

Item 1 – Cover Page

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

Ayer Capital Management, LP

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This brochure provides information about the qualifications and business practices of Ayer Capital Management, LP. If you have any questions about the contents of this brochure, please contact us at (415) 874-4800. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Registration of an Investment Adviser does not imply any certain level of skill or training.

Additional information about Ayer Capital Management, LP also is available on the SEC's website at www.adviserinfo.sec.gov.

This brochure is not an offering or solicitation of interests in funds managed by Ayer Capital Management, LP or its affiliates.

Item 2 – Material Changes

This Brochure dated March 2015 contains the following material changes since the last version of the Brochure dated May 1, 2014, which updated Ayer Capital Management, LP's initial registration with the Securities and Exchanges Commission:

- Item 4 – Disclosure that separately managed accounts and certain pooled investment vehicles are in liquidation
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There have been no amendments and not material changes. Please note that this summary of material changes discusses only those material changes that have occurred since the last annual update of the Brochure. Ayer Capital Management has revised the language in various sections of this brochure but has not materially altered any of its responses in this Brochure.

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Item 4 – Advisory Business

Description of Advisory Firm and Business

Ayer Capital Management, LP (“Ayer Capital Management”, “Investment Manager”, or “We”) is a Delaware limited partnership formed in January 2008 primarily for the purpose of providing investment advisory services to private pooled investment vehicles (each a “Fund”). We also provide investment advisory services for a separately managed account (the “Account” and collectively with the Funds, the “Advisory Clients”).

At the time of this document, Ayer Capital Management is in the process of liquidating its separately managed accounts and the following Funds:

- a) Ayer Capital Partners Master Fund, LP, a Cayman Islands exempted limited partnership (“Ayer Capital Master”);
- b) Ayer Capital Partners Fund, LP, a Delaware limited partnership (“Ayer Capital U.S.”) that acts as a feeder fund for Ayer Capital Master;
- c) Ayer Capital Partners Fund, Ltd., a Cayman Islands exempted company (“Ayer Capital Offshore”) that also acts as a feeder fund for Ayer Capital Master; and
- d) Ayer Capital Partners Kestrel Fund, LP, a Delaware limited partnership (“Ayer Kestrel”).

The Fund for which Ayer Capital Management provides investment advisory services is Ayer Special Situations Fund I, LP, a Delaware limited partnership (“Ayer Special Situations”). An affiliate of Ayer Capital Management, Ayer Capital Partners, LLC, a Delaware limited liability company (“Ayer Capital Partners”), serves as the general partner of Ayer Special Situations.

Jay Venkatesan, M.D. is the founder and managing member of Ayer Capital Management and Ayer Kestrel Partners. Pieter Boelhouwer and Susan Loh are also managing members of Ayer Capital Management. ACM Capital Partners, LLC (“ACM Capital Partners”), is the General Partner of the Investment Manager. Jay Venkatesan, M.D. and Pieter Boelhouwer are the principal owners of Ayer Capital Management.

With respect to each of the Funds, the investment objective is to seek capital appreciation without consideration to generating current income. We seek to meet this objective by investing to varying degrees in the publicly traded common stock of healthcare companies. For example, Ayer Capital Master and its two feeder funds invest substantially, but not solely in the publicly traded common stock of healthcare companies. We also expect that Ayer Kestrel will invest a substantial portion or its portfolio, and at times its entire portfolio, in the securities of healthcare companies; however, at times it may also invest a substantial portion of its portfolio in industries other than healthcare and thus its investments may differ at such times from those held by Ayer Capital Master and its feeder funds. Ayer Special Situations seeks to meet the objective above by investing in a limited number of securities over the life of this fund, which may be traded long or short over the course of holding such securities. It is expected that the securities held by Ayer Special Situations will also be those of healthcare companies.

In addition to publicly traded securities, the Funds may invest in privately offered securities, including, but not limited to, common stocks, preferred stocks, convertible bonds, convertible preferred stocks, and privately offered securities commonly known as “PIPEs” (private investments in public equity). These privately-offered securities may be offered by issuers who are either public (trading on an exchange) or private. The Funds may also invest in other types of securities and may use a variety of investment techniques to generate profit and/or control risk, including, but not limited to, engaging in short sales, participating in swaps and swaptions, buying or selling futures

contracts, purchasing and writing options and other derivative contracts, purchasing or selling debt instruments, and trading on margin by borrowing funds and pledging securities as collateral.

We also provide discretionary investment advisory services to the Account in accordance with substantially the same investment strategy as that of the Funds.

Client Tailored Services and Client Imposed Restrictions

We do not tailor portfolio management services to the individual needs of the limited partners/shareholders (“Investors”) in the Funds and the investors cannot impose restrictions on investing in certain securities or certain types of securities.

Assets Under Management

As of December 31, 2014, Ayer Capital Management had assets under management on a discretionary basis of \$47,617,318.

Item 5 – Fees and Compensation

Management Fee

Ayer Capital Management receives a quarterly investment management fee (the “Management Fee”) as described from the Funds:

Ayer Special Situations:

Ayer Special Situations is not charged a Management Fee.

Ayer Capital Management will bear all of its own normal and recurring operating expenses incurred in connection with the investment management services that it will provide to the Funds.

Performance Allocation

The General Partners are entitled to receive a performance allocation (the “Performance Allocation”) from the Funds as described below.

Ayer Special Situations:

Upon liquidation of the assets of the Partnership, Ayer Capital Partners will receive a Performance Allocation from the capital account of each Investor in Ayer Special Situations in an amount equal to twenty percent (20%) of the aggregate net profits allocated to such Investor’s capital account during the term of such Fund. In the event an Investor is permitted or required to withdraw completely or partially from Ayer Special Situations other than at the end of the term of the Fund, the Performance Allocation made with respect to such Investor will be determined for the period commencing upon the admittance of such Investor to the Fund and ending on the date of such complete or partial withdrawal.

