
PART 2A OF FORM ADV: FIRM BROCHURE

BELHEALTH INVESTMENT PARTNERS, LLC

February 2024

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This brochure (this "Brochure") provides information about the qualifications and business practices of BelHealth Investment Partners, LLC (the "Investment Adviser"). If you have any questions about the contents of this Brochure, please contact us at (954) 636-3680 or jwynne@belhealth.com. 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.

The Investment Adviser is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about the Investment Adviser also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2

Material Changes

The following material changes to BelHealth Investment Partners, LLC's ("BelHealth" or "Investment Adviser") advisory operations have occurred since its most recent annual amendment to Form ADV Part 2A filed with the Commission in March 2023.

The False Claims Act (31 U.S.C. 3729-33) incentivizes a relator or whistleblower to file a Qui tam lawsuit on behalf of the US government. In fact, since 1986, more than \$7.3 billion has been paid in whistle blower awards. On October 25, 2016, Linden Care, a specialty pain management pharmacy, was named in a Qui Tam/False Claims civil action, brought by a Relator or Whistleblower seeking monetary damages, in the United States District Court for the Central District of California, Western District – Los Angeles alleging various misconduct related to the prescription fulfillment of Subsys, a pain relief medication. Linden Care was a portfolio company of one of the Investment Adviser's clients. The initial complaint did not include the Investment Adviser or its Advisory Affiliates. The US Government declined to intervene or join the civil action, but the Relator/Whistleblower and their attorney pursued the civil claim regardless, without the resources of the US Government. After the government declined to join the action, plaintiff's counsel filed a second amended complaint on September 18, 2018, naming the Investment Adviser and certain Advisory Affiliates. Three years later, the plaintiffs' counsel filed a third amended complaint on August 27, 2021, naming certain personnel affiliated with the Investment Adviser. On May 4, 2023, after almost seven years of litigation and legal fees, the parties decided to settle the matter to avoid the cost and uncertainty of protracted litigation. The parties executed a Settlement Agreement for \$9.0 million in which the defendants did not admit to, nor were found liable for the allegations and jointly dismissed the action. The settlement was paid by Linden Care and funded by a Distribution Clawback on May 5, 2023, issued by the BelHealth Investment Fund L.P. to both its Limited Partners (\$6,960,000) and the General Partner (\$1,740,000). The remaining \$300,000 was paid by the insurance company.

This update has also been reported in Form ADV, Part 1A H(1)(c).

ITEM 3 Table of Contents

| | |
|---|-----|
| ITEM 1 Cover Page | 1 |
| ITEM 2 Material Changes | II |
| ITEM 3 Table of Contents | III |
| ITEM 4 Advisory Business..... | 1 |
| ITEM 5 Fees and Compensation..... | 2 |
| A. <u>Advisory Fees and Compensation</u> | 2 |
| B. <u>Payment of Fees</u> | 2 |
| C. <u>Transaction Fees</u> | 2 |
| D. <u>Additional Compensation and Conflicts of Interest</u> | 2 |
| E. <u>Expenses</u> | 3 |
| ITEM 6 Performance-Based Compensation | 5 |
| ITEM 7 Types of Clients | 6 |
| ITEM 8 Methods of Analysis, Investment Strategies and Risk of Loss..... | 7 |
| A. <u>Methods of Analysis and Investment Strategies</u> | 7 |
| B. <u>Material, Significant or Unusual Risks Relating to Investment Strategies</u> | 9 |
| ITEM 9 DISCIPLINARY INFORMATION | 13 |
| ITEM 10 Other Financial Industry Activities and Affiliations..... | 14 |
| A. <u>Broker-Dealer Registration Status</u> | 14 |
| B. <u>Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status</u> | 14 |
| C. <u>Material Relationships or Arrangements with Industry Participants</u> | 14 |
| D. <u>Material Conflicts of Interest Relating to Other Investment Advisers</u> | 14 |
| E. <u>Affiliated General Partners</u> | 14 |
| ITEM 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading | 15 |
| A. <u>Code of Ethics</u> | 15 |
| B. <u>Participation or Interest in Client Transactions and Personal Trading</u> | 15 |
| ITEM 12 Brokerage Practices..... | 16 |
| ITEM 13 Review of Accounts | 17 |
| A. <u>Frequency and Nature of Review of Client Accounts</u> | 17 |
| B. <u>Factors Prompting Review of Client Accounts Other than a Periodic Review</u> | 17 |
| C. <u>Content and Frequency of Account Reports to Clients</u> | 17 |
| ITEM 14 Client Referrals and Other Compensation | 18 |
| A. <u>Economic Benefits for Providing Services to Clients</u> | 18 |

| | |
|---|----|
| B. <u>Compensation to Non-Supervised Persons for Client Referrals</u> | 18 |
| ITEM 15 Custody | 19 |
| ITEM 16 Investment Discretion | 20 |
| ITEM 17 Voting Client Securities | 21 |
| ITEM 18 Financial Information..... | 22 |

