

PART 2A OF FORM ADV
FIRM BROCHURE



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This Brochure provides information about the qualifications and business practices of Foresite Capital Management, LLC (“Foresite Capital”). If you have any questions about the contents of this Brochure, please call us at (415) 877-4887. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority, and references in this Brochure to Foresite Capital as a “registered investment adviser” are not intended to imply a certain level of skill or training.

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

ITEM 2 – MATERIAL CHANGES

Since the last annual update amendment in March 2019, Foresite Capital has amended this brochure (i) to add disclosure regarding the establishment of Foresite Labs, LLC and associated fees and expenses, risks and conflicts of interest and (ii) to supplement the disclosure regarding fees and expenses and conflicts of interest.

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ITEM 4 – ADVISORY BUSINESS

A. Advisory Firm and Structure

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

The sole owners of Foresite Capital are James and Dana Tananbaum who directly, and indirectly through a family trust, own Foresite Capital. James Tananbaum is the principal of Foresite Capital (“Principal”). Dana Tananbaum is involved with investor relations and communications activity of Foresite Capital.

Foresite Capital provides discretionary investment advisory services to several private pooled investment vehicles (“Funds”). Currently, Foresite Capital advises four multi-investment Funds: Foresite Capital Fund I, L.P. (“Fund I”); Foresite Capital Fund II, L.P. (“Fund II”); Foresite Capital Fund III, L.P. (“Fund III”) and Foresite Capital Fund IV, LP (“Fund IV”). Foresite Capital also manages several special purpose vehicles (“SPVs” and together with the Funds the “Advisory Clients”) that were formed to invest in a single Portfolio Company or to co-invest with, or invest parallel to, the multi-investment Funds.

Please see the important disclosures regarding potential conflicts of interests related to the SPVs in Item 6. SPVs have been, and generally will be, established for the purpose of investing in a single Portfolio Company, pursuant to the terms of the applicable operating agreement. Foresite Capital affiliates have co-invested in certain Portfolio Companies indirectly through Advisory Affiliates (as defined below).

The general partners of the Funds offer co-investment opportunities to existing investors, Foresite Capital employees, key persons, and outside parties pursuant to the terms of the applicable limited partnership agreement. Pursuant to the offering documents, certain co-investments -- those made prior to the “substantial investment date” (as defined in the relevant agreement) and that are deemed to be an “excess opportunity” (defined as a certain percentage of capital commitments in each of the relevant Funds’ limited partnership agreements) -- are offered pro rata to all investors of the applicable Fund. However, the general partner can approve amounts above an investor’s pro rata amount. In addition to the co-investments noted in the preceding sentence, the Fund’s general partners have offered, and will in the future offer, the right to participate, directly or indirectly, in investment opportunities of the relevant Fund to one or more existing investors, outside investors, groups, partnerships or corporations in the sole discretion of such affiliate.

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

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

B. Advisory Services

Foresite Capital and the Advisory Affiliates, offer investment advice solely with respect to the investments made by the Advisory Clients. Such services consist of investigating, identifying, and

evaluating investment opportunities, structuring, negotiating, and making investments on behalf of the Advisory Clients, managing and monitoring the performance of such investments, and disposing of such investments. The Advisory Clients invest in private and public company securities.

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

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

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

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

Foresite Capital does not participate in wrap fee programs.

As of September 30, 2019, Foresite Capital manages approximately \$2.26 billion of Advisory Client assets on a discretionary basis. Foresite Capital does not currently manage any client assets on a non-discretionary basis.

ITEM 5 – FEES AND COMPENSATION

Management Fees

Foresite Capital is compensated for its advisory services through asset-based management fees. With respect to the Funds the annual management fee is 2% of the aggregate capital commitments in the relevant Fund during the investment period (as defined in the relevant governing documents). After the investment period the management fee is reduced annually or quarterly as detailed in the relevant governing documents.