Ayer Capital Management also receives from the Account an asset based quarterly management fee and an annual performance based fee, subject to a high-watermark similar to that described above, in the amounts set forth in the agreement between Ayer Capital Management and the Account investor.

Expenses

Each Fund bears all costs and expenses related to its investments and its operations, including, without limitation, brokerage and other transaction costs, clearing and settlement charges, trade break fees, consulting expenses, research expenses (including related travel expenses), legal fees and other expenses in connection with conducting due diligence and negotiating the terms of certain investments, custodial fees, initial and variation margin, interest and commitment fees on debit balances or borrowings, stock borrowing fees and proxy solicitation expenses, legal expenses, audit

and tax preparation expenses, accounting fees, fees and expenses for risk management services, insurance expenses including costs of any liability insurance obtained on behalf of the Funds, indemnification expenses, regulatory costs and expenses (including filing and license fees), any issue or transfer taxes chargeable in connection with any securities transactions, any entity level taxes and fees, costs of reporting and providing information to investors, and costs of litigation or investigation involving Fund activities, and any extraordinary expenses.

Neither Ayer Capital Management nor its supervised persons accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products, including interests in the Funds.

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

Please refer to Item 5 for the description of the performance-based compensation payable to Ayer Capital Management or the General Partners (as applicable). The fact that we and/or our affiliates are entitled to receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for Ayer Capital Management or the General Partners to make investments on behalf of Advisory Clients that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements.

Differences in Ayer Capital Management's compensation arrangements with the Funds and the Account, particularly if some Funds were to pay higher performance-based compensation than others, could create incentives for Ayer Capital Management to manage Fund portfolios so as to favor those portfolios of Funds paying higher performance-based compensation. In addition, although we are required to act in a manner that we consider fair, reasonable and equitable in allocating investment opportunities to the Funds and the Account, we and our affiliates are not otherwise subject to any specific obligations or requirements concerning the allocation of time, effort or investment opportunities, or any restrictions on the nature or timing of investments for the Funds and the Account.

Notwithstanding these conflicts, Ayer Capital Management will allocate transactions and opportunities among Advisory Clients in a manner it believes to be as equitable as possible, considering each Advisory Client's objectives, programs, limitations and capital available for investment, but even Advisory Clients with similar objectives will often have different investment portfolios. In addition, Investors are provided with clear disclosure in the relevant offering documents or other account documentation as to how performance-based compensation is charged with respect to a particular Fund and the risks associated with such performance-based compensation prior to making an investment.

Item 7 – Types of Clients

We provide investment advice to the Funds, as described above in Item 4. The Funds may set minimum requirements and minimum investment amounts for Investors. Investors in the Funds are required to be "accredited investors," as that term is defined in Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), and "qualified purchasers," as that term is defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended (the "1940 Act"), for purposes of Section 3(c)(7).

Ayer Special Situations has no minimum initial investment. The Funds may accept contributions of a lesser amount (but in no event less than \$100,000 other than with respect to Ayer Special Situations).

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

Investment Strategy

With respect to each of the Funds, the investment objective is to seek capital appreciation without consideration to generating current income. We seek to meet this objective by investing to varying degrees in the publicly traded common stock of healthcare companies as described below. There is no guarantee that our investment objective will be achieved and investment results may vary substantially.

Investment Strategy

Ayer Special Situations:

We seek to meet the objective stated above with respect to Ayer Special Situations by investing solely in a limited number of securities selected by the Investment Manager, which could be as few as one to two securities over the life of such Fund. We may trade such securities long and short over the course of its investment. We intend to liquidate and wind up Ayer Special Situations upon the complete liquidation of such securities, which could be as early as twelve months from the commencement of the Fund's investment activities. We do not intend to employ leverage in an effort to enhance its returns.

We expect that Ayer Special Situation's investments will also be in the securities of healthcare companies.

Methods of Analysis

We leverage our skill in stock picking and capitalize on our extensive experience in both the investing and healthcare arenas. We use a fundamental, private-equity type approach to selecting, analyzing, and investing in stocks and other securities. We look at both high-quality companies that are trading at valuations below their intrinsic value and at companies with high growth that is not fully incorporated into their valuations. The primary difference is in understanding the specific regulatory, sales, reimbursement, distribution, and operational challenges that a healthcare company faces as a result of the unique nature of the healthcare economic chain. However, the fundamental approach of analyzing the competitive landscape, and a company's position within it, using an approach like Porter's Five Forces, is applicable to all companies evaluated. This diligence framework provides the start to a more comprehensive approach to prioritizing, evaluating, and diligencing ideas across all sectors and geographies.

There are a number of components that make up the investment process:

- **Sourcing and Screening:** We will keep track of hundreds of companies that will be measured according to a variety of operating, valuation, and return metrics. These screens provide a simple group of companies for further consideration. Additionally, we have been involved in private and public investing for more than seven years and have been involved in various aspects of the healthcare industry, as well as other industries, including financials, media and software, for more than 14 years. During this period we have developed a large number of contacts in clinical practice, industry, and research, and in the buy side, sell side, and venture capital communities. These contacts provide additional ideas that can be analyzed to see if they meet the criteria for investment on either the short or long side. Additionally, during the course of performing due diligence on potential investments we may come across information and ideas that will lead to other potentially-interesting investment opportunities.
- **Prioritization and Evaluation:** Out of the initial longer list of potential ideas generated by our personal knowledge, contacts, and screens, the next step is to prioritize these ideas to

see which ones merit further consideration for potential inclusion in the portfolio. At this stage, considerations such as valuation, liquidity, ability to diligence the key investment components, and relative return-risk profile will all be considered. After companies pass this step, we will perform extensive due diligence, the specific components of which will vary depending on which particular industry or sub sector the company is in. This will entail, in part, evaluation of the competitive landscape, the reimbursement and pricing environment, the overall market size and growth in which the company participates, the cost to deliver the product or service, the company's management capabilities, timing and magnitude of potential catalysts (positive or negative), the company's financial position, and the regulatory and legal environment. In the case of short sales, considerations such as a deteriorating financial position, poor trial design, difficult regulatory environment, increasing competition, poor management, and difficult pricing or reimbursement will be driving forces. We will interview members of the company management, competitors, customers, suppliers, regulators, consultants, clinicians, and researchers as appropriate to ensure that it has developed a comprehensive perspective on the challenges and opportunities for the company. In most cases we will develop a comprehensive financial model for the company to allow it to model the financial prospects for the company under a variety of scenarios. A number of valuation metrics such as discounted cash flows, price/earnings ratios, PEG (price-earnings-to-growth) ratios, and enterprise value / EBITDA (earnings before interest, taxes, depreciation, and amortization) are used in considering a particular security.

