

PART 2A OF FORM ADV: FIRM BROCHURE

RACAPITAL

RA CAPITAL MANAGEMENT, LLC

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March 29, 2019

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

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

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

ITEM 2 – MATERIAL CHANGES

RA Capital made material and other changes to its Brochure as part of its annual amendment dated as of March 29, 2019:

- Item 5 was revised to provide additional information about the treatment of compensation received by officers and employees of RA Capital who serve as directors of a portfolio company.
- Item 11 was revised to provide additional information about our dealings with an individual who is a member of RA Capital and a Fund Investor (defined in Item 4) in his capacity as a co-founder and general partner of another investment adviser firm that also invests in private healthcare and life sciences companies, and which may, from time to time, invest in the same private company issuers as RA Capital's Advisory Clients (defined in Item 4).
- Immaterial editorial changes were made throughout this Brochure.

This is a summary. Revised items should be read in their entirety.

RA Capital last filed its annual update of its Brochure on March 30, 2018.

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ITEM 4 – ADVISORY BUSINESS

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

RA Capital is principally owned by Peter Kolchinsky (and with Rajeev Shah, the “Portfolio Managers”).

RA Capital focuses its investment advisory services on securities relating to the healthcare and life sciences industries. The terms and investment objectives and strategies applicable to the Funds are set forth in a confidential private placement memorandum, or similar documents, provided to investors prior to the time of their investment. RA Capital has broad and flexible investment authority with respect to the Funds, including making long, short, and private investments in the securities of companies primarily in the healthcare and life sciences industries.

RA Capital provides discretionary investment advisory services to the Account. The Account has substantially the same investment objectives and strategy as the Funds.

RA Capital tailors its advice to the objectives of its Advisory Clients. RA Capital does not tailor its advice to the objectives of underlying investors in the Funds (the “Fund Investors”). The Fund Investors are required to participate in private, side-pocket investments in the Funds and must select a percentage (not to be less than 20% and not to exceed 80%) of their investment that is eligible for participation in such private, side-pocket investments. RA Capital personnel, as individual Fund Investors or through RA Capital, also may participate in such private, side-pocketed investments.

The Account may impose restrictions on investing in certain securities.

RA Capital has established, and may in the future establish, separately managed accounts for particular investors. These accounts are subject to investment objectives, guidelines, restrictions, fee arrangements, and other terms that are individually negotiated, and generally involve significant minimum initial investments.

RA Capital and its personnel are permitted to engage in business activities in addition to the investment advisory activities described in this Item 4. The principals of RA Capital are not required to devote a particular amount of time to RA Capital’s advisory activities.

As of December 31, 2018, RA Capital manages approximately \$2,711,488,921 of “Regulatory Assets Under Management”, all on a discretionary basis.

ITEM 5 – FEES AND COMPENSATION

RA Capital generally charges Advisory Clients an investment management fee based on the value of Advisory Client's assets under management. In addition, Advisory Clients also pay RA Capital performance-based compensation. This is compensation to RA Capital that is based on a share of capital gains on or capital appreciation of the assets of an Advisory Client. The Fund Investors are generally subject to their share of Management Fees (defined below) and Performance Compensation (defined below) indirectly through their investment in one of the Funds.

Fund Fees

RA Capital is compensated by the Fund Investors in the form of management fees ("Management Fees") and performance-based compensation ("Performance Compensation"). Management Fees are generally calculated monthly (regardless of an Advisory Client's profits), and generally equal 0.1667% per month (2.0% per annum), payable on the first day of each month in advance. Management Fees are prorated for partial months, when applicable. A pro rata portion of the Management Fee will be refunded if a Fund ends on a date other than the last day of a calendar month. The Performance Compensation generally equals 20% of profits, subject to a customary high-water mark. The calculation of the Performance Compensation is complex, and the Fund Investors and prospective investors should carefully review the more detailed terms set forth in the Funds' offering and governing documents. RA Capital deducts fees from the Fund assets. The Fund Investors do not have the ability to choose to be billed directly for fees incurred. Performance Compensation is generally paid annually.

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

Account Fees

Fee arrangements with the Account were individually negotiated and are generally based on assets under management and include performance fees ("Performance Fees"). Management fees are pro-rated for partial months, if applicable.

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

Portfolio Company Director Compensation

It is RA Capital's policy that its officers and employees should not personally benefit from, or suffer any costs or harm on account of, any cash or securities compensation paid to them by a portfolio company for their service as a director of that portfolio company (collectively, "Director Compensation"). Accordingly, Director Compensation is offset against management fees charged by RA Capital to any Advisory Client with an investment in the underlying portfolio company during the period for which that compensation was received.