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

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

Carried Interest

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

Any new Advisory Client launched by Foresite Capital will have different terms than those summarized above. Foresite Capital will generally wait to update this Brochure for any such changes until the annual amendment.

Compensation for Advisory Services

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

Foresite Capital and its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Advisory Clients that will neither be subject to an offset against any management fees nor will otherwise be shared with the Advisory Clients and/or portfolio companies. For example, airline travel or hotel stays incurred as an Advisory Client expense typically result in cash rebates, “miles,” “points” or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to Foresite Capital and/or such personnel even though the cost of the underlying service is borne by the Advisory Clients and/or portfolio companies.

Expenses

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

The Advisory Clients will bear all other expenses of the Advisory Clients including all costs and expenses incurred in respect of: the purchase, holding or sale or exchange or other disposition of securities, including expenses incurred in connection with the evaluation, acquisition, monitoring or disposition of investments (whether or not consummated), including sales commissions, appraisal fees, taxes, brokerage fees, underwriting commissions and discounts, and legal, accounting, investment banking, consulting, information services and professional fees in contemplation of an investment by the Advisory Client paid to persons other than the Advisory Affiliates; real property or personal property taxes on investments; brokerage fees; taxes applicable to the Advisory Client on account of its operations; fees incurred in connection with the maintenance of bank or custodian accounts; legal, audit, and other expenses incurred in connection with the registration of the Advisory Client's securities; and reasonable and documented fees and expenses of investment advisers and independent consultants incurred in investigating and evaluating investment opportunities; and reasonable and documented fees and expenses of purchasing data and other information in connection with the investigation and evaluation of investment opportunities. The Advisory Clients shall also bear the fees in connection with the annual audit of the Advisory Client; legal expenses of the Advisory Client; premiums associated with insurance, if any, to insure against any claims that could be made directly against the Advisory Client and its affiliates or that could give rise to an Advisory Client liability pursuant to the Client Agreement (the purchase of such insurance, if any, shall be at the discretion of the Advisory Affiliate); preparation and other expenses associated with annual and other reports to the Investors; costs associated with any Advisory Client information meetings (including food and beverages, rental space, informational materials and expenses incurred in connection with guest speakers); expenses of the advisory board meetings and reimbursement of reasonable out-of-pocket costs for the advisory board members and the affiliates of Foresite Capital to attend such meetings, and indemnification costs. Additionally, the Advisory Clients shall bear expenses incurred in connection with securities related regulatory filings (i.e. Section 16 filings, 13F and 13G); any insurance, indemnification or litigation expense; expenses relating to defaults by investors in the payment of any capital contributions; expenses incurred in connection with any restructuring or amendments to governing agreements; and expenses incurred in connection with the formation of any SPVs.

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

Finally, in addition to the above, certain travel costs related to travelling to board meetings of portfolio companies is typically billed directly to the portfolio company.

Offset Fees

To reflect the reduced time and effort the Advisory Affiliates or the respective members will devote to the Funds by reason of performing services as a director or consultant to Portfolio Companies, subject to the terms in the relevant Client Agreement, directors' fees or consulting fees, break-up fees or equivalent compensation, whether in cash or in kind, received by a Fund's general partner, Foresite Capital or a member of a general partner (so long as he or she is a member thereof) from any Portfolio Company will generally be offset against and reduce the amount of the management fee associated with the respective

Fund, unless waived by the Advisory Board or disclosed otherwise to investors or herein. The Advisory Board of certain Funds has waived the offset in certain instances. These fees, and the associated conflicts of interest they present, are further described in Item 11 below.

Withdrawals/Termination

Investors in an Advisory Client cannot withdraw from an Advisory Client prior to dissolution, and cannot transfer any of their interests in the Advisory Client without the prior written consent of Foresite Capital or the applicable Advisory Affiliate.

