

Item 1: Cover Page



Part 2A of Form ADV

The Brochure

March 28, 2024

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This brochure provides information about the qualifications and business practices of Braidwell LP ("***Braidwell***"). If you have any questions about the contents of this brochure, please contact Braidwell at (866) 453-3929. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Any reference to Braidwell as a "registered investment adviser" or as being "registered," does not imply a certain level of skill or training.

Item 2: Material Changes

There have been no material changes made to this brochure since the last version was filed.

Certain non-material changes were also made to this brochure. Consequently, we encourage you to read the brochure in its entirety.

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Item 4: Advisory Business

Braidwell is a Delaware limited partnership that launched its business in 2021. Alex Karnal and Brian Kreiter (the “**Co-Founders**”), as managing members and principal owners of Braidwell’s general partner, Braidwell Management LLC, control Braidwell. Braidwell is owned by the Co-Founders (personally or through estate planning and other vehicles established by or on behalf of any of them and their families). The activities of Braidwell are led by the Co-Founders together with other professionals who assist in executing Braidwell’s strategies on behalf of clients (such professionals, together with the Co-Founders, “**Braidwell Personnel**”).

Braidwell provides discretionary investment advice to pooled investment vehicles (collectively, the “**Funds**”). The Funds are managed in accordance with their own investment objectives, as described in their respective offering documents and governing agreements (together, the “**Governing Documents**”). The Funds are generally organized as “master-feeder” fund structures with multiple feeder funds, master funds, and intermediate blocker entities. Braidwell GP LLC, a Delaware limited liability company, serves as the general partner or managing member of the Funds, (the “**General Partner**”). The General Partner is an affiliate of Braidwell and is also controlled by the Co-Founders.

Braidwell was formed with the goal of investing in opportunities in the biological revolution to transform human health. Braidwell’s philosophy is based on the belief that intrinsic strength results when multiple components join together to form a greater whole. Braidwell seeks to employ a team of experts from varied backgrounds that will imaginatively blend diverse perspectives, integrate disparate strands of information and structure flexible, creative capital allocations – all to identify, pursue and accelerate what Braidwell believes to be most promising medical advancements. The Funds’ portfolios are primarily composed of investment opportunities in biotechnology, pharmaceuticals, medical devices, diagnostics and other healthcare-related products and businesses.

Braidwell has full investment discretion in investing on behalf of the Funds and is not required to seek approval from the Funds or the investors in the Funds with respect to the Funds’ investing.

As of the close of business on December 31, 2023, Braidwell advised approximately \$4,902,200,000 in regulatory assets under management on a discretionary basis. Braidwell does not manage assets on a non-discretionary basis.

Item 5: Fees and Compensation

Fees

Braidwell and/or the General Partner, as applicable, will generally receive asset-based management fees (the “**Management Fee**”) and an annual performance allocation (described in Item 6, below) (the “**Performance Allocation**”). The fees and allocations applicable to each Fund are disclosed in the Fund’s Governing Documents.

Management Fees will generally be paid quarterly in advance. In any partial calendar quarter, the Management Fee will be appropriately pro-rated for the applicable partial period. The Management Fee will be calculated prior to the accrual of any Performance Allocation.

Braidwell’s fee schedule is omitted because this brochure is only being delivered to qualified purchasers as defined in the Investment Company Act of 1940, as amended.

Transaction Fees

The Funds each bear transaction fees and costs in connection with investing and trading, including brokerage commissions (including options and futures trades), outsourced trading fees, spreads, markups on securities, swaps and forwards, short borrowings and dividends, currency and other hedging costs, interest expenses in respect of margin accounts, repurchase agreements, derivatives and other financing expenses and other similar costs and expenses. The feeder funds, as an investor in master funds, generally bear their pro rata share of these costs and expenses. To the extent investment activities occur at the feeder fund level, the feeder fund will bear such costs and expenses directly. Please see Item 12 for a more detailed description of Braidwell’s brokerage practices.

Expenses

In addition to compensation payable to Braidwell and the transaction fees described above, each Fund will typically bear its pro rata share of the following types of expenses:

(i) fees payable to the administrator, legal, accounting, administrative, auditing, tax preparation and other professional expenses (including the fees and expenses of the General Partner acting in its capacity as partnership representative and the partnership representative of each of the master funds); (ii) the costs and expenses of any errors and omissions insurance, directors and officers liability insurance (including in respect of the members of the Fund Oversight Committee (defined below in Item 11)), professional liability or cyber-security insurance obtained on behalf of the Funds, the General Partner, Braidwell and the Fund Oversight Committee members, as applicable; (iii) any fees or expenses charged by proxy voting, class action recovery and monitoring, tax reclamation service providers or loan servicing services on behalf of the Funds or their investments; (iv) fees and expenses related to due diligence, research and market analysis, including research-related travel expenses (which in the case of air travel will be limited to the cost of commercial airfare) and the costs of materials to conduct research experiments, in each case, incurred with respect to potential or existing investments (whether or not consummated), which include data subscription and

license-based services, including third-party research, expert networks and similar providers; (v) expenses incurred in connection with the evaluating, sourcing, structuring, financing, originating, acquiring, disposing, operating, holding, monitoring, loan servicing, carrying or valuing of any investment (whether or not consummated), including investment-related travel expenses, the costs and expenses of outside legal counsel, tax advisors, brokers, dealers, finders, asset managers, developers, joint venture partners, consultants, work-out specialists and any “broken deal expenses” and reverse breakup and termination fees; (vi) expenses incurred in connection with the use of any valuation services (including third-party valuation agents) and valuation software or other technology to enhance the valuation process relating to investments; (vii) all expenses related to Bloomberg, FactSet or other data providers and pricing services, as well as expenses related to news, quotations, modeling, statistics and market data; (viii) all expenses related to data sets and data warehouses; (ix) all expenses related to order management systems, portfolio management systems, expenses relating to middle-office services or back-office support services provided by the administrator or another party and related expenses, risk management systems, and other technologies and analytical services and equipment used in the investment management process or for communications with the administrator and the applicable feeder fund’s custodian (including hardware, software, communications and data), including service provider fees and expenses relating to the implementation of such systems and ongoing maintenance costs; (x) taxes imposed on the Funds as determined by the General Partner in its sole discretion, filing fees and expenses, custodial fees and expenses and bank services fees; (xi) the costs of printing and distributing periodic and annual reports and statements and other communications; (xii) expenses of the continuous offering of interests in the applicable feeder fund and interests in the other feeder funds, including investor related travel expenses (which in the case of air travel will be limited to the cost of commercial airfare) and associated costs, the cost of updating, producing and distributing offering memoranda and other client materials; (xiii) expenses relating to any amendment to the operating agreements of the Funds and the solicitation of any investor consents; (xiv) regulatory and compliance expenses directly related to the Funds (including the Funds’ reasonable share of third-party expenses incurred by Braidwell or the Funds in connection with its reporting obligations directly related to the Funds such as Section 13 or Section 16 filings, Form 13F, Form 13H, Form PF, Foreign Account Tax Compliance Act filings and any other similar filing in any other U.S. or non-U.S. jurisdiction) and the fees and expenses of anti-money laundering officers of the Funds; (xv) regulatory and other expenses relating to the placement of interests in the applicable feeder fund and interests in the other feeder funds in specific jurisdictions; (xvi) all expenses incurred in connection with responding to requests or inquiries from any U.S. federal, state, local or non-U.S. governmental entity or authority, regulatory body or self-regulatory organization relating to the Funds’ activities; (xvii) expenses incurred in connection with co-investments (including, co-investments that are not consummated, as well as “broken deal” expenses associated with such co-investments), including expenses incurred in connection with the raising and putting in place co-investment vehicles where desirable for acquiring an investment and expenses incurred in connection with any restructuring or liquidation of such

co-investment vehicles to the extent not borne by the applicable co-investors; (xviii) the operational expenses of any blocker entities or acquisition entities utilized, directly or indirectly, by the feeder funds and the organizational expenses of any such entities formed after the applicable feeder fund's launch; (xix) fees and expenses related to the Fund Oversight Committee (including any legal or indemnification expenses and any costs and expenses relating to the provision of board support services for meetings of the Fund Oversight Committee); (xx) all expenses associated with the liquidation and winding-up of the Funds, including the formation and operation of any liquidating trusts or accounts; and (xxi) any other expenses related to the operations of the Funds.

For Funds that are feeder funds in a master-feeder structure, each Fund bears a pro rata share of the expenses of the entire master-feeder fund structure, including the master fund and other related feeder funds, subject to Braidwell's discretion to allocate specific expenses to the Fund or another feeder fund or a specific investor if it deems it fair and equitable to the Fund, the other feeder funds and the investors therein.

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

Performance-Based Fees

The General Partner could receive substantial Performance Allocations with respect to each Fund if the Fund generates net capital appreciation for investors (subject to loss carryforwards). Generally, Performance Allocations are crystallized and allocated as of the end of each fiscal year and under certain circumstances (e.g., upon withdrawal) as set forth in the Governing Documents. Please refer to the relevant Fund's Governing Documents for a more detailed description of Performance Allocation.

The fact that the General Partner is eligible to receive annual Performance Allocations could create an incentive on the part of Braidwell to make riskier or more speculative investments to generate profits than would be the case if the General Partner were not receiving any performance-based compensation. Certain client accounts that may be managed by Braidwell in the future may not be subject to Performance Allocations or other performance compensation (or may be subject to lower performance compensation relative to other accounts or Funds), which may create an incentive for Braidwell to manage Funds with higher performance compensation in a more speculative manner than such other client accounts.

Certain Conflicts Attendant to Side-by-Side Management

Managing multiple Funds can create actual or potential conflicts of interest for Braidwell in respect of the allocation of investment opportunities, competition for trades and allocating expenses. These conflicts may be exacerbated in situations where Braidwell (the General Partner or other affiliate) is entitled to higher fees or performance compensation from certain of its clients than from other clients, where certain accounts may have certain strategic or large investors that are important to Braidwell's overall business or where there are differences in investments by Braidwell (including by a principal, member, partner, shareholder, manager, director, officer, employee, or agent of the General Partner or any such affiliate) (the "***Braidwell Parties***") among the accounts. The results of a Fund's activities may differ significantly from the results achieved by Braidwell on behalf of any other Fund or account. Braidwell has implemented policies and procedures, including trade allocation policies, designed to manage such conflicts.

Item 7: Types of Clients

Braidwell provides investment advisory services to the Funds. Investment advice is provided directly to the Funds and not individually to the investors. Investors in the Funds may include, but are not limited to, high net worth individuals, family offices, fund of hedge funds, endowments, foundations, trusts, charitable organizations, insurance companies, pension plans, sovereign wealth funds and corporate or business entities.

Details concerning applicable investor suitability criteria and minimum investment are set forth in the respective Fund Governing Documents and subscription materials. The General Partner maintains discretion to accept less than the minimum investment threshold specified in such documents.

Certain of the Funds admit only investors that are “accredited investors” within the meaning set forth in Regulation D under the Securities Act of 1933 and “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act. Certain other Funds require investors to meet certain suitability qualifications, such as being both (A) “accredited investors” under SEC Regulation D of the Securities Act of 1933 and (B) “qualified purchasers,” as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended. It is anticipated that any future pooled investment vehicle managed by Braidwell will have similar eligibility standards as the Funds.