Director Compensation in the form of cash payments is offset after receipt. As to securities, including stock options and restricted securities, RA Capital retains discretion over whether and when to exercise and/or sell securities issued as Director Compensation in light of numerous possible factors. Net cash proceeds (i.e., after estimated taxes, fees and other expenses) resulting from the sale of any such securities will be offset against any applicable management fees after the sale. RA Capital may choose to instruct an officer or employee in receipt of non-cash Director Compensation not to exercise a stock option that is "in the money" or not to sell the underlying stock based on RA Capital's assessment of the potential upside in holding the security, or based on consideration of any applicable blackout periods or other trading

restrictions. Such fee offsets shall apply pro rata to all Fund Investors who have not fully redeemed at the time that the fee offset occurs, meaning that Fund Investors that benefit from a fee offset resulting from the liquidation of securities may not be the same investor base that existed at the time the securities were issued or that would have benefitted if those securities were liquidated at the earliest possible moment. The pro rata portion of Director Compensation allocable to the Account shall be applied as an offset to management fees and expenses applicable to the Account, and any excess shall be paid to the Account.

Expenses

The Funds (and, therefore, the Fund Investors), but not other Advisory Clients, pay certain expenses, including, but not limited to:

- a pro rata share (based on relative assets under management (“AUM”)) of the Master Fund expenses, if applicable, including investment entity taxes and litigation costs; and
- a pro rata share of any other expenses that jointly benefit the Funds, including amendments to offering documents used by each Fund.

The Offshore Fund also pays certain direct expenses that are not incurred at the Domestic Fund level and that benefit only the Offshore Fund.

Advisory Clients, including the Funds, pay a number of expenses, including, but not limited to, costs and expenses related to its investments and operations, including, without limitation, all transaction costs relating to an Advisory Client’s actual or potential investments (including without limitation, brokerage commissions and other transaction costs, clearing and settlement charges, custodial fees, margin and interest expenses and commitment fees on debit balances or borrowings, borrowing charges on public securities sold short, and any issue or transfer taxes chargeable in connection with any securities transactions); diligence and “Research Expenses” (as defined below); consulting, legal, and other professional fees relating to actual or potential investments; expenses of professionals providing services to Advisory Clients (including legal, audit, accounting, tax and administration); insurance expenses (including costs of any liability insurance obtained on behalf of Advisory Clients); expenses associated with the formation and operation of any subsidiary entities or companies in which Advisory Clients may invest (including Portfolio Companies); regulatory costs and expenses (including filing and license fees); ongoing offering expenses, amendments to the offering documents and the continuous offering of Interests (as applicable); costs of reporting and providing information to Advisory Clients; management fees; any entity level taxes; costs of any litigation or investigation involving Advisory Client activities; indemnification expenses; any extraordinary expenses; and all other costs and expenses related to Advisory Clients’ business and operations as deemed necessary or appropriate by RA Capital. For the avoidance of doubt, any expenses incurred in connection with transactions or investments that are not consummated (e.g., broken-deal expenses) will also be borne by Advisory Clients.

Research Expenses include, without limitation: (i) reasonable fees and salaries of consultants; (ii) research related travel and related expenses such as food, entertainment, and lodging; (iii) the commissioning of research and other projects for companies in which Advisory Clients invest or may invest (e.g., marketing surveys, assessment and drafting of business plans, and laboratory experiments), including companies for which RA Capital personnel serve as members of the Board of Directors or in a functionally equivalent role, to seek to further the profitability of such investments and/or to help such companies to be successful; (iv) development and support of proprietary technology and research methodologies, including, but not limited to, cloud hosting environments, news and data feeds, exchange licenses, and the engagement of developers, writers, graphic designers, and data scientists, to assist with the creation of software systems and industry specific technology, market, and knowledge “maps” used by RA Capital in connection with the investment strategy of its Advisory Clients; (v) industry specific publications; (vi) use of expert

networks; (vii) costs of applying research methodologies to fields unrelated to healthcare in an effort to test the efficacy and strength of such research methodologies and to seek to discover non-healthcare information or technologies that may influence the healthcare and life sciences markets; (viii) costs and expenses related to publishing at, presenting at, attending, and hosting conferences in furtherance of the aims of the investment strategy of Advisory Clients; and (ix) other research efforts and activities that benefit Advisory Clients due to their investment or potential investments in companies who benefit from such research.

Except as set forth below in this Item 5, Advisory Clients pay for each category of Research Expenses.

Research Expenses have been paid in the past, and may be paid in the future, to (1) qualified affiliates of RA Capital, and (2) qualified persons who are related to personnel of RA Capital. This may give rise to a conflict of interest because it may create an incentive for RA Capital to incur a Research Expense that might not be in the best interest of Advisory Clients. Advisory Clients are not currently paying or reimbursing RA Capital for any expenses incurred in compensating qualified persons who are related to personnel of RA Capital.

RA Capital has sold, and may in the future sell, certain graphic-intensive knowledge “maps” created by RA Capital (through its TechAtlas research division) based on research paid for by Advisory Clients. Sale proceeds (if any) from selling such graphic-intensive knowledge “maps” created by RA Capital are paid to Advisory Clients in a fair and equitable manner, as determined by RA Capital in its sole discretion.

