable to Amulet Capital Partners. Investors in Private Investment Funds also bear certain fund expenses.

#### **Management Fees**

The Fund will pay to Amulet Capital Partners an annual management fee (the "**Management Fee**"), payable semi-annually in advance, equal to 2.0% of aggregate commitments of the Fund's limited partners. After the expiration of the investment period (generally speaking, six years from the initial drawdown of Management Fees, though subject to early termination under limited circumstances), the Management Fee will equal 2.0% of an amount equal to the aggregate limited partners' capital contributions used to acquire portfolio investments that have not been disposed of or otherwise valued at zero. The Management Fee will be borne by the limited partners in proportion to their commitments and capital contributions in respect of acquired portfolio investments, as the case may be. The Management Fee may be paid out of current income and disposition proceeds of the Fund that would otherwise be distributable to the limited partners and, to the extent necessary, from called commitments which will reduce unfunded commitments; provided that, to the extent of subsequent distributions, such amounts, as well as the amount of any other previously funded expenses, will be restored to the unfunded commitments and may be recalled by the Fund. The Management Fee may be reduced by an amount determined by the General Partner. In the event of such a reduction, the amount of cash capital contributions the General Partner would otherwise be required to contribute to the Fund will be reduced by an equivalent amount.

Limited partners admitted to the Fund subsequent to its initial closing will be required to contribute to the Fund an amount equal to their proportionate share of all funded commitments, as well as their share of Management Fees and other expenses, plus an additional amount thereon

calculated at the prime rate plus 4% from the date of each applicable funding. Such amounts (other than amounts attributable to the Management Fee and the additional amount thereon, which will be paid to the Fund and paid by the Fund to Amulet Capital Partners) will be for the account of previously admitted partners (and partners of parallel entities) in proportion to their respective funded commitments, and will be restored to such partners' unfunded commitments and, other than the additional amounts, may be recalled by the Fund for reinvestment or contributions, as applicable.

Amulet Capital Partners or its affiliates may charge portfolio companies transaction fees, directors' fees, monitoring fees, break-up fees and other similar advisory fees ("**Supplemental Fees**"). Each limited partner's share of the Management Fee shall be reduced by such limited partner's *pro rata* share (based on commitments) of an amount equal to 100% of all Supplemental Fees paid by portfolio companies that are received by Amulet Capital Partners, the General Partner or any of their respective employees, net of any unreimbursed expenses, in each case to the extent attributable to the Fund's investment in such portfolio company. Amulet Capital Partners shall retain any unapplied reductions remaining at the time the Management Fee ceases to be payable. Portfolio company related fees may also include amounts prepaid in anticipation of future services or otherwise accelerated in certain situations (e.g., initial public offerings) which will be offset against the Management Fee to the extent set forth in the relevant partnership agreement.

All placement fees will be paid by the Fund, and 100% of such fees will be applied to reduce the Management Fee otherwise payable by the Fund. The Fund will indemnify the placement agents against certain liabilities, including securities law liabilities.

The Fund will bear all legal and other expenses incurred in the formation of the Fund and the offering of interests. Organizational expenses in excess of \$2,000,000 (not including any placement fees), and any placement fees, will be paid by the Fund but borne by Amulet Capital Partners through a 100% offset against the Management Fee.

Additionally, as further described below and in the applicable private placement memoranda, certain Senior Advisors (as identified in the applicable private placement memoranda) who provide services to (or with respect to) certain portfolio companies in which one or more of the Private Investment Funds invests may receive Supplemental Fees and other compensation, and such compensation will not result in additional offsets to the Management Fee. Amulet anticipates working with one or more full-time operating partners during the course of the Fund. However, unlike Senior Advisors, compensation received by any such operating partners from portfolio companies, if any, will result in corresponding offsets to the Management Fee.

As permitted under the limited partnership agreement of the Fund, Amulet Capital Partners may waive or agree to reduce the Management Fee. Any such waived or reduced portion of the Management Fee reduces the amount of capital Amulet Capital Partners would otherwise be required to contribute to the Fund. The limited partners of the Fund may be required to make a *pro rata* contribution according to their respective commitments to fund any contribution that would otherwise be required of the General Partner in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in

an acceleration of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above. Due to waived or reduced Management Fees by the General Partner and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will not be fully realized by investors in the Fund, resulting in a net additional benefit to Amulet Capital Partners.

### **Carried Interest**

The General Partner is entitled to receive carried interest with respect to the Fund equal to 20% of all realized profits subject to an 8% annually compounded preferred return, as more fully described in the Fund's private placement memorandum and limited partnership agreement. The carried interest distributed to the General Partner is subject to a potential giveback (i) at the end of the Fund's investment period and (ii) upon completion of winding up and final liquidation of the Fund, if, in either case, the General Partner has received excess cumulative distributions.

It is expected that any future Private Investment Funds will have a similar fee structure.

### **Other Information**

Amulet Capital Partners may exempt certain investors in Private Investment Funds from payment of all or a portion of Management Fees and/or carried interest, including Amulet Capital Partners and any other person designated by Amulet Capital Partners. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by Amulet Capital Partners and/or its affiliates, or through other Private Investment Funds which co-invest with the Fund.

The Fund and other Private Investment Funds invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the limited partnership agreement (or other governing document), over the term of the Fund (or the relevant Private Investment Fund, as applicable) and investors generally are not permitted to withdraw or redeem interests in the Fund (or other relevant Private Investment Fund, as applicable).

Principals or other employees of Amulet may receive a portion of the Management Fee, carried interest or other compensation received by Amulet Capital Partners, the General Partner or their respective affiliates.

In addition to the Management Fee and carried interest payable to Amulet Capital Partners and the General Partner, the Fund bears certain expenses. As set forth in the limited partnership agreement, the Fund bears all expenses to the extent not paid by portfolio companies, including (a) the Management Fee; (b) the fees and expenses relating to consummated portfolio investments, proposed but unconsummated investments, temporary investments and indebtedness, borrowings or guarantees (including interest), including the evaluation, acquisition, holding and disposition thereof, to the extent that such fees and expenses are not reimbursed by a portfolio company or other third person; (c) premiums for insurance protecting

the Fund and any covered persons<sup>1</sup> from liabilities to third persons in connection with Fund affairs; (d) legal, custodial, administration, travel (including the cost of chartering private aircraft, but only up to the amount of the cost of first class commercial airfare) and internal and external accounting and reporting fees and expenses, including regulatory-related fees and expenses (including fees and expenses related to the preparation and filing of Form PF) and expenses associated with the preparation and delivery of the Fund's financial statements, tax returns and Schedule K-1s and related documents and any expenses incurred or paid by the tax matters partner; (e) auditing, accounting, banking and consulting expenses; (f) appraisal expenses; (g) expenses related to organizing persons through or in which portfolio investments may be made; (h) expenses of the advisory board established by the General Partner (the "**Advisory Board**"); (i) costs and expenses that are classified as extraordinary expenses under U.S. generally accepted accounting principles; (j) taxes and other governmental charges, fees and duties payable by the Fund; (k) damages (except with respect to damages for which a covered person is not entitled to indemnification pursuant to the limited partnership agreement); (l) costs of reporting to and communicating with the partners and of the annual meeting of limited partners; (m) organizational expenses in excess of \$2,000,000 and placement fees, (n) costs of winding up and liquidating the Fund, (o) to the extent allocated to the Fund in the reasonable good faith judgment of the General Partner and not reimbursed by a portfolio company, the compensatory and other employment-related costs of designated persons employed by Amulet Capital Partners or its affiliates who provide accounting and/or reporting services in respect of the Fund (in lieu of the General Partner requiring the Fund to obtain all or the applicable portion of such services from third party providers) and (p) all costs and expenses incurred in connection with the organization, management, operation, and dissolution, liquidation and final winding up of any alternative investment funds formed by the General Partner pursuant to the limited partnership agreement.

The Fund may also bear expenses indirectly to the extent a portfolio company pays expenses, including expenses of Amulet Capital Partners and/or its affiliates. Excluded from Fund expenses are the costs and expenses incurred by Amulet Capital Partners in providing for its and the General Partner's normal operating overhead, including salaries of Amulet Capital Partners' employees, rent, and other similar expenses specified in the limited partnership agreement. (For the avoidance of doubt, Senior Advisors are not considered to be employees of Amulet Capital Partners and may be compensated by portfolio companies, as described in the following paragraph and above under "Management Fees.") Also excluded from Fund expenses are organizational expenses, meaning all costs and expenses incurred in connection with the formation and organization of, and sale of interests in, the Fund, the General Partner (and its general partner), any parallel funds (and their respective general partners) and Amulet Capital Partners (and its general partner), (but not including all placement fees) and all out-of-pocket legal, accounting, printing, travel (including the cost of chartering private aircraft, but only up to the amount of the cost of first class commercial airfare) and filing fees and expenses related thereto. As described above, the Fund will not bear organizational expenses in excess of \$2,000,000. As is typical for private equity funds, the Fund or other Private Investment Funds

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<sup>1</sup> Covered persons include the General Partner, Amulet Capital Partners and its principals, the Advisory Board, and their respective affiliates, and the directors, officers, partners, members, employees and agents of each of them.

likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds. Brokerage fees may be incurred in accordance with the practices set forth in “Brokerage Practices.” In certain circumstances, one Private Investment Fund may pay an expense common to multiple Private Investment Funds (e.g., legal expenses for a transaction in which all such funds participate), and be reimbursed by the other Private Investment Funds by their share of such expense, without interest. While highly unlikely, it is possible that one of the other Private Investment Funds could default on its obligation to reimburse the paying Private Investment Fund. To the extent co-investment vehicles or similar entities are formed in connection with a proposed transaction that is not consummated, the expenses of such transaction relating to such co-investment vehicles or similar entities may be borne by the Fund and/or other Private Investment Funds.