ITEM 4

Advisory Business

BelHealth, a Delaware limited liability company, commenced operations in 2011. Founded by Harold Blue, BelHealth is owned by Harold Blue, Inder Tallur, Joseph P. Wynne, and KP Family BelHealth Investments, LLC. Mr. Blue is the Manager of BelHealth. The affiliated General Partner for each private partnership has entered into an advisory agreement with the Investment Adviser to manage BelHealth Investment Fund, L.P. ("Fund I") and BelHealth Investment Fund II, L.P. ("Fund II") (each, a "Fund", and together, the "Funds"). The Investment Adviser pursues a private equity strategy on behalf of the Funds. Interests in the Funds are offered to qualified investors. Investors and potential investors in the Funds should consult the Funds' offering documents, including the applicable Limited Partnership Agreements and Private Placement Memorandum, for a comprehensive discussion of the Funds and the risk factors associated with each Fund. In providing services to the Funds, BelHealth formulates each Fund's investment objectives, directs and manages the investment of each Fund's assets, and provides reports to investors. Investment advice is provided directly to the Funds and not individually to the investors of the Funds. BelHealth manages the assets of the Funds in accordance with the terms of each Fund's partnership agreement and other applicable governing documents.

Our registration on Form ADV also covers BelHealth Investment Management, LLC, a limited liability company organized under the laws of the State of Delaware and BelHealth Investment Partners GP II, LLC, a limited liability company organized under the laws of the State of Delaware (collectively with BelHealth Investment Management, LLC, the "Fund General Partners"). The Fund General Partners are affiliates of the Investment Adviser and serve as the general partner of the Funds.

The Funds invest in select healthcare companies by acquiring businesses that the Investment Adviser considers undervalued or under-managed and where the Investment Adviser believes it can leverage its investment and operational experience to achieve superior investment returns. The Investment Adviser may also cause the Funds to invest in other situations that the Investment Adviser believes to be in the best interest of the applicable Fund.

As of December 31, 2023, the most recent figures available, the Investment Adviser had \$309,958,410 in regulatory assets under management, all of which it manages on a discretionary basis.

As used herein, the term "client" generally refers to each Fund.

For additional discussion of the Funds, and their investment objectives and risks, please see response to Item 8.

ITEM 5

Fees and Compensation

A. Advisory Fees and Compensation.

The fees applicable to each Fund are set forth in detail in each Fund's offering documents. A brief summary of such fees is provided below.

Management Fee

Generally, each Fund pays the Investment Adviser an annual fee (the "Management Fee") equal to (a) during the Investment Period for such Fund, 2.0% of the aggregate commitments of the Funds, and (b) following the Investment Period until the end of the Fund Term, 2.0% of the aggregate cost basis of all Portfolio Investments held by the Fund and not written down to zero for such Fund. The Management Fee is payable in advance quarterly.

The Investment Adviser may, at its sole discretion, waive all or any portion of the Management Fee that would otherwise be payable by the Funds, in respect of a Limited Partner that is a member, employee, officer, manager or affiliate of the Fund General Partners.

Carried Interest

Generally, the Funds (and therefore each investor in these Funds) pay a 20% carried interest (the "Performance Compensation") to the general partner according to terms as described in their respective Limited Partnership Agreements. Terms generally require that prior to the applicable Fund General Partner earning any carried interest, investors must first receive their contributed capital, plus an 8% preferred return before the general partner of each Fund receives its 20% carried interest. Carried interest received by the applicable Fund General Partner is subject to a "clawback", meaning that if subsequent investments do not meet the thresholds for carried interest, such Fund General Partner may be required to return a portion of the carried interest to the applicable Fund for distribution to Limited Partners.

B. Payment of Fees.

Management Fees are paid out of drawdowns of committed capital or directly out of the Fund's assets. Carried interest is distributed to the applicable Fund General Partner when the Fund makes distributions to Limited Partners (assuming there are sufficient profits to return all of such investors' contributed capital plus an 8% preferred return thereon).