The maps are designed to, and, in fact, contribute to the research process of RA Capital by, among other things, helping RA Capital as a mechanism to clearly communicate its research findings, to organize its scientific thoughts, revealing emergent competitive phenomena that help in predicting the future of particular healthcare and life sciences landscapes, and facilitating discussion with entities (including current and prospective portfolio companies) and individuals who come through the RA Capital offices. In all, the maps help support RA Capital’s reputation for conducting thorough research and due diligence in the healthcare and life sciences sectors.

The costs of any research completed by RA Capital employees who are working on the maps (excluding salaries of such employees, which is an expense born by RA Capital) is charged to Advisory Clients. RA Capital has sold, and may sell these maps in the future, to companies, which (as noted above) creates opportunities for knowledge exchange between RA Capital and these companies and facilitates RA Capital’s ongoing research, benefitting Advisory Clients by allowing the investment team to make informed investment decisions. RA Capital has also occasionally donated the maps to health-related non-profit organizations in exchange for knowledge-sharing; however, RA Capital does not sell these maps to other investors.

Any investment or other expenses relating specifically to a private investment designated as a Special Investment (as defined in offering documents) are charged against the capital accounts of the limited partners of a Fund and/or the Account participating in such Special Investment in proportion to their respective participating percentage interests therein. Expenses related to private investments that are Special Investments are not necessarily allocated pro rata due to differing levels of participation in Special Investments.

ITEM 6 – PERFORMANCE-BASED FEES/ALLOCATIONS AND SIDE-BY-SIDE MANAGEMENT

As described in Item 5 above, all of RA Capital's Advisory Clients are subject to Performance Compensation or Performance Fees, which vary among Advisory Clients. Conflicts may exist among Advisory Clients with different performance fee arrangements whose assets are managed alongside each other. It should be noted that such a compensation arrangement can create an incentive for RA Capital to effectuate larger and riskier transactions than would be the case in the absence of such form of compensation.

ITEM 7 – TYPES OF CLIENTS

As previously described in Item 4, RA Capital's Advisory Clients consist of the Domestic Fund and the Offshore Fund, as well as the Account. With respect to the Funds, any initial and additional subscription minimums are disclosed in the relevant offering documents and may be waived or modified by RA Capital or its affiliates (as the case may be). The Funds are open only to certain financially sophisticated investors who meet eligibility criteria. Generally, with respect to separately managed accounts, including the Account, RA Capital determines the minimum investment amounts on a case-by-case basis. Typically, such accounts involve significant minimum investments.

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

Methods of Analysis

RA Capital's methods of analysis involve due diligence that includes, in particular cases, interviews with management, clinical investigators, physicians, and sell-side research analysts. In furtherance of RA Capital's Advisory Clients' current and prospective investments, RA Capital has, and intends to continue to: (1) conduct extensive surveys of physicians to identify new market opportunities; (2) engage consultants to validate aspects of investment theses; and (3) acquire general scientific/healthcare/life sciences knowledge and/or for related reasons, and may act as manager, managing member, general partner, executive, board member, consultant, or advisor of or to various portfolio companies, or may spend considerable time assisting, various portfolio companies.

Investment Strategies

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

RA Capital makes long and short investments, generally in publicly-traded securities of or related to companies with substantial operations in healthcare and life sciences. The companies in which RA Capital typically invests are associated with products including drugs, research tools, diagnostics, devices, and services and may be based in the United States and other countries. RA Capital's investment strategy most typically focuses on smaller companies that develop drugs, devices, or diagnostics. RA Capital also sometimes purchases securities of companies that do not have substantial operations in healthcare and life sciences, including shares of exchange traded funds ("ETFs") that are not specific to the healthcare industry.

Investments held long are most frequently in equity, but sometimes in debt. RA Capital purchases securities in initial public offerings ("IPOs"), secondary offerings, private placements, convertible debt offerings, debt offerings, PIPE transactions, and swap transactions. In addition, RA Capital may also purchase, write, and sell options and warrants. RA Capital also purchases restricted stock and royalties.

While RA Capital's focus is to invest in publicly-traded companies, RA Capital also invests in private companies when it determines the probability of a high return appears to outweigh the relative risk and/or lack of liquidity. As part of its private investment strategy for Advisory Clients, RA Capital forms and/or acquires a minority or majority position in private companies (the companies may, in certain cases, be merged into public companies) that will generally seek healthcare and/or life science opportunities and that may or may not have any readily identifiable assets at the time of investment. In some instances, these portfolio companies make use of research that is paid for, in whole or part, by Advisory Clients. See Item 5 as relates to Research Expenses.

