

Item 1 - Cover Page

**Part 2A of Form ADV
Brochure**

Redmile Group, LLC

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This brochure provides information about the qualifications and business practices of Redmile Group, LLC. If you have any questions about the contents of this brochure, please contact us at 415.489.9980 or via email at redmile_legal@redmilegrp.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Redmile is a registered investment adviser. Registration of an investment adviser does not imply any certain level of skill or training.

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

Item 2 - Material Changes

Prior to this version, the Firm filed its most recent brochure on March 31, 2023. This amendment contains routine annual updates to the previously filed brochure, including, without limitation: (i) updates to Item 5 to reflect new disclosure related to allocation of costs and expenses, (ii) updates to Item 8 to reflect new and updated risk factors related to the Firm's investment strategy, including risk factors related to hedging, derivative instruments, inflation/deflation, interest rates, artificial intelligence, third-party litigation and certain relevant regulatory changes, (iii) updates to Item 11 to reflect new disclosure regarding potential and/or actual conflicts of interest faced by the Firm including those related to allocation of investment opportunities and the fee structure of the Funds, and (iv) updates to Item 12 to reflect new disclosure related to client commission sharing arrangements and trade errors. In addition, the Firm routinely makes updates throughout the brochure to improve and clarify the description of its business practices and compliance policies and procedures, as well as to respond to evolving industry best practices.

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Item 4 - Advisory Business

Description of Advisory Firm. For the purposes of this brochure, the “Firm” means Redmile Group, LLC, a Delaware limited liability company, together (where the context permits) with its affiliated general partners of the Funds (each, a “General Partner”) and other affiliates that provide advisory services to and/or receive advisory fees from the Funds. Such affiliates are under common control with Redmile Group, LLC and possess a substantial identity of personnel and/or equity owners with Redmile Group, LLC. These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of the Funds, or may serve as general partners of the Funds. The Firm was formed in March 2007 and became operational shortly thereafter. Jeremy Green is the managing member and principal owner of the Firm. The Firm generally provides investment management, advisory and sub-advisory services to investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended (together with any special purpose vehicles (“SPVs”) and other investment vehicles and accounts advised by the Firm, the “Funds”), focusing primarily on making investments in U.S. and non-U.S. healthcare companies. In limited circumstances, the Firm also provides certain consulting services.

The Firm provides investment management and advisory services to open-end funds that invest primarily in public equities, closed-end venture capital or growth equity funds and closed-end funds that invest primarily in public equities. The firm also provides investment management and advisory services to certain SPVs which typically are structured to implement a specific trade thesis or to invest in and around a specific company.

Certain open-ended Funds previously designated securities for which there was no ready market as “Designated Investments,” although the Firm has discontinued accepting new capital for participation in Designated Investments and does not intend to enter into any new Designated Investments (aside from follow-on investments in existing Designated Investments). Certain other investments that are reasonably deemed by the Firm to either exceed a Fund’s concentration or risk parameters then in effect or be subject to legal, contractual or other restrictions are designated as “Special Investments.” The Firm’s authority with respect to Special Investments only applies to then existing public positions that it reasonably expects to be able to exit within three to 12 months.

The Firm provides investment supervisory services to each Fund in accordance with the limited partnership agreement (or analogous organizational document) of such Fund or separate investment and advisory, investment management or portfolio management agreements (each, an “Advisory Agreement”).

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable General Partner and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the applicable Funds. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Funds, Advisory Agreements and/or side letter agreements negotiated with investors in the applicable Funds (such documents collectively, a Fund’s “Organizational Documents”).

Description of Advisory Services. The Firm manages the portfolios of the Funds on a discretionary basis according to the investment objectives and restrictions of each Funds. The investment objective and strategy for each Fund is described in more detail in its Organizational Documents.

Wrap Fee Programs. The Firm does not participate in wrap fee programs.

Assets Under Management. As of December 31, 2023, the Firm had approximately \$6.474 billion in client net assets under management on a discretionary basis. The Firm currently does not manage assets on a non-discretionary basis.

Item 5 - Fees and Compensation

Management Fees. As compensation for investment supervisory services rendered to the Funds, the Firm receives from each such Fund a management fee (each, a “Management Fee”). The Management Fee is typically calculated based on the net assets of a limited partner’s capital accounts or a shareholder’s common shares, as applicable, before accrual of any applicable incentive allocation or fee or based on the aggregate capital commitments of limited partners. The precise amount of, and the manner and calculation of, the Management Fees for each Fund are established by the Firm and are set forth in such Fund’s Organizational Documents. The Management Fees and other fees and distributions described herein are generally subject to modification, waiver or reduction by the Firm in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letter and other arrangements, which, to the extent permitted by applicable law, may not be disclosed to other investors in the same Fund. Specifically, the applicable General Partner and the Firm, each in their sole discretion, have in the past agreed, and may in the future agree, to waive or reduce the Management Fee charged to investors that are (i) those who provide strategic and/or technical advice to a General Partner, the Firm or their affiliates; (ii) General Partner members, Firm employees or affiliates of such General Partner or the Firm, and (iii) investors in one or more Funds who have a certain collective minimum capital commitment/investment. The fee structures described herein may be modified from time to time. Fees may differ from one Fund to another, as well as among investors in the same Fund.

Management Fees vary Fund by Fund and may be payable quarterly or semi-annually in advance. Upon termination of an Advisory Agreement, Management Fees that have been prepaid will be returned on a prorated basis.