Agreements with Investors

Braidwell, the General Partner and the Funds generally do not intend to enter into any side letters or similar agreements (“***Side Letters***”) with any investor that grant more favorable fee, allocation, liquidity or transparency terms with respect to a Fund than those set forth in the applicable Fund’s then current private placement memoranda. However, Braidwell, the General Partner and the Funds have entered into Side Letters to address specific legal, regulatory or policy limitations, requirements or obligations applicable to certain investors. Notwithstanding the foregoing, each of the Funds, Braidwell and the General Partner is permitted to enter into Side Letters in certain circumstances subject to the Fund Oversight Committee’s review and confirmation, when applicable. No such agreement will necessarily entitle any other investor to the same terms of investment unless otherwise required by applicable law.

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

Investment Strategy

Each of the Fund's portfolios are primarily composed of investment opportunities in biotechnology, pharmaceuticals, medical devices, diagnostics and other healthcare-related products and businesses. Braidwell seeks optimal entry and exit points in its investments, effectuated by investing in companies across all stages of development, at all parts of the capital structure, and across public, private and structured capital markets.

The Funds can take long or short positions in respect of its investments and such investments may be expressed through a variety of instruments in addition to publicly traded equities and debt instruments, including but not limited to derivatives, loans, convertible debt, warrants, restricted stock, private debt, structured debt, growth equity, venture investments, royalty interests, milestones payments, or government credits (such as U.S. Food and Drug Administration (the "**FDA**") priority review vouchers).

Certain Risks

Braidwell clients are private investment funds. Acquiring an interest in a private investment fund involves a number of risks, including complete loss of investment. Such investments are speculative and not intended as a complete investment program. They are designed for sophisticated investors who fully understand and are capable of bearing the risk of loss of their investment.

The investment strategies the Funds employ entail substantial risks, including, but not limited to, those listed below. Further risk factors are listed in the confidential private placement memoranda of the Funds.

Risks Related to the Healthcare Industry

Healthcare Industry Risk Generally. A fund that focuses its investments in specific industries or sectors is more susceptible to developments affecting those industries and sectors than a more broadly diversified fund. Because the Funds invest primarily in healthcare-related opportunities (including investments in the life sciences and related industries), the Funds may perform poorly during a downturn in the healthcare, life sciences and related industries. Companies in the healthcare, life sciences and related industries can be adversely affected by, among other things, legislative or regulatory changes, government enforcement activity (including lawsuits initiated by whistleblowers), competitive challenges, government approval of products and services, coverage of and/or reimbursement for products and services by third-party payors (including, for example, government healthcare programs), consumer demand for products and services and product obsolescence.

The securities of companies in the healthcare and life sciences sectors, especially those of smaller, research-oriented companies, tend to be more volatile than the overall market with significant price fluctuations that are often unrelated to the operating performance of

particular companies. The success of investments in the healthcare and life sciences sectors is often based upon expectations about future products, research progress and/or new product filings, clearances, approvals and/or licenses from regulatory authorities and adequate coverage and reimbursement by third-party payors (including, for example, government healthcare programs). In addition, a number of these companies may have limited operating histories. As a result, these companies may face undeveloped or limited markets, have limited products, have no revenue or profit-making history, operate at a loss, have limited access to capital and/or be in the developmental stages of their business.

Furthermore, certain sectors of the healthcare industry, such as the life sciences sector, are dominated by large multi-national corporations with substantially greater financing and technical resources than generally will be available to certain of the companies in which the Funds invest. Such large corporations may be better able to adapt to the challenges presented by continuing rapid and major scientific, regulatory and technological changes as well as related changes in governmental and third-party coverage and reimbursement policies. See “—*Substantial Competition in the Healthcare Industry*” below. Certain of the companies in which the Funds invest may be at least partially, and in some cases, predominantly, dependent for their success upon governmental and private third-party coverage and reimbursement policies that are under frequent review and are subject to change at any time. Any such change could adversely affect the viability of one or more companies in which the Funds invest. Further, many healthcare- and life sciences-related companies offer products and services that are subject to governmental regulation and may be adversely affected by changes in governmental policies or laws or government enforcement activity (including lawsuits initiated by whistleblowers).

Government Regulation of the Healthcare Industry. There is extensive government regulation of companies in the healthcare industry, and compliance is costly and time-consuming. Drugs, biological products and medical devices authorized for commercial marketing are subject to extensive regulation and enforcement by federal and state governments that may constrain companies’ financial arrangements and relationships through which they research, develop, sell, market and distribute products or provide services. In the United States, the FDA is responsible for the approval of new drugs, the licensure of biological products, and the clearance or approval of medical devices, under the Federal Food, Drug, and Cosmetic Act, the Public Health Service Act and implementing regulations. The FDA also regulates, and in some cases must grant prior approval for, clinical use in human subjects of investigational new drugs and devices. The process of obtaining marketing authorization for products from the FDA is typically costly and time consuming for pharmaceutical, biotechnology and medical device companies, and the success of certain of the Funds’ investments may be dependent upon obtaining such government approvals, licenses or clearances. See also “—*Unanticipated Delays and Uncertainty of Product Development*”.

At the federal level, the FDA regulates the manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record-keeping, conduct of post-marketing studies, tracking

and tracing, serialization, postmarket medical device and adverse event reporting, and submission of safety, purity, potency, efficacy and other post-market information. In addition, drugs, biologics and medical devices are also subject to regulation by other national, federal and state governmental entities.

Some of the healthcare laws and regulations to which companies operating in the healthcare and life sciences sectors may be subject include, for example: the federal Anti-Kickback Statute, the federal Stark law, the federal civil and criminal false claims laws, including the False Claims Act, the federal civil monetary penalties laws, the federal Physician Payments Sunshine Act and Medicare and Medicaid statutes. In addition to the foregoing federal laws and regulations, companies operating in the healthcare and life sciences sectors may also be subject to state laws and regulations, such as analogous state anti-kickback and false claims laws, which may apply with respect to healthcare items or services reimbursed by non-governmental third party-payors and may be broader than their federal equivalents; state laws requiring pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and/or the relevant compliance guidance promulgated by the federal government or otherwise restricting payments that may be made to healthcare providers; state laws and regulations requiring drug manufacturer disclosures to state agencies and/or commercial purchasers with respect to certain price increases and restricting such manufacturers' marketing practices or requiring disclosure of marketing expenditures and pricing information; state and local laws requiring registration of pharmaceutical sales representatives; and state laws and regulations governing healthcare professional fee splitting, the corporate practice of medicine and healthcare professional and facility licensure.

If the FDA or other governmental authorities with jurisdiction were to conclude that a company in which the Funds invest is not in compliance with applicable laws or regulations, the FDA or such other authority could impose restrictions or warnings on the labeling, marketing, distribution, or use of a product, require that a sponsor conduct additional post-marketing studies or clinical trials, issue warning or untitled letters, suspend or withdraw marketing clearances, approvals or licenses, refuse to approve, clear or license any pending notifications, applications or supplements, suspend any ongoing clinical trials, institute proceedings to detain or seize such company's products, request or require withdrawal of products from the market, issue a recall, impose operating restrictions on products, manufacturers or the manufacturing process, enjoin future violations, assess civil penalties, seek restitution or disgorgement of profits or revenues and pursue criminal prosecution. Both the FDA and other regulators have become increasingly stringent and companies in the healthcare industry may be subject to more rigorous regulation in the future.

Affordable Care Act and Other Health Reform Risks. In March 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act (collectively known as the "**ACA**") became federal law in the United States. This law substantially changed the way healthcare is financed by both governmental and private third-party payors, and significantly affected the healthcare industry. The ACA included provisions that, among other

things, changed numerous aspects of the federal healthcare programs, reduced and/or limited Medicare reimbursement to healthcare providers, required all individuals to have health insurance (with limited exceptions) and imposed new and/or increased taxes.

There is substantial uncertainty regarding the ACA's future in light of ongoing judicial challenges and legislative amendments. Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. Future federal healthcare reform measures have been proposed and will likely be adopted, in some form, in the future. Congress and the current Biden Administration have advocated for potential healthcare reforms with a purported focus on reducing prescription drug prices. Moreover, certain elected U.S. officials have proposed and are advocating for broader reform measures that would expand the role of government in providing healthcare coverage, including, for example, proposals for a single-payer system commonly referred to as "Medicare for All".

It is difficult to predict the impact of the ACA and any further healthcare reform measures on the Funds and the healthcare-related industries in which it invests. Certain of these proposals, if enacted, could have far-reaching implications for the healthcare-related industries and the companies in which the Funds invest, including without limitation placing downward pressure on prices and potentially reducing revenues. Moreover, even if broader healthcare reform legislation is not enacted in the near term, continued advocacy for an expanded government role in healthcare, and continued introduction of legislation promoting such changes by members of Congress could result in increasing uncertainty regarding the future direction of the healthcare and life sciences industries, which uncertainty could itself have material adverse effects on companies in which the Funds invest and, thereby, the Funds.

Various healthcare reform proposals have also emerged at the state level. Braidwell cannot predict the impact that these federal and state healthcare reforms will have on the Funds or the companies in which the Funds invest. The ACA and other reforms may lower reimbursements for the products approved for sale in the United States, reduce medical procedure volumes relating to such approved products, impact demand for such products or the prices at which such products may be sold, which could have a material adverse effect on a company's business, financial condition and results of operations, which may, in turn, negatively impact the Funds' returns.

Technological Obsolescence. Certain healthcare and medical technology related businesses are characterized by single product focus and rapidly changing technologies. Success in a business with a single product focus is particularly sensitive to technological changes and the development of alternative competing products. These changes and developments may render existing products and technologies obsolete or less effective compared with newly introduced products and technologies.

Unanticipated Delays and Uncertainty of Product Development. Unanticipated problems may arise in connection with the development of new products or technologies, and many of such efforts could ultimately be unsuccessful. In the United States, the FDA's clearance, licensure and approval processes are inherently unpredictable and in many cases the success or failure of the companies in which the Funds invest will depend on the outcome of these processes. The process for obtaining marketing authorization typically takes many years and is extremely expensive and uncertain.

In addition, as part of the process for obtaining marketing authorization, companies may need to conduct *in vitro* and *in vivo* preclinical studies involving animals, and may need to obtain FDA approval for, and conduct, clinical trials involving humans. Clinical trials may require submission, and FDA approval, of an investigational new drug application or an investigational device exemption prior to commencement of any clinical trials. In addition, clinical trials are subject to continuing oversight, including by the FDA, institutional review boards and data safety monitoring boards. At any time, the FDA may place a clinical trial on partial or full clinical hold if, among other things, it believes that a clinical trial either is not being conducted in accordance with FDA requirements or presents an unacceptable and significant risk to clinical trial patients, including as a result of a serious adverse event, concerns with a class of product candidates or after an inspection of our clinical trial operations, trial sites or manufacturing facilities. Even if results from preclinical studies are favorable, the results in clinical trials on humans may differ, and results from initial clinical trials may not reflect those obtained in later stage trials. Preclinical studies and clinical trials are costly and lengthy and the results of these studies and trials are highly uncertain.