RA Capital has formed, or assisted in the formation of, several private companies, in which Advisory Clients collectively own a majority interest. One of those companies is owned, in part, by its managers, and purchases or licenses intellectual property that could be appropriate for purchase or license by private companies that might be formed by RA Capital for investment by its Advisory Clients (a "New Private Company"). There is a potential for a conflict between the interests of Advisory Clients and of a portfolio company partially owned by Advisory Clients in the event intellectual property could be purchased or licensed by a New Private Company in which Advisory Clients could own a greater interest. Advisory Clients may invest in additional portfolio companies partially owned by Advisory Clients that may purchase or license intellectual property that could be appropriate for purchase or license by New Private Companies.

RA Capital personnel may act as manager, managing member, general partner, executive, board member, consultant, or advisor of or to one or more portfolio companies, and may spend considerable time assisting one or more portfolio companies. Such portfolio companies also may retain and pay, with a combination of cash and/or equity, individuals that are unaffiliated with RA Capital who may serve as executives, board members, consultants, advisors, or part/full-time employees, and who may either independently manage or assist with managing the operation of one or more portfolio companies.

RA Capital does not intentionally seek to acquire a position in a security that represents more than fifteen percent (15%) of the net asset value of such Advisory Client. RA Capital's compliance with this investment limitation is determined at the time of investment. However, if this percentage limitation is complied with at the time of an investment, any subsequent increases in percentage above the fifteen percent (15%) threshold (including, without limitation, as a result of a change in the Advisory Client's total assets, the value of the Advisory Client's securities, or any subsequent market activity) will not constitute a breach of this limitation. A position may be significantly greater than 15% of Advisory Clients' net asset value. If a position exceeds this fifteen percent (15%) limitation as a result of increases in value, RA Capital may elect to hold the position, but generally will not increase the position. Depending on the liquidity of a position, RA Capital may not be able to reduce the size of a position at current prices. See "Material Risks / Lack of Liquidity" (below). Advisory Clients may hold securities in excess of this fifteen percent (15%) limitation for an extended period of time.

Typically, when RA Capital purchases equity in publicly-traded companies, it anticipates that it may take a significant amount of time to reach valuations that RA Capital believes merit selling the security. RA Capital, however, does engage in short-term trades, generally, with the intent to capitalize on short-term inefficiencies in the marketplace.

RA Capital seeks opportunities to short securities that, in its judgment, have extended valuations relative to the marketplace and/or as a hedge to its long positions. Due to the potentially unlimited losses that come with shorting securities, RA Capital's short exposure will typically be more diversified than the long exposure. RA Capital may also seek to hedge a long position in a security from time to time by selling short the same or a similar security, or a basket of securities. RA Capital periodically will elect to hedge all, or a portion, of a long position for various reasons. For example, RA Capital may be unable to sell the long position in the security because of legal, contractual, or other limitations. Additionally, RA Capital may believe that selling the long position could reduce the likelihood that its Advisory Clients will be given the opportunity to participate in a subsequent offering (1) by an issuer, (2) by other issuers (public and private), or (3) associated with an underwriter that participated in the transaction by which the Advisory Client acquired the security.

The frequency with which RA Capital engages in short term trading or hedging by selling short the same or a similar security is expected to vary over time. As its investment decisions are based on its judgment about the best use of Advisory Client assets in light of available opportunities, RA Capital cannot predict in advance the frequency with which different investment strategies will be used or the percentage of the trading portfolio that will be dedicated to any one strategy at any one time. Short-term and/or frequent trading can affect investment performance via increased brokerage and other transaction costs or taxes.

RA Capital has authority to borrow funds and to purchase and sell derivatives and does so from time to time and is not limited in the amount of leverage that may be used. However, RA Capital expects to use leverage moderately, but that may change as investment opportunities and market conditions dictate.

At times, RA Capital may (either alone or jointly with others) take actions that may require RA Capital to file a Schedule 13D with the Securities Exchange Commission (the "SEC").

Advisory Client accounts may hold cash balances, which may be substantial.

Depending on conditions and trends in securities markets, RA Capital may pursue strategies and employ techniques other than those described above, to the extent that it considers doing so appropriate and in the best interest of Advisory Clients. Investing in securities involves a risk of loss that clients should be prepared to bear.

Material Risks

Achievement of Investment Objective

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

Reliance on Key Individual

RA Capital's ability to invest successfully is also substantially dependent upon the efforts of Peter Kolchinsky, Ph.D. The loss of Mr. Kolchinsky's services could have a material adverse effect on Advisory Clients.

Unspecified Investments

Advisory Clients must rely on the ability of the Adviser and its employees to identify and make investments consistent with the applicable investment strategy. Neither Advisory Clients, nor their underlying investors (in the case of the Funds), participate in the making of any investment decisions, nor have the opportunity to evaluate personally the relevant economic, financial, and other information used by the Adviser in its selection, monitoring, and disposition of investments.