Furthermore, certain General Partners have entered into and may, in the future, enter into a side letter or similar agreement with an investor of any of the Funds, without the approval of any other investor, which has the effect of establishing rights under, or altering or supplementing the terms of a Fund’s Organizational Documents.

Firm Expenses. To the extent provided in the Organizational Documents, and except as described herein as a Fund or portfolio company expense, the General Partner and/or the Firm will bear certain expenses and costs associated with the performance of its services, including the compensation and expenses of certain of its employees and general overhead expenses including,

rent, utilities and expenses for administrative, clerical and related support services, except to the extent that legal, accounting or other specialized consulting, advisory or professional services are required that the General Partners, the Firm or an affiliate thereof would not normally be expected to render with their own professional staff (the costs of which services will be borne by the applicable Fund as detailed below).

Fund Expenses. Subject to the Organizational Documents of the Funds, the Funds will generally bear organizational expenses, including expenses of their initial organization and the offering and/or sale of common shares or interests including, but not limited to, out-of-pocket costs incurred by or on behalf of the applicable General Partner or their respective affiliates in connection with the marketing, formation, and organization of the Funds and the General Partners, as applicable, including legal, accounting, travel, meeting, printing and other fees and expenses incident thereto as well as, with respect to certain Funds, private placement fees, finder's fees or other similar fees paid to an independent third party in connection with the sale of interests. With respect to certain other Funds, the aforementioned expenses may be subject to a cap.

Each Fund will also bear all other expenses relating to it to the extent not borne by its portfolio companies or portfolio investments including, but not limited to, the Management Fee or any other fees payable to the General Partners or the Firm, the registrar and transfer agent and the administrator; directors fees; all costs and expenses incurred in connection with the purchase, holding, sale, proposed sale or transmittal of any Fund investment or of Fund assets (whether or not any such purchase or sale is consummated); research expenses; interest on and fees and expenses arising out of all margin accounts, indebtedness and other permitted borrowing made by such Fund; real property or personal property taxes on investments, including documentary, recording, stamp and transfer taxes; investment expenses such as brokerage fees or commissions, trading and support services including payments to assisting brokers, investment related travel expenses; direct fees and expenses such as legal fees and other due diligence expenses incurred in performing due diligence related to the analysis, purchase, sale or exchange of securities or other investments (whether or not ultimately consummated) (including Co-Investments (as defined below), Designated Investments and Special Investments); expenses incurred in connection with the investigation, prosecution or defense of any claims by or against a Fund, including claims by or against a governmental authority; proxy voting service fees; consulting fees relating to investments or proposed investments; taxes applicable to a Fund on account of its operations and expenses associated with the preparation and filing of tax returns; any sales or other taxes, fees or government charges which may be assessed against a Fund; fees incurred in connection with the maintenance of bank or custodian accounts; all expenses incurred in connection with the registration of a Fund's securities under applicable securities laws or regulations; expenses incurred by the applicable General Partner in serving as the Fund representative; any fees or other compensation payable to placement agents or selling agents; all out-of-pocket expenses of preparing and distributing reports to partners; accounting fees and other fees and expenses relating to finance and accounting services (including outsourced finance and accounting services); fees and expenses relating to specialized consulting, advisory or professional services; fees and expenses relating to regulatory compliance, filing and reporting of a Fund (or that relates to or derives from a Fund's investment activities), the applicable General Partner and/or the Firm

(including but not limited to Form PF, Section 13 and Section 16 filings); meeting expenses; expenses associated with a Fund's communications with partners, including preparation and distribution of financial statements and annual or other reports to the limited partners; out-of-pocket costs associated with a Fund's meetings or limited partner Advisory Committee ("Advisory Committee") matters and expenses of members of the applicable Advisory Committee (including travel-related costs and expenses); all legal, custodial, audit, appraisal, administration, and other professional fees and expenses relating to a Fund and their activities; all expenses relating to litigation and threatened litigation involving a Fund, including indemnification expenses, discovery requests, the cost of liability and other premiums for insurance (including D&O and E&O insurance) to protect a Fund, the applicable General Partner, the members of the applicable General Partner and/or its managers, the Firm, the members, managers and employees of the Firm, directors, the members of the applicable Advisory Committee and any of their respective partners, members, stockholders, managers, managing directors, officers, directors, trustees, employees, consultants, agents or affiliates from liability to third parties that relate to the activities of a Fund and its investments; any other fees and expenses approved by a Fund's Advisory Committee; and other similar fees and expenses, as well as any other fees or expenses incurred by the Firm or a Fund in connection with a Fund's operations that are not specifically set forth above as being paid by the Firm. To the extent applicable, a Fund that is designed to accept subscriptions from pension and profit-sharing plans maintained by U.S. corporations and unions, individual retirement accounts and Keogh plans, (an "ERISA Fund") will pay certain insurance costs (including D&O and E&O insurance for the Firm and directors) in accordance with the requirements of Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Brokerage Fees. When a broker is used in connection with an investment by a Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