C. Transaction Fees.

100% of all transaction fees (*e.g.*, break-up fees, financial fees, monitoring fees etc.) received (net of all related expenses) by the Investment Adviser and its affiliates in connection with consummated or prospective investments of the Funds will be applied to reduce the Management Fee due in respect of such Funds.

D. Additional Compensation and Conflicts of Interest.

Neither the Investment Adviser nor any of its supervised persons accepts compensation (*e.g.*, brokerage commissions) for the sale of securities or other investment products.

E. Expenses.

The Funds will generally bear their organizational and offering expenses, excluding placement agent costs. The Funds will reimburse the Investment Adviser for any such expenses which the Investment Adviser advances on behalf of the Funds. The Funds will bear all costs and expenses directly relating to the purchase, holding, monitoring or sale of portfolio investments, whether or not consummated (including, without limitation, fees and expenses of legal counsel, accountants and management and technical consultants), and general expenses relating to the Funds' operations, including but not limited to administration and related fees, annual auditing fees, bank charges, legal fees and expenses, insurance premiums, reporting costs and the reasonable out of pocket expenses of Fund advisory boards, operating partners and investor committees. Notwithstanding the foregoing, the Funds will not be responsible for any consulting fees other than consulting fees incurred in connection with the due diligence of actual or prospective investments. In certain cases, the Funds' governing documents contain provisions requiring the Investment Adviser to bear certain organizational expenses incurred in excess of a pre-determined dollar limit.

To the extent practicable, any third party expenses relating to consummated investments will be charged to the relevant portfolio company. If such expenses are not charged to such portfolio company, then they will be paid by the applicable Fund and included in the cost of investment.

The Fund's as provided in their applicable Limited Partnership Agreements ("LPA"), indemnify, hold harmless and release each Covered Person, to the fullest extent permitted by applicable law, from and against all claims, demands, liabilities, costs, expenses, damages, losses, suits, proceeding and actions, whether judicial, administrative, investigative or otherwise, of whatever nature, known or unknown, liquidated or unliquidated ("Claims"), that may accrue to or be incurred by any Covered Person, or in which any Covered Person may become involved, as a party or otherwise, or with which any Covered Person may be threatened, relating to or arising out of the business and affairs of, or activities undertaken in connection with, the Funds, or otherwise relating to or arising out of the LPA, including, but not limited to, amounts paid in satisfaction of judgments, in compromise or as fines or penalties, and counsel fees and expenses incurred in connection with the preparation for or defense or disposition of any investigation, action, suit, arbitration or other proceeding (a "Proceeding"), whether civil or criminal, except to the extent that it shall have been determined by any court, governmental body of competent jurisdiction or arbitrator or arbitration panel, or admitted by such Covered Person in a settlement of any lawsuit, that such damages arose from Prohibited Conduct of such Covered Person. The termination of any Proceeding by settlement shall not, of itself, create a presumption that any damages relating to such settlement arose from Prohibited Conduct of any Covered Person.

Covered Person is defined as the General Partner, the Manager and their respective Affiliates (other than the Partnership); the members, shareholders, controlling Persons, officers, directors, partners, employees and agents of the General Partner, the Manager and their respective Affiliates (other than the Partnership); the members of the L.P. Advisory Committee acting in such capacity (and, with respect to Claims or Damages arising out of or relating to such service only, the Limited Partner that such L.P. Advisory Committee member represents); the members of the Investment Committee acting in such capacity; any members of an Advisory Board acting in such capacity; any Operating Partners acting in such capacity;

and any Person who has served in any such above-mentioned capacity, to the extent of their service in such capacity.

Prohibited Conduct is defined as, (i) with respect to any Person other than a member of the L.P. Advisory Committee, conduct that constitutes fraud, gross negligence, willful and material violation of known law or a material breach of this Agreement, and (ii) with respect to any Person that serves as a member of the L.P. Advisory Committee, conduct that constitutes bad faith. Gross Negligence shall have the meaning given such term under the laws of the State of Delaware.

ITEM 6

Performance-Based Compensation

The general partners of the Funds accept performance-based compensation in the form of the carried interest.