Healthcare and Life Sciences Sector

The Adviser, on behalf of Advisory Clients, focuses on investments in the healthcare and life sciences industries. Both public and private companies in these industries are subject to extensive government regulation, which may change in a way adverse to the industry. Research and development in these industries is costly and long in duration and the approval of new products is lengthy and uncertain. As a result, investments in these sectors may be riskier than other market sectors. In addition, the investments Advisory Clients will make will generally be subject to certain risks inherent in the healthcare and life sciences area, including, but not limited to, the following:

1. *Rapid Changes.* The healthcare and life sciences sectors are characterized by significant and rapid change. A company's research, technologies, and/or products may quickly be rendered obsolete by the research and discoveries of competitors prior to revenue generation.
2. *Volatility.* The market value of healthcare and life sciences companies, in general, has been highly volatile, with significant price fluctuations that are often unrelated to the operating performance of particular companies.
3. *Product Failure.* The success of healthcare and life sciences companies often hinges upon the success of one product or potential products (or a small number of products or potential products). It is possible that potential products may fail to produce intended results, produce results that were unexpected or unintended, and/or fail to obtain necessary regulatory approvals, including Food and

Drug Administration (“FDA”) approval. In addition, the cost of obtaining such regulatory approvals could be substantial.

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

Limited Diversification; Concentration of Investments

Advisory Clients’ assets will have limited diversification. Although Advisory Clients may trade a variety of securities, Advisory Clients typically are invested primarily in the healthcare and life sciences sectors. Furthermore, Advisory Clients are typically not diversified among types of securities or a wide range of issuers. In addition, Advisory Clients are concentrated in a relatively small number of securities. From time to time, Advisory Client portfolios have positions in one more an issuers that individually constituted significantly greater than fifteen percent (15%) of an Advisory Client’s net asset value. It is expected that

this may occur again in the future. Depending on the liquidity of a position, among other reason, Advisory Clients may not be able to reduce the size of a concentrated position at current prices. The result of such concentration of investments is that a loss in any single position could have a material adverse impact on Advisory Client's capital. In addition, the investment portfolio of Advisory Clients may be subject to more rapid change in value than would be the case if Advisory Clients were required to maintain investments in a large number of securities and maintain a wide diversification among industries, areas, types of securities, and issuers.

Lack of Liquidity

RA Capital has authority to invest in, and will from time to time invest in, types of securities that are illiquid or of limited liquidity because they are not traded in a public market or are subject to long-term or indefinite legal or contractual restrictions on marketing the securities. For example, from time to time, RA Capital will purchase private equity or private equity in public entities and warrants that may allow the purchase of additional private securities. In addition, securities may become illiquid after purchase due to market conditions or adverse developments. RA Capital may not be able to readily sell such illiquid securities, if at all, which could interfere with its ability to make redemption payments in cash and which could increase the risk that RA Capital will not accurately value securities.

RA Capital personnel serve on the boards of directors of several private portfolio companies that may go public and some public portfolio companies. Where RA Capital personnel serve on a board of directors of a public company, the ability of Advisory Clients to purchase or sell securities of that public company generally will be limited. See "Material Nonpublic Information" (below).

Investments in Companies with Small Market Capitalization

A significant portion of Advisory Clients' assets will, either directly or through derivative securities, be invested in securities of public companies with relatively small market capitalizations. While RA Capital believes that these publicly-traded securities can provide significant potential for profit, they can involve higher risks in some respects than investments in securities of larger public companies. For example, prices of small capitalization, and even some medium capitalization, stocks are often more volatile than prices of large capitalization stocks and the risk of bankruptcy or insolvency of many smaller public companies is higher than for larger capitalization public companies. In addition, due to low volume trading in some small capitalization stocks, an investment in those stocks may be considered illiquid.

Private Investments

There are certain risks associated with private, side-pocketed investments, including such risks generally related to investments in private companies and to illiquid investments, as described above. Advisory Clients will not be able to readily dispose of such private investments, and in some cases, may be contractually prohibited from disposing of such investments for a significant period of time. As such, private investments may represent capital not available for withdrawal or liquidation by Advisory Clients participating therein for a substantial period of time. Each private investment will be valued at fair value (which may be at cost) until it is sold or the value can be derived from an independent pricing source (e.g., the private company becomes publicly-traded or an investor, other than the Adviser, leads a subsequent round of financing in the private company).

Short Sales

RA Capital engages in short sales by selling equity securities that it does not own at the time of sale. By doing so, Advisory Clients will become obligated to purchase and deliver such securities against the short position. In the event that the price of a security increases between the short sale and Advisory Clients'

subsequent purchase of shares of that security, Advisory Clients will suffer a loss on that transaction and the value of the underlying investors' investments will decrease accordingly. There can be no assurance that an Advisory Client will not suffer such losses. In theory, a short sale has the potential for unlimited loss. In connection with short sales, Advisory Clients will have to deliver cash or United States Treasury securities or other securities to brokers to assure delivery of securities against short positions. Advisory Clients will be able to keep only a negotiated percentage of the yield of such United States Treasury or other securities. From time to time, governments have restricted the ability to sell short and may do so in the future in a fashion that interferes with RA Capital's ability to use short sales as part of its investment strategy.