Allocation of Expenses. From time to time the Firm will be required to decide whether certain fees, costs and expenses should be borne by the Firm, a Fund, a portfolio company, co-investors and/or a third party (each, an "Allocable Party") and if so, how such fees costs and expenses should be allocated among the relevant Allocable Parties. Certain fees, costs and expenses may be the obligation of one particular Allocable Party and may be borne by such Allocable Party, or fees, costs and expenses may be allocated among multiple Allocable Parties. The Firm allocates fees, costs and expenses in accordance with a Fund's Organizational Documents. Typically, where fees, costs and expenses are incurred for the benefit of, or in connection with regulatory, tax, accounting, marketing or similar requirements applicable to, one Allocable Party, the Firm will allocate 100% of such fees, costs and expenses to such Allocable Party, subject to the terms of the Organizational Documents and the discretion of the Firm. To the extent not addressed in the Organizational Documents of a Fund, the Firm will make allocation determinations among Allocable Parties in a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation (which such methodologies may include transaction related expenses, participation of/by certain Funds (including the amount of such participation or existing investment), participation by underlying investors in designated investments and/or co-investments, etc. or such other fair and equitable method as determined by the Firm in its sole discretion). The Firm will

make any corrective allocations and take any mitigating steps if it determines in its sole discretion that such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service will not always reflect the relative benefit derived by such Fund from that service in any particular instance and the Firm will under certain circumstances determine an allocation of expenses to be fair and equitable even where a Fund is required to bear more than its proportional share of such fees or expenses relative to other Allocable Parties receiving the same service or participating in the same transaction. In addition, a Fund will bear more or less of a particular expense based on the methodology used, and a Fund will bear more or less of a particular expense based on the number of Allocable Parties the Firm selects to bear the expense in its initial allocation determination. When making expense allocation determinations, the Firm generally will allocate an expense to one or more Allocable Parties that are in existence and identified as such at the time the expense allocation determination is made. Accordingly, it can be expected that in certain cases Allocable Parties that were not in existence or otherwise identified as Allocable Parties at the time an expense is allocated will ultimately benefit from a particular expense, without having borne any portion of such expense, and in such cases the Firm will not re-allocate the expense to each such future Allocable Party, and such future Allocable Part(ies) will benefit at the expense of other Allocable Parties, including the Funds.

There are occasions when one Allocable Party (the “Payor Allocable Party”) such as the Firm pays an expense common to multiple Allocable Parties (the “Allocated Parties”) (e.g., legal expenses for a Fund’s organization or for a transaction). On such occasions, each Allocated Party will reimburse the Payor Allocable Party for its share of such expense, generally without interest, promptly after the payment is made by the Payor Allocable Party.

Management Fee Offsets. The Management Fee paid by each Fund, to the extent that it is above 0%, will typically be offset by an amount equal to one hundred percent (100%) of the amount of any cash or other compensation paid as directors, consulting, management service, advisory, consultant, transaction, commitment, breakup or broken deal fees or other similar fees to the applicable General Partner, the Firm or any of their respective members, employees or affiliates by any portfolio company in which the client holds an investment or any portfolio company in which the client expected to invest but issuance of securities was not consummated (collectively with the other fees described in this section, “Other Fees”). Other Fees are net of any unreimbursed expenses of the General Partner, the Firm or any of their respective members, employees or affiliates.

Other Fees may be paid in cash, in securities of the portfolio companies, prospective portfolio companies or otherwise. The payment of Other Fees and reimbursements by portfolio companies and prospective portfolio companies will, in some, but not all, circumstances create a conflict of interest between the Firm and its affiliates, and the Funds and their investors, because the amounts of these Other Fees and reimbursements are often substantial and the Funds and their investors generally do not have a direct interest in these fees and reimbursements. Generally, the amount of such fees and reimbursements will not be disclosed to investors in the Funds.

If the Firm or its personnel, on behalf of the Firm, receive stock of a portfolio company as an Other Fee due to the service of such personnel on the board of such portfolio company or as

compensation for other services provided to such portfolio company, the sale of such stock will generally be at the discretion of the Firm and typically at or around the same or similar time, and on the same or similar terms, that the applicable Fund would sell its interest.

For the avoidance of doubt, any fees paid to the Firm or its personnel after a Fund has exited (or is in the process of exiting) an investment are not considered “Other Fees” and do not reduce the Management Fee.

Any fees that accrue to the benefit of former personnel or other persons who are or become unaffiliated with the Firm (even if any such fee is earned during their tenure with the Firm) are not considered “Other Fees” and do not reduce the Management Fees or otherwise benefit the Funds or their investors. Similarly, any fees that accrue to the benefit of personnel or other persons who are affiliated with the Firm prior to their association with the Firm (even if any fee received in kind is realized or otherwise converted to cash during their tenure with the Firm) are not considered “Other Fees” and do not reduce the Management Fees or otherwise benefit the Funds or their investors.

To the extent an Other Fee relates to more than one Fund participating (or expecting to participate) in an investment, the Other Fee is generally allocated among such Funds pro rata relative to each Fund’s holdings of the investment (or for an unconsummated investment, the expected holdings of the investment), or on such other basis that the Firm determines to be fair and reasonable in its sole discretion. However, in determining how to allocate an Other Fee among more than one participating Fund, the Firm will also take into account, among other things, the type of investment (e.g., original acquisition or follow-on), the consideration involved (cash or securities) and the value of the consideration.