Often, the success or failure of a company in which the Funds invest will be “binary”—dependent on the authorization of such company's single major product. There can be no assurance that any such product will be approved, cleared or licensed for marketing by the FDA or any other U.S. or non-U.S. regulatory agency. Delays in commercializing products may therefore result in the need to seek additional capital, potentially diluting the interests of investors. Further, competition to such product may develop from other new and existing products. These various factors may result in abrupt advances and declines in the securities prices and/or valuation of particular companies in the healthcare industry and, in some cases, may have a broad effect on the prices of securities of companies in particular segments of the healthcare industry generally.

Substantial Competition in the Healthcare Industry. Intense competition exists in the healthcare and life sciences industries, which is characterized by rigorous development efforts, rapidly advancing technology and efforts to control costs. In addition, the healthcare and life sciences industries have been consolidating and, as a result, transactions with customers are larger, more complex and tend to involve more long-term contracts. The enhanced purchasing power of these larger customers may increase downward pressure on product pricing. Many purchasers of healthcare-related products have combined to form group purchasing organizations (“**GPOs**”). GPOs negotiate pricing arrangements with medical

supply manufacturers, distributors and other vendors on behalf of healthcare providers and/or other entities that have authorized the GPO to act as a purchasing agent on their behalf. If a company in which the Funds invest is not one of the manufacturers, distributors or other vendors selected by a GPO, such company may be precluded from making sales to members of the GPO. Even if a company in which the Funds invest is one of the GPO's selected vendors, it may be at a disadvantage relative to other selected vendors that are able to offer greater discounts on their healthcare-related products. Similar arrangements exist between pharmaceutical manufacturers and third-party payors that often use pharmacy benefit managers to act on their behalf to negotiate lower drug prices with manufacturers and manage drug formularies. Drug products that are not included on a payor's formulary or are disadvantaged through formulary restrictions not otherwise applicable to competing drug products may experience reduced utilization and market acceptance. Healthcare companies providing services also face efforts by third-party payors to contain healthcare costs, including through limitations on coverage and reimbursement for services and use of cost-sharing and other insurance benefit designs to incentivize enrollees to remain in the payor's preferred provider network, for example. There likely will be many companies in the healthcare and life sciences industries that will have substantially greater capital and research and development, manufacturing, marketing and human resource capabilities than the companies in which the Funds invest.

Dependence on Patents and Proprietary Rights. Some companies in the healthcare industry are highly dependent on the strength of patents or other proprietary intellectual property for maintenance of revenues and market share. The complex nature of the technologies involved can lead to patent disputes, including litigation that could result in a company losing an exclusive right to a patent. Patent litigation could result in substantial cost and diversion of effort. In addition, competitors may be able to design around a company's technology or develop competing technologies. Intellectual property rights may also be unavailable or limited in some foreign countries.

In many cases, a Fund's ability to realize a positive increase in the value of an investment, or to realize any royalty payments in respect thereof, depends on obtaining and maintaining patent and trade secret protection of certain products, their use and the methods used to manufacture them, as well as successfully defending those intellectual property rights against third-party challenges. The degree of future protection to be afforded to such products is uncertain because legal means afford only limited protection and may not adequately protect a company's rights or permit them to obtain or maintain their competitive advantages. It is difficult and costly to protect proprietary rights, and there can be no assurance that any issued patents will provide sufficient protection to allow certain companies in which the Funds invest to conduct their businesses in the ordinary course. Such companies may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights related to their assets and may be unable to protect their rights to, or commercialize, the applicable assets. Moreover, there can be no assurance that such

companies will remain free from intellectual property infringement claims by third parties. If a third party claims that a company is infringing such third party's intellectual property rights, that third party may obtain a court injunction to prevent the company from engaging in its business in the ordinary course, which would adversely affect the Funds. The success of the Funds' investments will also depend on the preservation of trade secrets, which are not protected by patents and are instead subject to relevant confidentiality agreements with third parties such as collaborative partners, licensors, employees and consultants. Disclosure of trade secrets or other confidentiality information in violation of any such agreement could adversely affect the relevant company and the Funds.

Liability Exposure to Product Liability and Other Claims. Some companies in which the Funds invest are exposed to potential liability risks that are inherent in the testing, manufacturing, marketing and sale of medical devices, including exposure to product liability claims. Drugs, medical technologies and devices are often used in seriously ill patients, surgical and intensive care settings or are designed to be implanted in the human body for long periods of time. Such companies could be subject to product liability suits alleging that component failures, manufacturing flaws, design defects or inadequate disclosure of product-related risks or information could result in an unsafe condition or injury to patients. Insurance coverage for product liability claims is expensive and difficult to obtain, and any liability claim, regardless of its ultimate outcome, may have a material adverse effect on the business or financial condition of the companies in which the Funds invest.

Third-Party Coverage and Reimbursement. The ability of certain companies in the healthcare and life sciences industries to commercialize certain of their products and product candidates and/or provide healthcare services depends, in part, upon the availability of reimbursement from third-party payors, such as federal and state government healthcare programs, private health insurers, managed care organizations and other payors. Decisions regarding the extent of coverage and amount of reimbursement to be provided are made on a payor-by-payor basis. Private third-party payors often rely upon Medicare coverage policy and payment limitations in setting reimbursement policies, but also have their own methods and approval processes apart from Medicare coverage and reimbursement determinations. However, one payor's determination to provide coverage for a product or service does not assure that other payors will also provide coverage and reimbursement. Payors consider a number of factors when determining whether to cover a new product or service, including, for example, whether the product or service is a covered benefit under its health plan; safe, effective and medically necessary; appropriate for the specific patient; cost-effective; and neither experimental nor investigational. Third-party payors may also limit coverage to specific products on an approved list, or formulary, which might not include all of the FDA-approved products for a particular indication. Moreover, a payor's decision to provide coverage for a product or service does not imply that an adequate reimbursement rate will be approved. The process for determining whether a payor will provide coverage for a product or service may be separate from the process for setting the reimbursement rate that the payor will pay

for the product or service. Government and other third-party payors increasingly attempt to contain costs by limiting both coverage and level of reimbursement for certain products and services. If government and third-party payors do not provide adequate coverage and reimbursement levels for certain products and services, the market acceptance of those products and services may be drastically limited, with such limitation resulting in harm to the companies' businesses. For example, inadequate third-party reimbursement for any product or service or a decision by a third-party payor not to cover a product or service could reduce provider usage and patient demand and have a material adverse effect on a healthcare or life sciences company's revenue. Moreover, as a condition of participating in, and having their products covered under, certain federal healthcare programs, such as Medicare and Medicaid, pharmaceutical manufacturers may become subject to federal laws and regulations that require them to calculate and report certain pricing metrics to the government, such as Medicaid, including the Average Manufacturer Price and Best Price under the Medical Drug Rebate Program, the Medicare Average Sales Price, the 340B Ceiling Price and Non-Federal AMP reported to the Department of Veterans Affairs, and with respect to Medicaid, pay statutory rebates on utilization of the manufacturer's products by Medicaid beneficiaries. Compliance with these laws and regulations requires significant resources and could have a material adverse effect on such companies' revenues.

Reliance on Scientific Reporting. The investment strategy implemented by the Funds relies on the scientific information made available by issuers in which the Funds invest and such issuers' trustees or managers. Such information may influence Braidwell's conclusions as to which of its investments are or are not unattractive. Braidwell has no ability to independently verify the scientific information disseminated by these third parties and is dependent upon the integrity of both the management of these third parties. Recent events have demonstrated the material losses that investors such as the Funds can incur as a result of scientific deceptions.

Risks Relating to the Funds' Strategies

Long/Short Investing. The success of the long/short investment strategy that certain Funds pursue depends upon Braidwell's ability to identify and take long positions in respect of securities that are undervalued and identify and take short positions in respect of positions that are overvalued. The identification of investment opportunities in the implementation of a long/short investment strategy is subject to uncertainties, and there can be no assurances that such opportunities will be successfully identified and implemented. If a Fund's positions fail to converge toward, or were to diverge further from values expected by Braidwell, such Fund will likely incur losses.

Fundamental Analysis. Certain investment decisions made by Braidwell will be based on fundamental analysis conducted by Braidwell's personnel. Information on which fundamental analysis relies may be inaccurate or may be generally available to other market participants. If any such data is inaccurate or other market participants have developed, investment ideas

similar to Braidwell's, Funds' performance may be negatively impacted. Fundamental market information is subject to interpretation. To the extent that Braidwell incorrectly interprets fundamental market information, Fund investment positions may incur losses.

Investments in Undervalued Securities. The Funds invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunity will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from a Fund's investments may not adequately compensate for the business and financial risks assumed. The Funds may make certain speculative investments in securities which Braidwell believes to be undervalued; however, there are no assurances that the securities purchased will in fact be undervalued. In addition, the Funds may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of such Fund's funds would be committed to the securities purchased, thus possibly preventing the Fund from investing in other opportunities.

Risk of Natural Disasters, Epidemics and Terrorist Attacks. Countries and regions in which the Funds invest, where potential investigational, approved, licensed, or cleared products are manufactured, stored, used, distributed, studied in preclinical or clinical studies, or commercially marketed by companies in which the Funds invest are located or operate, where Braidwell has offices or where the Funds or Braidwell otherwise do business are susceptible to natural disasters (e.g., fire, flood, earthquake, storm and hurricane), epidemics/pandemics (including the COVID-19 pandemic) or other outbreaks of serious contagious diseases. The occurrence of a natural disaster or epidemic/pandemic could, directly or indirectly, adversely affect and severely depress consumer demand, reduce economic output and disrupt travel, business operations, and economies and financial markets of many countries (even beyond the site of the natural disaster or epidemic/pandemic) and could adversely affect the Funds' investment program or Braidwell's ability to do business. In addition, terrorist attacks, or the fear of or the precautions taken in anticipation of such attacks, could, directly or indirectly, materially and adversely affect certain industries in which the Funds invest or could affect the countries and regions in which the Funds invest, where Braidwell has offices or where the Funds or Braidwell otherwise do business. Other acts of war (e.g., war, invasion, acts of foreign enemies, hostilities and insurrection, regardless of whether war is declared) and political turmoil could also have a material adverse impact on the financial condition of industries or countries in which the Funds invest.

Event Driven Investing. The Funds may make investments in issuers involved in, or the target of acquisition attempts or tender offers or issuers involved in work outs, liquidations, spin-offs, reorganizations, asset sales, changes in control, distributions, bankruptcies and similar transactions. The Funds may make certain investments in anticipation of such events. In any investment opportunity involving any such type of business enterprise, there exists the risk

that the transaction in which such business enterprise is involved either will be unsuccessful, will take considerable time, or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Funds of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Funds may be required to sell their investment at a loss.

Event driven investing requires the investor to make predictions about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of an issuer's financial instruments. If the event fails to occur or it does not have the effect foreseen, losses can result. For example, the adoption of new business strategies or completion of asset dispositions or debt reduction programs by an issuer may not be valued as highly by the market as Braidwell had anticipated, resulting in losses. In addition, an issuer may announce a plan of restructuring which promises to enhance value, but fail to implement it, which can result in losses to investors. In liquidations and other forms of corporate reorganization, the risk exists that the reorganization either will be unsuccessful, will be delayed or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to the Funds of the security in respect of which such distribution was made. The consummation of mergers and tender and exchange offers can be prevented or delayed by a variety of factors, including: (i) opposition of the management or stockholders of the target company, which will often result in litigation to enjoin the proposed transaction; (ii) intervention of a U.S. federal or state or foreign regulatory agency; (iii) efforts by the target company to pursue a "defensive" strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) in the case of a merger, failure to obtain the necessary stockholder approvals; (v) market conditions resulting in material changes in securities prices; (vi) compliance with any applicable U.S. federal or state securities laws; and (vii) inability to obtain adequate financing.