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

Other Fees

We believe transparency is an important element of a strong relationship with our Investors. Although partnership expenses are disclosed in each Advisory Client's annual audited financial statements and quarterly financial statements, and are described in Client Agreements, we have provided additional detail with respect to certain expenses below.

Allocation of Advisory Client Expenses

Pursuant to the terms of the Client Agreement, Advisory Client expenses pertaining directly to an Advisory Client will be charged to that client. If any partnership expenses are associated with two or more Advisory Clients, such partnership expenses will typically be allocated according to a fair and equitable basis (as determined by Foresite Capital). Foresite Capital maintains a detailed fee and expense policy in its Compliance Manual. In circumstances where one or more co-investment vehicles invest alongside an Advisory Client into a specific investment, direct costs pertaining to such investment will typically be allocated based on the relative share of invested capital in such investment of the Advisory Client and the applicable co-investment vehicles.

Operating Partners

Foresite Capital, its affiliates, the Advisory Clients and/or the Portfolio Companies retain other companies and/or individuals ("Operating Partners") for a variety of reasons (as detailed below). Operating Partners are not employees of Foresite Capital but are consultants/advisors who provide an important source of operating and strategic expertise across a wide spectrum of different fields within our focus sectors. Operating Partners include, but are not limited to, affiliates of Foresite Capital (and such affiliates' employees, advisors and consultants), Portfolio Companies and third-party consultants. Through our relationships, we also make our Operating Partners available to our Portfolio Companies.

Operating Partners are engaged to provide operational support, due diligence, research, sourcing, specialized operations, expertise and consulting services and similar or related services to the Advisory Clients, or in connection with, one or more Portfolio Companies often in relation to the identification, acquisition, holding, improvement and disposition of such Portfolio Companies ("Operations Support Services"). Among other things, Operating Partners play an important role in how we manage our portfolio and assist with a variety of activities, including but not limited to market research, new investment identification, pre-investment business diligence and post-investment value creation. These services vary from high level insight to extensive day-to-day roles, and in certain cases include support to, or on behalf of, the Advisory Clients, or Portfolio Companies. These services include, but are not limited to, work regarding, the company's management (including serving in management positions or

participating in determining corporate strategy), the company's supply chain, revenue and margin management (including determining sales/marketing strategy and retail strategy), data intelligence, finance (including generating metrics and reporting and business restructuring), human capital management (including recruiting personnel and determining executive/incentive compensation), information technology, corporate communications, customer service, sustainability (including, strategy, policy and reporting development), administrative and operational matters and data science and incubation services.

The nature of the relationship with each such Operating Partner and the time devotion requirements of each such Operating Partner will vary. Certain Operating Partners will be contractually obligated to exclusively provide certain services to the Advisory Clients and/or the Portfolio Companies whereas others have numerous engagements. These arrangements will under certain circumstances be memorialized in a formal written agreement or will be informal and are negotiated individually, depending upon the anticipated Operations Support Services to be provided. Certain Operating Partners will be offered the ability (or may have a preferred right) to co-invest alongside Advisory Clients, including in investments in which such Operating Partner is involved or participates in the management thereof. To date, our Operational Partners have, among other things, helped certain of our Portfolio Companies forge strategic partnerships, source key hires and formulate and drive growth initiatives.

Pursuant to the Client Agreements, fees and expenses associated with Operations Support Services ("Operations Expenses") are paid and/or reimbursed by Portfolio Companies and/or the Advisory Clients. Operations Expenses (including Operations Expenses incurred in connection with an affiliated Operating Partner) will be determined at the discretion of Foresite Capital and/or its Advisory Affiliates in its discretion and in accordance with the Client Agreements. Compensation can take myriad forms including, but not limited to, cash, bonus, success fees, profits interest and equity in the Advisory Clients and/or Portfolio Companies. Foresite Capital generally does not get detailed comparable for such services.