Co-Investment Vehicle Expenses and Expense Allocation. In certain cases, a co-investment vehicle, or other similar vehicle established to facilitate the investment by investors to invest alongside a Fund may be formed or otherwise invest in connection with the consummation of a transaction. A co-investment vehicle will generally bear its pro rata portion of expenses incurred in connection with the making of an investment. Unless the Firm determines otherwise in its sole discretion or subject to negotiations with a particular co-investor, in general neither co-investment vehicles nor co-investors will bear any expenses relating to a proposed but not consummated transaction (“Dead Deal Costs”), even if a co-investment vehicle has been formed for the purpose of co-investing in such a proposed transaction or if co-investors have otherwise committed to invest in the proposed transaction. For example, it is possible that a co-investor will not agree to share expenses with a Fund if a transaction is not consummated. As a result, Dead Deal Costs are generally borne by the Fund or Funds selected by the Firm as proposed investors for such proposed transaction, which will result in the Fund bearing more than its pro rata share of Dead Deal Costs. Similarly, co-investment vehicles (and co-investors) that do not bear Dead Deal Costs associated with a particular transaction will not be allocated any share of break-up fees received in connection with such an unconsummated transaction. The Firm will evaluate the facts and circumstances including, without limitation, timing of the transaction, benefit to the Fund to have co-investors participate in a particular transaction and relative negotiating power. The Firm will have discretion in determining whether a particular allocation among a Fund and co-investors or co-investment

vehicles is fair and equitable. This discretion creates a potential conflict of interest as it may have incentive to allocate expenses to a particular Fund over another Fund and it may result in a Fund bearing more than its pro rata portion of certain fees, costs and expenses (including Dead Deal Costs).

Dead Deal Costs may include, among other things, legal, accounting advisory, consulting or other third-party expenses (and other third parties), any travel and travel-related expenses, all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment (including commitment fees), any break-up fees, reverse termination fees, topping, termination or other similar fees, costs of negotiating co-investment documentation (including non-disclosure agreements with counterparties), the costs from onboarding (i.e., KYC) investment entities with a financial institution, expenses incurred in connection with any tax audit, investigation, settlement or review of the Funds, extraordinary expenses such as litigation costs and judgments and other expenses, and any deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not consummated.

In addition, the Firm and its affiliates have discretion to receive performance-based compensation, Management Fees or similar fees from co-investors.

Performance/incentive-based fees and allocations are discussed in Item 6, “Performance-Based Fees and Side-By-Side Management” below.

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

With respect to certain Funds, a portion of the net investment proceeds will be distributed, if earned, to the applicable general partner or their respective affiliates, as carried interest distributions. Each General Partner of a Fund is a related person of the Firm. Carried interest paid by a Fund is indirectly borne by investors in such Fund. For certain other Funds, the Firm charges an incentive allocation or incentive fee where applicable calculated as a percentage of each investor’s share of net profits (together with carried interest distributions, “Performance-Based Fees”).

Certain Funds and investors in such Funds (including the Management Group (as defined below)) may incur lower or no Performance-Based Fees and the General Partner or the Firm, as applicable, in its sole discretion, has in the past agreed, and may in the future agree, to waive or reduce Performance-Based Fees charged to investors that are members, directors, principals, employees or affiliates of the General Partner or the Firm, relatives of such persons and certain large, strategic or other investors.

Performance-Based Fees create an incentive for the Firm to recommend investments that are riskier or more speculative than those that the Firm would recommend under a different fee arrangement. In the allocation of investment opportunities, performance-based fee arrangements also create (i) an incentive for the Firm to favor clients with performance or incentive fee arrangements over clients that are not charged, or from which the Firm will not receive, a

performance fee; and (ii) an incentive for the Firm to favor clients from which the Firm will receive a greater performance fee over clients from which the Firm will receive a lesser performance fee. Generally, and except as may be otherwise set forth in the Organizational Documents of the Funds, this conflict is mitigated, at least in part by the Firm's implementation of its allocation policy and reviews of trade allocations. See also Item 11 below regarding allocation for additional information relating to how conflicts of interests are generally addressed by the Firm.

Item 7 - Types of Clients

The Firm serves as investment manager to the Funds. Investment advice is provided directly to the Funds (subject to the direction and control of the General Partner of each such Fund, if applicable) and not individually to investors in such Fund.

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

Following is a description of some of the more significant investment strategies that the Firm uses on behalf of the Funds generally, investment instruments in which the Funds invest, and the risks associated with them. Not all of the investment strategies, investment instruments and associated risks are relevant to all Funds.

Investment Objective. The Firm will implement the investment objectives of the Funds described in each Fund's Organizational Documents. There can be no assurance that the investment objectives of the Funds will be achieved. Furthermore, an investment in the Funds may be deemed speculative and is not intended as a complete investment program. The Funds are designed for experienced and sophisticated persons who are able to bear the risk of the substantial impairment or loss of their investment in the Funds.

Types of Investments. The Firm will seek to achieve the objectives of the Funds stated in their respective Organizational Documents, by investing primarily in U.S. and non-U.S. healthcare companies. Certain of the Funds invest in public equities, which sometimes includes investments in illiquid, publicly-quoted securities. These Funds from time to time also invest in private companies and/or non-equity asset classes where the Firm believes such investments offer an attractive risk-reward. Certain other Funds invest in or in both public equities and private equity investments structured as equity and equity-related investments, principally in healthcare related businesses. The Firm may also invest in fields related to healthcare where due diligence shows that healthcare assets are the driving force behind value creation and in other sectors from time to time.

Notwithstanding the foregoing, the Firm generally has broad and flexible investment authority. In order to maintain flexibility and to capitalize on investment opportunities as they arise, the Firm is not required to invest any particular percentage of the Funds in any type of investment or region, and the amount of the portfolios which is invested in any type of investment or which is weighted in different countries or different sectors can change at any time based on the availability of attractive market opportunities. Accordingly, investments may at any time include long or short positions, if applicable, in U.S. or non-U.S. publicly-traded or privately-issued common stocks,

preferred stocks, stock warrants and rights, bonds, notes or other debentures or debt participations, convertible bonds, convertible preference shares, fund interests, swaps, options (including options on stock market indices), futures contracts, commodities, forward contracts and other securities or financial instruments including those of investment companies.