Although carried interest is a method of compensation that is generally used to align the general partner's interests with those of its Funds' investors, it may also create an incentive for the Investment Adviser and/or its affiliates to seek more speculative investments on behalf of the Funds than would otherwise be the case in the absence of such performance-based compensation. In addition, due to the method of calculating the carried interest, the compensation of the general partners of the Funds who receive such amounts may be affected by the timing of dispositions and other factors which will be within the control of the Investment Adviser or its affiliates. BelHealth seeks to address these conflicts through careful vetting of investment opportunities by its investment professionals and disclosure of investments to investors through capital call notices and periodic reports. Additionally, certain affiliates of the general partner and certain of BelHealth's investment professionals will often invest in the Funds indirectly (e.g., through sponsor commitments) intended to align the interests of BelHealth and those of the Funds. In addition, the governing fund documents of the Funds provide for after-tax "clawback" arrangements if the performance-based compensation results in an over-distribution of the agreed upon amount of carried interest.

Please see response to Item 5 for further details.

ITEM 7

Types of Clients

The Investment Adviser generally provides investment advice to Funds related to select healthcare companies, as described above.

Investors in the Funds are of varied backgrounds. They may include endowments, pension plans, foundations, corporations, funds of funds, high net-worth individuals, investment partnerships and banks. All investors in the Funds must be "accredited investors" as defined by Regulation D of the Securities Act of 1933 and meet other eligibility requirements as set forth in the applicable Fund's governing documents. Also, investors will be required to make certain representations when investing in a Fund, including, but not limited to representations that: (i) they are acquiring an interest for their own account, (ii) they received or had access to information they deem relevant to evaluate the merits and risks of the prospective investment, and (iii) they have the ability to bear the economic risk of an investment in the Funds. Details concerning applicable investor suitability criteria are set forth in the respective governing fund documents and subscription materials, which are furnished to each investor.

ITEM 8

Methods of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analysis and Investment Strategies.

The descriptions set forth in this Brochure of specific advisory services that the Investment Adviser offers to clients, and investment strategies pursued and investments made by the Investment Adviser on behalf of its clients, should not be understood to limit in any way the Investment Adviser's investment activities. The Investment Adviser may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that the Investment Adviser considers appropriate, subject to each client's investment objectives and guidelines. The investment strategies the Investment Adviser pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

The investment objective of the Funds is to seek to achieve superior risk-adjusted returns by acquiring controlling equity stakes in under-valued or under-managed lower-middle market healthcare companies.

Investment Strategy

BelHealth generally acquires majority equity positions in founder/entrepreneur-owned lower-middle market healthcare companies that it believes would benefit from its operating and private equity investment expertise. BelHealth seeks to identify proprietary investment opportunities in its targeted healthcare sectors.

Investment Committee

Investment decisions for each Fund are made by an investment committee for such Fund. Investment committee members have experience conducting due diligence and analyzing equity and credit risk, particularly for lower-middle market private companies. Following the execution of a letter of intent with a target portfolio company, the Fund will undertake extensive and comprehensive due diligence to identify and evaluate all material risks and opportunities prior to funding. The Investment Adviser is also assisted (i) in evaluating prospective investments and exits therefrom, by its operating partners, and (ii) in analyzing macro trends and opportunities in the healthcare sector, by outside advisory boards.

Deal Sourcing

The Investment Adviser actively initiates and pursues direct discussions with companies that it believes are logical prospects for private equity investments. Initially, all sourced investments must pass a screening process designed to filter deal flow into those opportunities that fit the Funds' investment criteria. For each potential investment, the Investment Adviser will evaluate the merits of the investment as well as the principal risks, with particular consideration given to (i) the share and defensibility of the market served and any regulatory and governmental reimbursement matters, (ii) assessment of management (including future changes, as required), (iii) historical and projected financial performance, (iv) product or service portfolio, (v) concentration risk of customers or suppliers, (vi) opportunities for improvement, including the Manager's ability to add value, and (vii) exit opportunities.

Transaction Structuring

The general principles that the Investment Adviser follows in its deal structures are:

- Control investments, through majority ownership of the equity and board control (via number of seats and/or Chairman role);
- Securities with liquidation preferences (*e.g.*, preferred, participating or convertible preferred stock, equity-linked debt);
- Management retaining meaningful ownership;
- Limited use of leverage; and
- Benefit of additional add-on acquisitions.