Relative Value Strategy Risks. Certain Funds may pursue relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued. In the event that the perceived mispricings underlying a Fund's trading positions were to fail to converge toward, or were to diverge further from, Braidwell's expectations, such Fund may incur a loss. Even pure "riskless" arbitrage can result in significant losses if the arbitrage is not sustained (due, for example, to margin calls) until expiration, and the Funds will rarely engage in pure arbitrage as opposed to relative value trading (which is inherently a higher-risk strategy). In implementing "relative value" strategies, a Fund seeks to reduce exposure to the risk of overall market price movements (or "beta"), but is fully exposed to the risks of disruptions in historical price relationships, the restricted availability of credit and the obsolescence of its investment models.

Capital Structure Arbitrage. In certain circumstances, the execution of the Funds' investing strategy will involve the ability of Braidwell to identify and exploit the relationships between price movements in different securities and instruments within a company's or borrower's

capital structure (e.g., senior bank debt, second liens, debt securities and other obligations, senior and subordinated debt, preferred equity and common stock). Identification and exploitation of these opportunities involve uncertainty. In the event that the perceived pricing inefficiencies underlying a company's securities or instruments were to fail to materialize as expected by Braidwell, the Funds could incur a loss.

Directional Investments. Many of the positions that will be taken by the Funds will be designed to profit from forecasting absolute price movements in a particular instrument. Predicting future prices is inherently uncertain and the losses incurred, if the market moves against a position or sector, will often not be hedged. The speculative aspect of attempting to predict absolute price movements is generally perceived to exceed that involved in attempting to predict relative price fluctuations.

Minority Investments. A portion of the Funds' investments may represent minority stakes in privately held companies. In addition, during the process of exiting investments, a Fund is likely to hold minority equity stakes if portfolio holdings are taken public. As is the case with minority holdings in general, such minority stakes that the Funds may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. The Funds may also invest in companies for which the Funds have no right to appoint a director or otherwise exert significant influence. In such cases, the Funds will be reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds.

International Investing. Investing outside the United States involves political and economic considerations that create greater risks than investing in the United States. These risks include, among other things, greater risks of expropriation, confiscatory taxation, nationalization and general social, political and economic instability; the small relative size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion, restrictions on the repatriation of capital (possibly requiring government approval), imposition of withholding and other taxes and certain government policies that may restrict the Funds' investment opportunities. Other risks include: (i) less publicly available information; (ii) varying levels of governmental regulation and supervision; and (iii) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation and application of laws. Moreover, non-U.S. companies are generally not subject to uniform accounting, auditing and financial reporting disclosure standards, practices and requirements comparable to those applicable to United States companies.

Financing Arrangements; Availability of Credit. Any use of leverage by the Funds will depend on the availability of credit in order to finance their portfolios. There can be no assurance that a Fund will be able to maintain adequate financing arrangements under all market

circumstances. As a general matter, the banks and dealers that provide financing to a Fund can apply essentially discretionary margin, haircut, financing, security and collateral valuation policies. Changes by banks and dealers in such policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or governmental, regulatory or judicial action, may result in margin calls, loss of financing, forced liquidation of positions at disadvantageous prices, termination of swap and repurchase agreements and cross defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants at or about the same time. The imposition of such limitations or restrictions could compel the Funds to liquidate all or part of their portfolios at disadvantageous prices. The financing available to the Funds from banks, dealers and other counterparties is likely to be restricted in disrupted markets.

Multiple Rounds of Financing. Certain of the companies in which the Funds invest may be expected to require additional financing to satisfy their working capital requirements or growth strategies. The amount of such additional financing needed will depend upon the maturity and objectives of the particular company. Each round of financing (whether from a Fund or other investors) is typically intended to provide the relevant company with enough capital to reach the next major corporate milestone. If the funds provided are not sufficient, such company may have to raise additional capital at a price unfavorable to the existing investors, including the Funds. In addition, the Funds may make additional equity investments in order to preserve their proportionate ownership when a subsequent financing is planned, or to protect their investment when such company's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of the Funds or any company in which the Funds invest. If additional capital is needed by any such company, it may not be available on reasonable terms, or at all, which could negatively impact the Funds' investment.

Concentration; Lack of Diversification Requirements. The Funds invest primarily in healthcare-related opportunities (and potentially within a narrow sub-set of sub-industries within the healthcare-related industries) and will not be broadly diversified. Many of these companies are small, less-seasoned and not heavily capitalized, and their equity securities can tend to be more volatile than the overall stock market. As a result, events affecting these companies on an industry-wide basis, such as those described above under "*Risks Related to the Healthcare Industry*", will impact the value of the Funds' portfolios more than they would if such portfolio was not concentrated in a single industry. The Funds may, therefore, be subject to more volatility and a greater risk of loss than a more broadly diversified fund.

Board Appointments. The Funds have designated and may in the future designate personnel to serve on the board of directors of certain privately held companies as to which it obtains such rights. The designation of directors and other measures contemplated could expose the assets of the Funds to claims by a company in which the Funds invest, its security holders and its creditors. While Braidwell will try to minimize exposure to these risks, the possibility of

successful claims cannot be precluded. The Funds may be subject to certain restrictions with respect to transacting in securities of any such company to which it has designated a director.

Reliance on Experts. Braidwell engages and retains strategic advisors, consultants, senior advisors and other similar professionals, including members of “expert networks” who are not employees or affiliates of Braidwell and/or its affiliates and which may include former senior officials, and other high-profile political figures, including persons known to be close associates of such individuals. The nature of the relationship with each of these professionals and the amount of time devoted or required to be devoted by them may vary considerably. In certain cases, they may provide Braidwell with industry- or jurisdiction-specific insights and feedback on investment themes, assist in transaction due diligence, and make introductions to and provide reference checks on management teams. In other cases, they may take on more extensive roles and contribute to the origination of new investment opportunities. In certain instances, Braidwell may have formal arrangements with these professionals (which may or may not be terminable upon notice by any party), and in other cases the relationships may be more informal.

There can be no assurance that any of the consultants and/or other professionals will continue to serve in such roles and/or continue their arrangements with Braidwell throughout the terms of the Funds. Further, in the event that material non-public information is obtained by such persons, the Funds may become (or may elect to become) subject to trading restrictions pursuant to the internal trading policies of Braidwell or as a result of applicable law or regulations or be prohibited for a period of time from purchasing or selling financial instruments, which prohibition may have an adverse effect on the Funds. The Funds and Braidwell may also become subject to legal, regulatory, reputational and other unforeseen risks as a result of these professionals’ high-profile positions.

Model, Programming and Data Risk. Braidwell’s use of systematic healthcare data signals relies on models and data both developed by Braidwell and supplied by third parties. Models and data can potentially include errors, omissions, imperfections and malfunctions. Where incorrect or incomplete data is available, Braidwell may, and often will, continue to generate forecasts and make trading decisions based on the data available to it. Additionally, Braidwell may determine that certain available data, while potentially useful in generating forecasts and/or making trade decisions, is not cost effective to gather due to either the technology costs or third-party vendor costs and, in such cases, Braidwell will not utilize such data. investors should be aware that there is no guarantee that any specific data or type of data will be utilized in generating forecasts or making trading decisions with respect to the models, nor is there any guarantee that the data actually utilized in generating forecasts or making trading decisions underlying the models will be the most accurate data available or free of errors. investors should assume that the data set used in connection with the models is limited and should understand that the foregoing risks associated with gathering, cleaning, culling and analyzing large amounts of data are an inherent part of investing in data-driven strategies.

When models and data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon will expose the Funds to risks. For example, by relying on models and data, Braidwell may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favorable opportunities altogether.

Use of Alternative Data. The analysis and interpretation of alternative data involves a high degree of uncertainty and may entail significant expense which may be borne by the Funds. The use of alternative data involves an inherent risk that Braidwell may rely on data outputs that reflect faulty system logic or that are based on inaccurate or incomplete data inputs. Moreover, there has been increased scrutiny from a variety of regulators regarding the use of alternative data for investment purposes, and its use or misuse under current or future laws and regulations could create liability for Braidwell or the Funds in various jurisdictions. In addition, any future limitations on the use of alternative data could have an adverse impact on the performance of the Funds.

Cybersecurity Risk. Braidwell, its service providers, its counterparties and other market participants on whom Braidwell relies increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and/or their investors, despite the efforts of Braidwell, its service providers, its counterparties and other market participants on whom Braidwell relies to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and/or their investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of or prevent access to these systems of Braidwell, its service providers, its counterparties and other market participants on whom Braidwell relies or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of systems to disclose sensitive information in order to gain access to Braidwell's data or that of its investors. A successful penetration or circumvention of the security of Braidwell's systems or the systems of Braidwell's service providers, counterparties or other market participants on whom Braidwell relies could result in the loss or theft of an investor's data or funds, the inability to access electronic systems or data, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds, Braidwell, their service providers, their counterparties and other market participants on whom Braidwell relies to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. Similar types of operational and technology risks are also present for many companies in which the Funds will invest, which could have material adverse consequences for such investments, and may cause the Funds' investments to lose value.

Risks Relating to Instruments Traded

Equity Investments. The Funds' public and private equity investments may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions in regard to the size or operating experience of the companies in which the Funds may invest (and relatively small companies may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth and companies with new products or services could sustain significant losses if projected markets do not materialize). Equity prices are directly affected by issuer specific events, as well as general market conditions. Equity investments are subordinate to the claims of an issuer's creditors and, to the extent such securities are common securities, preferred stockholders. Dividends customarily paid to equity holders can be suspended or cancelled at any time. In addition, in many countries investing in common stocks is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments. For the foregoing reasons, investments in equity securities can be highly speculative and carry a substantial risk of loss of principal.

Investment in Small-Capitalization and Mid-Capitalization Securities. The pursuit of each Fund's investment strategy may result in a portion or all of each Fund's assets being invested in securities of small and mid-cap issuers. While in Braidwell's opinion the securities of a small- or mid-cap issuer may offer the potential for greater capital appreciation than investments in securities of large-cap issuers, securities of small and mid-cap issuers may also present greater risks. For example, some small and mid-cap issuers often have limited product lines, markets or financial resources. They may be subject to high volatility in revenues, expenses and earnings. They may be dependent for management on one or a few key persons, and can be more susceptible to losses and risks of bankruptcy. Their securities may be thinly traded (and therefore have to be sold at a discount from current market prices or sold in small lots over an extended period of time), may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger cap issuers. In addition, small and mid-cap issuers may not be well known to the investment public and may have only limited institutional ownership. The market prices of securities of small and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large-cap issuers. Transaction costs in securities of small and mid-cap issuers may be higher than in those of large-cap issuers.