Investment Approach/Strategy. The following are key principles behind the Firm's investment approach and strategy:

- The Firm has a broad healthcare focus.
- Healthcare is a truly global market.
- Generally, the Firm has a longer-term investment horizon.
- Fundamentals are key and drive real value.
- Patience is critical. While the Firm's process is based on fundamental research, it recognizes that specific knowledge may not be useful for years.

Research Process. "Fundamental research" is central to the Firm's investment process. The Firm seeks to recognize product cycles and investment themes before they become the focus of mainstream investors. As part of this process, the Firm utilizes a number of different avenues to provide information leading to an investment decision. The following are sources for the Firm's ideas: (a) contacts with physicians; (b) focus outside of the United States; (c) dialogue with companies; (d) attendance at medical conferences; (e) meetings with private companies; and (f) regular dialogue within the team. The Firm utilizes a note and model process. The following are the Firm's protocols:

- **Company Financial Models:** The Firm maintains proprietary models on a broad range of companies, including investments by the Funds and potential future investments.
- **Market Models:** The Firm also builds and maintains market models for a number of key medical markets.
- **Investment Theses:** Investments are generally preceded by a research note explaining the thesis, the expected fair value and the risks inherent in such investment.
- **Regular Dialogue:** The Firm shares findings from its research process with its team in brief research notes in order for it to internally leverage its information and ideas.

Associated Risks. While the following summary of certain of these risks should be carefully evaluated before making an investment in any Fund, it does not intend to describe all possible risks of such an investment. Risks to the Firm's Funds include, but are not limited to, the following:

Investment/Certain Risk: The Funds are speculative investments and are not intended as a complete investment program. Investment in the Funds is suitable only for persons who can bear the economic risk of the loss of their investment, who have limited need for liquidity in their investment and who meet the conditions set forth in each of the Funds' offering documents. There

can be no assurance that the Funds will achieve their investment objectives or any particular level of returns. Investment in the Funds involves significant risks.

Future and Past Performance: The past performance of the Funds as well as the performance of other Funds advised by the Firm is not necessarily indicative of the Funds' future results. While the Firm intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurance that the Funds' objectives will be achieved. Loss of principal is possible on any given investment.

General Economic and Market Risk: The value of a Fund's investments could be affected by factors affecting the economy and securities markets generally, such as real or perceived adverse economic conditions, supply and demand for particular instruments, changes in the general outlook for certain markets or corporate earnings, interest rates, announcements of political information, natural disasters, outbreaks of disease or adverse investor sentiment generally. The market values of a Fund's investments may decline for a number of reasons, including increases in defaults resulting from changes in overall economic conditions and widening of credit spreads. Unfavorable market conditions may also increase funding costs, limit access to the capital markets or result in credit terms changing or credit becoming unavailable. These events could have an adverse effect on a Fund's investments and a Fund's overall performance. A Fund is subject to the risk that natural disasters and geopolitical and other events (e.g., wars, terrorism and outbreaks of disease) will disrupt securities markets and adversely affect global economies and markets, thereby decreasing the value of a Fund's investments. Events such as war, terrorism and related geopolitical risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally. Those events could also have an acute effect on individual issuers or related groups of issuers. These risks could also adversely affect individual issuers or related groups of issuers, securities markets, interest rates, auctions, secondary trading, inflation, deflation and other factors relating to a Fund's investments. At such times, a Fund's exposure to the risks described elsewhere in this section will likely increase.

Market disruptions can prevent a Fund from implementing its investment program for a period of time and achieving its investment objective. For example, a disruption may cause a Fund's derivatives counterparties to discontinue offering derivatives on some underlying commodities, securities, reference rates, or indices or to offer such products on a more limited basis, or the current economic crisis may strain the U.S. Treasury's ability to satisfy its obligations.

Market uncertainty may have a significant impact on the business of a Fund. Among other things, the level of investment opportunities may decline from the Firm's current expectations. One possible consequence is that a Fund may take a longer than anticipated period to invest capital and/or a Fund may be relatively concentrated in a limited number of investments. Consequently, during this period, the returns (if any) realized by investors may be substantially adversely affected by the unfavorable performance of a small number of these investments. Although the Firm may believe that certain market dislocations may result in attractive investment opportunities, a Fund may not be able to time the acquisition or disposition of its investments correctly, which could result in further depreciation in values.

Changes in U.S. social, political, regulatory and economic conditions or in laws and policies governing foreign trade, manufacturing, development and investment in the jurisdictions in which a Fund may invest, and any negative sentiments towards the U.S. as a result of such changes, could adversely affect the performance of a Fund's investments. In particular, the outcome of U.S. presidential and other elections creates uncertainty with respect to the legal and regulatory regimes in which the Funds and their investments operate, which could have a material adverse impact on the Funds and their investments. In addition, negative sentiments towards the U.S. among non-U.S. customers and among non-U.S. employees or prospective employees could adversely affect sales or hiring and retention, respectively, in investments.