Operations Expenses will also be incurred in respect of Portfolio Companies prior to the closing of the investment. To the extent services are provided for the benefit of an Advisory Client, without reference to a particular Portfolio Company, Operations Expenses incurred in connection with such services are typically borne by the Advisory Client. In the event one or more Operating Partners (directly or indirectly) is providing services with respect to the Advisory Clients, such Operations Expenses will be allocated among the Advisory Clients as determined by the general partner or Foresite Capital, as applicable in a fair and equitable manner. To the extent any such Operations Expenses are payable to any affiliated Operating Partner by the Advisory Clients or a Portfolio Company, such Operations Expenses will not reduce or offset any fees otherwise payable to the management company or its affiliates. Foresite Capital's good faith determination as to whether a service is an Operations Support Service, the categorization of any fees and expenses (e.g., as Operations Expenses) and the allocation of such fees and expenses shall be binding on the Advisory Client and its investors. In addition, as an Operating Partner becomes more ingrained with a Portfolio Company, he or she will under certain circumstances take on a more active role, including, for example, taking a board seat and providing additional services directly to the Portfolio Company. In either case, the Operating Partner will under certain circumstances receive direct compensation from the Portfolio Company under terms agreed to by the Portfolio Company and the Operating Partner.

Although the use of Operating Partners and the allocation of Operations Expenses subjects Foresite Capital and its affiliates to potential conflicts of interest, Foresite Capital believes any such potential conflicts of interest are mitigated the fact that the services provided by the Operating Partners are consistent with the business strategy Foresite Capital and/or its affiliates has for the relevant Portfolio Company.

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

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

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

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

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

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

ITEM 7 – TYPES OF CLIENTS

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

Any new Advisory Client launched by Foresite Capital will have different terms than those summarized above.

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

A. Investment Strategies

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

Foresite Capital invests opportunistically in healthcare companies in which it can leverage the investment team's combined expertise and network to seek to maximize risk-adjusted returns. Foresite Capital's clear and rigorous investment criteria generally target companies it believes have:

- Products or technologies that are proven or have a manageable level of risk, with a durable competitive advantage;
- Management teams with a track record of creating enduring products and delivering investor value;
- Markets that are significant, scalable and poised for substantial growth; and
- Near-term liquidity opportunities, for private companies, within a two to three-year time horizon.

Foresite Capital is focused on understanding, recognizing and managing risk within its portfolio. Foresite Capital's due diligence and decision-making process is structured to understand and mitigate key technical, regulatory, execution and competitive risks among its portfolio investments. Additionally, Foresite Capital typically seeks to manage financing, price and liquidity risk by:

- Investing at prices that are substantially below Foresite Capital's estimate of intrinsic value;
- Structuring investments in a manner that provides downside protection;
- Having a clear understanding of all capital required for the Portfolio Company to reach liquidity;
- Investing in Portfolio Companies that require little or no additional financing to achieve liquidity; and
- Setting aside adequate capital reserves and playing an active role in catalyzing change within the company in the event of Portfolio Company underperformance.

Achieving and maintaining liquidity is a key element of Foresite Capital's risk management strategy. Once an investment is made (if not already liquid), Foresite Capital proactively works with the company to help it move toward a liquidity event. Foresite Capital also invests in publicly traded securities via open market acquisition, initial public offerings or secondary offerings where the position is already liquid.

B. Risk Factors

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

No guarantee or representation is made that the Advisory Clients' investment program will be successful. Please note that all references to Foresite Capital in this Item 8 shall include the applicable Advisory

Affiliate(s). The following are some of the additional material risks associated with an investment in the Advisory Clients:

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

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

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

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

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

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

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

Cybersecurity. The computer systems, networks and devices used by each Advisory Affiliate and its service providers to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. As a result, the Advisory Clients and investors could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches would cause disruptions and impact business operations, potentially resulting in financial losses to the Advisory Clients; impediments to trading; the inability of Advisory Affiliates and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Risks Related to the Securities in which the Advisory Clients Invest

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

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

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

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

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

Bridge Financings. From time to time, the Advisory Clients lend to Portfolio Companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in the Advisory Clients' control, such long-term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Advisory Clients.