Preferred Stock. Preferred stock generally has a preference as to dividends and upon the event of liquidation over an issuer's common stock, but it ranks junior to debt securities in an issuer's capital structure. Preferred stock generally pays dividends in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to

make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

Warrants. Warrants will enable the Funds to purchase a specified number of shares of an issuing corporation at a specified price during a specified period of time. Warrants involve the risk of a loss of the purchase value of the warrant if the right to subscribe to additional shares is not executed prior to the warrants' expiration. The effective price paid for the warrant, when added to the subscription price of the offered security, may in fact be in excess of the value of the offered security if there is no appreciation in such security. Furthermore, the Funds may be adversely affected in the event that the securities underlying such warrants decline in value.

Convertible Securities and Investments in Equity-Related Convertible Securities. The Funds may invest a portion of its capital in convertible securities and equity-related convertible securities. Convertible securities are equities, bonds, debentures, preferred stocks or other securities that may be converted into or exchanged for a specified fixed or variable amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is influenced principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity. A convertible security may be subject to redemption at the option of the issuer at a price

established in the convertible security's governing instrument. If a convertible security held by a Fund is called for redemption, such Fund will be required, depending on the terms of the security, to permit the issuer to redeem the security, convert it into the underlying common stock, or sell it to a third party. Any of these actions could have an adverse effect on such Fund's ability to meet its investment objective.

Fixed Income Investments. The value of the fixed income securities in which the Funds may invest changes both as general market conditions change and as the general levels of interest rates fluctuate. When interest rates decline, the value of a Fund's fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of such securities is generally expected to decline. Investments in lower rated or unrated fixed income securities in which the Funds may invest, while generally providing greater opportunity for gain and income than investments in higher rated securities, usually entail greater risk (including the possibility of default or bankruptcy of the issuers of such securities). Fixed income securities are generally not exchange traded and therefore, usually carry a higher level of liquidity and mark-to-market risk potential than most exchange-traded equity securities.

Corporate Debt Obligations. The Funds may invest a portion of its capital in bonds or other fixed income securities, including, without limitation, bonds, notes and debentures issued by corporations, limited partnerships and other similar entities. The Funds may also invest in debt securities issued or guaranteed by the U.S. government or a foreign government or one of its agencies or instrumentalities, commercial paper, and "higher yielding" (and, therefore, higher risk) debt securities of the former categories. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). A major economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

Structured Credit Products. The Funds may invest in complex structured credit products both as a hedge and as an outright risk position. These products may include first-to-default credit default swap baskets as well as tranching credit default swap basket trades, both bespoke and index. While such products can be effective risk taking and risk management tools, such products are generally very illiquid and pricing of such products may be more volatile than more traditional investment products.

Collateralized Loan Obligations. Any Fund investments in collateralized loan obligations ("CLOs") will be frequently subordinate in right of payment to other securities sold by the applicable CLO and may not be readily marketable. Depending upon the payment and default

rates on the collateral of the CLO, the Funds may incur substantial losses on its investments. CLO securities are generally illiquid and dealer marks and valuations provided may not represent prices where assets can actually be purchased or sold in the market from time to time. Accordingly, the mark-to-market value of CLOs may be volatile and the value of the interests could likewise be volatile. The value of CLO securities owned by a Fund generally will fluctuate with, among other things, the financial condition of the obligors or issuers of the underlying collateral, general economic conditions, the condition of certain financial markets, political events, developments or trends in the healthcare industry and changes in prevailing interest rates. Consequently, holders of CLO securities must rely solely on distributions on the collateral or proceeds thereof for payment in respect thereof. If distributions on the collateral are insufficient to make payments on the CLO securities, no other assets will be available for payment of the deficiency and following the realization of the CLO securities, the obligations of such issuer to pay such deficiency generally will be extinguished. Collateral will consist primarily of loans, but may consist of high-yield debt or other securities, which often are rated below investment grade (or of equivalent credit quality). High-yield debt securities generally are unsecured (and loans may be unsecured) and may be subordinated to certain other obligations of the issuer thereof. The lower ratings of high-yield securities and below investment grade loans reflect a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the related issuer or obligor to make payments of principal or interest.

Business Development Companies. The Funds may invest in business development companies (“*BDCs*”) sponsored by Braidwell. Investments in closed-end funds that elect to be treated as BDCs may be subject to a high degree of risk. BDCs typically invest in small and medium-sized private and certain public companies that may not have access to public equity markets for capital raising. As a result, a BDC’s portfolio will typically include a significant amount of securities purchased in private placements and its portfolio may carry risks similar to an investment in a private equity or venture capital fund. Securities that are not publicly registered may be difficult to value and may be difficult to sell at a price that reflects their intrinsic value. Some BDCs may invest substantially or exclusively in one sector and therefore carry risks of that particular sector or industry group. Investments in BDCs are subject to various risks, including management’s ability to meet the BDC’s investment objective and to manage the BDC’s portfolio when the underlying securities are redeemed or sold or during periods of market turmoil. BDC shares are not redeemable at the option of the BDC shareholder and, as with shares of other closed-end funds, may trade in the secondary market at a discount to their net asset value. BDCs generally qualify as “regulated investment companies” under the U.S. federal tax laws and, provided they distribute all of their income in the time and manner as required by applicable tax laws and satisfy certain diversification and source of income requirements, generally will not pay U.S. federal income taxes. The Funds will indirectly bear their proportionate share of any management and other operating expenses and any performance compensation charged by the BDCs in which they invest, in addition to the expenses paid by the Funds.

Investment Grade Debt. Investment grade debt securities are investment grade rated obligations that have credit ratings that are intended to reflect (but will not necessarily reflect) relatively less credit and liquidity risk than high-yield debt securities or mezzanine debt securities. Risks of investment grade debt securities may include (among others): (i) marketplace volatility resulting from changes in prevailing interest rates, (ii) the absence, in many instances, of collateral security, (iii) the operation of mandatory sinking fund or call/redemption provisions during periods of declining interest rates that could cause the Funds to reinvest premature redemption proceeds in lower-yielding debt obligations and (iv) the declining creditworthiness and the greater potential for insolvency of the issuer of such investment grade debt securities during periods of rising credit spreads and/or interest rates and/or economic downturn.

Mezzanine Debt Securities. Mezzanine debt securities are generally unrated or below investment grade rated investments that have greater credit and liquidity risk than more highly rated debt obligations. Mezzanine debt securities are typically issued in traditional private placements or in connection with acquisitions and other business combinations and have no trading market. Moreover, mezzanine debt securities are generally unsecured and subordinate to other obligations of the obligor and are subject to many of the same risks as those associated with high-yield debt securities. See “—*High-Yield Securities*” below. Adverse changes in the financial condition of the obligor of mezzanine debt securities or in general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings) or both may impair the ability of the obligor to make payment of principal and interest. Issuers of mezzanine debt securities may be highly leveraged, and their relatively high debt-to-equity ratios create increased risks that their operations might not generate sufficient cash flow to service their debt obligations.

Subordinated Securities. Investments in subordinated classes of fixed income investments involve greater credit risk of default than the senior classes of the issue or series. Many of the default-related risks of whole loans will be magnified in subordinated securities. Default risks may be further pronounced in the case of fixed income investments secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying assets. Certain subordinated securities (“**first loss securities**”) absorb all losses from default before any other class of securities is at risk. First loss securities generally are exposed to greater risk of loss if such securities have been issued with little or no credit enhancement or equity. Such securities therefore possess some of the attributes typically associated with equity investments.

High-Yield Securities. The Funds may invest in high-yield securities. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer’s inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such

securities are often highly leveraged and may not have available to them more traditional methods of financing. Major economic recessions could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

As with other investments, there may not be a liquid market for certain high-yield securities, which could result in a Fund being unable to sell such securities for an extended period of time, if at all. In addition, as with other types of investments, the market for high-yield securities has historically been subject to disruptions that have caused substantial volatility in the prices of such securities. Consolidation in the financial services industry has resulted in there being fewer market makers for high-yield securities, which may result in further risk of illiquidity and volatility with respect to high-yield securities, and this trend may continue in the future.

Distressed Investments. Investment in the securities and other instruments of issuers in weak financial condition (perhaps having a negative net worth), experiencing poor operating results, needing substantial capital investment, facing special competitive or product obsolescence problems, or involved in various stages of bankruptcy or reorganization proceedings involves a high degree of credit and market risk. Securities and other instruments of such issuers are typically more volatile and less liquid than securities or instruments of companies not experiencing such difficulties. Additionally, among the risks inherent in investments in financially troubled issuers is the fact that it is frequently difficult to obtain reliable information as to their true financial prospects. The market prices of distressed securities are subject to abrupt and erratic market movements and excessive price volatility, and the “bid-ask” spreads for such securities may be greater than normally expected.

If a company is in bankruptcy, bondholders’ and other creditors’ claims are subject to factors such as deterioration of collateral during a stay in bankruptcy, challenges and/or possible invalidation of security interests, and disallowance or subordination of claims, all of which may be difficult to predict. Failure to accurately assess these situations could have a detrimental effect on the Funds’ distressed investments. Investments of this type can result in significant or even total losses.

Private Debt Transactions. The Funds may invest in loans, make loans directly to creditors and engage in other types of private debt transactions. There are no restrictions on the credit quality of the Funds’ loan investments. Loans held by the Funds may have substantial vulnerability to default in payment of interest and/or principal. Certain of the loans the Funds may own may have large uncertainties or major risk exposures to adverse conditions and may be considered to be predominantly speculative. Generally, such loans offer a higher return potential than higher-quality loans, but involve greater risk of loss of income and principal.

The value of certain of these loans may also be more sensitive to changes in economic conditions than higher-quality loans.

Although any loans originated by a Fund will generally be collateralized, such Fund may be exposed to losses resulting from default and foreclosure. Therefore, the value of the underlying collateral, the creditworthiness of the borrower and the priority of the lien are of great importance to the Fund. A Fund cannot guarantee the adequacy of the protection of the Fund's interest in any loan, including the validity or enforceability of the loan or the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, claims may be asserted by other parties that might interfere with enforcement of the Fund's rights. In the event of a foreclosure, the Funds or an affiliate of the Funds may assume direct ownership of the underlying asset. The liquidation proceeds upon the sale of such asset may not satisfy the entire outstanding balance of principal and interest on the loan, resulting in a loss to the Fund. Any costs or delays in the effectuation of a foreclosure of the loan or a liquidation of the underlying collateral will further reduce the proceeds and thus increase the Fund's loss.

The Funds may also acquire interests in loans by way of sale, assignment or participation. While obligations in respect of such loans are often secured by designated collateral and subject to a set of restrictive covenants, certain credit agreements may contain only a limited set of covenants or otherwise have more limited protections for a lender. Certain loans may obligate a lender to make additional extensions of credit from time to time.

The Funds may acquire or participate in both performing and non-performing loans. Performing loans may become non-performing or impaired for a variety of reasons. Non-performing or impaired loans may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate and/or a substantial write-down of the principal of the loan. Loans may encounter trading delays due to their unique and customized nature, and transfers may require the consent of an agent bank and/or borrower. Risks associated with bank loans include the fact that prepayments may generally occur at any time without premium or penalty.