Risks Related to Pandemics and Other Diseases: Events such as health pandemics or outbreaks of disease may lead to increased short-term market volatility and may have adverse long-term effects on the U.S. and world economies and markets generally. For example, in 2020, a new and highly contagious form of coronavirus disease, COVID-19, spread to numerous countries, prompting precautionary government-imposed closures and restrictions of certain travel and businesses in many countries. This and other pandemics or outbreaks could result in a general economic decline in a given region, or globally, particularly if the outbreak persists for an extended period of time or spreads globally. This could have an adverse impact on the Funds' investments, or the Funds' ability to source new investments or to realize their investments. Pandemics and similar events could also have an acute effect on individual issuers or related groups of issuers and could adversely affect securities markets, interest rates, auctions, secondary trading, ratings, credit risk, inflation, deflation and other factors relating to the Funds' investments or the Firm's operations. Additionally, the risks related to health pandemics or outbreaks of disease are heightened due to uncertainty as to whether such an event would qualify as a force majeure event. If a force majeure event is determined to have occurred, a counterparty to a Fund or an investment may be relieved of its obligations under certain contracts to which it is a party, or, if it has not, a Fund and its investments may be required to meet their contractual obligations, despite potential constraints on their operations and/or financial stability. Either outcome could adversely impact investments and the Funds' performance.

Custody and Banking Risks: The Funds will maintain funds with one or more banks or other depository institutions ("banking institutions"), which may include U.S. and non-U.S. banking institutions, and may enter into credit facilities or have other financial relationships with banking institutions. The distress, impairment or failure of one or more banking institutions with whom the Funds, their portfolio companies, the General Partner and/or the Firm transact may inhibit the ability of the Funds or their portfolio companies to access depository accounts or lines of credit at all or in a timely manner. In such cases, the Funds may be forced to delay or forgo investments or to call capital when it is not desirable to do so, resulting in lower performance for the Funds. In the event of such a failure of a banking institution where a Fund or one or more of its portfolio companies holds depository accounts access to such accounts could be restricted and U.S. Federal Deposit Insurance Corporation ("FDIC") protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to banking institutions in other jurisdictions not subject to FDIC protection). In such instances, the Funds and their affected portfolio companies may not recover such excess, uninsured amounts and instead, would only have

an unsecured claim against the banking institution and participate pro rata with other unsecured creditors in the residual value of the banking institution's assets. The loss of amounts maintained with a banking institution or the inability to access such amounts for a period of time, even if ultimately recovered, could be materially adverse to the Funds or their portfolio companies. One or more investors or a Fund's General Partner could also be similarly affected and unable to fund capital calls, further delaying or deferring new investments. In addition, a Fund's General Partner may not be able to identify all potential solvency or stress concerns with respect to a banking institution or to transfer assets from one bank to another in a timely manner in the event a banking institution comes under stress or fails.

Non-Diversification: The Funds' portfolios are invested primarily in equities and equity-related securities, with an emphasis on healthcare companies and are not widely diversified among a wide range of issuers, geographic areas, capitalizations or types of securities. Accordingly, the investment portfolio of a Fund may be subject to more rapid change in value than if such Fund were required to maintain wide diversification. Further, if a Designated Investment becomes freely tradable, and the Firm or the General Partner continues to hold the security as a Designated Investment and also makes an additional investment in the relevant security in certain Funds' portfolio, an investor participating in such Designated Investment will have greater exposure to such security than an investor not participating in such Designated Investment.

Investing in Healthcare Companies: Investing in securities and other instruments of healthcare companies involves substantial risks including, but not limited to, the following: change in government policies; companies having limited or no operating histories, or limited products, markets and financial resources; rapidly changing technologies; unanticipated problems in connection with the development of new products; scarcity of management and marketing personnel with appropriate technological or medical training; the possibility of lawsuits, regulatory changes and/or governmental action; changing investors' sentiments and preferences with regard to investments in healthcare companies; volatility in the global stock markets; extensive government regulation; substantial and ongoing capital needs of companies; length, expense and uncertainty of process for obtaining government approval for new products; and delays in generating products (as well as more general ongoing capital requirements), which may result in the need for companies to seek additional capital, potentially diluting the interest of existing investors, such as the relevant Funds.

Risks Associated with the Healthcare Industry: The healthcare industry is dominated by large multi-national corporations, which 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 reimbursement policies, than certain Funds' portfolio companies. Certain Funds' portfolio companies may be at least partially dependent for their success upon governmental and third party reimbursement policies, and any change to such policies could adversely affect the viability of a portfolio company. Further, many healthcare-related companies offer products and services that are subject to governmental regulation and may be adversely affected by changes in governmental policies or laws. The healthcare sector has been the subject of an especially high level of legislative and regulatory scrutiny and often contrary

initiatives in recent years in preparation for and in response to the Patient Protection and Affordable Care Act of 2010 (the “Affordable Care Act”), the focus on the level of drug prices, election results in the United States and ongoing initiatives to amend or repeal the Affordable Care Act. Within the healthcare industry, the development of products generally is a costly and time consuming process. Many highly promising products ultimately fail to prove safe and effective. Products under development and pre-clinical testing generally will require extensive clinical testing prior to application for commercial use. There can be no assurance that the research or product development efforts of any Fund’s portfolio companies or those of their collaborative partners will be successfully completed, that specific products can be manufactured in adequate quantities at an acceptable cost and with appropriate quality, or that such products can be successfully marketed or achieve customer acceptance. There can be no assurance that a Fund’s portfolio companies will be able to obtain patents for key inventions or uphold any challenges thereto, which may be costly and distracting to the portfolio companies’ management.

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, and some of the portfolio companies of the Funds, and by extension the Funds themselves, may be negatively affected by such changes and obsolescence.