Additionally, as described more fully in the applicable private placement memorandum of each Private Investment Fund, certain Senior Advisors and operating partners may provide services to (or with respect to) certain portfolio companies in which one or more Private Investment Funds may invest. In connection with such services, such Senior Advisors and operating partners may receive fees and other compensation from portfolio companies (which, in the case of any such fees and other compensation paid to the Senior Advisors, will not result in additional offsets to the Management Fee). Additionally, Amulet Capital Partners and/or its affiliates generally have discretion over whether to charge fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation. The receipt of such compensation may give rise to conflicts of interest between Private Investment Funds, on the one hand, and Amulet Capital Partners and/or its affiliates on the other hand.

#### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under “Fees and Compensation,” the General Partner receives a carried interest allocation on certain realized profits of the Fund. Amulet does not advise Private Investment Funds not subject to a carried interest, although it may waive carried interest with respect to certain affiliated partners as described under “Fees and Compensation” or to co-investment vehicles.

#### **TYPES OF CLIENTS**

Amulet Capital Partners provides investment advice to Private Investment Funds, including the Fund. Private Investment Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in Private Investment Funds may include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of Amulet Capital Partners and its affiliates.

The Fund generally has a minimum investment amount of \$10 million for third-party investors, and Fund interests are offered and sold solely to qualified purchasers (or qualified knowledgeable Amulet personnel). Such minimum investment amount may be waived by the General Partner.

## METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### General

The Firm is a middle-market private equity investment firm focused on leveraged buyouts, growth capital and structured equity investments exclusively in the healthcare and healthcare-related sectors. Advisory services provided by the Firm include identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments. Investments are predominantly in non-public companies although investments in public companies are permitted.

The Firm's investment strategy for the Fund is principally to make privately negotiated investments in middle-market companies within the healthcare and healthcare-related sectors. The Firm plans to focus on those segments it believes have attractive long-term fundamentals as well as an element of complexity or market dislocation that may result in less competition and, potentially, lower purchase multiples. The Firm also intends to pursue opportunities where it has a competitive advantage based on previous experience, industry relationships or in-depth knowledge of the subsector. Additionally, the Fund will seek to enhance the post-acquisition operating performance of its investments through the involvement and oversight of investment deal teams, operating partners and Senior Advisors.

The Firm will seek to serve as the lead investor in the Fund's transactions. Consistent with investments made by the founding partners and principals of the Firm (Ramsey Frank, Ari Benacerraf, Jay Rose and George Fotiades, together the "**Principals**") in other funds, the Firm will typically look to invest between \$30 million and \$100 million of equity in each transaction and focus primarily on opportunities in North America.

Once an investment opportunity has been identified, the Firm will seek to improve the performance of the acquired company by (i) developing short- and long-term value enhancement plans, (ii) working to increase the effectiveness and engagement level of the company's board of directors, (iii) assessing, developing and possibly adding to the company's senior executives, and (iv) creating a customized support structure including performance tracking and reporting standards as well as access to the Firm and external resources.

There can be no assurance that Amulet Capital Partners will achieve the investment objectives of the Fund, and a loss of investment may be possible.

### Investment and Operating Strategy

#### *Transaction Sourcing*

The Firm plans to use Amulet Capital Partners' differentiated model for generating deal flow, which starts with thematic research aimed at understanding the underlying drivers affecting the overall healthcare market. These macro-focused underlying drivers include demographic, economic, regulatory and technological changes, all of which impact different aspects and components of the healthcare value chain, and should guide the Firm towards specific subsector target areas for investment.

Next, the Firm intends to leverage its network of long-standing industry relationships, which include business executives, investment bankers, private equity investors, business brokers, consultants, accountants, lawyers and other contacts, and will be utilized to identify, and establish active dialogues with, market-leading companies and senior executives within targeted healthcare subsectors. Subsectors of interest, and ones in which the Principals have successfully invested in the past, include pharmaceutical services, outsourced services, outpatient providers, healthcare information technology, specialty distribution, and consumer/retail models.

The Firm intends to further focus its sourcing efforts on identifying opportunities that have an element of complexity or where the Firm has an information advantage. Complex situations generally fall into four categories and include: (i) capital structure or access to capital issues; (ii) regulatory or intellectual property concerns; (iii) operational challenges; and (iv) business model changes. Information-advantaged situations represent opportunities where the Firm either has expertise from the Principals' prior investments, or has a unique relationship with the target company or its senior management team. The Firm expects the Fund's investment screening approach to result in participation in low competition situations and/or proprietary investment opportunities within healthcare subsectors in which the Firm has done extensive background research and diligence.

The main principle behind the Firm's proposed multi-step screening effort is to efficiently focus time and resources on situations that leverage the Firm's investment experience and skill sets, and where there will be limited competition in the investment process. While complex or information-advantaged investment situations tend to be more time consuming than investment banker-managed sale processes, the potential advantages to the Firm include more deliberate and comprehensive due diligence and possibly more attractive valuations and investment terms.

### ***Investment Process***

The Firm plans to use a team-based approach that combines investment and operating professionals throughout the investment lifecycle, from identification of new opportunities to the exiting of portfolio companies. The Firm's Senior Advisors may: (i) assist in thematic development, subsector targeting and company-specific sourcing; (ii) participate in due diligence and investment analysis; and (iii) work with portfolio companies post-investment, including board of directors representation. The Firm also relies upon a preferred group of healthcare-specific vendors that include accounting, tax, legal, intellectual property, insurance, information technology and human resources advisors as well as regulatory, industry, operations and other third party consultants.

The Firm plans to use a standardized investment process to help ensure a consistent and disciplined approach to investing Fund capital. Prior to committing capital to a new investment, the Firm will conduct a thorough internal review that consists of three principal stages: (i) investigation; (ii) active diligence; and (iii) final approval.

The investigation stage will principally involve the Firm's internal deal team and Senior Advisor resources and is primarily aimed at screening new opportunities across the Firm, with a particular focus on assessing the Fund's competitive advantage in pursuing each investment.

Each deal team will consist of one or more of the Firm's investment partners and two additional investment professionals (principal/vice president and associate).

The active diligence stage requires approval from the General Partner's investment committee based on diligence materials presented by the Firm's investment team. Materials include a memorandum summarizing the investment opportunity, diligence plan, preliminary investment thesis (merits and risks), transaction dynamics and timing, sources and uses, a detailed company overview (including financial information) and an investment return summary. During the active diligence stage, the Firm intends to focus on identifying areas where third party resources will be needed to ensure that appropriate experts are hired to assist with diligence. The General Partner's investment committee will be updated frequently during the active diligence stage.

The final approval stage will require the General Partner's investment committee to approve and sign off on the following: a comprehensive update of the active diligence memorandum; final transaction and financing terms; human capital evaluation; compensation structure for management and a preliminary outline of a post-acquisition 100-day action plan. Significant investment evaluation criteria include potential competitive advantage, desirability of the targeted subsector, attractiveness of the purchase price, favorability of regulatory environment dynamics, limitation of regulatory risk, opportunities to improve operating performance, attractiveness of free cash flow dynamics, additional opportunities for growth, and potential ease of exit.

Once an investment is made, key portfolio company decisions similarly require the approval of the General Partner's investment committee. In the immediate post-close period, all investments must receive sign-off on a 100-day post-acquisition action plan and at a later time, human capital assessment and development plans as well as board of director composition and recruitment schedules. On a quarterly basis, deal teams generally will present progress reports on each investment in order to identify companies in need of additional growth capital or more hands-on active intervention and to evaluate near-term exit candidates or realization opportunities.

### ***Flexible and Creative Transaction Structuring***

The investment activities of the Fund will be led by its Principals, and the Firm believes that their combined experience will allow them to develop creative and flexible structuring approaches for the Fund's transactions. While the Firm anticipates the Fund will largely focus on control investments, in selective situations it may pursue and execute minority investments. In addition to board of director representation, the terms of these investments may also include control over key business decisions such as: (i) change of control transactions; (ii) mergers and acquisitions; (iii) changes to senior management or the board of directors; (iv) changes to the company's capital structure (including the sale of any securities); (v) transactions with affiliates; and (vi) any material decisions or changes that may impact the company's business.

The Firm intends to evaluate appropriate leverage levels for each transaction based on the cash flow characteristics of the individual investment and the financing environment at the time

of the deal. Appropriate leverage levels will likely be determined based on prevailing interest rates, lender amortization requirements and covenant restrictions.

### ***Integrated Deal Team Approach to Portfolio Management***

The Firm intends to use active and hands-on ownership to grow revenues, increase efficiencies, foster add-on acquisitions and, ultimately, increase value of the Fund's investments. The Firm plans for the original investment deal teams to continue to work with portfolio companies post-acquisition.

Post-investment, the Firm expects to use knowledge established during due diligence and the early post-close ownership period to: (i) assist in the creation of 100-day and long-term value enhancement plans; (ii) construct value-added and engaged boards of directors; (iii) assess, develop and supplement (where necessary) senior executive talent; and (iv) create a customized support structure including performance tracking and reporting standards as well as access to Firm and external resources. The Firm's integrated approach will unite experienced healthcare operating partners and a network of Senior Advisors with investment teams to work together to implement the above initiatives.

The investment teams will remain very active post investment, providing financial support to portfolio companies. The Firm expects to be highly involved in sourcing add-on acquisitions for portfolio companies, and that the Principals will actively participate in the diligence, valuation and negotiation of these transactions. To the extent an add-on acquisition is completed, the Firm expects that the integration responsibility will be shared by the investment team and management. Investment teams will also help monitor capital allocation and expenditure protocols and will be deeply involved in any capital structure or financing activity of portfolio companies.