- **Monitoring, Risk Management, and Portfolio Management:** All positions in the portfolio will be monitored closely to ensure that the thesis has not changed and the risk-return parameters remain favorable. The portfolio will be monitored to ensure that the Partnership is not excessively exposed to any one factor (whether it is a particular product, reimbursement change, political change, etc.). We will attempt to have a balance of positions in a variety of sub sectors to ensure that there is diversification of the portfolio. The Funds will use short positions to generate alpha and to hedge positions in the portfolio. In addition, we may use instruments, such as ETFs, specifically constructed "baskets," and other hedging instruments (including derivatives) in order to hedge the portfolio. We will maintain risk management processes, including adherence to price targets, monitoring portfolio concentration, periodic stress-testing, calculation of VaR (Value at Risk) at both the 95% and 99% confidence intervals, and other analyses that are deemed appropriate.

Market and Investment Risks

Investing in securities involves risk of loss that Funds and their Investors should be prepared to bear. Certain of the following risks also are relevant to the Account.

Investment and Trading Risks. An investment in the Funds involves a high degree of risk, including the risk that the entire amount invested may be lost. No guarantee or representation is made that the Fund's investment program will be successful. We will be investing substantially all of the Fund's assets in securities, some of which may be particularly sensitive to economic, market, industry and other variable conditions. No assurance can be given as to when or whether adverse events might occur that could cause immediate and significant losses to the Funds.

Risks of Investing in Life Sciences Companies. Certain life sciences companies are subject to intense competition and rapid technological change, and may present risks not typical of investments made in other industry sectors, including the following:

- Many life science companies face high research and development costs and obsolescence of their products. These factors may have a significant adverse effect on the financial condition and operating results of companies in the life sciences industries.
- Life sciences companies may also have persistent losses or erratic revenue patterns, which in turn may lead to significant volatility in their share prices.
- The viability of many life sciences companies depends largely on whether such companies can obtain Food and Drug Administration (“FDA”) approval of their products or services. If a life sciences company fails to obtain FDA approval for one or more of its products or services, such company may be unable to continue operations, and the Partnership may lose some or all of its investment in such company.
- Many life sciences companies derive a large portion or all of their value from one product. If clinical trials are not successful, or if new scientific knowledge causes a product to be uncompetitive in the market, a company may lose most of its market value before the Partnership is able to exit its investment.
- As the Funds intend to invest primarily in securities of life sciences companies, its investment performance will be closely tied to and affected by the life sciences industries. Companies in the life sciences industries are often faced with the same obstacles, issues or regulatory burdens, and their securities may react similarly and move in unison to these or other market conditions. Among the key drivers of life sciences industries growth are the current and future state and federal legislative and regulatory climates.
- If state and federal legislative bodies or the FDA undertake new legislative and regulatory initiatives that impede, rather than promote, the growth of the life sciences industries in the future, the Funds may have difficulty identifying attractive life sciences investment opportunities, and otherwise profitable investments could become unprofitable.

Limited Diversification. At any given time, it is possible that the Funds may make investments that are concentrated in a particular type of security, industry or market capitalization. This limited diversity could expose the Funds to significantly greater volatility than in a more diversified portfolio. With respect to Ayer Special Situations, there is an increased risk with respect to concentration of investments as it expects to hold a very limited number of securities, as little as one or two securities, and may trade such securities long and short over the course of its investments therein. Each position will represent a large portion of Ayer Special Situation’s capital. Losses incurred in a position making up a significant percentage of Ayer Special Situation’s capital could have a material adverse effect on that Fund’s overall financial condition. Ayer Special Situation’s portfolio is not required to be diversified among a wide range of issuers or industry sectors. Accordingly, the investment portfolio of Ayer Special Situations may be subject to more rapid change in value than would be the case if such Fund were required to maintain a wide diversification among industry sectors, securities and types of securities and other instruments.

Use of Leverage. We may leverage the Fund’s portfolio through margin and other debt in order to increase the amount of capital available for investments. Although leverage increases returns to the Investors if the Funds earn a greater return on the incremental investments purchased with borrowed funds than it pays for such funds, the use of leverage decreases returns to the Investors if the Funds fail to earn as much on such incremental investments as it pays for such funds. In the event that the Partnership leverages its portfolio, fluctuations in the market value of the Fund’s portfolio will have a significant effect in relation to the Fund’s capital and the risk of loss and the possibility of gain will each be increased. In addition, when the Funds utilize leverage, the level of

interest rates generally, and the rates at which the Funds can borrow in particular, will be an expense of the Funds and therefore affect the operating results of the Funds. Leverage increases the risk of substantial losses (including the risk of a total loss of capital), and leverage can significantly magnify the volatility of the Fund's portfolio.

The Funds may use short-term margin borrowing in purchasing securities positions. Such borrowing, if made, may result in certain additional risks to the Funds. For example, should the securities pledged to brokers to secure the Fund's margin accounts decline in value, the Funds could be subject to a "margin call" pursuant to which the Funds would be required to either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden, precipitous drop in value of the Funds' assets, the Funds might not be able to liquidate assets quickly enough to pay off its margin debt. (This risk is not applicable to Ayer Special Situations Fund).