Investments in Royalty Interests: Funds may purchase royalty interests. Royalty interests are generally derived from long-term contractual agreements between licensors and licensees, and there may be provisions in such agreements that restrict each of the Funds’ ability to transfer such royalty interests without the express written consent of the licensors or licensees. Distributions to investors of a Fund from royalty interests, if any, will be tied to the revenue levels achieved by the products underlying each royalty interest. Although the variations in revenue are typically gradual and cyclical, in certain cases they could be material and adverse.

Early Stage Investments: Certain Funds focus on emerging biopharmaceutical companies typically raising Series A through pre-IPO mezzanine stage investments. While such Funds may invest in newly-formed companies under unique circumstances, certain Funds will principally focus on companies that offer a strong scientific foundation with established leadership. To the extent that such Funds invest a portion of their assets in newly-formed or pre-revenue portfolio companies, the following risks may apply. Most of these types of investments are made at an early point in a company’s life cycle. These “early stage” or “seed” investments can create value inherent in particular companies or situations that can be realized only with substantial effort or expense. Often the success of the investment will depend not only on the efforts of its management team, but also upon actions of other key individuals, or extraneous factors including political or economic developments over which the Firm has little or no control. Many early stage companies face significant competition from other firms, both established and start-up. Early stage investments are typically made in firms that are seeking to develop and bring to market new, unproven technology. This endeavor is subject to a number of risks, including: failure to develop

or perfect the technology as planned; obsolescence; patent infringement and similar claims that prevent the technology from being used or licensed; lack of market acceptance of the technology; and loss of key personnel. These companies are typically dependent on the abilities of key individuals, including founding entrepreneurs, owners or employees with critical technological skills or ownership of important patents or other intellectual property, and marketing and financial professionals. The growth and development of early stage companies may depend on the regular injection of additional capital and financing beyond that which such Funds are prepared or able to invest; such financing may not be available from other sources. Venture stage companies are typically thinly staffed and may lack the internal resources or procedures and controls to detect and prevent accounting errors, or more serious losses caused by the misconduct or negligence of officers, employees or agents. The very significant returns that have been earned in a small portion of venture capital investments have in large part resulted from the completion of highly successful initial public offerings or acquisitions that have permitted the venture investors to sell their equity interests at multiples of original cost. There can, of course, be no assurance that, at the time a given venture investment matures, the public securities markets will support an initial public offering to permit such returns or that the venture-backed company's fundamentals will warrant such returns.

High-Growth Company-Related Risks: Certain Funds 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 certain 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. The U.S. Food and Drug Administration ("FDA") approval process is inherently unpredictable and in many cases the success or failure of the companies in which such Funds invest will depend on the outcome of this process.

Legal and Regulatory Risks in Medical Technology and Biopharmaceutical Portfolio Companies: Legal and regulatory changes could occur during the term of certain Funds that may adversely affect such Funds. The products and compounds of portfolio companies and some of such Funds' assets may be subject to extensive and rigorous regulation by U.S. local, state and federal regulatory authorities and by foreign regulatory bodies. There can be no assurance that products developed by each of such Funds' portfolio companies will ever be approved by such governmental authorities. Discovery of previously unknown problems with a product, manufacturer or facility can result in restrictions on the use or the manufacture of such product. Such event would likely have a significant and adverse effect on the performance of a particular product or associated royalty interest and could have a material adverse effect on the aggregate performance of such Funds.

IPOs: Certain Funds invest in initial public offerings (“IPOs”). IPOs often involve a limited number of shares available for trading, unseasoned trading, a lack of investor knowledge about an issuer and a limited operating history on the part of the issuer. In addition, some companies pursuing IPOs are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. Accordingly, income or loss attributable to such investments may materially adversely affect such Funds’ performance. In addition, certain Funds may be generally precluded for some time from selling their shares in portfolio investments that have completed IPOs because of investment limitations, lock ups or other liquidity restrictions, and during such time the price of the portfolio investment’s securities could decline precipitously.

Investments in PIPE Transactions: Certain Funds invest in private investments in public equities (“PIPEs”) or private financing of public companies. In a PIPE transaction, such Fund will typically bear the price risk from the time of pricing until the time of closing. In addition, such Fund often has to commit to purchase a specified number of shares at a fixed price. Such PIPE securities may only be resold pursuant to an exemption from registration or once the SEC has declared effective a resale registration statement covering the resale of the shares sold in the private financing and, as such, the Funds may not be able to realize the maximum value of such securities due to restrictions on their ability to sell these shares.

Restricted Securities: Certain Funds invest in restricted securities, which are securities that cannot be offered for public resale unless registered under the applicable securities laws or that have a contractual restriction that prohibits or limits their resale. Such investments may include private placement securities that have not been registered under the applicable securities laws. The illiquidity of such securities may inhibit the Fund’s ability to sell such securities at the Fund’s discretion and maximize the return on such investment.

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. For example, regulatory approval is often required to market or sell, drugs, devices, medical technologies and other healthcare-related products. The approval process typically takes many years, and is extremely expensive and uncertain. In addition, as part of the regulatory approval process, companies may need to conduct preclinical studies involving animals, and clinical trials involving humans. 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. Delays in commercializing products may therefore result in the need to seek additional capital, potentially diluting the interests of investors. 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. Certain portfolio companies of the Funds may be subject to

such delays and uncertainties, which may negatively impact such portfolio companies and, by extension, an investment in the Funds.