During the post-close process, the Firm will endeavor to establish strong communication channels and to align the interests of the Firm, the portfolio companies and their senior executives. The Fund's investments will typically be structured to ensure that portfolio company executives invest alongside the Fund to appropriately align their incentives with those of limited partners. Further, senior management compensation will be disproportionately based on company performance and investment value creation. Agreed upon goals will typically be benchmarked against operating and financial performance, in an effort to make timely interventions, if necessary, and maximize investment outcomes. Each deal team will closely monitor portfolio company operations through monthly reports and management calls to track performance, provide management with a progressive set of prioritized growth and profit improvement initiatives and offer timely interventions when necessary. In addition, the Firm expects that each portfolio company will be further reviewed weekly at meetings of the Principals and on a quarterly basis at the board of director level and during internal valuation reviews.

### ***Disciplined and Opportunistic Exit Planning***

The Firm will begin exit planning for a portfolio company during diligence, where exit opportunities are among the key investment criteria under investigation. As part of the Fund's

investment thesis, a deal team will be required to develop a range of exit scenarios and identify what it considers to be the optimal path to a realization. While investments will generally be made with the expectation of a four to six year investment horizon, throughout the course of the ownership period, the deal team and the General Partner's investment committee will continuously re-evaluate exit strategy and return optimization in the context of portfolio company performance, industry trends and merger and acquisition market dynamics. In the past, the Principals have pursued outright sales, recapitalizations, mergers, strategic partnerships and initial public offerings as avenues for realizing investments.

The Firm will seek to be opportunistic with regards to early and partial realizations in order to minimize investor risk and to return invested capital while preserving the opportunity for additional capital appreciation. Throughout the ownership period of an investment, efforts may also be made to facilitate strategic introductions through the Firm's healthcare network in order to increase portfolio company visibility to potential acquirers prior to any orchestrated sale process.

### **Risks of Investment**

The Fund and its investors bear the risk of loss that Amulet Capital Partners' investment strategy entails. The risks involved with Amulet Capital Partners' investment strategy and an investment in the Fund include, but are not limited to:

*Business Risks.* The Fund's investment portfolio may consist primarily of securities and/or other interests issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

*Future and Past Performance.* The Fund is a newly formed entity without any operating history. The performance of prior investments made by the Principals is not necessarily indicative of the Fund's future results. While the General Partner intends for the Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

*Prior Experience of Investment Professionals.* Although certain members of the investment team and other investment professionals involved with the Fund have prior experience analyzing and investing in portfolio companies, not all of such individuals' prior experience involved the investment of capital on behalf of third parties in a private equity fund pursuing the same investment objectives and strategy as the Fund. In addition, other professionals at the institutions with which some of the members of the investment team were previously associated played significant roles in the approval, sourcing and execution of the transactions with which the members of the investment team have been affiliated. Investors should draw no conclusions from any transactional and advisory experience of the members of the investment team and should not expect the Fund to achieve similar results as may have been previously achieved. There can be no assurance that the Fund will be able to implement its investment strategy or achieve its investment objective. The past performance of the members of the investment team with respect to other investments is not necessarily indicative of the Fund's

future results. Any information provided to potential investors in the Fund should not be construed or relied upon as indications of the future performance of the Fund. Furthermore, prospective investors should note that the investment professionals directly responsible for the Fund have not previously worked together as a group and there can be no assurance that the Fund's intended strategy will be successful. Any information contained in the Fund's limited partnership agreement and/or private placement memorandum and specific to any individual's prior experiences is provided in order to illustrate the nature of such individual's professional experience, but should not be understood as "track record" information. Any such information is presented for illustrative purposes only and should not be relied upon in connection with any investment or other related decision. Other investment professionals have had substantial involvement in, and made substantial contributions to, the past investment experiences of the investment team members. Additional information regarding each individual's work at his respective prior company is available upon request.

References, if any, herein to the experience of the members of the investment team refer to the collective experience of certain members of the investment team. Each of the members of the investment team's individual experience differs and is unique. The Principals have not previously worked together as a part of the same investment team or managed a fund focused exclusively on investments in the healthcare and healthcare-related sectors. Past experiences of the members of the investment team with respect to investment horizons and various market and macroeconomic cycles may be different than those which the Fund may experience. Moreover, the size, ownership percentage, geography, investment thesis, industry and sector of the investments to be made by the Fund will in some cases differ from those with which the members of the investment team have experience.

*Concentration of Investments.* The Fund will participate in a limited number of investments and intends to make all of its investments in various segments of the healthcare and healthcare-related industries. As a result, the Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or healthcare and healthcare-related industry segments may substantially affect the Fund's aggregate return. Concentrating in a single industry may involve risk greater than generally associated with diversified acquisition funds, including fluctuations in returns. Furthermore, to the extent that the capital raised is less than the targeted amount, the Fund may invest in fewer portfolio companies and thus be less diversified.

*Lack of Sufficient Investment Opportunities.* The business of identifying and structuring the types of investments described in the Fund's limited partnership agreement and private placement memorandum is highly competitive and involves a high degree of uncertainty. It is possible that the Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, limited partners will be required to pay Management Fees during the investment period based on the entire amount of the limited partners' commitments.

*Dynamic Investment Strategy.* While the General Partner generally intends to seek attractive returns for the Fund primarily through making investments as described in the Fund's limited partnership agreement and private placement memorandum, the General Partner may pursue additional investment strategies and may modify or depart from its core investment strategy, investment process and investment techniques as it determines appropriate. The

General Partner may pursue investments outside of the industries and sectors in which members of the Fund's investment team have previously made investments or have internal operational experience.

*Healthcare Regulation, Reimbursement and Reform.* Various segments of the healthcare industry are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally, (ii) subject to frequent regulatory change and (iii) dependent upon various government or private insurance reimbursement programs. While the Fund intends to make investments in companies that comply with relevant laws and regulations, certain aspects of their operations may not have been subject to judicial or regulatory interpretation. An adverse review or determination by any one of such authorities, or an adverse change in the regulatory requirements or reimbursement programs, could have a material adverse effect on the operations of the companies in which the Fund invests. Recent legislative changes have had, and will likely continue to have, a significant impact on the healthcare industry. In addition, various legislative proposals related to the healthcare industry are introduced from time to time at the federal and state levels in the United States and internationally, and any such proposals, if adopted, could have a significant impact on the healthcare industry. The U.S. healthcare industry continues to undergo significant changes designed to increase access to medical care, improve safety and contain costs. Generally, Medicare and Medicaid reimbursement levels have declined and the use of managed care has increased; distributors, manufacturers, healthcare providers and pharmacy claims have consolidated and large purchasing groups are more prevalent.

*Healthcare-related Litigation and Liability.* Investments in the healthcare industry are often subject to significant risks related to litigation and liability for damages in connection with a portfolio company's operations, and the litigation and liability environment in the healthcare industry is constantly evolving and new court decisions and legislative activity may increase exposure to any of these types of claims.

*Healthcare Research and Innovation.* The healthcare industry spends heavily on research and development. Research findings (e.g., regarding side effects or comparative benefits of one or more particular treatments, services or products) and technological innovation (together with patent expirations) may make any particular treatment, service or product less attractive if previously unknown or underappreciated risks are revealed, or if a more effective, less costly or less risky solution is or becomes available. Any such development could have a material adverse effect on the companies in which the Fund invests.

*Healthcare Pricing and Reimbursement.* The business and financial condition of medical companies will continue to be affected by the efforts of governmental and third-party payors to contain or reduce the cost of healthcare. In certain foreign markets pricing of medical products is subject to governmental control. In the United States there have been, and the General Partner expects that there will continue to be, a number of federal and state proposals to implement similar government price controls. In addition, managed care in the United States has increased and will continue to exert pressure on pricing. Although price reductions can lead to increases in overall product revenues due to increases in unit volume sales, prices imposed by government also may reduce royalties due on sales of portfolio company products and services.

*Technological Change; Competition.* The Fund's portfolio companies are likely to face competition from other companies or products based on product efficacy and/or safety profiles, the timing and scope of regulatory approvals, availability of supply, marketing and sales capability, reimbursement coverage, price and patent position. Others may develop technologies, which are, or in the future may be, the basis for products that will directly compete with or reduce the commercial market opportunity for the Fund's portfolio companies. For example, competition from larger and better capitalized pharmaceutical companies and more established biotechnology companies may be intense and may increase over time. Smaller companies may also prove to be significant competitors, particularly through collaborative arrangements with larger pharmaceutical and established biotechnology companies. Academic institutions, governmental agencies and other public and private research organizations also conduct research, seek patent protection and establish collaborative arrangements for clinical development and marketing, which can result in such competing products. These factors may materially adversely affect interests held by the Fund.

*Government Regulation; Risk of Drug Withdrawals.* Pharmaceutical products are subject to extensive and rigorous regulation by United States local, state and federal regulatory authorities and by comparable foreign regulatory bodies. Regulatory clearance of a product is limited to those disease states and conditions for which the product is useful, as demonstrated through clinical studies. Marketing or promoting a drug for an unapproved indication is prohibited. Furthermore, clearance of a pharmaceutical product for marketing for a specific indication may entail ongoing requirements or post-marketing studies. Prior to the grant of such marketing approvals by the U.S. Food and Drug Administration or corresponding regulatory authorities outside of the U.S., most pharmaceutical products must undergo extensive investigation and clinical trials to meet stringent safety and efficacy requirements. Also, the manufacturer of a pharmaceutical product and its manufacturing facilities are subject to approval, continual review and periodic inspections by the regulatory authorities. As a result, the frequency of product withdrawals is low. Nevertheless, there have been instances when discovery of previously unknown problems with a product, manufacturer or facility have resulted in temporary restrictions on the use or the manufacture of such product, including costly recalls or even withdrawal of the product from the market. Such events, whether voluntarily or mandated by a regulatory authority, typically result in an immediate reduction or discontinuation of revenues from the product worldwide. There can be no guarantee that the incidence of regulatory product removals will not occur, and if such an event were to occur, it would likely have a significant and adverse effect on the performance of a particular portfolio investment and could have a material adverse effect on the aggregate performance of the Fund.