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

Short sale transactions have been subject to increased regulatory scrutiny in response to recent market events, including the temporary imposition of restrictions on short selling certain securities and current reporting requirements. The Fund's ability to execute a short selling strategy may be materially adversely impacted by temporary and/or new permanent rules, interpretations, prohibitions, and restrictions adopted in response to these adverse market events. Temporary restrictions and/or prohibitions on short selling activity may be imposed by regulatory authorities with little or no advance notice and may impact prior trading activities of the Funds. Additionally, the Securities and Exchange Commission ("SEC"), its foreign counterparts, other governmental authorities and/or self-regulatory organizations may at any time promulgate permanent rules or interpretations consistent with such temporary restrictions or that impose additional or different permanent or temporary limitations or prohibitions. The SEC might impose different limitations and/or prohibitions on short selling from those imposed by various non-U.S. regulatory authorities. These different regulations, rules or interpretations might have different effective periods.

Regulatory authorities may from time-to-time impose restrictions that adversely affect the Fund's ability to borrow certain securities in connection with short sale transactions. In addition, traditional lenders of securities might be less likely to lend securities under certain market conditions. As a result, the Funds may not be able to effectively pursue a short selling strategy due to a limited supply of securities available for borrowing. The Funds may also incur additional costs in connection with short sale transactions, including in the event that it is required to enter into a borrowing arrangement in advance of any short sales. Moreover, the ability to continue to borrow a security is not guaranteed and the Funds are subject to strict delivery requirements. The inability of the Funds to deliver securities within the required time frame may subject the Funds to mandatory close out by the executing broker-dealer. A mandatory close out may subject the Funds to unintended costs and losses. Certain action or inaction by third-parties, such as executing broker-dealers or clearing broker-dealers, may materially impact the Fund's ability to effect short sale

transactions. Such action or inaction may include a failure to deliver securities in a timely manner in connection with a short sale affected by a third-party unrelated to the Funds.

Small and Mid-Cap Risks. A portion of the Fund's assets is expected to be invested in securities of small-cap and mid-cap issuers. While, in our opinion, the securities of small and mid-cap issuers may offer the potential for greater capital appreciation than investments in securities of large-cap issuers, securities of small-cap and mid-cap issuers may also present greater risks. For example, small and mid-cap issuers often have limited operating histories, product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts and may be subject to wider price swings and, thus, may create a greater chance of loss than investments in securities of larger-cap issuers. The market prices of securities of small and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large-cap issuers. Transaction costs in securities of small and mid-cap issuers may be higher than in those of large-cap issuers.

Equity Securities of Growth Companies. A portion of the Fund's assets may be invested in equity securities of companies that we believe have potential for capital appreciation significantly greater than that of the market averages, so-called "growth" companies. The market capitalization of the growth companies in which the Funds will invest may range from small to large capitalizations. Growth stocks are generally more sensitive to market movements than other types of stocks, primarily because their stock prices are based heavily on future expectations. Securities of growth companies may be traded in the over-the-counter ("OTC") markets. While OTC markets have grown rapidly in recent years, many OTC securities trade less frequently and in smaller volume than exchange-listed securities. The values of these securities may fluctuate more sharply than exchange-listed securities, and the Funds may experience some difficulty in acquiring or disposing of positions in these securities at prevailing market prices.

Undervalued Equity Securities. The Fund's investment strategy focuses on investing in companies that we believe are undervalued. Opportunities in undervalued equity securities arise from market inefficiencies or due to a lack of wide recognition of the potential impact (positive or negative) that specific events or trends may have on the value of a security. The identification of investment opportunities in undervalued securities is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses.

Risk Arbitrage Transactions. We may purchase securities for the Funds at prices below their anticipated value following the occurrence of a predicted event, including proposed mergers, tender offers or similar transactions. The purchase price of such securities may be in excess of the market price of the securities immediately prior to the announcement of the proposed transaction. If the proposed transaction is not consummated or is delayed, the market price of the security may decline and result in losses to the Funds. In certain transactions, the Funds may not be hedged against market fluctuations unrelated to the anticipated transaction but which may affect the value of the consideration to be received. This may result in losses, even if the proposed transaction is consummated.

Hedging. The Funds may utilize certain financial instruments and investment techniques for risk management or hedging purposes. There is no assurance that such risk management and hedging strategies will be successful, as such success will depend on, among other factors, our ability to predict the future correlation, if any, between the performance of the instruments utilized for hedging purposes and the performance of the investments being hedged. Since the characteristics of

many securities change as markets change or time passes, the success of the Funds hedging strategies may also be subject to our ability to correctly readjust and execute hedges in an efficient and timely manner. There is also a risk that such correlation will change over time rendering the hedge ineffective. It may be more difficult to hedge a position in a smaller cap issuer than a larger-cap issuer. The Fund's portfolio is not expected to be completely hedged at all times and at various times we may elect to be more fully hedged and at other times hedged only to a limited extent, if at all. Accordingly, the Fund's assets may not be adequately protected from market volatility and other conditions.

Portfolio Liquidity and Transfer Restrictions (PIPEs and Similar Investments). The Funds may invest in so-called "PIPE" transactions, in which a private purchase of common stock or a security convertible into common stock is anticipated to be followed shortly by a registered public offering of such common stock, or of common stock of the same class. As securities sold in a PIPE transaction will generally be restricted only for the period from the private sale until the issuer's registration statement with the SEC covering resale of such securities becomes effective, the Funds may pay more for such securities than for other private placement securities. If the issuer is unable to obtain an effective resale registration statement for a PIPE, the PIPE will remain restricted under U.S. securities laws (subject to the availability of some other exemption) and the Funds may be unable to recover from the issuer an amount sufficient to compensate the Funds for the loss of liquidity of such security.

Illiquid Securities. Although the Funds do not intend to invest in illiquid or private securities, the Funds retain the flexibility to invest a portion of the Funds' assets in such securities. Such securities may have to be held for a substantial period of time before they can be liquidated, if at all. Market prices for such securities are often volatile and may not be ascertainable. The resale of restricted and illiquid securities often may have higher brokerage charges and such investments may be difficult to value.