Use of Borrowed Funds

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

Derivatives

RA Capital has the authority to purchase derivative instruments. Derivative instruments generally provide a form of leverage. As with other forms of leverage, derivative instruments can serve to magnify investment results, increasing the size of gains or losses and thereby increasing risk. Derivatives also involve the risk of failure or default by the counterparty.

Controlling or Substantial Positions

RA Capital has the authority to acquire, and from time to time will acquire, a controlling position or a substantial position in a public or private company. In some instances, Advisory Clients may act as part of a group with respect to a particular security. These positions, depending on their size and RA Capital's plans, may require regulatory reporting and may result in limitations on RA Capital's further transactions. For example, under Section 16 of the Securities Exchange Act of 1934 (the "Exchange Act"), beneficial owners of more than 10% of a class of a company's equity securities must disgorge any profit from certain purchases and sales of a company's equity securities made within a six-month period.

Turnover and Trading Costs

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

Exchange Traded Funds

RA Capital occasionally purchases and sells short shares of ETFs and other similar instruments. These transactions will be used to gain exposure to the general market or industry sectors and the performance of many publicly-traded securities. ETFs and other similar instruments involve risks generally associated with investments in a broadly-based portfolio of common stocks, including the risk that the general level of stock prices, or that the prices of stocks within a particular sector, increases or decreases, thereby affecting the value of the shares of the ETF or other instruments.

Put and Call Options

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

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

Warrants and Convertible Bonds

RA Capital has authority to purchase, and occasionally will purchase, warrants, and convertible bonds. If the price of the warrant or underlying security does not appreciate sufficiently, these transactions will not be profitable.

Initial Public Offerings

RA Capital has the authority to invest in, and from time to time will invest in, initial public offerings. The prices of these securities may be very volatile. The issuers of these securities may be under-capitalized, have a limited operating history, and/or lack revenues or operating income without any prospects of achieving them in the near future. Some of these issuers only make available a limited number of shares for trading and, therefore, it may be difficult to trade these securities without unfavorably impacting their prices.

Non-U.S. Equities and Debt

RA Capital has the authority to invest in, and from time to time may invest in, securities issued by companies located outside of the United States, whose securities trade only outside of the United States. These securities generally involve added risk for a number of reasons. Such companies may not be subject

to the same accounting, auditing, and financial reporting, standards, practices, and requirements comparable to companies that trade in the United States. In general, there may be less available information about such companies; the markets are often less liquid; brokerage commission rates are higher; and there may be less governmental supervision of these markets.

Currency Risk; Forward and Futures Contracts

RA Capital may elect to hedge positions held in securities denominated in foreign currencies but is not required to do so, and, generally, does not do so. This means that there exists risk that currencies in which some securities are held will decline in value, reducing the value of the holdings.

Material Nonpublic Information

From time to time, RA Capital comes into possession of material nonpublic information about companies that have issued securities. In some circumstances, RA Capital will be unable to trade certain securities of these companies until the information is made public or becomes immaterial.

Cybersecurity

RA Capital uses networked computer systems and other systems that retain or transmit information electronically in the regular course of its business and many aspects of its business is dependent on such systems. Service providers, including the broker-dealers that execute transactions and custody assets on behalf of RA Capital's clients, market systems through which it trades, and other market participants that facilitate trading and recordkeeping similarly use networked computer systems and electronic communication systems. Unauthorized access to these systems, computer viruses and malware and other intrusions could impair RA Capital's ability to conduct business and the confidentiality of information that RA Capital receives or maintains. In addition, companies in which RA Capital invests could incur substantial expenses to attempt to protect against cyber intrusions and, in the event of a cybersecurity breach, could face material losses. These could negatively impact their value and the Advisor Clients' investment returns.

ITEM 9 – DISCIPLINARY INFORMATION

On September 16, 2014, without admitting or denying the findings therein, RA Capital consented to the entry of an Order issued by the SEC finding that RA Capital violated Rule 105 of Regulation M under the Exchange Act (“Rule 105”). Rule 105 generally provides, subject to certain exceptions, that an entity may not participate in a secondary offering of an issuer if the entity has sold short shares of the same issuer within the applicable restricted period. Rule 105 is prophylactic and prohibits the conduct of the short seller’s intent in effectuating the short sale; a violation of the rule does not require fraudulent intent.

The order directed that RA Capital cease-and-desist from committing or causing any violations and any future violations of Rule 105 and pay disgorgement of \$2,646,395.21, pre-judgment interest of \$73,394.16, and a civil penalty of \$904,570.84.