*Patient Protection and Affordable Care Act of 2010.* In March 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act (collectively, the "**Affordable Care Act**") were enacted. Among other things, the Affordable Care Act seeks to expand health insurance coverage to approximately 32 million uninsured Americans. Many of the significant changes in the Affordable Care Act did not take effect until 2014, including a requirement that most Americans carry health insurance. While expansion of access to health insurance may increase the demand for various healthcare products and services, other provisions of the Affordable Care Act could affect the Fund and its investments materially and adversely. The Affordable Care Act contains many provisions designed to generate the revenues necessary to fund the coverage expansions and to reduce costs of Medicare and

Medicaid. Among other things, the Affordable Care Act provides for an expansion of federal rights, new taxes on drug and device manufacturers, FDA licensing of “generic” versions of biologic products, and enhanced disclosure of financial relationships between drug makers and physicians. The Fund’s portfolio companies may be subject to or affected by such rights, taxes, licensing of “generics” and enhanced disclosures. In June 2012 the United States Supreme Court upheld the Constitutionality of the Affordable Care Act. The Supreme Court’s holding eliminated much of the uncertainty surrounding the Affordable Care Act, however, great uncertainty remains as to what effects the Affordable Care Act will have on the healthcare industry. Such effects could materially and adversely affect interests held by the Fund. Additionally, uncertainty still remains as to the political future of the Affordable Care Act. The United States Congress may withhold the funding necessary to implement provisions of the Affordable Care Act, or may attempt to replace the legislation with amended provisions or repeal it altogether. Moreover, the United States Department of Health and Human Services, the United States Department of Labor and the U.S. Department of the Treasury have issued or proposed regulations on a number of aspects of the Affordable Care Act, but final rules and interim guidance on certain key aspects of the legislation remain pending. Due to its complexity, the impact of the Affordable Care Act remains difficult to predict and is not yet fully known. Such uncertainty could have a destabilizing effect on the healthcare industry and negatively impact the Fund and its portfolio companies.

*Illiquidity; Lack of Current Distributions.* An investment in the Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Fund (including the Management Fee payable to Amulet Capital Partners) may exceed its income, thereby requiring that the difference be paid from the Fund’s capital, including, without limitation, unfunded commitments.

*Use of Leverage.* The Fund may make use of leverage by having a portfolio company incur debt to finance a portion of the Fund’s investment in such portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both the Fund’s opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair a portfolio company’s ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Fund’s investments to any deterioration in a company’s condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Fund’s investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet debt service, the Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be tight at the time the Fund determines that

it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Fund will invest generally will not be rated by a credit rating agency.

In addition, subject to certain limitations, the Fund may borrow on a secured or unsecured basis for certain purposes, including to provide interim financing prior to the receipt of capital contributions or act as a guarantor for portfolio companies.

*Credit Risks of Investments in Debt.* The Fund may make debt investments. Debt investments are subject to credit risk, which is the likelihood that a borrower will default in the payment of principal and/or interest on an instrument, and interest rate risk, which is the risk associated with market changes in interest rates. Financial strength and solvency of a borrower are the primary factors influencing credit risk. Borrowers may face intense competition, changing business and economic conditions or other developments that may adversely affect their performance and increase credit risk. In addition, subordination, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument. In addition, borrowers may contest enforcement of foreclosure or other remedies, seek bankruptcy protection against such enforcement and/or bring claims for lender liability in response to actions to enforce mortgage obligations. If any of the above occurs, the Fund's interest in a portfolio company could be adversely affected.

*Investments in Convertible Debt.* The Fund may invest in convertible debt instruments. There is no minimum credit standard that is a prerequisite to the Fund's investment in any security, and most debt securities and preferred stock that offer potential for capital appreciation are likely to be non-investment grade.

*Investment in Junior Securities.* The securities in which the Fund will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect the Fund's investment once made.

*Limited Transferability of Fund Interests.* There will be no public market for the Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the limited partnership agreement and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for Fund investments, and hence, most of the Fund's investments will be difficult to value. Certain investments may be distributed in kind to the partners.

*Reliance on the General Partner and Portfolio Company Management.* Control over the operation of the Fund will be vested with the General Partner, and the Fund's future profitability will depend largely upon the business and investment acumen of the Principals and other investment professionals of the General Partner. The interests of these professionals of the General Partner in the General Partner (i.e., the carried interest) should tend to discourage them, for as long as they retain such interests, from withdrawing from participation in the Fund's investment activities. However, there can be no assurance that any such Principals or

professionals will continue to be associated with the General Partner or its affiliates throughout the life of the Fund, and the loss or reduction of service of one or more of these professionals could have an adverse effect on the Fund's ability to realize its investment objectives. Limited partners generally have no right or power to take part in the management of the Fund, and as a result, the investment performance of the Fund will depend on the actions of the General Partner. In addition, certain changes in the General Partner or circumstances relating to the General Partner may have an adverse effect on the Fund or one or more of its portfolio companies including potential acceleration of debt facilities.

Although the General Partner will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day to day basis. Although the Fund generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with the Fund's objectives.

*Absence of Operating History.* The Fund has no operating history and will be entirely dependent on the General Partner. There can be no assurance that the Fund's investments will achieve results similar to those attained by previous investments of the Principals, which were made while those professionals were part of different, and in certain cases, larger organizations. In addition, the Fund's investments may differ from previous investments made by the Principals in a number of respects. Also, some of the Principals have not previously worked together as a group and managed a fund focused exclusively on investments in the healthcare sector.

*Projections.* Projected operating results of a company in which the Fund invests typically will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon information received from the company and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

*Withholding Tax on Certain Non-U.S. Entities.* Legislation enacted in 2010 generally imposes, beginning July 1, 2014, a new withholding tax of 30% that will apply to a non-U.S. entity's share of most payments attributable to investments in the United States, including dividends, interest, and, beginning on January 1, 2017, gross proceeds of a disposition of stock, unless the non-U.S. entity complies with certain conditions or an exception applies.

*Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There has recently been significant discussion regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Fund's activities, including the ability of the Fund to implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

The combination of recent scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market

commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the recent downturn in the U.S. and global financial markets, may complicate or prevent the Fund's efforts to consummate investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, the Fund may invest in fewer transactions or incur greater expenses or delays in completing investments than it otherwise would have.

Additionally, Congress has recently considered proposed legislation that would treat certain income allocations to service providers by partnerships such as the Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law is treated as an allocation of the partnership's income, which may be taxed at lower rates than ordinary income. Enactment of any such legislation, whether during or after the initial closing of the Fund, could adversely affect the Firm's investment professionals, employees or other individuals associated with the Fund, Amulet Capital Partners or the General Partner who were or may in the future be granted direct or indirect interests in the General Partner entitling such persons to benefit from carried interest. Such legislation may reduce such persons' after-tax returns from the Fund and the General Partner, which could make it more difficult for the General Partner and its affiliates to incentivize, attract and retain individuals to perform services for the Fund.

*Alternative Investment Fund Managers Directive.* The EU Alternative Investment Fund Managers Directive (the "**AIFMD**") came into effect on July 22, 2013. The AIFMD regulates the activities of private fund managers undertaking fund management activities or marketing fund interests to investors within the European Union ("**EU**"). If the Fund is marketed to EU-based investors: (i) the Fund will be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which may result in the Fund incurring additional costs and expenses; and (ii) the AIFMD will also restrict certain activities of the Fund in relation to EU portfolio companies including, in some circumstances, the Fund's ability to recapitalize, refinance or potentially restructure an EU portfolio company within the first two years of ownership. In addition, it is possible that some EU jurisdictions will elect to restrict or prohibit the marketing of non-EU funds to investors based in those jurisdictions, which may make it more difficult for the Fund to raise its targeted amount of commitments.

*Need for Follow On Investments.* Following its initial investment in a given portfolio company, the Fund may decide to provide additional funds to such portfolio company and/or its subsidiaries or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that the Fund will make follow on investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by the Fund not to make follow on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment. Additionally, such failure to make such investments may result in a lost opportunity for the Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company.

*Non-U.S. Investments.* The Fund may invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among

other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund), the application of complex U.S. and non U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Fund and/or the partners with respect to the Fund's income, and possible non-U.S. tax return filing requirements for the Fund and/or the partners.

Additional risks of non-U.S. investments include, without limitation: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

*Hedging Arrangements.* The General Partner may (but is not obligated to) endeavor to manage the Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject the Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the Fund to additional liquidity risks.

Certain hedging arrangements may create for the General Partner and/or one of its affiliates a registration or exemption obligation with the U.S. Commodity Futures Trading Commission or other regulator.

*Significant Adverse Consequences for Default.* The limited partnership agreement provides for significant adverse consequences in the event a limited partner defaults on its commitment or any other payment obligation. In addition to losing its right to potential distributions from the Fund, a defaulting limited partner may be forced to transfer its interest in the Fund for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest.

*Dilution.* Limited partners admitted to the Fund at subsequent closings generally will participate in then existing investments of the Fund, thereby diluting the interest of existing limited partners in such investments. Although any such new limited partner will typically be required to contribute its *pro rata* share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Fund's existing investments at the time of such contributions.

*General Partner's Carried Interest.* The fact that the General Partner's carried interest is based on a percentage of net profits may create an incentive for the General Partner to cause the Fund to make riskier or more speculative investments than otherwise would be the case.