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

Short Selling. Advisory Affiliates engage in short selling for the Advisory Clients. Short selling involves selling securities that may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the Advisory Clients to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. There can be no assurance that securities necessary to cover a short position will be available for purchase or that securities will be available to be borrowed by the Advisory Client at reasonable costs. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a short squeeze can occur, and the Advisory Client may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short. Short selling activities with respect to U.S. securities are subject to other restrictions imposed by U.S. securities laws and the regulations of various U.S. securities exchanges that may affect investment activities of the Advisory Clients. If short sales are effected on an exchange or OTC market outside the

United States, such transactions will be subject to the applicable local law, which may be more or less restrictive than U.S. law. Moreover, such laws and regulations are subject to change without notice. Any of these factors could make the Advisory Clients unable to execute their investment strategy.

New Issue Trading. One of Advisory Affiliate's investment strategies involves New Issues trading for the Advisory Clients. Investing in New Issues poses unique risks arising out of their transient illiquidity, lack of trading history and concentration of ownership.

Options. The Advisory Affiliates engage in the trading of options for the Advisory Clients. Such trading involves risks substantially similar to those involved in trading margined securities in that options are speculative and highly leveraged. Specific market movements of the securities underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the security underlying the option which the writer must purchase or deliver upon exercise of the option.

Foresite Labs

Foresite Labs, LLC, an affiliate of Foresite Capital, pursues the incubation of companies at the interface of data sciences and healthcare ("Labs Companies"). Certain Funds will invest in Labs Companies. Given the early stage nature of the incubated Labs Companies, the risk profile of these investments is higher than most of Foresite Capital funds' investments and could result in a full loss of capital.

Management Risks

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

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

ITEM 9 – DISCIPLINARY INFORMATION

Foresite Capital is required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor's evaluation of Foresite Capital or the integrity of Foresite Capital's management. Foresite Capital has no legal or disciplinary information to disclose at this time.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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

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

Foresite Capital's management persons have board positions with certain private Portfolio Companies. Foresite Capital generally does not believe these relationships create a material conflict of interest. Please see additional disclosure in Item 11.

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

A. Code of Ethics

Foresite Capital's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Advisers Act. The Code applies to Foresite Capital's "Access Persons." Access Persons include any member, officer or director of Foresite Capital and employee of Foresite Capital who, in relation to the Advisory Clients: (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings; or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. In addition, certain other individuals, such as temporary employees or independent contractors are deemed to be Access Persons by the Chief Compliance Officer in certain cases.

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

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide Foresite Capital's Chief Compliance Officer with a list of their personal accounts and an initial holdings report listing the holdings of such personal accounts within 10 days of becoming an Access Person. In addition, Foresite Capital's Access Persons must provide annual holdings reports and quarterly transaction reports detailing, respectively, the holdings and quarterly transactions in their personal accounts in accordance with Advisers Act Rule 204A-1.

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

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

B. Potential Conflicts

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

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

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

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

As further described in Item 6 above, from time to time, more than one multi-investment Advisory Client may invest in the same or similar securities issued by the same Portfolio Company. SPVs have and similar investment vehicles will in the future participate in the same Portfolio Company investments as one or more Advisory Clients. Employees of Foresite Capital will have responsibility with respect to such investment vehicles and will have either a profits interest or direct interest in such vehicles. The nature of this arrangement provides Foresite Capital with an incentive to allocate particularly attractive investment opportunities to an Advisory Client that is expected to generate greater carried interest, or to a SPV or investment vehicle in which Foresite Capital or its related persons have a greater interest, or to permit that Advisory Client to exit investments at a time that would maximize its returns, potentially to the detriment of the other Advisory Clients. However, Foresite Capital has practices, procedures and policies to avoid such allocations. As noted in Item 6, this conflict is mitigated by the fact that Foresite Capital and the Advisory Affiliates seek to ensure that all investments made by Advisory Clients and SPVs are fairly and equitably allocated based on the facts and circumstances. Further, Foresite Capital allocates investment opportunities among its advisory clients in a fair and equitable manner that is permissible under the respective Client Agreements and consistent with Foresite Capital's allocation policies and procedures. As needed, the respective Fund advisory boards will be consulted regarding allocations when there is a perceived conflict of interest or otherwise.