As a lender, the Funds may be exposed to certain lender liability risks under various legal theories. Lenders are also potentially subject to risks of fraudulent conveyance or avoidable preference or otherwise subject to the risk of equitable subordination based on actions of prior lenders. In addition, settlement of corporate loans may take an extended time period. In the case of a loan participation, the Fund will have only an indirect claim to the related loan and will assume not only the credit risk of the corporate borrower, but also the credit risk of the interposed financial intermediary.

Purchasers of loans are predominantly commercial banks, hedge funds, mutual funds and investment banks. As secondary market trading volumes increase, new loans are frequently adopting standardized documentation to facilitate loan trading which may improve market

liquidity. There can be no assurance, however, that future levels of supply and demand in loan trading will provide an adequate degree of liquidity or that the current level of liquidity will continue. Because of the provision to holders of such loans of confidential information relating to the borrower, the unique and customized nature of the loan agreement, and the private syndication of the loan, loans are not as easily purchased or sold as a publicly traded security, and historically the trading volume in the loan market has been small relative to, for instance, the high-yield debt market. Loans originated or held by the Funds may be sufficiently bespoke such that such loans may not benefit from the secondary markets.

Investment Illiquidity. The Funds may from time to time invest in restricted, as well as thinly traded, instruments and securities (including privately placed securities and instruments). There may be no trading market for these securities and instruments, and the Funds might only be able to liquidate these positions, if at all, at disadvantageous prices. As a result, the Funds may be required to hold such securities for a significant period of time even if there are adverse price movements.

Investing in Private Companies. The Funds may make equity or equity-related investments in private companies or make loans to private companies. With respect to such equity or equity-related investments, there generally will be limited or no marketability of such private company investments, and such private company investments may decline in value while the Fund is seeking to dispose of them. Furthermore, the Funds may find it necessary to sell such private company investments at a discount or to sell over extended periods of time when disposing of its portfolio securities. Consequently, private company investments generally will not be sold for a number of years and will remain relatively illiquid and difficult to value. The marketability and value of any such private company investments will depend upon many factors beyond the control of Braidwell.

The success of a Fund's equity investments in private companies depends on the Fund's ability to liquidate such investments—often only through a merger, acquisition, or IPO, and the likelihood of such transactions occurring may be materially affected by prevailing market conditions. The valuations of private companies in the past several years have been high due to, among other things, market demand, optimistic valuations and the supply of venture investment capital, including the availability of private capital at the stage of investment which the Funds seek to target, thereby increasing the difficulty of finding suitable companies and the risk of the loss of value over time should there be a market correction.

Even if a private company in which a Fund invests is ultimately successful, such success may only occur after a recapitalization of the company, which significantly dilutes the value of the Fund's equity investment, or such success may not occur during a timeframe in which it is feasible for the Fund to maintain its investment.

The Funds may make minority equity investments in private companies where it may have limited influence and/or access to financial or operating information. Such a company may

develop economic or business interests or goals that are inconsistent with those of the Fund, and the Funds may not be in a position to limit or otherwise protect the value of its investment in such company (although as a condition of making such investments, the Funds may attempt to negotiate appropriate shareholder rights to protect the Funds' investments). In these cases, the Funds will be significantly reliant on the existing management and board of directors of such company, which may include representatives of other financial investors with whom the Funds are not affiliated and whose interests may conflict with each Fund's interests.

Loans to private companies present risks as more generally described under "*—Private Debt Transactions*" above. Any of the factors described below could impair a company's cash flow or result in other events, such as bankruptcy, which could limit that company's ability to repay its obligations to the Funds, and may lead to losses in the Funds' portfolios and a decrease in the Funds' revenues, net income and assets.

All investments in private companies involve substantial risks, including, without limitation: (i) adverse or ineffective, as well as inconsistent, alignment of interests among management (including as a result of personal/family rather than business issues); (ii) financial planning misjudgment; (iii) employee or management misconduct; (iv) lack of reliable financial information; and (v) any number of general economic conditions that are beyond the control of Braidwell, such as: changing market sentiment, changes in economic conditions, competition and technology, changes in interest rates, changing economic or political conditions or events, and changes in tax laws and governmental regulation.

High-Growth Company-Related Risks. The Funds may invest in high-growth companies, which may allocate, or may have allocated, an unusually high percentage of their available capital to research and product development. The securities of these companies may experience outlier material price movements associated with the perceived prospects of success of their research and development programs. In addition, companies in which the Funds invest could be adversely affected by the lack of commercial acceptance of a new product or products or by technological change and obsolescence. Many of these companies may participate in undeveloped or limited markets, have limited products, rely on proprietary technology that may be difficult to protect from competitors, have no proven profit-making history, operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or are in the (highly unpredictable) developmental stages of their businesses.

Early-Stage Investments. The Funds may invest in privately-held, early-stage companies, which may be newly formed or not yet formed. These companies typically offer illiquid securities and may not be subject to the same level of regulation as public companies and typically generate little or no revenue and are not profitable. They require considerable additional capital and effort to develop products and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available on acceptable terms or

at all. Further, the products and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Such companies may face intense competition, including competition from other start-up and 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. Early-stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be efficiently or adequately resolved. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, have negative cash flow. As a result, the trajectory of early-stage companies can be extremely difficult, if not impossible, to predict.

The Funds' early-stage investments will typically be made in companies that are seeking to develop and bring to market new and unproven ideas, business models and/or technologies. The success of these companies is subject to a number of risks, including, but not limited to: failure to develop or implement the idea or business model, obsolescence, patent infringement or similar intellectual property claims that prevent the idea, business model or technology from being used or licensed, lack of market acceptance and loss of key personnel. These companies are typically dependent on the abilities of key individuals, including founding entrepreneurs, owners or employees with deep subject-matter expertise and/or ownership of important patents or other intellectual property, and marketing and financial professionals. Such companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any stage. In all cases, the Funds will be subject to the underlying risks associated with the businesses of the companies in which they invest.

Less established companies tend to have lower equity capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. The growth and development of most early-stage companies depend on the regular injection of additional capital, and such companies often require several rounds of financing before reaching maturity. The early-stage companies in which the Funds invest are likely to require subsequent "follow on" rounds of financing after the initial investments. Although the Funds may be able to obtain contractual rights to make additional investments in such companies, the Funds may not be able to or seek to exercise those rights. A Fund's inability to or decision not to make an additional investment in a particular company may materially and adversely affect such company (if, for example, such company requires, but is unable to obtain alternative financing on acceptable terms) or may result in dilution of the Fund's investment (if, for example, such company obtains financing from investors other than the Fund). Any investments in early-stage companies should be considered highly speculative and may result in the loss of the Fund's entire investment therein.

Highly Leveraged Companies. From time to time, the Funds may invest in companies that are subject to high degrees of leverage. Investments in highly leveraged companies involve a high

degree of risk. Some of the companies in which the Funds invest may use leverage, which will increase the exposure of such companies to adverse economic factors such as downturns in the economy or deterioration in the conditions of such companies or their respective industries. For example, as a result of past financial crises, increased bank regulation and certain risk reduction by banks, companies that have historically relied upon borrowings from affected banks may face increased borrowing costs or an inability to finance their key operations or to refinance outstanding debt obligations. Companies that use leverage may be subject to restrictive financial and operating covenants that may impact the implementation of their business strategies. Moreover, rising interest rates may significantly increase such companies' interest expense, causing losses and/or inability to service debt levels. In the event any such company cannot generate adequate cash flow to meet debt service, or refinance debt, the Funds may suffer a partial or total loss of capital invested in the company.

Investments in Royalty Interests. The Funds may purchase royalty interests, which are generally derived from long-term contractual agreements between licensors and licensees, and there may be provisions in such agreements that restrict a Fund's ability to transfer such royalty interests without the express written consent of the licensors or licensees. Distributions to the Funds from royalty interests, if any, will be tied to the revenue levels achieved by the products underlying each royalty interest. Although revenue projections developed by Braidwell at the time of a Fund's acquisition may contemplate additional indications and markets than those for which the products underlying the royalty interest are approved at the time of the Fund's acquisition, the time required for these approvals is uncertain and can take a number of years, depending on the type, complexity and novelty of the product. Braidwell will not have any influence or control over the amount and timing of revenues generated by each product. Such revenues typically vary from quarter to quarter. Although the variations are typically gradual and cyclical, in certain cases they could be material and adverse. This could be the result of many different factors including but not limited to adverse market conditions, unanticipated regulatory changes, business disruptions and other factors that may not be foreseen by Braidwell at the time of acquisition. In addition, the commercial success of the products underlying the royalty interest depends in part on the ability of the developing and marketing companies or their collaborative partners to obtain patents and successfully defend issued patents against invalidity claims. The determination of the strength of the patent position involves complex legal and factual questions and, therefore, enforceability of a patent cannot be predicted with certainty.

Rights to receive royalty payments have limited terms that are generally not subject to extension and may be subject to early termination. Following the expiration of the patent or the expiration or termination of the license or the agreement pursuant to which a Fund has the right to receive royalty payments, the Fund will not receive any royalty payments even if the underlying product continues to be sold. Under some circumstances, the terms of the agreement pursuant to which the Fund has the right to receive payments may permit the marketer or other payor to reduce or suspend such payments. While Braidwell may take

steps to mitigate the risk of a suspension or early termination of payment obligations, there can be no assurances that such steps will prevent applicable royalties and, accordingly, the performance of the applicable investments, from being materially and adversely affected.

Investing in Trade Claims or Similar Claims. The Funds may invest in unsecured claims held by entities owed for goods, services or other losses against companies that have filed for bankruptcy protection (such claims are known as “**trade claims**”). Because of the absence of a regulated market for trade claims and the decreased transparency of pricing information with respect to trade claims (and the resulting difficulties in determining market values for them) as well as the risk that such claims may be disallowed or reduced by the bankruptcy court or treated differently from other forms of debt under the debtor’s plan of reorganization approved by the bankruptcy court, the prices and/or returns realized on such investments could be less than the price originally paid by the Fund. Further, because of the absence of a formal market, indices or regulation of trade claims, trade claims may be illiquid. The purchaser of a trade claim may also be subject to actions during the bankruptcy court proceedings, including preference actions and, in certain circumstances, equitable subordination actions, based solely on prior conduct of the seller of such trade claim. Such actions may result in the reduction or disallowance of a trade claim and losses to the purchaser of such claim, and a delay of realization of the value of such trade claim. Further, in the event a seller of a trade claim subsequently becomes insolvent or itself files for bankruptcy protection, the purchaser of such claim may not benefit from any warranties, representations or indemnities provided by the seller to the purchaser in the purchase documents (including recourse for disallowed claims), and, with respect to insolvent claim sellers, be subject to credit and litigation risk. Trade claims are also subject to the credit and recovery risk of the bankrupt company, as well as the general risks associated with bankruptcy cases. In the event these risks materialize with respect to any trade claims purchased by the Fund, the Funds may suffer significant losses. The purchaser of a trade claim may also be subject to the risk that the seller of a trade claim will fail to deliver upon the terms of the investment. In addition, the trade claims market lacks standard documentation, which increases settlement risks.