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

RA Capital and Peter Kolchinsky, along with Advisory Clients, were previously involved in private litigation arising out of the receipt of alleged short swing profits recoverable under Section 16(b) of the Exchange Act. This litigation was resolved by a final settlement in April 2016.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither RA Capital, nor any of its management persons, is registered or has an application pending to register as a broker-dealer or registered representative of a broker-dealer.

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

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

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

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

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

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

Certain personnel of RA Capital also invest directly in certain of the Funds. It should be noted that investments in the Funds made by such personnel are not subject to the Management Fees or Performance Compensation described in Item 5 above. RA Capital believes that personnel who invest in the Funds have interests that are aligned with those of the Fund Investors. However, such personnel investments create a potential conflict in that it could cause RA Capital to make different investment decisions than if such personnel did not have such financial ownership interests.

RA Capital addresses these potential conflicts through regular monitoring of the Advisory Client portfolios for consistency with the Advisory Client objectives, strategies, and target capacity. Further, RA Capital carefully considers the risks involved in any investments and provides extensive disclosure to the Fund Investors regarding the potential risks that come with an investment in the Funds or through a separately managed account. Additionally, a central goal of the personal trading policy, noted above, is to avoid conflicts of interest arising from situations where RA Capital or its Access Persons may invest in the same or similar securities that RA Capital recommends to its Advisory Clients. As noted above, the Code requires Access Persons to place the interests of Advisory Clients over their own or those of RA Capital, and all Access Persons are required to acknowledge their receipt and understanding of the Code.

RA Capital or its officers, employees, or affiliates (each, an “RA Representative”) act as manager, managing member, general partner, executive, board member, consultant, or advisor of or to some portfolio companies, and spend considerable time assisting some portfolio companies. In that capacity, an RA Representative may be required to make decisions that consider the best interests of such portfolio company. In certain circumstances, for example in situations involving the bankruptcy or near-insolvency of a portfolio company, there may be conflicts of interest between the RA Representative’s duties as an officer or employee of RA Capital and the RA Representative’s duties to the portfolio company, such that actions that may be in the best interest of the portfolio company may not be in the best interests of Advisory Clients, and vice versa. In these instances, the RA Representative will use his or her judgment to determine the materiality of any conflict and, when the RA Representative has determined it to be appropriate, will use reasonable efforts to avoid any such conflict, which may include, without limitation, recusing himself or herself from participating in discussions about the matter at the board or management committee level and/or not exercising his or her respective voting rights as the RA Representative.

As set forth in Item 5, Research Expenses paid by Advisory Clients to (1) qualified affiliates of RA Capital, and (2) qualified persons who are related to personnel of RA Capital, may give rise to a conflict of interest because it may create an incentive for RA Capital to incur a Research Expense that might not be in the best interest of Advisory Clients.

RA Capital was formed by Richard Aldrich in September 2004. Mr. Aldrich is a passive minority owner of RA Capital and a Fund Investor. Mr. Aldrich is a co-founder and general partner of another investment adviser firm that also invests in private healthcare and life sciences companies, and which may, from time to time, invest in the same private company issuers as Advisory Clients. RA Capital imposes limitations on communications with Mr. Aldrich to promote the best interest of its Advisory Clients. RA Capital may share information about potential co-investments with Mr. Aldrich, in his capacity as a general partner of his current firm to the extent RA Capital determines it is in the best interests of its Advisory Clients to do so.

ITEM 12 – BROKERAGE PRACTICES

Selection of Broker-Dealers

RA Capital is authorized by Advisory Clients to select the broker-dealers used to execute trades and to negotiate any commissions paid on such transactions. As such, RA Capital is subject to a duty to seek best execution for Advisory Client transactions. In considering whether to conduct a particular transaction with a particular broker-dealer, RA Capital considers quantitative factors (such as price and commission rate), but also considers qualitative factors, including, but not limited to (in no order of priority), the broker-dealer's financial strength and reputation, expertise as it relates to specific securities (e.g., ability to find liquidity in the market while also minimizing market impact), willingness to commit capital, and quality of research.

RA Capital does not participate in any formal soft dollar arrangements whereby it receives research or other products or services explicitly in exchange for placing a certain level of Advisory Client transactions with a particular broker-dealer. RA Capital does, however, receive research reports and opportunities to meet with management (collectively, the "Research") from broker-dealers that provide services to Advisory Clients. The Research falls within the safe harbor created by Section 28(e) of the Exchange Act.

RA Capital does not believe that Advisory Clients pay more in commissions than they would if RA Capital did not receive the Research through broker-dealers. RA Capital's receipt of Research from a broker-dealer creates an incentive for RA Capital to use the services of that broker-dealer to continue to receive the Research. Since Advisory Clients pay for research generally, payment for Research through commissions does not reduce RA Capital's expenditures.

The Research generally benefits all Advisory Clients.