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

Foresite Labs, LLC, an affiliate of Foresite Capital ("Foresite Labs"), was publicly announced on October 31, 2019 and pursues the incubation of companies at the interface of data sciences and healthcare ("Labs Companies"). Individuals associated with Foresite Capital own interests in Foresite Labs and the Labs Companies and will serve as directors of the Labs Companies. Initially, such Foresite Capital individuals will be the only directors for the Labs Companies, and there will not be an independent director. Further Foresite Capital and its employees and Operating Partners will provide services to Foresite Labs and the Labs Companies. In addition, certain Advisory Clients will invest in Labs Companies and thus the Labs Companies are Portfolio Companies. These arrangements create potential conflicts of interest among Foresite Capital, its key persons, the Advisory Clients and their investors, Foresite Labs and the Labs Companies. Conflicts of interest arise in allocating time and expenses, services or functions of these officers and employees. Details regarding such arrangements and the allocation of fees and conflicts of interest associated with such arrangements are disclosed to investors of the applicable Advisory Clients. Conflicts created by the composition of the board of directors is mitigated by the fact that such individual incentives are aligned with the Advisory Clients.

In addition, Foresite Labs and/or Labs Companies will from time to time be counterparties or participants in agreements, transactions or other arrangements with Foresite Capital (including certain of its employees and members) and its affiliates. Such arrangements will provide economic or other benefits to Foresite Capital (including certain of its employees and members) and its affiliates. Such agreements, transactions and arrangements are not subject to the management fee offset provisions described herein.

Foresite Capital on rare occasions participates in "principal transactions" or "cross trades" (as defined below). In cases where Foresite Capital acts as a principal for its own account (i.e. Foresite Capital and

its control persons in the aggregate own greater than 25% of an Advisory Client, a Portfolio Company, or Portfolio Security), and Foresite Capital is seeking to effect a transaction that would be deemed a principal transaction, Foresite Capital will disclose to the Advisory Client in writing the capacity in which Foresite Capital is acting and receive consent from the Advisory Client. On a case-by-case basis Foresite Capital may determine it is necessary to disclose the transaction to the relevant advisory board, members or limited partners of the Advisory Clients. A “cross trade” occurs where it is advantageous to effect a securities transaction between two Advisory Clients. In the event that a cross trade would be in the best interests of both Advisory Clients and permitted under the governing documents of each Advisory Client, Foresite Capital may affect the cross trades subject to the approval of the appropriate Funds’ advisory boards, as detailed in the respective Advisory Client(s) offering documents.

As described in Item 5 above, members of a general partner (so long as he or she is a member thereof) perform services as a director or consultant to Portfolio Companies. Although to date no compensation has been received, such people may in the future receive fees for such services. Please also see disclosure related to Foresite Labs above. Payment of such fees may create a conflict of interest because it could create an incentive for Foresite Capital or an Advisory Affiliate to cause an Advisory Client to invest its capital in a company that will pay such a fee to Foresite Capital or its affiliate. As detailed in Item 5, Foresite Capital mitigates such potential conflicts of interest by requiring that all such fees are offset and reduce the management fees that would otherwise be paid by the Advisory Clients, unless waived by the Advisory Board. Foresite Capital would further mitigate this conflict of interest by negotiating such fees at arm’s length with such Portfolio Company and generally seeking to ensure that such fees are, in the good faith opinion of Foresite Capital, in accordance with prevailing market rates in the relevant industry. Foresite Capital does not take into consideration whether a Portfolio Company will pay the fees described above when making an investment determination.