American Depositary Receipts and Global Depositary Receipts. The Funds may invest in American Depositary Receipts (“**ADRs**”) and Global Depositary Receipts (“**GDRs**”). ADRs are receipts issued by a U.S. bank or trust company evidencing ownership of underlying securities issued by non-U.S. issuers. ADRs may be listed on a national securities exchange or may be traded in the over-the-counter market. GDRs are receipts issued by either a U.S. or non-U.S. banking institution representing ownership in a non-U.S. company’s publicly traded securities that are traded on non-U.S. stock exchanges or non-U.S. over-the-counter markets. Holders of unsponsored ADRs or GDRs generally bear all the costs of such facilities. The depository of an unsponsored facility frequently is under no obligation to distribute investor communications received from the issuer of the deposited security or to pass through voting rights to the holders of depositary receipts in respect of the deposited securities. Investments

in ADRs and GDRs pose, to the extent not hedged, currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks relating to the underlying shares, which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale of disposition proceeds, political or social instability or diplomatic developments that could affect investments in those countries, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding the underlying shares of ADRs and GDRs, and non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. companies. Such risks may have a material adverse effect on the performance of such investments and could result in substantial losses.

SPACs. The Funds may invest in stock, warrants, and other securities of special purpose acquisition companies (“**SPACs**”) or similar special purpose entities that pool funds to seek potential acquisition opportunities. Unless and until an acquisition is completed, a SPAC generally invests its assets (less a portion retained to cover expenses) in U.S. Government securities, money market fund securities and cash; if an acquisition that meets the requirements for the SPAC is not completed within a pre-established period of time, the invested funds are returned to the entity’s shareholders. Because SPACs and similar entities are in essence blank check companies without an operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the entity’s management to identify and complete a profitable acquisition. Some SPACs may pursue acquisitions only within certain industries or regions, which may increase the volatility of their prices. In addition, these securities, which are typically traded in the OTC market, may be considered illiquid and/or be subject to restrictions on resale.

PIPE Transactions. The Funds invest in private investments in public equities (“**PIPE Transactions**”). Investors in PIPE Transactions purchase securities directly from a publicly-traded entity in a private placement transaction, typically at a discount to the market price of the entity’s securities. Because the sale of the securities is not registered under the Securities Act, the securities are “restricted” and cannot be immediately resold by the investors into the public markets, and thus may present the risk that an investor may not be able to liquidate those securities. Accordingly, the publicly-traded entity typically agrees as part of the PIPE deal to register the restricted securities with the SEC. There is no assurance that such securities will ever be registered with the SEC and there may be a significant delay before such PIPE securities may be sold, resulting in losses to the Funds which may be substantial.

Derivatives in General. The Funds may make use of various derivative instruments, such as options, futures, forwards and interest rate, credit default, total return and equity swaps. The use of derivative instruments involves a variety of material risks, including the extremely high degree of leverage sometimes embedded in such instruments. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realize gains or to limit losses. The pricing

relationships between derivatives and the instruments underlying such derivatives may not correlate with historical patterns, resulting in unexpected losses.

Use of derivatives and other techniques such as short sales for hedging purposes involves certain additional risks, including (i) dependence on the ability to predict movements in the price of the securities hedged; (ii) imperfect correlation between movements in the securities on which the derivative is based and movements in the assets of the underlying portfolio; and (iii) possible impediments to effective portfolio management or the ability to meet short term obligations because of the percentage of a portfolio's assets segregated to cover its obligations. In addition, by hedging a particular position, any potential gain from an increase in the value of such position may be limited.

Swaps. The Funds may also use swaps to implement its strategies synthetically. Swap agreements are two-party contracts entered into for periods ranging from a few weeks to more than one year. In a standard "swap" transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments, which can be adjusted for an interest factor. The Fund's use of swaps is subject to the following risks: (i) credit risks (the exposure to the possibility of loss resulting from the counterparty's failure to meet its financial obligations); (ii) market risk (adverse movements in the price of a financial asset or commodity); (iii) legal risks (the characterization of a transaction or a party's legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could preempt otherwise enforceable contract rights); (iv) operational risk (inadequate controls, deficient procedures, human error, system failure or fraud); (v) documentation risk (exposure to losses resulting from inadequate documentation); (vi) liquidity risk (exposure to losses created by inability to prematurely terminate the derivative); (vii) system risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (viii) concentration risk (exposure to losses from the concentration of closely related risks such as exposure to a particular industry or exposure linked to a particular entity); and (ix) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty).

Short Sales. Braidwell sells securities short. A short sale is effected by selling a security which the Fund does not own. In order to make delivery to the buyer of a security sold short, the Fund must borrow the security. In so doing, it incurs the obligation to replace that security, whatever its price may be, at the time it is required to deliver it to the lender. The Fund must also pay to the lender of the security any dividends or interest payable on the security during the borrowing period and may have to pay a premium to borrow the security. This obligation must be collateralized by a deposit of cash or marketable securities with the lender. Short selling is subject to a theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the short position is closed out. There can be no assurance that the securities necessary to cover the short position will be available for

purchase by the Funds. In addition, purchasing securities to close out the short position can itself cause the price of the relevant securities to rise further, thereby increasing the loss incurred by the Funds. Furthermore, a Fund may prematurely be forced to close out a short position if a counterparty from which such Fund borrowed securities demands their return, resulting in a loss on what might otherwise have been ultimately a profitable position. If it is determined by the broader market that a Fund (and others) are short a heavily shorted security, such Fund may be susceptible to the risk that groups of investors may coordinate, on social media or otherwise, to drive up the price of the short position for the purpose of causing the holders of such positions, including the Fund, to close out of such positions.

Item 9: Disciplinary Information

Neither Braidwell nor any of its officers, directors, or employees or other management persons, have been involved in any legal or disciplinary events that would require disclosure in response to this item.

Item 10: Other Financial Industry Activities and Affiliations

The General Partner is an affiliate of Braidwell. The General Partner is deemed by the SEC to be registered as an investment adviser and the General Partner and any persons acting on behalf of the General Partner are subject to the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) and Braidwell’s compliance program.

Braidwell 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.

The General Partner is exempt from registration with the CFTC as a commodity trading advisor and commodity pool operator.

Braidwell has established affiliations that support the Funds’ investment activities, including:

- Braidwell has a partnership with Beacon Life Science Real Estate Investment (“**Beacon**”) in which Braidwell evaluates properties and potential tenants for Beacon from a life science perspective, gathering data for use by the Funds. Beacon manages funds that make investments in properties developed for life science companies. The costs related to Beacon are not charged to the Funds. Braidwell does not currently anticipate the Funds investing in any funds managed by Beacon.
- Braidwell conducts scientific research and experiments regarding potential and actual investments of its Funds through an affiliate, Braidwell Labs (“**Labs**”). In addition to this investment research, Labs or its subsidiaries will from time to time develop or advance related or unrelated proprietary early-stage scientific IP and its commercialization consistent with the areas of expertise of the personnel of Labs and its subsidiaries. The costs related to Labs are not charged to the Funds (other than direct costs of materials to conduct Funds-related research experiments). Braidwell does not currently anticipate the Funds investing in proprietary assets of Labs or its subsidiaries.

Other than disclosed above, Braidwell and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

Code of Ethics

Braidwell seeks to conduct its investment advisory business in accordance with the highest legal and ethical standards in furtherance of the interests of its clients and in a manner that is consistent with all applicable laws, rules, and regulations. It is the responsibility shared by every employee at Braidwell from the top-down and bottom-up, driven by the pride of being responsible stewards of the trust placed in us by our investors.

In connection with this responsibility, Braidwell has adopted a written Code of Ethics ("**Code**") that is applicable to all employees. The Code is predicated on the principle that Braidwell owes a fiduciary duty as interpreted under the Advisers Act to its Funds. Accordingly, Braidwell must avoid activities, interests, and relationships that run contrary (or appear to run contrary) to the best interests of Funds. All Braidwell employees must also comply with all federal securities laws.

The Code is available upon request to clients by contacting Braidwell at the address or telephone number listed on the first page of this document.

Fund Oversight Committee

Braidwell has established Fund Oversight Committee (the "**Fund Oversight Committee**") for the Funds to help oversee certain fund actions and address potential material conflicts. The Fund Oversight Committee is composed of three persons: two members independent of Braidwell and/or its Investors, as well as Braidwell's General Counsel (as chair).

Braidwell may seek the consent or ratification of the unaffiliated members of the Fund Oversight Committee to any other transactions involving conflicts of interest between the Funds, on the one hand, and Braidwell or its affiliates, on the other hand, which are presented to the Fund Oversight Committee by Braidwell. The Fund Oversight Committee has the authority to approve or consent to matters on behalf of the investors, the Funds for purposes of the Advisers Act or otherwise.

Participation or Interest in Client Transactions

Personal Trading

Investments held by the Braidwell Parties, directly or indirectly (*i.e.*, through investments in other pooled investment vehicles) may present conflicts of interest for Braidwell. The Braidwell Parties may trade securities and derivatives for their personal accounts. Personal account trading by Braidwell Personnel is subject to internal compliance policies and procedures that place certain restrictions and/or limitations on personal securities trades, require pre-approval of certain types of personal securities transactions and require regular disclosure to Braidwell of personal securities holdings and transactions. Braidwell Personnel will be required to provide detailed account information for themselves and other accounts

for which they maintain control or are otherwise deemed to beneficially own. This information is to be provided upon employment and then on a quarterly and annual basis thereafter.

Braidwell Personnel may not trade in securities issued by companies in healthcare industries (as defined in the Code) unless such trading is part of incubating new strategies or ideas for Braidwell. Subject to these restrictions and limitations, the Braidwell Parties are permitted to invest in the same securities as the Funds in certain circumstances. For the avoidance of doubt, while Braidwell Personnel are subject to these restrictions, Braidwell and its affiliates are permitted to make and hold investments in healthcare industries.

Cross Trades and Principal Transactions

The Funds may enter into transactions in which Braidwell and/or an affiliate participates or has a significant economic interest. Such related party transactions may be principal trades or any other transactions involving conflicts of interest between the Fund, on the one hand, and the Braidwell Parties on the other. Braidwell may also, to the extent permitted under applicable law, effect client cross transactions where Braidwell causes a transaction to be effected between (i) a Fund and (ii) another account advised by it or any of its affiliates.

The subscription agreement of each Fund investor requires that the investor acknowledge and agree that if any transaction, including any transaction effected between a Fund and Braidwell or its affiliates, is subject to the disclosure and consent requirements of Section 206(3) of the Advisers Act, such requirements will be satisfied with respect to the Fund and all investors if disclosure is given to, and consent obtained from, the unaffiliated members of the Fund Oversight Committee.

Item 12: Brokerage Practices

Brokerage

Braidwell is authorized to determine the broker or dealer to be used for each securities transaction on behalf of the Funds. In selecting brokers and determining commission rates, Braidwell complies with best price and execution requirements. In selecting the brokers for the Funds, Braidwell considers such factors as: price; quality of execution and settlement – accurate and timely execution, clearance and error/dispute resolution; reputation, financial strength and stability; block trading and block position capabilities; willingness to execute difficult transactions and manage market impact and trading costs; access to underwritten offerings in primary and secondary markets; overall costs of a trade (i.e., net price paid or received) including commissions, markups, markdowns or spreads in the context of Braidwell's knowledge of negotiated commission rates currently available and other current transaction costs; desired timing of the transaction and size of trade; confidentiality of trading activity; clear and timely communication of market and trading activity; market news and any applicable position updates; reputation; infrastructure; reliability; the receipt and quality of brokerage or research services; and other value-added services and factors deemed appropriate by Braidwell.