Counterparty Risk. Some of the markets in which the Funds may effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to the credit evaluation and regulatory oversight to which members of "exchange-based" markets are subject. This exposes the Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing the Funds to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Funds have concentrated its transactions with a single or small group of counterparties. Counterparties in foreign markets face increased risks, including the risk of being taken over by the government or becoming bankrupt in countries with limited if any rights for creditors. The Funds are not restricted from concentrating any or all of its transactions with one counterparty. The ability of the Funds to transact business with any one or number of counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Funds. Counterparty risks also include the failure of executing brokers to honor, execute, or settle trades.

Purchasing Securities of Initial Public Offering. From time to time the Funds may purchase securities that are part of initial public offerings. The prices of these securities may be very volatile. The issuers of these securities may be undercapitalized, have a limited operating history, and lack revenues or operating income without any prospects of achieving them in the near future. Some of these issuers may only make available a limited number of shares for trading and therefore it may be difficult for the Partnership to trade these securities without unfavorably impacting their prices. In addition, investors may lack extensive knowledge of the issuers of these securities. The Funds may invest in securities that are "new issues," as defined by FINRA Rule 5130. FINRA Rule 5130

and FINRA Rule 5131 restricts certain persons from participating in “new issues.” (The Partnership Agreement will provide a mechanism for the purchase of new issues that excludes participation in such investment by any Investor that is deemed restricted.

Risks of Investments in Options. Investing in options can provide greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market’s perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor’s entire investment (*i.e.*, the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (*i.e.*, sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value. Over-the-counter options that the Funds may use in its investment strategies generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The over-the-counter market for options is relatively illiquid, particularly for relatively small transactions.

Swap Transactions. The Funds may enter into swap agreements with respect to securities, indexes of securities and other assets or other measures of risk or return. Swap agreements are typically two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to many years. In a standard “swap” transaction, two parties agree to exchange the returns (or the differential in rates of return) earned or realized on particular predetermined investments, instruments, or indices. The gross returns to be exchanged or “swapped” between the parties are generally calculated with respect to a “notional amount”. Whether the Funds’s use of swap agreements will be successful will depend on our ability to select appropriate transactions for the Funds. Swap transactions may be highly illiquid. Moreover, the Funds bear the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. Many swap markets are relatively new and still developing. It is possible that developments in the swap markets, including potential government regulation, could adversely affect the Funds’ ability to terminate existing swap transactions or to realize amounts to be received under such transactions. Swaps and certain other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty.

Total return swaps are another form of swap transaction that the Funds may utilize in its investment program. A total return swap allows the total return receiver to receive the change in market value of an asset (whether a security, interest rate, form of debt, currency or other asset) from the total return payer in return for paying a floating or fixed interest-rate on a predetermined amount. The total return payer is synthetically short and the total return receiver is synthetically long. Thus, total return swap agreements may effectively add leverage to the Funds’ portfolio because, in addition, to its total net assets, the Funds would be subject to investment exposure on the notional amount of the swap agreement.

Other Derivative Investments. Derivative instruments or “derivatives” include futures, options, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to

derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are leveraged, and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement may expose the Partnership to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty.

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Investment Manager from promptly liquidating unfavorable positions and subject the Funds to substantial losses.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements, and speculative position limits are not applicable. For example, there are no requirements with respect to record keeping, financial responsibility or segregation of customer funds or positions. In contrast to exchange-traded futures contracts, interbank traded instruments rely on the dealer or contracting counterparty to fulfill its contract. As a result, trading in interbank foreign exchange contracts may be subject to more risks than futures or options trading on regulated exchanges, including, but not limited to, the risk of default due to the failure of a counterparty with which the Partnership has forward contracts. Although Ayer Capital Management seeks to trade with responsible counterparties, failure by a counterparty to fulfill its contractual obligation could expose a Fund to unanticipated losses. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any currency market traded by the Funds due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of the Funds. Market illiquidity or disruption could result in significant losses to the Funds.

Investments in Fixed-Income Securities. The Funds may invest a portion of its capital in bonds or other fixed income securities, including, without limitation, bonds, notes and debentures issued by corporations, debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities, commercial paper, and “higher yielding” (and, therefore, higher risk) debt securities of the former categories. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Fixed income securities are subject to the risk of the issuer’s inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (*i.e.*, market risk). A major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, any such economic downturn could adversely affect the

ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

General Economic, Regulatory and Market Conditions. The success of the Funds' activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Partnership's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect, among other things, the level and volatility of securities' prices, the liquidity of the Funds' investments and the availability of certain securities and investments. Volatility or illiquidity could impair the Funds' profitability or result in losses. The Funds may maintain substantial trading positions that can be materially adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

In recent years, global markets experienced unprecedented volatility and illiquidity. The effects thereof are continuing and there can be no assurance that the Funds will not be materially adversely affected. These conditions have led to extensive governmental interventions. Such interventions have in certain cases been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition—as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action—these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Investment Manager's strategies.

Transaction Execution and Costs. We expect to actively manage the Funds' portfolios, purchases and sales of investments may be frequent and may result in higher transaction costs to the Funds. In addition, in many cases relatively narrow spreads may exist between the prices at which the Funds will purchase and sell particular positions. The successful application of the Funds' investment strategy will therefore depend, in part, upon the quality of execution of transactions, such as the ability of broker-dealers to execute orders on a timely and efficient basis. Although the Funds will seek to utilize brokerage firms that will afford superior execution capability to the Funds, there is no assurance that all of the Funds' transactions will be executed with optimal quality. Furthermore, due to the degree of trading, total commission charges and other transaction costs may be expected to be high. The level of commission charges, as an expense of the Funds, may therefore be expected to be a factor in determining future profitability of the Funds.