*Transfer by General Partner.* To the extent the General Partner, its partners, the Principals and/or their respective affiliates commit to make an investment in the Fund, participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the limited partnership agreement.

*Public Company Holdings.* The Fund's investment portfolio may contain securities issued by publicly held companies. Such investments may subject the Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, including the Principals, and increased costs associated with each of the aforementioned risks.

*Non controlling Investments; Investments with Third Parties.* The Fund may hold a non-controlling interest in certain portfolio companies and, therefore, may have a limited ability to protect its position in such companies. In such cases, the Fund will be significantly reliant on the other sponsors of the transaction, if any, and on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Fund is not affiliated and whose interests may conflict with the interests of the Fund.

The Fund may also co-invest with third parties through joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Fund, or may be in a position to take (or block) action in a manner contrary to the Fund's investment objectives. In addition, the Fund may in certain circumstances be liable for the actions of its third-party co-venturers. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

*Director Liability.* The Fund will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Fund's representatives, and ultimately the Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability.

*Delayed Schedule K-1s.* The Fund may not be able to provide final Schedule K-1s to limited partners for any given fiscal year until after April 15 of the following year. The General Partner will endeavor to provide limited partners with final Schedule K-1s on or before such date, but final Schedule K-1s may not be available until the Fund has received tax-reporting

information from its portfolio companies necessary to prepare final Schedule K-1s. Limited partners may be required to obtain extensions of the filing dates for their U.S. federal, state and local income tax returns. Each prospective investor should consult with its own adviser as to the advisability and tax consequences of an investment in the Fund.

*Uncertain Economic and Political Environment.* The current global economic and political climate continues to be one of uncertainty. Events in Europe and the United States have exacerbated volatility in the financial markets and can cause consumer, corporate and financial confidence to weaken, increasing the risk of a “self-reinforcing” renewed economic downturn or a “double-dip.” The availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses and assets, continues to be restricted. This may have an adverse effect on the economy generally and on the ability of the Fund to execute its strategy and to receive an attractive price on asset dispositions. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. Furthermore, such uncertainty may have an adverse effect upon assets in which the Fund makes investments.

*Market Conditions.* Any material change in the economic environment, including a slowdown in economic growth and/or changes in interest rates or foreign exchange rates, could have a negative impact on the performance and/or valuation of the portfolio companies. The Fund’s performance can be affected by deterioration in public markets and by market events, such as the onset of the credit crisis in the summer of 2008 or the downgrading of the credit rating of the United States in 2011 or fears of European Union sovereign debt defaults, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors’ risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and the Fund’s performance. The value of publicly traded securities may be volatile and such securities may be difficult to sell as a block, even following a realization through listing. The impact of market and other economic events may also affect the Fund’s ability to raise funding to support its investment objective and also the level of profitability achieved on realizations of investments.

*Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments.* Continued issues in the global credit markets have made it more difficult for investment funds such as the Fund to obtain favorable financing for investments as compared to historical data. A widening of credit spreads, coupled with the deterioration of the sub-prime and global debt markets and a rise in interest rates, has dramatically reduced investor demand for high yield debt and senior bank debt, which in turn has led some investment banks and other lenders to be unwilling to finance new investments or to only offer committed financing for these investments on unattractive terms. The Fund’s ability to generate attractive investment returns may be adversely affected to the extent the Fund is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events continue, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. The continued credit crisis in Greece, for example, and acute concerns over debt levels of other European Union member states such as Italy and Spain and austerity measures, have led to renewed concerns and volatility in global credit and equity markets. Such marketplace events also may restrict the ability of the Fund to realize its investments at favorable times or for favorable prices.

*Other Vehicles.* Until such time as the General Partner is permitted to raise a successor investment fund to the Fund, the Principals will pursue all appropriate investment opportunities that meet the investment criteria of the Fund principally for the benefit of the Fund, subject to certain exceptions set forth in the limited partnership agreement. However, one or more of the Principals may subsequently manage other investment funds besides the Fund that are not successor funds to the Fund. In such a case, the Principals may spend a portion of their business time and attention pursuing investment opportunities for such other investment funds. The General Partner believes that the significant investment of the Principals in the Fund, as well as the Principals' interest in the carried interest, operate to align, to some extent, the interest of the Principals with the interest of the partners, although the Principals may have economic interests in such future investment funds and investments as well and receive management fees and carried interests relating to these interests. Such other investment funds and investments that the Principals may control may compete with the Fund or companies acquired by the Fund. At such time as the General Partner is permitted to raise a successor investment fund to the Fund, the Principals will continue to manage the Fund's investments, but also may and likely will focus investment activities on other opportunities and areas unrelated to the Fund's investments. Certain investments may be allocated between the Fund and any successor or predecessor fund in a manner as set forth in the limited partnership agreement.

*Material, Non-public Information.* By reason of their responsibilities and client relationships in connection with other activities, certain employees of Amulet Capital Partners and the General Partner and their respective affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Fund will not be free to act upon any such information. Due to these restrictions and relationships, the Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

## **Conflicts of Interest**

During the commitment period of the Fund, all appropriate investment opportunities will be pursued by the Principals through the Fund, subject to certain limited exceptions. Without limitation, the Principals may manage other investments similar to those in which the Fund will be investing, and may direct certain relevant investment opportunities to those investments. The Principals and Amulet Capital Partners' investment staff will continue to manage and monitor such investments until their realization. Such other investments that the Principals may control may potentially compete with companies acquired by the Fund. Following the commitment period of the Fund, the Principals may and likely will focus their investment activities on other opportunities and areas unrelated to the Fund's investments.

From time to time, Amulet Capital Partners may be presented with investment opportunities that would be suitable not only for the Fund, but also for other Private Investment Funds and other investment vehicles operated by advisory affiliates of Amulet Capital Partners. In determining which investment vehicles should participate in such investment opportunities, Amulet Capital Partners and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Amulet Capital Partners attempts to resolve such conflicts of interest in light of its obligations to investors in its Private Investment Funds and the obligations owed by Amulet Capital Partners' advisory affiliates to investors in investment vehicles

managed by them, and attempts to allocate investment opportunities among the Fund, other Private Investment Funds and such investment vehicles in a fair and equitable manner. Where necessary, Amulet Capital Partners consults and receives consent to conflicts from an advisory committee consisting of limited partners of the Fund and such other investment vehicles.

The General Partner and its affiliates (including Amulet Capital Partners) may encounter potential conflicts of interest in connection with the Fund. If any matter arises that the General Partner determines in its good faith judgment constitutes an actual conflict of interest, the General Partner may take such actions to ameliorate the conflict as the General Partner determines may be necessary or appropriate or as otherwise required by the limited partnership agreement. These actions may include, by way of example and without limitation, disposing of the security giving rise to the conflict of interest, appointing an independent fiduciary or consulting the Advisory Board. There can be no assurance that the General Partner will resolve all conflicts of interest in a manner that is favorable to the Fund. By acquiring an interest in the Fund, each limited partner will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest. In addition, investors should note that the limited partnership agreement contains provisions that, subject to applicable law, reduce or eliminate the duties, including fiduciary and other duties, to the Fund and the limited partners to which the General Partner would otherwise be subject, provisions that waive or consent to conduct on the part of the General Partner that might not otherwise be permitted pursuant to such duties, and provisions that limit the remedies of limited partners with respect to breaches of such duties. The General Partner and its affiliates may have certain actual and potential conflicts of interest in connection with the Fund and other matters, including, without limitation those described herein.

Because the General Partner's carried interest is based on a percentage of net realized profits, it may create an incentive for the Firm to cause the Fund to make riskier or more speculative investments than would otherwise be the case. Since Amulet is permitted to retain certain Supplemental Fees (as described under "Fees and Compensation") in connection with Private Investment Fund investments, it could have a conflict of interest in connection with approving transactions and setting such compensation.

Private Investment Funds, including the Fund, may acquire controlling interests in portfolio companies. As a result of these controlling interests, Amulet Capital Partners and/or its affiliates may have the right to appoint board members to such portfolio companies, or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to Amulet Capital Partners and/or its affiliates. Amulet Capital Partners and/or its affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by Private Investment Funds or other investment vehicles advised by Amulet Capital Partners and/or its affiliates. Additionally, Amulet Capital Partners, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions or other service providers, some of which will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Amulet Capital Partners and/or its affiliates, and/or Private Investment Funds or other investment vehicles they advise. In addition, portfolio companies may

from time to time pay certain fees to third party consultants (including consultants introduced or arranged by Amulet Capital Partners and/or its affiliates that may regularly provide services to one or more Private Investment Fund portfolio companies), and such fees will not offset the Management Fee. Any of these situations subjects Amulet Capital Partners and/or its affiliates to potential conflicts of interest.

Limited partners may have conflicting investment, tax, and other interests with respect to their investments in the Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the General Partner regarding an investment that may be more beneficial to one limited partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the General Partner generally will consider the investment and tax objectives of the Fund and its partners as a whole, not the investment, tax, or other objectives of any limited partner individually.

Certain Principals and other supervised persons of Amulet Capital Partners currently serve as investment professionals and in other capacities at Diamond Castle Holdings, LLC (SEC No. 801-73268) (together with its affiliates, “**Diamond Castle**”), although neither Amulet Capital Partners nor the General Partner is itself an affiliate of Diamond Castle. Diamond Castle is an investment firm that provides portfolio management and administrative services to private equity funds. In particular, Ari Benacerraf, who is also a Principal of Amulet Capital Partners, is currently a senior managing director of Diamond Castle. George Fotiades, who is also a Principal of Amulet Capital Partners, is currently an operating partner of Diamond Castle. Both Mr. Benacerraf and Mr. Fotiades have continuing involvement with Diamond Castle and may continue to devote such time and attention as is necessary, desirable or otherwise required to manage certain investments for which they have responsibility at Diamond Castle (including providing consulting services, engaging in portfolio investment management and related activities and serving on certain portfolio company boards of directors). Each of Mr. Benacerraf and Mr. Fotiades has certain duties to Diamond Castle, the exercise of some or all of which may conflict significantly with his duties to Amulet Capital Partners, the General Partner, the Fund and their respective affiliates. Certain other supervised persons of Amulet Capital Partners also continue to hold positions at Diamond Castle and similarly may have continuing involvement in Diamond Castle’s operations, which may present similar conflicts of interest.