In selecting broker-dealers for client transactions, RA Capital does not consider whether or not it receives client or investor referrals from the broker-dealer. Prime brokers who provide services to the Funds from time to time provide RA Capital with "capital introduction" opportunities and other services. RA Capital does not make a payment for these services. This creates a conflict of interest because these services that a prime broker provides to RA Capital create an incentive for RA Capital to select that prime broker in connection with activities of the Funds. See Item 14, Client Referrals and Other Compensation.

Directed Brokerage

RA Capital also does not recommend, request, or require that Advisory Clients direct RA Capital to execute transactions through a particular broker-dealer.

Aggregation of Orders

When the purchase and sale of securities are considered to be in the best interest of more than one Advisory Client, orders for the securities to be purchased or sold typically are aggregated in an attempt to obtain best execution. Advisory Client execution prices for identical securities purchased or sold on an aggregate basis on behalf of multiple accounts in any one day typically are averaged. If fewer shares are purchased or sold than ordered by Advisory Clients, we allocate among Advisory Clients based on relative order size. This typically results in allocation be in proportion to assets under management, but in some instances, such as capital flows, orders may not be in proportion to AUM.

ITEM 13 – REVIEW OF ACCOUNTS

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

The Fund Investors receive the following:

- monthly performance summaries (unaudited);
- monthly account statements from the Funds' Administrator (unaudited);
- quarterly performance letters (unaudited);
- annual financial statements (audited); and
- K-1s (the Fund Investors in the Master Fund only).

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

RA Capital does not pay cash compensation to anyone for introductions to potential (1) investors for a Fund, or (2) clients. However, prime brokers who provide prime brokerage and related services to the Funds provide RA Capital with capital introductions from time to time. RA Capital does not pay for those services. The prime brokers are not contractually obligated to provide capital introductions to RA Capital and those introductions do not result in any additional charge to Advisory Clients. Such introductions create a conflict of interest because they are an incentive for RA Capital to select a prime broker that provides capital introductions to RA Capital. RA Capital does not consider capital introductions in its selection of brokers. See Item 12 / Brokerage Practices / Selection of Broker-Dealers.

ITEM 15 – CUSTODY

RA Capital is deemed to have custody of the Funds' assets by virtue of its status as the general partner of the Master Fund. RA Capital generally maintains the assets of the Funds in accounts with a "qualified custodian" pursuant to Rule 206(4)-2 under the Advisers Act. RA Capital, or the Funds' administrator, provides the Fund Investors with audited financial statements for the applicable Fund within one hundred twenty (120) days of such Fund's fiscal year end (i.e., generally by April 30th). Fund Investors should carefully review such statements.

RA Capital routinely purchases privately offered securities and securities evidenced by a private stock certificate. Such investments when owned by a private fund are generally excepted from the requirement that client assets be maintained with a "qualified custodian." RA Capital sometimes maintains such securities on behalf of the Funds or maintains them with the issuer or the issuers' transfer agent rather than with a "qualified custodian".

RA Capital does not have custody of the Account's assets.

ITEM 16 – INVESTMENT DISCRETION

RA Capital has discretionary authority to manage securities accounts on behalf of the Funds and is authorized to make transactions for the Funds. Each Fund's investment strategy is set forth in detail in such Fund's governing documents. The Fund Investors are required to participate in private, side-pocket investments in the Funds and must select a percentage (not to be less than 20% and not to exceed 80%) of their investment that is eligible for participation in such private, side-pocket investments. The Fund Investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool. Further, the Fund Investors in the Domestic Fund must execute a limited partnership agreement that contains a power of attorney.

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

ITEM 17 – VOTING CLIENT SECURITIES

RA Capital accepts the authority to vote the securities of certain Advisory Clients. In accordance with Rule 206(4)-6 of the Advisers Act, RA Capital has adopted a written policy which governs its voting of the Advisory Client securities. This policy applies to all proxies that RA Capital receives on behalf of Advisory Clients and reflects RA Capital's intent and obligation to vote (or abstain from voting) proxies in a manner which it reasonably believes is in the best interest of Advisory Client(s).

Proxies are provided to a Portfolio Manager (or designee) who, prior to voting any proxies, will determine if there are any conflicts of interest related to the proxy in question. If a potential conflict is identified, the Portfolio Manager will inform the Chief Compliance Officer of the details of such proxy and the perceived conflict of interest. The Portfolio Manager and the Chief Compliance Officer together will determine whether the conflict is material. If no material conflict is identified, RA Capital will vote (or abstain from voting) the proxy in question in a manner consistent with the best interest of the relevant Advisory Client(s).

If a material conflict is identified by the Portfolio Manager and Chief Compliance Officer, RA Capital may seek to mitigate the conflict by appointing a third party to vote the proxy, or vote (or abstain from voting), as it reasonably believes is in the best interests of Advisory Clients.

Advisory Clients and the Fund Investors may obtain a copy of RA Capital's proxy voting policy, as well as specific information about how RA Capital has voted proxies in the past, upon written request.

ITEM 18 – FINANCIAL INFORMATION

Not applicable to the Adviser.