Broker Risk. The Funds assets may be held in one or more accounts maintained for the Funds by its prime brokers or at other brokers or custodian banks, which may be located in various jurisdictions, including emerging market jurisdictions. The prime brokers, other brokers (including those acting as sub-custodians) and custodian banks are subject to various laws and regulations in the relevant jurisdictions that are designed to protect their customers in the event of their insolvency. Accordingly, the practical effect of the laws protecting customers in the event of insolvency and their application to the Funds' assets may be subject to substantial variations, limitations and uncertainties. For instance, in certain jurisdictions brokers could have title to the Funds' assets or not segregate customer assets. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker, another broker or a clearing corporation, it is impossible further to generalize about the effect of the insolvency of any of them on the Funds and their assets. Investors should assume that the insolvency of any of the prime brokers, local brokers, custodian banks or clearing corporations may

result in the loss of all or a substantial portion of the Funds' assets or in a significant delay in the Funds having access to those assets.

Custody Risk. Certain unregistered securities acquired on behalf of the Funds may be held by us and not by the Master Fund's prime broker or any other broker or custodian. Failure of the Master Fund to maintain custody of a portion of its assets with a registered broker-dealer or custodian could expose the Funds to certain risks.

Item 9 – Disciplinary Information

Neither Ayer Capital Management nor any of its management persons have had any legal or disciplinary events that would be material to an Investor's evaluation of Ayer Capital Management or the integrity of Ayer Capital Management's management.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Ayer Capital Management nor any of its principals are registered or have an application pending to register as:

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

Ayer Capital Management, the General Partners, and each of their members, principals, managers, affiliates and employees (the "Ayer Affiliates") may engage in other activities, including providing investment management and advisory services to other funds and accounts, and shall not be required to refrain from any activity, to disgorge profits from any such activity or to devote all or any particular amount of time or effort of any of their officers, directors or employees to the Funds, the Account and their affairs. Such other funds or accounts may pursue a substantially similar investment strategy as that of the Funds or the Account. These activities could be viewed as creating a conflict of interest in that the time and effort of the Ayer Affiliates will not be devoted exclusively to the business of the Funds of the Account, but will be allocated between the business of the Funds, the Account and other business activities of the Ayer Affiliates.

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

Ayer Capital Management has adopted a Code of Ethics ("Code") that describes the standards of business conduct that it requires of employees and accounts owned predominantly by persons associated with Ayer Capital Management, and establishes procedures intended to prevent Ayer Capital Management, and its personnel and certain of their relatives, from inappropriately benefiting from Ayer Capital Management's relationships with its clients.

The Code provides that:

- i. Ayer Capital Management's clients' interests come before Ayer Capital Management's or employees' interests;
- ii. Ayer Capital Management must disclose to clients all material facts about conflicts of which it is aware between Ayer Capital Management's and its employees' interests on the one hand and clients' interests on the other;
- iii. employees must operate on Ayer Capital Management's and their own behalf consistently with Ayer Capital Management's disclosures to and arrangements with clients regarding conflicts and its efforts to manage the impacts of those conflicts;

- iv. Ayer Capital Management and its employees must not take inappropriate advantage of Ayer Capital Management's clients or their positions of trust with or responsibility to clients; and
- v. Ayer Capital Management and its employees must comply with all applicable securities laws. The Code requires employees to report personal securities holdings on an ongoing basis.

Ayer Capital Management will provide a copy of its Code of Ethics to any client or prospective client upon request. Such a request may be made by submitting a written request to Ayer Capital Management at the address on the cover page to this brochure.

Personal Securities Transactions

We have adopted the following principles governing personal investment activities by Ayer's supervised persons:

- The interests of client accounts will at all times be placed first;
- Personal trading transactions by Ayer Capital Management's supervised persons are limited to certain type of securities and are subject to pre-clearance requirements in accordance with Rule 204A-1 of the Advisers Act..
- All personal transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility.
- Supervised persons must not take inappropriate advantage of their positions.

Ban on Short-Term Trading Profits

Supervised persons are expected to refrain from trading for short-term profits. Day trading is strictly prohibited.

Reporting Requirements

Every supervised person must provide Ayer Capital Management's Chief Compliance Officer with a list of their personal accounts and a holdings report listing all "reportable securities" (as defined in the Code) held in such personal accounts both initially upon becoming subject to the Code and annually thereafter. Each supervised person must also provide quarterly reports of all transactions in reportable securities to the Chief Compliance Officer.

The Chief Compliance Officer or a designee will monitor and review all brokerage reports required under the Code for compliance with Ayer's policies regarding personal securities transactions and applicable SEC rules and regulations. The Chief Compliance Officer may also initiate inquiries of supervised persons regarding personal securities trading. Supervised persons are required to cooperate with such inquiries and any monitoring or review procedures employed by Ayer Capital Management. Any transactions for any accounts of the Chief Compliance Officer will be reviewed and approved by the Portfolio Manager or other designated supervisory person. The Chief Compliance Officer shall at least annually identify all supervised persons who are required to file reports pursuant to the Code and will inform such supervised persons of their reporting obligations.

Participation or Interest in Client Transactions

Ayer Capital Management and its officers, partners, directors, or employees may not recommend to client, or buy or sell for client accounts, securities in which they have a material financial interest. Ayer Capital Management and its employees owe a fiduciary duty to our clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid serving their own personal interests ahead of clients, avoid taking inappropriate advantage of their position with

the firm, and avoid any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

Item 12 – Brokerage Practices

We are responsible for selecting broker-dealers to execute trades and negotiating any commissions paid on such transactions. Our primary consideration in placing transactions with particular broker-dealers is to obtain execution in the most effective manner possible. We also take into account a variety of other factors, including the financial strength, integrity and stability of the broker-dealer and the commissions to be paid. We may also consider the quality comprehensiveness and frequency of available research and other products and services considered to be of value. The products and services furnished by broker-dealers may include, among other things, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; and statistics and pricing or appraisal services, discussion with research personnel, special execution capabilities, order of call and the availability of stocks to borrow for short trades. We are authorized by the Funds to pay higher prices for the purchase of securities from, or accept lower prices for the sale of securities to, brokerage firms that provide it with such research and trading relating products and services or to pay higher commissions to such firms if we determine such prices or commissions are reasonable in relation to the overall services provided. Accordingly, a Fund may be deemed to be paying for research and other products and services with “soft” or commission dollars. It is anticipated that the use of commissions or “soft dollars” to pay for research products or services will fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934. Under Section 28(e), research obtained with soft dollars generated by the Funds may be used by the Investment Manager to service accounts other than the Funds. Where a product or service obtained with soft dollars provides both research and non-research assistance to us, we will make a reasonable allocation of the cost that may be paid for with soft dollars.