Subject to restrictions described in the Fund’s limited partnership agreement, the General Partner, Amulet Capital Partners and/or the Principals may be involved with one or more Successor Funds (as defined in the limited partnership agreement) during the life of the Fund. The limited partnership agreement provides that, until the earliest of (i) the date on which at least 75% of the aggregate capital commitments of the non-defaulting partners of the Fund has been contributed to the Fund or committed to make portfolio investments, used and/or reserved to pay organizational expenses and fund expenses, or reserved for the funding of follow-on investments, refinancing of any outstanding bridge investments or the payment of organizational expenses and fund expenses, (ii) the last day of the Fund’s investment period or (iii) the date of removal of the General Partner pursuant to the Fund’s limited partnership agreement, none of the General Partner, Amulet Capital Partners or any of the Principals will charge a management fee in respect of any pooled multiple-investment vehicle (other than the Fund, any Related Investment Funds (as defined in the limited partnership agreement), any other Amulet fund and any entity formed

in connection with a Fund portfolio investment) that invests principally through private equity investments and which has an investment strategy substantially identical to that of the Fund without the consent of at least an aggregated 66 $\frac{2}{3}$ % in interest. For the avoidance of doubt, but subject to compliance with the limited partnership agreement, nothing shall prevent any of the Amulet Parties (as defined below) or any of their respective affiliates, partners, members, shareholders or employees from acting as a manager or the primary source of transactions on behalf of any other Amulet fund.

Certain personal investments of the General Partner, Amulet Capital Partners or the Principals (the “**Amulet Parties**”) may pose a conflict of interest with the Fund, Amulet or its affiliates. Pursuant to the Fund’s limited partnership agreement, during the Fund’s investment period, without the consent of the Advisory Board, none of the Amulet Parties shall invest directly in any securities issued by a portfolio company or by any entity in which the Fund is actively considering making an investment which, in the good faith judgment of the General Partner, is within the investment objectives of the Fund, provided that none of the Amulet Parties shall be precluded from investing in publicly-traded securities in which the Fund does not have an interest, and, provided, further, none of the Amulet Parties shall be precluded from investing in the securities of any publicly-traded company in which such person holds less than 1% of the outstanding debt or equity interests of such company and provided, further, that nothing in the Fund’s limited partnership agreement shall prohibit any of the Amulet Parties from acquiring, investing in, reinvesting in, holding or disposing of securities of an entity (including a Diamond Castle portfolio company) in which such person (either in such person’s individual capacity or through an investment vehicle) either holds an investment, or as to which such person (either in such person’s individual capacity or through an investment vehicle) has entered into a prior commitment to invest, prior to, or related to, the Fund’s initial closing (any such investment, including any predecessor or successor entity, being referred to as a “**Pre-Existing Investment**”), and provided, finally, that the foregoing restrictions shall not apply to (i) securities of a portfolio company that were received in any person’s capacity as a director of such portfolio company or an affiliate thereof, (ii) securities held by or distributed to any Amulet Party through the Fund, any Related Investment Fund, or any Successor Fund or securities held by any other Amulet fund or (iii) securities held by any Amulet Party in a (A) mutual fund or other similar vehicle (including exchange traded and index funds) or (B) blind managed investment account in which the General Partner or such Principal does not retain the ability to acquire or dispose of the underlying securities in such account.

During the Fund’s investment period, the Principals, for so long as they are employed by Amulet Capital Partners or any of its affiliates, shall devote substantially all of their business time and efforts to the investment and other activities of the Fund and any Related Investment Funds. Notwithstanding the foregoing, each of the Principals may (i) devote such time and efforts as he deems reasonably necessary to the affairs of any Successor Funds, any other Amulet fund and any Pre-Existing Investment, (ii) serve on boards of directors of public and private companies and, in cases other than portfolio companies, retain fees for such service for such person’s own account, (iii) engage in such civic and charitable activities as such person shall choose and (iv) conduct and manage such person’s personal and family investment activities; and Mr. Benacerraf and Mr. Fotiades may continue to devote such time and attention as is necessary to manage certain investments for which Mr. Benacerraf and Mr. Fotiades, respectively, have responsibility at Diamond Castle (including providing consulting services,

engaging in portfolio investment management and related activities and serving on certain portfolio company boards of directors). Following the Fund's investment period, each of the Principals, for so long as such Principal is employed by Amulet Capital Partners or any of their respective affiliates as a principal, shall devote such time to the Fund as is reasonably required to conduct the investment and other activities of the Fund. Subject to the foregoing and to the other provisions of the Fund's limited partnership agreement, the General Partner, Amulet Capital Partners, the Principal and their respective affiliates may engage independently or with others in other investments or business ventures of any kind.

The management of deal flow according to the terms of the Fund's limited partnership agreement may result in conflicts of interest. Except as otherwise permitted by the Fund's limited partnership agreement, from and after the date on which the Fund issues its initial drawdown notice for Management Fees through the earlier of the last day of the Fund's investment period or the date on which a Successor Fund may be formed in accordance with the Fund's limited partnership agreement, any investment opportunity that is presented to any of the Amulet Parties (other than in their respective capacities for any other Amulet fund) and that the General Partner determines in its sole discretion to be suitable and appropriate for the Fund and consistent with the Fund's investment objectives will be offered by the General Partner to the Fund, and the General Partner shall cause the Principals to offer any such investment opportunities to the Fund, to the extent that the Fund has available remaining capital commitments net of reserves, including amounts reserved for (A) payment of organizational expenses and fund expenses throughout the term, (B) funding of follow-on investments and refinancing of any outstanding bridge investments and (C) funding of any commitments of the Fund, sufficient to enable the Fund effectively to participate in such investment opportunity, provided that none of the Amulet Parties shall be required to offer any investment opportunities to the Fund involving an amount less than \$10 million, follow-on investments made or to be made in or related to Diamond Castle portfolio companies (or new investments in affiliates thereof) or investments involving marketable securities. Following the closing of a Successor Fund, if the General Partner (or the general partner of the Successor Fund) is presented with an investment opportunity that is appropriate for the Fund, on the one hand, and the Successor Fund, on the other hand, the General Partner shall allocate such investment opportunity *pro rata* between the Fund and the Successor Fund on the basis of their respective total available capital (i.e., available assets plus remaining capital commitments), provided that such investment allocation may be changed in the event that the General Partner determines such different allocation to be prudent or equitable based on (A) principles of diversification of assets or (B) a determination by the General Partner that such investment opportunity is inappropriate in whole or in part for either the Fund or the Successor Fund (if the General Partner is the general partner of the Successor Fund). In addition, follow-on investment opportunities generally may be allocated entirely to the fund in which the original investment(s) was made or other than *pro rata* on the basis of each of the Fund's or the Successor Fund's respective total available capital (i.e., available assets plus remaining capital commitments), consistent with the principles set forth in clauses (A) and (B) of the immediately preceding sentence. The classification of all or part of an investment opportunity as appropriate or inappropriate for the Fund or the Successor Fund will be made by the General Partner, in good faith, at the time of investment; this determination will frequently be subjective in nature; and, where potential overlaps with the Fund and the Successor Fund do exist, such opportunities will be allocated by the General Partner, subject to the provisions of the Fund's limited partnership agreement, after taking into consideration various

factors, including the size, nature and type of investment opportunity, the amount of total available capital (i.e., available assets plus remaining capital commitments), in each of the Fund and the Successor Fund, portfolio diversification requirements and other relevant factors. The consent of the Advisory Board shall not be necessary to conduct any of the activities described in this paragraph.

Except as otherwise specifically provided in the Fund's limited partnership agreement, any acquisition by the Fund of a portfolio investment from, and any disposition by the Fund of a portfolio company to, the General Partner or any of its affiliates (in such affiliate's capacity as principal and not, for example, as an agent or underwriter) shall require the approval of the Advisory Board. The Fund may enter into contracts and transactions with any of Amulet Capital Partners, a Related Investment Fund, Diamond Castle, the General Partner and its affiliates, and Amulet Capital Partners, a Related Investment Fund, Diamond Castle, the General Partner and its affiliates may enter into contracts and transactions with the Fund and with any portfolio company, provided that, other than in the case of transactions with Diamond Castle, which shall only be permitted to the extent not prohibited in the Fund's limited partnership agreement, if such contract or transaction is material (e.g., not an inter-company contract or transaction in the ordinary course of business or for administrative, tax, accounting or office purposes, or a transaction relating to the sharing of resources) and is not contemplated by the Fund's limited partnership agreement, the terms of any such contract or transaction shall be similar to those that could be obtained in a customary transaction between unrelated parties, consistent with industry practices and the Advisory Board will be notified of such contract or transaction. Notwithstanding the foregoing, neither the consent of nor notice to the Advisory Board shall be required under the Fund's limited partnership agreement with respect to any payments of fees or arrangements, contracts or transactions made in connection with fee income (as defined in the Fund's limited partnership agreement) or relating to warehouse investments.