Braidwell pays bundled commission rates and receives research and brokerage provided by many of its executing and prime brokers (subject to applicable rules, including MiFID II). Braidwell need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Commission rates are generally negotiable, and selecting brokers on the basis of considerations that are not limited to commission rates may result in higher transaction costs than would otherwise be obtainable. Brokers may provide research and brokerage services directly or by paying service providers engaged by Braidwell. In addition, Braidwell may, subject to its best execution policy, trade with certain brokers primarily in consideration for providing research services. In any such case Braidwell will determine in good faith that the amount of commissions charged is reasonable in relation to the value of the brokerage and research products or services provided by the broker.

Braidwell has an incentive to recommend broker-dealers based on benefits that it receives from brokers, whether or not pursuant to soft dollar arrangements as described herein, rather than the interests of any Fund in receiving the most favorable execution. Any products or services that Braidwell receives from broker-dealers may be used in connection with its management of any other client accounts, not just those accounts which generate the relevant commissions.

Braidwell assumes no responsibility for the actions or omissions of any broker or dealer selected by Braidwell in accordance with its standard of care.

Soft Dollars

Section 28(e) of the Securities Exchange Act of 1934, as amended provides a “safe harbor” to investment managers who use “soft dollars”, i.e., commissions generated by their advised accounts, to obtain investment research and brokerage services from companies that provide lawful and appropriate assistance to the manager in connection with the investment decision-making process. Conduct outside of the safe harbor afforded by Section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. Braidwell will only enter into arrangements under which it receives products and services in exchange for soft dollars where it reasonably believes that the arrangements fall within the safe harbor of Section 28(e). Where a product or service provided has both “eligible” uses under Section 28(e), i.e., uses related to Braidwell’s investment decision-making process, but also has other uses, Braidwell will make a reasonable allocation between the eligible and non-eligible uses and use soft dollars only for the eligible portion.

Research and brokerage services obtained through the use of commissions arising from a Fund’s trading activities and transactions may be used by Braidwell in its other investment activities. The Fund may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided in consideration of the soft dollars generated by the Fund’s trading. Braidwell is specifically authorized to direct brokerage to firms that provide such services.

Services constituting “research” under Section 28(e) that Braidwell may receive in connection with the Funds’ trading may include, but are not limited to: newswire and quotation services; research reports; financial newsletters and trade journals; software used to analyze securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; economic and market information; portfolio strategy advice; industry and company comments; technical data; recommendations; information on industries, groups of securities, individual companies, political developments, legal developments affecting portfolio securities and technical market action; statistical information; accounting and legal interpretations relating to Fund transactions; credit analysis; risk measurement analysis and performance analysis. These research services are received primarily in the form of written reports, calls and meetings with research analysts. In addition, such research services may be provided in the form of access to computer-generated data and meetings arranged with corporate and industry spokespersons, economists, academicians and/or government representatives. Products and services constituting “brokerage” under Section 28(e) that Braidwell may receive in connection with the Funds’ trading may include, but are not limited to: services related to the execution, clearing and settlement of securities transactions and functions incidental thereto, such as connectivity services between Braidwell and a broker-dealer and other relevant parties such as custodians; trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; trade clearance and settlement; electronic communication of allocation instructions; routing of settlement instructions; post-trade matching of trade

information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

Braidwell may, but is not obligated to, enter into arrangements under which certain direct expenses of the Funds are paid with soft dollars. Braidwell will enter into such arrangements where it believes that it is administratively or operationally expedient to do so or where they are generally as favorable to the Funds as an arrangement under which a Fund pays for the products or services in question with cash. However, such arrangements make it more difficult for investors to evaluate the cost structure of the Funds because the costs of such products or services are not broken out separately.

In addition to any soft dollar arrangements that Braidwell enters into with brokers, brokers may provide certain research or other products or services to all of their customers, including Braidwell, without being requested to do so. Similarly, brokers may refer investors to Braidwell. Braidwell may take advantage of the products or services provided rather than producing them or paying for them from another provider. Similarly, Braidwell may accept investor referrals from brokers in appropriate circumstances. In these situations, Braidwell receives a benefit because it does not have to pay for the products or services, such as research, or because it will potentially receive additional compensation if the Funds accept new investments.

Trade Errors

Braidwell has established trade processes and procedures designed to reduce the likelihood of errors and, in its sole discretion, will determine what constitutes a trade error.

In the event a Trade or Administrative Error (as defined below) occurs, Braidwell will not be obligated to reimburse the affected Fund for any errors or mistakes of Braidwell with respect to Braidwell's placing or executing trades for the affected Fund or any other administrative errors made by Braidwell, its agents and affiliates ("***Trade or Administrative Errors***"). However, pursuant to the applicable Fund investment management agreement's exculpation of liability and indemnification provisions, Braidwell will be obligated to reimburse the affected Fund for any Trade or Administrative Error resulting from Braidwell's violation of its standard of care. Any correction of a Trade or Administrative Error will only be made to the extent required so that the affected Fund does not incur a loss related to such Trade or Administrative Error. Braidwell, subject to its fiduciary obligations, will determine whether or not any Trade or Administrative Error is required to be reimbursed in accordance with such liability and exculpation provisions, and Trade or Administrative Errors that result in losses to a Fund will be netted against Trade or Administrative Errors that result in gains to such Fund before reimbursing such Trade or Administrative Errors. Braidwell, in its sole discretion, reserves the right to reimburse the Funds for any Trade or Administrative Error. Braidwell's reimbursement of a Fund for any particular Trade or Administrative Errors will not constitute a waiver of any policy to cause the affected Fund to bear the losses from such Trade or Administrative Errors. Braidwell has an inherent conflict of interest with respect to the

discovery and treatment of Trade or Administrative Errors. Any net gain resulting from Trade or Administrative Errors will be for the benefit of the affected Fund.

Item 13: Review of Accounts

Reviews

Braidwell will perform various daily, weekly, monthly, quarterly and other periodic reviews of each client's investment positions. Such reviews will be conducted in the ordinary course by the members of Braidwell's Investment Team. A review of a client account may also be triggered by any unusual activity or special circumstances.

Reports to Investors

Investors will generally be provided with the following financial reports: unaudited monthly estimates, quarterly unaudited NAV statements, audited annual financial statements and, if applicable, necessary U.S. federal tax information. Braidwell intends to provide investors these reports within an industry standard timeline for each respective item. Please see a Fund's Governing Documents for details on reporting.

Item 14: Client Referrals and Other Compensation

Braidwell does not currently engage solicitors or placement agents to market the Funds, but may do so in the future.

Braidwell effects securities transactions through a number of broker-dealers. By virtue of its conducting business with broker-dealers, Braidwell may receive certain economic benefits from such broker-dealers which would not be received if it did not transact through the broker-dealers. These benefits may include, but are not limited to: access to an electronic communication network for order entry and account information; receipt of proprietary research; and participation in broker-dealer sponsored research and capital introduction conferences. Braidwell understands that the benefits received through its relationship with the broker-dealers (including its prime brokers) generally do not depend upon the amount of transactions directed to, or amount of assets custodied by, the broker-dealers.

Item 15: Custody

With the exception of any investments in “privately offered securities”, per Rule 206(4)-2 under the Advisers Act (the “**Custody Rule**”), all Fund assets will be held in custody by unaffiliated broker/dealers or banks acting in the capacity as “qualified custodians.”

Notwithstanding the foregoing, the General Partner’s role as general partner to the Funds enables Braidwell’s personnel to access Fund assets, and Braidwell has developed procedures that ensure the safeguarding and protection of the assets. Such procedures include among other things, the separation of functions and dual signatory approvals for the distribution of the Funds’ capital.

The Funds are subject to an annual audit and the audited financial statements are distributed to each Investor. The audited financial statements are prepared in accordance with generally accepted accounting principles, are intended to be issued with an unqualified opinion, and distributed to Investors within 120 days of each Fund’s fiscal year ends in accordance with the Custody Rule.

Item 16: Investment Discretion

Braidwell provides discretionary investment advisory services to the Funds. Braidwell makes investment decisions, without consultation with the Funds or the Fund investors regarding which securities are bought and sold for the Funds, the total amount of the securities to be bought and sold and the broker-dealers with which orders are placed for execution. Such discretionary authority is granted to Braidwell in the applicable Fund limited partnership agreement or investment management agreement.

Item 17: Voting Client Securities

In voting proxies on behalf of the Funds, Braidwell is guided by general fiduciary principles. Braidwell will vote proxies in the manner that it believes is consistent with efforts to achieve a Fund's stated investment objectives, including maximizing the value of the applicable Fund's portfolio.

Braidwell has retained Institutional Shareholder Services, Inc. ("**ISS**") to assist in the proxy voting process by providing analysis and recommendations for voting proxies. In general, Braidwell relies on ISS to research proxy proposals and vote client proxies consistent with pre-set voting guidelines. Braidwell generally aligns with the recommendations of ISS but reserves the ability to vote at its own choice and has established protocols with ISS to facilitate this.

Braidwell at times may determine that refraining from voting a proxy is in Funds' best interest, such as when Braidwell's analysis of a particular proxy indicates that the cost of voting the proxy may exceed the expected benefit to Investors. The Chief Investment Officer, with the Chief Compliance Officer, is responsible for conducting or supervising an appropriate cost-benefit analysis when there is reason to believe that voting a particular proxy may not be in Investors' best interest.

In certain situations, Braidwell may agree to apply a proxy voting policy or guidelines established for the benefit of a specific Fund. In these situations, Braidwell will seek to comply with such policy or guidelines to the extent that it would not be inconsistent with applicable regulation or Braidwell's fiduciary responsibilities.

Conflicts of Interest

The Chief Compliance Officer will monitor for potential conflicts of interest on the part of Braidwell with respect to proxy voting as a result of personal relationships, significant Fund relationships, as well as for potential conflicts of interest with respect to ISS, among Funds or with special circumstances that may arise during the conduct of Braidwell's business. If a conflict of interest is identified, Braidwell will not make related proxy voting decisions until: (i) it has been determined that the conflict of interest is not material or (ii) a method for resolving the conflict of interest has been agreed upon and implemented.

If the Chief Compliance Officer determines that a conflict of interest or potential conflict is not material, Braidwell may vote the proxy, notwithstanding the existence of the conflict. The Chief Compliance Officer will maintain a written record of all materiality determinations.

If the Chief Compliance Officer determines that a material conflict of interest exists, Braidwell will rely on the recommendation of ISS. In such circumstances, ISS's determination will be binding on Braidwell. Braidwell may also elect to abstain from voting if it deems abstaining to be in the Fund's best interests. Braidwell requires ISS to notify Braidwell if ISS experiences a material conflict of interest in the voting of the Funds' proxies. If such material conflict of interest occurs, ISS procures independent research relating to such proxy vote and Braidwell determines the appropriate vote.

Fund investors may request a copy of Braidwell's proxy voting policy, as well as relevant proxy voting records, by making a written request to the address set forth on cover page of this brochure.

Item 18: Financial Information

Braidwell 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 10 years.