Although we believe that the Funds benefit from many of the products and services obtained with soft dollars generated by the Fund’s trades, the Funds may not benefit exclusively or at all. It is anticipated that a substantial portion of the Fund’s return will be generated by the trading activity of the Fund. Accordingly, the turnover of the portfolio of the Fund may be substantially greater than the turnover rates of other types of investment vehicles of similar size.

Allocation of investment opportunities among the Funds and the Account will be made in the Investment Manager’s judgment based upon the investment objectives and investment portfolio of such clients. When the purchase and sale of securities is considered to be in the best interest of both the Funds and the Account, investments will be made proportionately with the Funds and the Account based on the respective net assets of each entity and the securities to be purchased or sold may be aggregated in order to obtain superior execution and/or lower brokerage expenses. Execution prices for identical securities purchased or sold on behalf of multiple accounts in any one business day may be averaged. In such events, allocation of prices, as well as expenses incurred in the transaction, shall be made in a manner the Investment Manager considers to be equally as favorable to each of the Funds and the Account.

Item 13 – Review of Accounts

The Fund portfolios will be monitored closely to ensure that the thesis has not changed and the risk-return parameters remain favorable. The portfolios will be monitored to ensure that the Funds are not excessively exposed to any one factor (whether it is a particular product, reimbursement change, political change, etc.). We will attempt to have a balance of positions in a variety of sub sectors to ensure that there is diversification of the portfolio. The Funds will use short positions to generate alpha and to hedge positions in the portfolio. In addition, we may use instruments, such as ETFs

(except with respect to Ayer Special Situations), specifically constructed “baskets,” and other hedging instruments (including derivatives) in order to hedge the portfolio. The Investment Manager will maintain risk management processes, including adherence to price targets, monitoring portfolio concentration, periodic stress-testing, calculation of VaR (Value at Risk) at both the 95% and 99% confidence intervals, and other analyses that are deemed appropriate.

After the end of each Fiscal Year (generally within 90 days or as soon thereafter as is reasonably practicable) the Funds will prepare and deliver to each Investors their Schedule K-1, or equivalent report, and the Funds’ audited financial statements prepared in accordance with United States generally accepted accounting principles (except to the extent that the General Partner determines that certain matters shall not be prepared in accordance with generally accepted accounting principles). If the General Partners are unable to deliver such Schedule K-1 by April 15, the General Partners, as applicable, will provide Investors with estimates of the taxable income or loss allocated to their investment in the Funds.

In addition, the Funds will send to each Investor at least quarterly an unaudited statement setting forth the Fund’s performance for the quarter and year-to-date. Unless otherwise restricted by law, all reports, financial statements, and other information may be delivered to Investors electronically.

Item 14 – Client Referrals and Other Compensation

Ayer Capital Management does not receive any economic benefit from a person who is not a client for providing investment advice or other advisory services to Ayer Capital Management’s clients. We do not directly or indirectly compensate any person who is not a supervised person for client referrals. There will be no sales charges payable to the Funds in connection with the sale of interests of shares.

Item 15 – Custody

Ayer Capital Management is subject to the California Code of Regulations Section 206.237(b)(4) (the “Custody Rule”) with respect to all Fund assets.

Ayer Capital Management is deemed to have custody of Fund assets since affiliates of Ayer Capital Management serve as the General Partners of each Fund. Ayer Capital Management obtains custodial, clearing, settlement and related services on behalf of its clients through what is known as a “prime brokerage” arrangement. Under that arrangement, a single brokerage firm (the “Prime Broker”) maintains custody of each client’s assets (either directly or through its clearing brokerage firm). The Prime Broker is a “qualified custodian” and maintains custody of each client’s funds and securities in a separate account for that client.

As required by the Custody Rule, each of the Funds are subject to an annual audit by an independent certified public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board (“PCAOB”). The audited financial statements of each Fund are prepared in accordance with generally accepted accounting principles (“GAAP”) and are furnished to each Investor within 120 days after the end of each Fund’s fiscal year. Investors should carefully review these statements, and should compare these statements to any account information provided by Ayer Capital Management.

In the event of the auditor’s resignation, dismissal, removal or termination, Ayer Capital Management will notify the California Commissioner of Business oversight (the “Commissioner”) within four business days by filing Form ADV-E accompanied by a statement that includes:

- The date of such resignation, dismissal, removal, or other termination
- The name, address, and contact information of the independent auditor, and
- An explanation of any problems relating to the examination scope or procedure that contributed to such resignation, dismissal, removal or other termination

At least quarterly, Ayer Capital Management will provide its Fund investors statements detailing:

- Total Fund contributions and withdrawals over the reporting period as well as Fund opening and closing balances at the end of the reporting period based on the qualified custodian's records
- A listing of securities positions at the end of the reporting period prepared in conformity with the same requirements that apply to the condensed schedule of investments included in annual financial statements prepared in conformity with GAAP for non-registered partnerships, and
- A listing of all contributions to and withdrawals from the Fund by the investors and the total value of the investor's interest in the Fund at the end of the reporting period.

Where Ayer Capital Management serves as an investment adviser to a Managed Account that does not undergo an annual audit, it commonly will not seek custody of such Managed Account's assets. However, in circumstances where custody because necessary, Ayer Capital Management will either arrange for an annual audit or enter into an agreement with an independent third party "Gatekeeper." A retained Gatekeeper is obliged to act in the best interest of Managed Account investors to review all fees, expense, and capital withdrawals from Ayer Managed Accounts. Ayer Capital management is also requires, according to the state of California's Custody Rule (California Code of Regulations 260.237), to send independent gatekeepers for its managed accounts all invoices and receipts detailing the amount of fees, expenses, and capital withdrawals and their methods of calculation such that the Gatekeeper is able to forward approval of said invoices and receipts to the Managed Account's qualified custodian for payment.