There may be situations in which the interests of the Fund, in a portfolio company or otherwise, may conflict with the interests of Amulet Capital Partners, the Principals (including in the case of Mr. Benacerraf and Mr. Fotiades in light of their continuing obligations and duties with respect to Diamond Castle) and their respective affiliates. Other Activities (as defined in the Fund's limited partnership agreement), including the activities of any Related Investment Fund, any other Amulet fund, any of the prior funds, any Successor Fund, or other activities in which the General Partner, Amulet Capital Partners, the Principals and their respective affiliates may be engaged which are expressly authorized or contemplated by the Fund's limited partnership agreement, including in the case of Mr. Benacerraf and Mr. Fotiades, other activities which relate to Diamond Castle (for the avoidance of doubt including with respect to Diamond Castle portfolio companies), may be engaged in by each of the foregoing persons and will not, in any case or in the aggregate, be deemed a breach of the Fund's limited partnership agreement or any duty that might be owed by any such person or persons to the Fund or to any partner. With respect to any other contract or transaction involving a conflict of interest not provided for in the Fund's limited partnership agreement, (i) each of the General Partner and Amulet Capital Partners will take such actions as are determined by the General Partner or Amulet Capital Partners in good faith, as the case may be, to be appropriate to ameliorate such conflicts of interest and (ii) prior to entering into such contract or transaction, the General Partner or Amulet Capital Partners may consult with the Advisory Board with respect to such contract or transaction if the General Partner has determined in good faith that a conflict of interest exists. If

the General Partner or Amulet Capital Partners acts in accordance with the applicable provisions of the Fund's limited partnership agreement in respect of a matter giving rise to a conflict of interest, or if Advisory Board consent is required under the Fund's limited partnership agreement and the General Partner or Amulet Capital Partners acts in a manner, or pursuant to standards or procedures, approved by the Advisory Board with respect to such conflict, neither the General Partner nor Amulet Capital Partners nor any of their respective affiliates, employees, agents nor officers shall have any liability to the Fund or any limited partner for actions taken in respect of such matter.

Prior to the Fund's initial closing, any or all of the Principals, Amulet Capital Partners, their respective affiliates and/or any third party may acquire investments that are designated by the General Partner as investments warehoused for the Fund (each such designated investment, a **"Fund Warehoused Investment"**). Each Fund Warehoused Investment shall be identified in writing to the limited partners and, except as otherwise disclosed to the limited partners, (i) the securities of such investment shall, for an amount equal to the sum of the acquisition cost of such investment (including expenses relating to the acquisition) plus interest on such acquisition cost at a rate per annum not to exceed prime rate plus 2% (the **"Purchase Price"**), be transferred to the Fund and any Related Investment Funds so that the interests in such investment are held by the Fund and the Related Investment Funds in proportion to their respective available capital commitments and (ii) the partners shall make capital contributions to the Fund and the partners of any Related Investment Fund shall make capital contributions to such Related Investment Fund such that the aggregate capital contributions equal the Purchase Price, which shall be paid to any transferors of such securities.

#### **DISCIPLINARY INFORMATION**

Amulet Capital Partners and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

#### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Amulet Capital Partners is affiliated with another Amulet investment adviser registered with the SEC under the Advisers Act pursuant to Amulet Capital Partners' registration in accordance with SEC guidance. This adviser is Amulet Capital Fund GP, L.P. (the General Partner). This affiliated investment adviser operates as a single advisory business together with Amulet Capital Partners and serves as the general partner of private investment funds and other pooled vehicles.

As described above, certain Principals and other supervised persons of Amulet Capital Partners currently serve as investment professionals and in other capacities at Diamond Castle. As described more fully herein and as provided in the Fund's governing documents, such individuals will continue to serve in their current roles at Diamond Castle, to the extent provided herein and therein.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Amulet Capital Partners has adopted the Amulet Code of Ethics and Personal Trading Policy (the “**Code**”), which sets forth standards of conduct that are expected of Amulet principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Amulet personnel to report their personal securities transactions, prohibits or requires pre-clearance for Amulet personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Amulet personnel from directly or indirectly acquiring beneficial ownership of restricted securities with limited exceptions, without first obtaining approval from the Amulet Chief Compliance Officer. A copy of the Code will be provided to any investor or prospective investor upon request to William Denehy, the Amulet Chief Compliance Officer, at 646-561-6655. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client’s interests in client eligible investments.

Amulet Capital Partners and its affiliated persons may come into possession, from time to time, of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, Amulet Capital Partners and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Amulet Capital Partners.

Accordingly, should Amulet Capital Partners or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, Amulet Capital Partners would be prohibited from communicating such information to clients, and Amulet Capital Partners will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Amulet personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Fund.

Principals and employees of Amulet Capital Partners and its affiliates may directly or indirectly own an interest in Private Investment Funds, including the Fund or certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles may invest in one or more of the same portfolio companies as the Fund. Co-invest opportunities may also be presented to certain affiliates of Amulet Capital Partners, limited partners of the Fund, and third party investors and other persons, and such co-investments may be effected through co-investment vehicles or directly in a particular portfolio company. Additionally, the Fund and other Private Investment Funds may invest together with other private investment funds advised by an affiliated adviser of Amulet Capital Partners in the manner set forth in the limited partnership agreement. Amulet Capital Partners will determine the allocation of investment opportunities in a manner that it believes is fair and equitable to its clients consistent with its obligations and may take into consideration factors such as the following: the client’s investment restrictions and objectives (including those set forth in the relevant client’s governing documents, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition and cash level and applicable regulatory restrictions. In the case of

co-invests, the Firm may grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in the Fund portfolio companies or otherwise to have priority in co-investment opportunities.

Amulet Capital Partners and its affiliates, principals and employees may carry on investment activities for their own account and for family members, friends or others who do not invest in the Fund, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, the Fund, even though their investment objectives may be the same or similar. The operative documents and investment programs of certain vehicles sponsored by the Firm (the “**Reference Funds**”) may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Reference Funds or may give priority with respect to investments to such Reference Funds. Some of these restrictions could be waived by investors (or their representatives) in such Reference Funds.

Subject to the provisions of the relevant limited partnership agreement (or other governing document) and the expense policy described under “Fees and Compensation,” Amulet Capital Partners may borrow funds, from time to time, on behalf of the Fund or the Private Investment Funds and contribute such borrowed amounts to the Fund (or relevant Private Investment Fund, as applicable) as a special capital contribution for investment, to be redeemed at a later date. Interest in connection with such borrowing is borne by the Fund (or the relevant Private Investment Fund, as applicable) as a Fund expense. In borrowing on behalf of the Fund or a Private Investment Fund, Amulet Capital Partners is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund or Private Investment Fund, as applicable. Amulet Capital Partners will effect such borrowings in a manner it believes to be fair and equitable to the Fund or Private Investment Fund, as applicable, and consistent with its obligations to the Fund (or Private Investment Fund) and the limited partnership agreement (or other governing document).

### **BROKERAGE PRACTICES**

Amulet Capital Partners focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Amulet Capital Partners may also distribute securities to investors in the Fund or sell such securities, including through using a broker-dealer, if a public trading market exists. To the extent that Amulet Capital Partners engages in public securities transactions, it follows the brokerage practices described below.

If Amulet Capital Partners sells publicly traded securities for the Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Amulet Capital Partners. In such event, Amulet Capital Partners will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Amulet Capital Partners may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

Amulet Capital Partners has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Amulet Capital Partners generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with Amulet Capital Partners seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although Amulet Capital Partners generally does not make use of such services at the current time and has not made use of such services since its inception. Such research services could include economic research, market strategy research, industry research, company research, fixed income data services, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service any or all of the Private Investment Funds. However, each and every research service may not be used for the benefit of each and every Private Investment Fund, and brokerage commissions paid by one Private Investment Fund may apply towards payment for research services that might not be used in the service of such Private Investment Fund. Research services may be shared between Amulet Capital Partners and its affiliates.

Amulet Capital Partners will employ no agreement or formula for the allocation of brokerage business on the basis of research services; however, it may, in its discretion, cause the Private Investment Funds to pay such brokers a commission for effecting portfolio transactions in excess of the amount of commission another broker adequately qualified to effect such transactions would have charged for effecting such transactions. This may be done where Amulet Capital Partners has determined in good faith that such commission is reasonable in relation to the value of brokerage and research services received. In reaching such a determination, Amulet Capital Partners would not be required to place or attempt to place a specified dollar value on the brokerage or research services provided by such broker.

Amulet Capital Partners will periodically determine which brokers have provided research that has been helpful in the management of Private Investment Funds. To the extent consistent with Amulet Capital Partners’ goal to obtain best execution for its clients, it may seek to place a portion of the trades that it directs with the brokers who are identified through this process.

To the extent that Amulet Capital Partners allocates brokerage business on the basis of research services, it may have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on its Private Investment Funds’ interest in receiving most favorable execution.

To the extent that Amulet Capital Partners engages in public securities transactions, orders for purchase or sale of securities placed first will be executed first, and within a

reasonable amount of time of order receipt. To the extent that orders for Private Investment Funds are completed independently, Amulet Capital Partners may also purchase or sell the same securities or instruments for several Private Investment Funds simultaneously. From time to time, Amulet Capital Partners may, but is not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Private Investment Fund is favored over any other Private Investment Fund. When an aggregated order is filled in its entirety, each participating Private Investment Fund generally will receive the average price obtained on all such purchases or sales made during such trading day.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Private Investment Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Private Investment Funds.

Each Private Investment Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to Private Investment Funds over time.

#### **REVIEW OF ACCOUNTS**

The investments made by Private Investment Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Amulet Capital Partners closely monitors companies in which Private Investment Funds invest, and the Amulet Chief Compliance Officer periodically checks to confirm that each Private Investment Fund is maintained in accordance with its stated objectives.