Due Diligence

Following the execution of a letter of intent with a target portfolio company, the Investment Adviser undertakes extensive, comprehensive and objective due diligence to ensure that material risks and opportunities are identified and evaluated prior to funding. The analysis of each investment is expected to include (i) business analysis, including an evaluation of the company's management, operating model, customer retention and concentration, key performance indicator trends, historical and projected financial statements, and importantly, opportunities for improved performance; (ii) capital structure and valuation analysis, including an evaluation of the terms and structure of all the target's underlying securities and its enterprise value; (iii) market and competitive position, based on discussions with management, competitors, customers, vendors and industry experts; (iv) analysis of regulatory and intellectual property risk and opportunity, which the Investment Adviser believes is critical in healthcare investing; and (v) traditional legal, accounting, tax and benefits review, among other areas that may be required.

Portfolio Management - Operational Model

The Investment Adviser's governance and portfolio management model is composed of a strong portfolio company board of directors, monthly review of financial and operating performance, quarterly assessment of each company's long-term strategic plan, and a semi-annual assessment of management. The board of directors of each portfolio company is an important element of this model and is expected to include, in addition to members of the Investment Adviser and management, one or more additional executives with relevant industry experience.

From a monitoring perspective, the Investment Adviser implements one or more of the following: (i) active board involvement, including the addition of one of BelHealth's operating partners and/or outside executives with relevant industry experience; (ii) strong and appropriate business systems, processes, procedures and communications policies; (iii) formal budgeting and strategic planning initiated at the outset of the investment, including timely and consistent measurement and evaluation; (iv) management accountability and development of appropriate contingency plans to reduce risk of turnover of key personnel; and (v) management of smaller healthcare company issues with all relevant stakeholders.

B. Material, Significant or Unusual Risks Relating to Investment Strategies.

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by the Investment Adviser. These risk factors include only those risks the Investment Adviser believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by the Investment Adviser.

Investing in Small Market Companies

The Investment Adviser focuses the Funds' investment programs largely on small market companies. Such investing involves substantial risks, which can be greater in many respects than the risks associated with investments in securities of larger companies. These risks include the facts that: such companies' securities are more likely to have less liquidity than securities of medium- or large-capitalization companies; the risk of bankruptcy or insolvency by small market companies is higher than for large-capitalization companies; small market companies may lack management depth or the ability to generate internally or obtain externally the funding necessary for growth; small market companies may have, or may develop, only a regional market for products or services and may be adversely affected by purely local events; and small market companies may face intense competition from larger companies.

Investing in Healthcare Companies

Since the Fund intends to focus on investments in the healthcare industry, the value of the Fund's investments will be particularly vulnerable to factors affecting such industry, such as substantial government regulation. The products and services offered by healthcare companies may be subject to rapid obsolescence caused by scientific advances and technological innovations. Because the Fund focuses its investments on the healthcare industry, the value of the Interests may rise and fall more than the value of interests in a fund that invests more broadly.

Certain segments of the healthcare industry in which the Fund intends to invest are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While the Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including in particular the healthcare industry, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by and applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which the Fund invests. By way of example, the healthcare industry has been, and will likely continue to be, significantly impacted by legislative changes, and various U.S. federal, state or local or non-U.S. legislative proposals related to such industry that are introduced from time to time, which, if adopted, could have a significant impact on such industry in general and/or on companies in which the Fund may invest.

Investing in Control Positions

To the extent that the Investment Adviser causes a Fund to obtain a control position or other substantial holding in any portfolio company, such Fund may become subject to filing requirements and other regulatory restrictions that could limit the ability of such Fund to dispose of its holdings at the times and in the manner such Fund would prefer. Violations of these regulatory requirements could subject a Fund to significant liabilities. In addition, a Fund could be subject to certain enhanced fiduciary duties as a controlling shareholder, which could restrict its ability to arrange or negotiate change-of-control or other extraordinary transactions involving such companies. Moreover, as a controlling shareholder, a Fund may become involved in litigation or otherwise become involved in the affairs of the portfolio company. Under such circumstances, such Fund may be named a defendant in a lawsuit or regulatory action and be subject to the costs and potential liabilities involved.

The Need for Portfolio Companies to Raise Additional Capital

It is possible that a portion of the Funds' investments will be made in companies that will require substantial additional equity financing to satisfy their continuing working capital requirements, especially since private equity and restructuring financing is often intended to provide a company with only enough capital to meet its near-term needs or reach the next stage of development. It is impossible for the Investment Adviser to accurately predict the circumstances or market conditions under which the portfolio companies of the Funds will seek additional capital. It is possible that one or more of the portfolio companies will not be able to raise additional financing or may be able to do so only at a price or on terms which are unfavorable to the company or the Funds, either of which could negatively impact the investment returns of the Funds.