The beneficial owners of Ayer Capital management Managed accounts receive account statements quarterly from such Ayer Managed account's qualified custodians. Such statements specify at a minimum:

- The amount of assets in the account at the end of the reporting period and
- A list of all transactions in the account during the reporting period

Ayer Capital Management urges such beneficial owners to carefully review such statements and compare such statements from the qualified custodian to the statements received from Ayer Capital Management. In addition, with respect to these Ayer Capital Management Accounts, Ayer Capital Management has or will enter into a written agreement with an independent certified public accountant to conduct an annual surprise verification examination, as required by the Custody Rule.

Item 16 – Investment Discretion

We have broad discretion, without limitation, to use any trading or investment techniques, whether or not contemplated by the strategies described above, in order to attempt to achieve the return goals and the best interests of the Funds.

The Investment Management Agreements entered into between each of the Funds and Ayer Capital Management provide that we have complete discretion regarding the investment of the Funds' assets in accordance with the investment objectives, policies, and parameters set forth in the Funds' offering documents.

Item 17 – Voting Client Securities

Ayer Capital Management, LP has adopted policies and procedures that we believe are reasonably designed to ensure that proxies are voted in the best interest of our clients, in accordance with ERISA, our fiduciary duties, and SEC Rule 206(4)-6 under the Investment Advisers Act of 1940. Ayer Capital Management will vote client proxies in the best interest of its clients. Ayer Capital Management will consider a number of factors to determine whether exercising the clients' voting rights as to its securities is in the relevant clients' best interest, such as whether the securities are being held for a short or long period of time.

When voting a proxy, we will generally follow its voting guidelines. Ayer Capital Management attempts to identify conflicts of interest that may arise in the proxy decision making process. If a material conflict of interest over proxy voting arises between us and an Investor, Ayer Capital Management will seek to resolve the conflict and vote the proxies in a manner that is in the relevant Investor's collective best interests. Ayer Capital Management will provide, upon request, a copy of those policies and procedures and/or information concerning its voting record on account proxy matters. Such a request may be made by submitting a written request to us at the address on the cover page of this brochure.

Item 18 – Financial Information

Ayer Capital Management has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. Ayer Capital Management has not been the subject of a bankruptcy petition.

Item 19 Requirements for State-Registered Advisors

Principal Executive Officers and Management Persons; Their Formal Education and Business Background

See Form ADV Part 2B, below, for information pertaining to Pieter Boelhouwer, Managing Member, Susan Loh, Chief Financial Officer, and Jay Venkatesan, Portfolio Manager.

Other Businesses in Which this Advisory Firm or its Personnel are Engaged and Time Spent on Those (if any)

Ayer Capital Management and its personnel do not have any information to disclose for this item.

How Performance Based Fees are Calculated and Degree of Risk to Clients

See Item 6 – Performance-based Fees and Side-by-Side Management above for a discussion of performance fee calculation and conflicts of interest.

Material Disciplinary Disclosures for Management Persons of this Firm

No management person at Ayer Capital Management has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management. Specifically, no management person at Ayer Capital Management has been involved in any of the following:

An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

(a) an investment or an investment-related business or activity; (b) fraud, false statement(s), or omissions; (c) theft, embezzlement, or other wrongful taking of property; (d) bribery, forgery, counterfeiting, or extortion; or (e) dishonest, unfair, or unethical practices.

An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

(a) an investment or an investment-related business or activity; (b) fraud, false statement(s), or omissions; (c) theft, embezzlement, or other wrongful taking of property; (d) bribery, forgery, counterfeiting, or extortion; or (e) dishonest, unfair, or unethical practices

Material relationships that management persons have with issues of securities (if any)

Neither Ayer Capital Management, nor its management persons, have any relationship or arrangement with issuers of securities.

Material Conflicts of Interest Relating to the Firm.

Ayer Capital Management and its personnel do not have any information to disclose for this item.

ADV Part 2B: Advisor Biography

Item 1: Cover Page

Ayer Capital Management, LP

**230 California Street, Suite 600
San Francisco, CA 94111
(415) 874-4800
ayercapital.com**

March 2015

This brochure supplement provides information about **Pieter Boelhouwer, Susan Loh, and Jay Venkatesan** that supplements the Ayer Capital Management, LP ADV Part 2A. Please contact Ayer Capital Management, LP directly if you have questions about the contents of this supplement.

Item 2: Educational Background and Business Experience

Pieter Boelhouwer, Managing Director, Born 1967

Education: 1967, BA, Trinity College; JD, Yale Law School

Professional: Managing Director, Ayer Capital Management, LP, 2010-2015

Susan Loh, Chief Financial Officer and Chief Compliance Officer, Born 1982

Education: 1982, BS Finance and Accounting, Georgetown University

Professional: Controller, Ayer Capital Management, LP, 2010-2015

Jay Venkatesan, Portfolio Manager, Born 1971

Education: BA Chemistry, MD/MBA, University of Pennsylvania

Professional: Portfolio Manager, Ayer Capital Management, LP, 2010-2015

Item 3: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Mr. Boelhouwer, Ms. Loh, and Mr. Venkatesan have no legal or disciplinary events that are required to be disclosed.

Item 4: Other Business Activities

No information is applicable to this item.

Item 5: Additional Compensation

No information is applicable to this item.

Item 6: Supervision

Ms. Loh and Mr. Venkatesan are supervised by Mr. Boelhouwer. Mr. Boelhouwer, Ms. Loh, and Mr. Venkatesan follow and adhere to the Policy & Procedures and Code Of Ethics implemented by Ayer Capital Management, LP, which govern the activities of all supervised parties at the firm.

Item 7: Requirements for State Registered Advisers

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable for this item.