As described in Item 6, Foresite Capital or the Advisory Affiliates receive management fees and performance-based profit distributions from the Advisory Clients. The management fees are payable without regard to the overall success or income earned by the Advisory Clients and therefore creates an incentive on the part of Foresite Capital to raise or otherwise increase capital commitments to a higher level than would be the case if Foresite Capital were receiving a lower or no management fee. Performance-based profit distributions creates an incentive for Foresite Capital or the Advisory Affiliates to make investments that are riskier or more speculative than in the absence of such performance-based profit distributions.

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

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

Foresite Capital’s Access Persons are permitted to make certain securities transactions in their Personal Accounts. Although now generally prohibited, Foresite Capital’s Access Persons have made investments, directly, or indirectly, for their personal accounts in the Portfolio Companies. However, please see disclosure regarding Foresite Labs above. Such investments were made concurrently with, or in advance

of, investments by an Advisory Client. Such investments create a conflict of interest in that it could give Foresite Capital or an Advisory Affiliate an incentive to cause an Advisory Client to invest its capital in a company in which it would not otherwise invest, or to dispose of its investment in a company at a time or for a price which it would not otherwise recommend for the Advisory Client absent such Access Person's ownership of such securities. The Client Agreements include limitations on the ability of certain Access Persons to make such investments. In addition, the Code restricts the ability of Access Persons to hold interests in Portfolio Companies outside of their indirect interests through the Advisory Affiliates or the Advisory Client. All such investments require approval of the Chief Compliance Officer, which approval would only be granted once any associated conflicts of interest are adequately addressed and remedied.

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

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

Foresite Capital maintains a "Restricted List" with the names of issuers of public securities about which Foresite Capital or its affiliates (including Access Persons) has learned material, non-public information. Access Persons and the Advisory Clients are generally prohibited from trading securities on the Restricted List.

As noted above, Foresite Capital manages multiple Advisory Clients. As such, research, confidential information and other information learned from making an investment in one Advisory Client is used to benefit another client. This includes situations where Foresite Capital goes "over the wall" and receive MNPI.

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

ITEM 12 – BROKERAGE PRACTICES

A. Best Execution and Soft Dollars

Foresite Capital's investment strategy involves placing trades with a broker-dealer. Foresite Capital recognizes its duty to seek best execution in effecting transactions on behalf of the Advisory Clients.

Each Advisory Affiliate has complete discretion in selecting the broker that it uses for the respective Advisory Client and co-investment transactions and the commission rates that the Advisory Client pays such brokers. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer's services. In selecting a broker for any transaction or series of transactions, Advisory Affiliates consider several factors, including but not limited to:

- Research reports;
- Access to research analysts;
- Commissions;
- Access to public company meetings;
- Access to private, crossover, IPO & public secondary transaction;
- Capital introduction;
- Net price, clearance, settlement and reputation;
- Financial strength and stability;
- Efficiency of execution and error resolution;
- Ability to arrange for sales and transfers of restricted and illiquid securities;
- Willingness to execute related or unrelated difficult transactions in the future;
- Ability to establish brokerage accounts on an efficient and expedited basis; and
- Special execution capabilities.

Foresite Capital maintains custodial accounts for the Advisory Clients' holdings in public securities and any transactions in public securities will be executed through a broker-dealer. Although the Advisory Affiliates generally seek competitive commission rates and commission equivalents, it will not necessarily pay the lowest price. Among other reasons, transactions involve specialized services on the part of a broker-dealer, which result in higher commissions than would be the case for more routine services.

Foresite Capital participates in soft dollar arrangements, including receiving research and related and permissible services that are available to other institutional investors. Foresite Capital uses commission dollars to pay only for products and services that it reasonably believes, based on the advice of external legal counsel or other independent third parties qualified to opine on such matters as needed, fall within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Research services received from brokers and dealers are supplemental to Foresite Capital's own research effort. To the best of Foresite Capital's knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers.