The Dependence of the Portfolio Companies on Key Personnel

The success of the Funds' investments will depend upon the success of their portfolio companies. Their success, in turn, will depend in large part upon the abilities of their key personnel. While the Investment Adviser intends to assist the management of the Funds' portfolio companies in a variety of ways, the day-to-day operations of the portfolio companies will remain the responsibility of their key personnel. Competition for qualified personnel is intense at any stage of a company's development. The loss of one or a few key managers can hinder or delay a company's implementation of strategic plans and otherwise hinder the ability of the company to exploit its product or service.

Portfolio Companies May Face Significant Competition

The Funds' portfolios may include a large number of companies that face significant competition, both from earlier stage companies and more established companies. Early-stage competitors may have strategic capabilities such as an innovative management team or an ability to react quickly to changing market conditions, while more established companies may possess significantly more experience and greater financial resources than the portfolio companies of the Funds. These factors could adversely affect the competitive position of the portfolio companies and, in turn, negatively affect the investment returns that the Investment Adviser achieves for the Funds.

Liquid and Long-Term Investments

Generally, there will be significant period of time before the Funds will have completed its investments in portfolio companies. Such investments may take several years from the date of initial investment to reach a state of maturity when realization of the investment can be achieved. Private investment transaction structures typically are not considered liquid. The return of capital and the realization of gains, if any, from a portfolio investment will generally occur only upon the partial or complete disposition or refinancing of such portfolio investment. It is unlikely that there will be a public market for the securities held by the Funds at the time of their acquisition. Further, disposition of such investments may require a lengthy time period or may result in distributions in kind to investors.

Investment Expenses and Broken Deal Expenses

Investments of the Funds will require extensive due diligence, legal, and other costs prior to their consummation and may be subject to broken deal expenses if they are not consummated. The Funds will pay any fees, costs, and expenses incurred in discovering, developing, negotiating, evaluating, acquiring and structuring any investment opportunities it pursues, whether or not such investments are ultimately consummated, including investments pursued by BelHealth prior to the initial closing of the Partnership that are intended to become portfolio investments of the Funds. Additionally, the Funds may enter into agreements that involve payments, such as reverse break-up fees, by the Funds if it does not consummate the transaction. These expenses can be significant and may be material to the Funds. The Funds may incur, either directly or pursuant to its obligation to reimburse BelHealth for any such expenses advanced by it, significant expenses in connection with proposed investments that are not consummated without the opportunity for gain or recoupment of such expenses.

Cybersecurity

BelHealth and the portfolio companies may face cybersecurity threats to gain unauthorized access to sensitive information, including, without limitation, information regarding the limited partners and the Fund's investment activities, or to render data or systems unusable, which could result in significant losses. If such events were to materialize, they could lead to losses of sensitive information or capabilities essential to the operations of BelHealth and the portfolio companies and could have a material adverse effect on their reputations, financial positions, results of operations, or cash flows, could lead to financial losses from remedial actions, loss of business, or potential liability, or could lead to the disclosure of limited partners' personal information.

Cybersecurity attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. BelHealth or a portfolio company's controls and procedures, business continuity systems, and data security systems could prove to be inadequate. These problems may arise in both BelHealth's or a portfolio company's internally developed systems and the systems of third-party service providers.

Force Majeure

Portfolio investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious

public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including a portfolio company or a counterparty to a partnership managed by the Investment Adviser Fund or a portfolio company) to perform its obligations until it is able to remedy the force majeure event. In addition, forced events, such as the cessation of the operation of machinery for repair or upgrade, could similarly lead to the unavailability of essential machinery and technologies. These risks could, among other effects, adversely impact the cash flows available from a portfolio company, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a portfolio company or a partnership managed by the Investment Adviser of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on a portfolio company. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which Investment Adviser's partnerships may invest.

ITEM 9

DISCIPLINARY INFORMATION

The following legal event was settled in 2023. Although we consider this a portfolio company matter, the Investment Adviser and Advisory Affiliates were named as additional defendants in the case and could be considered material to a client's or prospective client's evaluation of the Investment Adviser's advisory business or the integrity of the Investment Adviser's management.