The Fund will provide to its limited partners (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each limited partner’s tax return and (iii) subject to the restrictions contained in the limited partnership agreement, regular reports providing a narrative summary of the status of each portfolio company investment.

#### **CLIENT REFERRALS AND OTHER COMPENSATION**

Amulet Capital Partners and/or its affiliates may provide certain business or consulting services to companies in the Fund’s portfolio and may receive compensation from these companies in connection with such services. As described in the private placement memorandum, this compensation may, in many cases, offset a portion of the Management Fees paid by the Fund. However, in other cases (*e.g.*, reimbursements for out of pocket expenses directly related to a portfolio company), these fees may be in addition to Management Fees. See “Fees and Compensation.”

From time to time, Amulet Capital Partners may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in the Fund or other Private Investment Fund. Any fees payable to

any such placement agents will borne by Amulet Capital Partners indirectly through an offset against the Management Fee. Amulet Capital Partners currently has retained UBS Securities LLC, a U.S. placement agent, to solicit commitments from certain U.S. and certain other investors in exchange for fees ranging in amount depending on factors including an investor's relationship with Amulet Capital Partners and amount of aggregate commitments to the Fund.

### **CUSTODY**

Amulet Capital Partners maintains custody of the Fund's assets held in the Fund's name with the following custodian: First Republic Bank.

### **INVESTMENT DISCRETION**

Amulet Capital Partners has discretionary authority to manage investments on behalf of the Fund. As a general policy, Amulet Capital Partners does not allow clients to place limitations on this authority. Pursuant to the terms of the limited partnership agreement, however, the General Partner may enter into "side letter" arrangements with certain limited partners whereby the terms applicable to such limited partner's investment in the Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Amulet Capital Partners assumes this discretionary authority pursuant to the terms of the limited partnership agreement and powers of attorney executed by the limited partners of the Fund.

### **VOTING CLIENT SECURITIES**

Amulet Capital Partners has adopted the Amulet Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how it will vote proxies, as applicable, for the Fund's (and any Private Investment Fund's) portfolio investments. The Proxy Policy seeks to ensure that Amulet Capital Partners votes proxies (or similar instruments) in the best interest of the Fund, including where there may be material conflicts of interest in voting proxies. Amulet Capital Partners generally believes its interests are aligned with those of the Fund's investors through the Principals' beneficial ownership interests in the Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Amulet Capital Partners may address the conflict using several alternatives, including by seeking the approval or concurrence of the Advisory Board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, the Advisory Board may approve Amulet Capital Partners' vote in a particular solicitation. Amulet Capital Partners does not consider service on portfolio company boards by its personnel or its receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Amulet Capital Partners when voting proxies on behalf of the Fund. If you would like a copy of Amulet Capital Partners' complete Proxy Policy or information regarding how Amulet Capital Partners voted proxies for particular portfolio companies, please contact William Denehy, the Amulet Chief Compliance Officer, at 646-561-6655, and it will be provided to you at no charge.

## FINANCIAL INFORMATION

At this time, Amulet Capital Partners has no financial commitments that impair its ability to meet contractual or fiduciary commitments to the Fund and has not been the subject of a bankruptcy proceeding. An audited balance sheet of Amulet Capital Partners will supplement this Investment Adviser Brochure, when available.

### SUPPLEMENTAL INFORMATION ABOUT CERTAIN PRINCIPALS OF AMULET CAPITAL PARTNERS

#### **Ramsey Frank (1960)**

##### *Educational Background and Business Experience*

Prior to founding the Firm, Mr. Frank was a Senior Managing Director with JLL Partners from 1999 to 2012. Mr. Frank played a leadership role as part of JLL Partners' investment team and was a member of the firm's Investment Committee. Mr. Frank focused primarily on the healthcare sector while at JLL Partners. Representative investments in the healthcare sector included AdvancePCS, Inc., Medical Card System, Inc. ("**Medical Card System**"), Patheon, Inc. ("**Patheon**") and PharmaNet Development Group, Inc. ("**PharmaNet**"). From 1993 to 1999, Mr. Frank served as a Managing Director at DLJ, where he headed the Restructuring Group and was a Senior Member of the Leveraged Finance Group. Prior to DLJ, Mr. Frank served as a Managing Director at Smith Barney & Co. and prior to that was a Vice President at Drexel Burnham Lambert. Mr. Frank holds an MBA with high honors from the University of Chicago (1986) and a BS in Finance from Indiana University (1982).

##### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Ramsey Frank.

##### *Other Business Activities*

Ramsey Frank is not engaged in any investment-related business outside of his roles with Amulet and its affiliated investment advisers.

##### *Additional Compensation*

Ramsey Frank does not receive any additional compensation that is required to be disclosed.

##### *Supervision*

Ramsey Frank is not subject to the supervision of any other person other than, with respect to compliance-related matters, Amulet's Chief Compliance Officer.

#### **Ari Benacerraf (1963)**

##### *Educational Background and Business Experience*

Prior to founding the Firm, Mr. Benacerraf co-founded Diamond Castle where he has been a Senior Managing Director since 2005. Mr. Benacerraf played a leadership role as part of the Diamond Castle investment team and was a member of the firm's Investment Committee. Mr. Benacerraf currently focuses primarily on the healthcare sector at Diamond Castle. Representative investments in the healthcare sector included Managed Health Care Associates, Inc., Beacon Health Strategies, LLC and Suture Express, Inc. From 2001 to 2004, Mr. Benacerraf served as a Managing Director at DLJ Merchant Banking Partners, where he had been a Principal and a Vice President since 1995. Prior to DLJ, Mr. Benacerraf served as a Vice President at Bankers Trust Company from 1992 to 1995. Previously he was an Associate at Banque Nationale de Paris. Mr. Benacerraf holds an MBA from The Johnson School of Management of Cornell University (1988) and a BA in Chemistry from Franklin & Marshall College (1985).

#### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Ari Benacerraf.

#### *Other Business Activities*

As described above under "Conflicts of Interest," Ari Benacerraf is currently a managing member of Diamond Castle.

#### *Additional Compensation*

Ari Benacerraf is entitled to receive distributions as a part owner of Diamond Castle and to participate in Diamond Castle's carried interest plan.

#### *Supervision*

Ari Benacerraf is not subject to the supervision of any other person other than, with respect to compliance-related matters, the Chief Compliance Officer of Amulet.

### **Jay Rose (1973)**

#### *Educational Background and Business Experience*

Prior to founding the Firm, Dr. Rose was a Principal at Health Evolution Partners, Inc. ("HEP") from 2010 to 2012. Dr. Rose was the co-head of healthcare services investing and a member of HEP's Investment Committee. Representative investments in the healthcare sector included American Optical Services, CenseoHealth LLC and Halcyon Healthcare. Prior to HEP, Dr. Rose was a Principal at JLL Partners, which he joined in 2007. During his time at JLL Partners, Dr. Rose worked closely with Mr. Frank on all healthcare investments, including PharmaNet, Medical Card System and Patheon. From 2004 to 2007, Dr. Rose was a Vice President at Goldman Sachs Merchant Banking Division, Principal Investment Area. Dr. Rose began his career at Goldman Sachs Investment Banking in the Healthcare Group in 2000. Dr. Rose holds an MD from the University of Pittsburgh School of Medicine (2000) and a BA in Psychology from Swarthmore College (1995).

### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to Jay Rose.

### *Other Business Activities*

Jay Rose is not engaged in any investment-related business outside of his roles with Amulet Capital Partners and its affiliated investment advisers.

### *Additional Compensation*

Jay Rose does not receive any additional compensation that is required to be disclosed.

### *Supervision*

Jay Rose is not subject to the supervision of any other person other than, with respect to compliance-related matters, Amulet's Chief Compliance Officer.

## **George Fotiades (1953)**

### *Educational Background and Business Experience*

Mr. Fotiades, a founder of Amulet, has served as the Healthcare Operating Partner at Diamond Castle since 2007. At Diamond Castle, Mr. Fotiades worked, and continues to work, closely with Mr. Benacerraf on all healthcare investments, including Managed Health Care Associates, Beacon Health Strategies and Suture Express. Prior to joining Diamond Castle, Mr. Fotiades served as the President and Chief Operating Officer of Cardinal Health from 2004 to 2006. From 1999 to 2003, Mr. Fotiades served as the President and Chief Executive Officer of Cardinal Health's Pharmaceutical Technologies and Services segment, which is now a Blackstone Private Equity portfolio company and is now known as Catalent Pharma Solutions, Inc. ("**Catalent**"). Mr. Fotiades served as Chairman of Catalent from 2007 to 2010. Prior to joining Cardinal Health, Mr. Fotiades gained over 20 years of marketing and general management experience with a number of major healthcare and consumer products companies including Warner-Lambert Co. (acquired by Pfizer, Inc.), Bristol-Myers Squibb Company (NYSE: BMY), Wyeth Inc. (acquired by Pfizer, Inc.) and The Proctor & Gamble Company (NYSE: PG). Mr. Fotiades currently serves on the Board of Directors of AptarGroup, Inc. (NYSE: ATR), Cantel Medical Corporation (NYSE: CMN) and Prologis, Inc. (NYSE: PLD). Mr. Fotiades holds an MBA from the Kellogg School of Management at Northwestern University and a BA in Economics from Amherst College.

### *Disciplinary History*

There are no legal or disciplinary events to disclose with respect to George Fotiades.

### *Other Business Activities*

As described above under "Conflicts of Interest," George Fotiades is currently an operating partner of Diamond Castle.

### *Additional Compensation*

George Fotiades is entitled to receive a salary as an operating partner of Diamond Castle and to participate in Diamond Castle's carried interest plan.

### *Supervision*

George Fotiades is not subject to the supervision of any other person other than, with respect to compliance-related matters, the Chief Compliance Officer of Amulet.