The following policy applies to Foresite Capital's practices with respect to any soft dollar arrangements into which it enters:

As discussed above, in selecting a broker for any transaction or series of transactions, Foresite Capital considers several factors. Where comparable execution can be obtained from more than one broker,

Foresite Capital selects brokers in recognition of the value of various services or products, beyond transaction execution, that they provide to Foresite Capital or its clients. The amount of compensation paid to such broker-dealer is at times higher than what another, equally capable broker-dealer might charge. Selecting a broker or dealer in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with soft dollars. Although customary, these arrangements present potential conflicts of interest in allocating securities transaction business to broker-dealers in exchange for soft dollar benefits, including an incentive to select a broker-dealer based on Foresite Capital's interest in receiving research or other products or services, rather than on the Advisory Clients' interest in receiving the most favorable execution.

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

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

B. Aggregation of Securities

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

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

ITEM 13 – REVIEW OF ACCOUNTS

A. Account Review

The accounts of the Advisory Clients are under periodic review by the Principal and other investment professionals of Foresite Capital. Foresite Capital considers, among other things, investment performance, the portfolio's sensitivity to market changes, and whether anything has changed subsequent to an initial investment decision that impacts the risk or potential return.

B. Reporting to Clients and Investors

Investors in each Fund generally receive quarterly reports after the close of each of the first three calendar quarters, which include quarterly unaudited financial statements, a summary of acquisitions and dispositions of the investments, a list of investments then held, together with a valuation and summary update of such investments of the Fund. Investors in each Advisory Client receive a quarterly capital account balance statement for each calendar quarter-end. Annually, Investors receive an annual financial report audited by a nationally recognized accounting firm, information regarding the Advisory Client necessary for the completion of each Investor's tax return, and a list of investments then held by the relevant Advisory Client and a valuation of such investments.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

As the Advisory Clients are Funds and SPVs, Foresite Capital does not provide compensation for client referrals under Rule 206(4)-3 under the Advisers Act. However, certain of the Advisory Clients compensate third parties for introducing Investors to the Advisory Clients. Pursuant to such arrangements among the applicable Advisory Client, Foresite Capital and a third-party placement agent, and in accordance with and subject to limitations set forth in the applicable Client Agreement, the Advisory Client pays such placement agent a fee generally based on the capital commitment of the investor introduced to the Advisory Client by the placement agent. For Fund II, Fund III and Fund IV, placement agent fees paid by such funds offset and reduce the management fees otherwise payable by each Fund, respectively, to Foresite Capital over the amount of time specified in the placement agent agreement. Investors introduced to an Advisory Client by a placement agent do not pay Foresite Capital or any Advisory Affiliate higher management fees or carried interest than Investors not introduced by a placement agent.

ITEM 15 – CUSTODY

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

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

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

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

ITEM 16 – INVESTMENT DISCRETION

Foresite Capital, or an Advisory Affiliate, has discretionary authority to manage securities accounts on behalf its clients. Foresite Capital, or an Advisory Affiliate, is authorized to make transaction recommendations for the Advisory Clients. As explained in Item 4.B above, each Advisory Client's investment strategy is set forth in detail in such Advisory Client's offering documents and Client Agreement. Investors do not have the ability to impose limitations on this discretionary authority. Investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool.

ITEM 17 – VOTING CLIENT SECURITIES

Securities held by the Advisory Clients are voted by the respective general partner or managing member of the Advisory Client. Any proxies or other solicitations received by Foresite Capital will be reviewed and acted upon by the legal and compliance department in consultation with the Investment Committee. Notwithstanding the above, Foresite Capital has adopted a proxy voting policy that is applicable to it and its Advisory Affiliates.

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

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

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

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

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

ITEM 18 – FINANCIAL INFORMATION

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