Summary:

The False Claims Act (31 U.S.C. 3729-33) incentivizes a relator or whistleblower to file a Qui tam lawsuit on behalf of the US government. In fact, since 1986, more than \$7.3 billion has been paid in whistle blower awards. On October 25, 2016, Linden Care, a specialty pain management pharmacy, was named in a Qui Tam/False Claims civil action, brought by a Relator or Whistleblower seeking monetary damages, in the United States District Court for the Central District of California, Western District – Los Angeles alleging various misconduct related to the prescription fulfillment of Subsys, a pain relief medication. Linden Care was a portfolio company of one of the Investment Adviser's clients. The initial complaint did not include the Investment Adviser or its Advisory Affiliates. The US Government declined to intervene or join the civil action, but the Relator/Whistleblower and their attorney pursued the civil claim regardless, without the resources of the US Government. After the government declined to join the action, plaintiff's counsel filed a second amended complaint on September 18, 2018, naming the Investment Adviser and certain Advisory Affiliates. Three years later, the plaintiffs' counsel filed a third amended complaint on August 27, 2021, naming certain personnel affiliated with the Investment Adviser. On May 4, 2023, after almost seven years of litigation and legal fees, the parties decided to settle the matter to avoid the cost and uncertainty of protracted litigation. The parties executed a Settlement Agreement for \$9.0 million in which the defendants did not admit to, nor were found liable for the allegations and jointly dismissed the action. The settlement was paid by Linden Care and funded by a Distribution Clawback on May 5, 2023, issued by the BelHealth Investment Fund L.P. to both its Limited Partners (\$6,960,000) and the General Partner (\$1,740,000). The remaining \$300,000 was paid by the insurance company.

ITEM 10
Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration Status.

The Investment Adviser and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status.

The Investment Adviser and its management persons are not registered as, and do not have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities.

C. Material Relationships or Arrangements with Industry Participants.

The Investment Adviser does not have any material relationships or arrangements with industry participants.

Employees of BelHealth may serve as directors and officers of certain portfolio companies and, in that capacity, will be required to make decisions that consider the best interests of such portfolio companies and their respective shareholders.

D. Material Conflicts of Interest Relating to Other Investment Advisers.

The Investment Adviser does not recommend or select other investment advisers for its clients.

E. Affiliated General Partners

As previously noted, BelHealth is affiliated and under common control with the General Partner entities associated with each Fund.

ITEM 11

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

A. Code of Ethics.

The Investment Adviser has adopted a Code of Ethics (the "Code"). The Code incorporates the following general principles that all employees are expected to uphold:

- employees must at all times place the interests of clients first;
- all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility must be avoided;
- employees must not take any inappropriate advantage of their positions;

Clients may request a copy of the Code that includes all provisions employees are subject to by contacting the Investment Adviser at the address or telephone number listed on the first page of this document.

Certain transactions in which BelHealth engages may require, for either business or legal reasons that no employee trade in the subject securities for specified time periods. Such securities will appear on a list (the "Restricted Security List") that will be circulated to all employees. No employee may engage in any sort of trading activity with respect to a security or a derivative thereof on the Restricted Security List without obtaining prior written approval from the Chief Compliance Officer.

B. Participation or Interest in Client Transactions and Personal Trading.

Due to the nature of the Investment Adviser's business and investment strategy, it is unlikely, if not impossible, that an employee could place a trade in a recommended security before or at the same time as a client.

ITEM 12

Brokerage Practices

The Investment Adviser's only clients are the Funds. The Funds generally purchase securities in privately negotiated transactions and do not utilize brokers on an ongoing basis. However, the Investment Adviser may from time to time recommend that a Fund purchase or sell securities through the use of a broker-dealer or other intermediary. Under such circumstances, the Investment Adviser may cause a Fund to use specific brokers and dealers to facilitate such securities transactions, and will seek to obtain best execution.

Research and Other Soft Dollar Benefits

The Investment Adviser does not receive research or other products or services.

Brokerage for Client Referrals

In selecting or recommending broker-dealers, the Investment Adviser and its related persons do not receive referrals from any broker-dealer or other third party.

Directed Brokerage

The Investment Adviser, through the Fund General Partners, directs the Funds to select broker-dealers, if used.

Order Aggregation

There are no purchase or sales orders of securities that are aggregated for various client accounts.

ITEM 13

Review of Accounts

A. Frequency and Nature of Review of Client Accounts.

The Investment Adviser performs various periodic reviews of each client's portfolio. Such reviews are conducted by the members of the investment committee for each Fund as well as by the Investment Adviser's other investment personnel.

Ongoing and contemporaneous review of portfolio companies include active board involvement, implementation of strong and appropriate business systems, processes, procedures and communications policies, formal budgeting and strategic planning initiated at the outset of the investment, management accountability and management of smaller healthcare company issues with all relevant stakeholders.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review.

A review of a client account may be triggered by any unusual activity or special circumstances.

C. Content and Frequency of Account Reports to Clients.

The Investment Adviser uses commercially reasonable efforts to provide Investors with audited annual reports after the end of each Fund's fiscal year and with quarterly unaudited financial statements after the end of each fiscal quarter.

ITEM 14
Client Referrals and Other Compensation

A. Economic Benefits for Providing Services to Clients.

The Investment Adviser does not receive economic benefits from non-clients for providing investment advice and other advisory services.

B. Compensation to Non-Supervised Persons for Client Referrals.

Neither the Investment Adviser nor any related person currently directly or indirectly compensates any person who is not a supervised person, including placement agents, for client referrals. However, the Investment Adviser retained certain placement agents in connection with raising commitments for Fund I prior to Fund I's final closing, with compensation due such placement agents being borne by the Investment Adviser. The Investment Adviser may in the future enter into additional arrangements with third party placement agents and such arrangements will generally provide for the compensation of such persons for their services at the Investment Adviser's expense (including through offsets to the fees and compensation received by the Investment Adviser and its affiliates in respect of the applicable investment funds).

ITEM 15

Custody

The Investment Adviser is deemed to have custody of client funds and securities because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account. Account statements related to the clients are sent by qualified custodians to the Investment Adviser.

The Investment Adviser is subject to Rule 206(4)-2 (the "Custody Rule") under the Investment Advisers Act of 1940 (the "Advisers Act"). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

ITEM 16
Investment Discretion

The Investment Adviser serves as the management company with discretionary investment authority to each Fund.

The Investment Adviser's investment decisions and advice with respect to each Fund are subject to each Fund's investment objectives and guidelines, as set forth in its offering documents and limited partnership agreement.

The Investment Adviser or an affiliate of the Investment Adviser entered into an investment management agreement, or similar agreement, with each Fund, pursuant to which the Investment Adviser or an affiliate of the Investment Adviser was granted discretionary investment authority. Investors in the Funds are not permitted to impose investment restrictions or exercise discretion over the management of the Funds.

ITEM 17

Voting Client Securities

In compliance with Advisers Act Rule 206(4)-6, the Investment Adviser has adopted proxy voting policies and procedures. The general policy is to vote proxy proposals, amendments, consents or resolutions (collective, "Proxies") in a prudent and diligent manner that will serve the applicable client's best interests and is in line with each client's investment objectives.

The Funds are primarily invested in privately-held portfolio company investments which typically do not issue proxies; therefore, the traditional concept of voting of proxies and participation in class actions is not currently applicable to the Investment Adviser. The investment opportunities that the Investment Adviser seeks allows the Funds to have influence on the management, operations and strategic direction of the portfolio companies in which it invests; through its majority interest and/or through its employees who sit as officers and directors on portfolio company boards. The exercise of control and/or significant influence over a portfolio company imposes additional risks of liability for product defects, failure to supervise management and other types of liability in which the limited liability generally characteristic of business operations may be ignored. The exercise of control and/or significant influence over a portfolio company could also expose the assets of the Funds to claims by such portfolio company, its security holders and its creditors. While the Investment Adviser intends to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

The Investment Adviser will seek to avoid material conflicts of interest between its own interests on the one hand, and the interests of its Funds on the other. However, as is typical with private equity investing, the Investment Adviser seeks and accepts the election of one or more of the Investment Adviser's representatives to serve on the board of directors on behalf of its Funds and will typically, but not always, vote in favor of board recommendations. In situations where the Investment Adviser is required to vote the proxy for a company in which members of the Investment Adviser's team serve on the board of directors, the Investment Adviser has determined that this does not inherently present a conflict of interest, as the sole purpose of this representation is to maximize the return on the Funds' investment in such portfolio company. Accordingly, while the Investment Adviser is generally, but not automatically, fully supportive of recommendations made by a portfolio company's board of directors with respect to proxy votes related to that issuer, it will review all proxies in accordance with its proxy voting guidelines and may or may not vote in favor of the board's recommendation.

Clients may obtain a copy of the Investment Adviser's Proxy voting policies and its Proxy voting record upon request.

ITEM 18
Financial Information

The Investment Adviser is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.