Minority Investments: A significant portion of certain Funds' investments may represent minority stakes in companies. Minority stakes that such Funds hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Such Funds may also invest in companies for which such Funds have no right to appoint a director or otherwise exert significant influence. In such cases, such 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 such Funds are not affiliated and whose interests may conflict with the interests of such Funds.

Short Sales: Short selling exposes certain Funds to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There can be no assurance that the securities necessary to cover the short position will be available for purchase by 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 such Funds. Furthermore, Funds may prematurely be forced to close out a short position if a counterparty from which such Funds borrowed securities demands their return, resulting in a loss on what might otherwise have ultimately been a profitable position. If it is determined by the broader market that Funds (and others) are short a heavily shorted security, the Funds that have shorted that security 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 a positions, including the Funds, to close out of such positions. If a Fund was required to buy the shorted security in the market to make delivery under conditions which cause a period of sudden and unexpected significant increase in the value of the investment, the Fund could incur substantial losses.

Hedging: Certain Funds generally take long positions in private companies. These companies will either succeed or fail, but the applicable investment managers and/or general partners will have no obligation to "hedge" the risk of its investments. In the case of publicly-traded companies, investors can attempt to hedge their risk by taking short positions, investing in comparable issuers, implementing "portfolio hedges" against overall stock movements, etc. In investing in private companies, none of these tools to protect against the risk of loss are available. The success of such Funds will depend entirely on the success of the private, high risk issuers in which they invest.

Certain other Funds may (although are not generally required to) engage in hedging transactions designed to reduce the risks of industry, currency, geographic or other risks associated with the values of their portfolio positions. To the extent the Firm employs a hedging strategy for a Fund, the success of any such strategy is subject to the Firm's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolios being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the instances when the Firm hedges portfolio positions in a Fund is also subject to the Firm's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While a Fund may enter into certain

hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in any such hedging transactions. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline or if the hedges do not work as intended, but establishes other positions designed to gain from those same developments, thus seeking to offset the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the hedged portfolio positions should increase. For a variety of reasons, the Firm may not seek to establish a perfect correlation between the hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a Fund from achieving the intended hedge or expose a Fund to risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of a Fund's portfolio holdings. There can be no guarantees that the Firm will correctly implement any hedging strategies or transactions or that such strategies and transactions will have their intended effect.

Leverage: Certain Funds leverage their capital. Certain Funds also leverage their investment return with options, short sales (if applicable), swaps, forwards and other derivative instruments. The amount of borrowing which such Funds have outstanding may be substantial in relation to their capital. While leverage presents opportunities for increasing such Funds' total return, it has the effect of potentially increasing losses as well. The anticipated use of short-term margin borrowings results in certain additional risks to such Funds.

In an unsettled credit environment, the Firm may find it difficult or impossible to obtain leverage for such Funds and implement their strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Firm being forced to unwind positions quickly and at prices below what the Firm deems to be fair value for the positions.

Derivative Instruments: A derivative is a financial contract the market value of which depends upon, or is derived from, the value of underlying assets, reference rates or indices. Derivatives may relate to securities, commodities, currencies, currency exchange rates, interest rates, inflation rates and related indices, and include futures, non-U.S. currency contracts, swap contracts, options on securities and indices, options on futures contracts, options on swap contracts, forward contracts, contracts for differences, interest rate caps, floors and collars, repurchase or reverse repurchase agreements and other over-the-counter contracts. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with investments in equities and fixed income securities. The Funds may use derivatives for many purposes, including as a substitute for direct investment, as a way to adjust its exposure to various securities, markets, rates or currencies without actually having to sell existing investments and/or make new investments, and as a means to hedge other investments and to manage liquidity and excess cash. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into and the ability to assess the risk that a derivative adds to the Funds' portfolios.

Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets, the Funds may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which the Funds may conduct their transactions in cleared derivative instruments may prevent prompt liquidation of positions, subjecting the Funds to the potential for greater losses. Less liquid derivative instruments also may fall more in price than other securities during market declines. During periods of market disruptions, the Funds may have a greater need for cash to provide collateral for large swings in the mark-to-market obligations arising under the derivative instruments used by the Funds, and may be forced to sell other investments to raise cash to cover collateral obligations or to close out derivative positions at a disadvantageous time or price. The use of derivatives also involves the risk that the value of the instrument may not change as expected relative to changes in the value of the underlying assets, rates or indices. Investments in certain derivative instruments can expose the Funds to leverage and a relatively small price movement in a derivative instrument may result in substantial losses to the Funds. The Funds' uses of derivatives may not be effective or have the desired result.

In addition, all derivative instruments involve risks that are in addition to, and potentially greater than, the risks of investing directly in securities and other more traditional assets, including risks related to the Funds' uses of hedging and leverage and the Funds' counterparties.

Non-U.S. Securities: The Funds may invest in securities of non-U.S. governments and companies, and utilize currency forward contracts and options on currencies, all of which involves the following risks: changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of non-U.S. taxes, less liquid markets and generally less available information, higher transaction costs, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards, and greater price volatility.

Currency Risks: In general, Funds' investments denominated in currencies other than the U.S. dollar are subject to the risk that the value of the particular currency will change in relation to the U.S. dollar. For example, investments in euro class shares of companies, where applicable, are subject to the risk of change in value of the euro in relation to the U.S. dollar.

Small Cap Stocks: Certain Funds invest a portion of their assets in stocks of companies with small to medium sized market capitalizations which may involve higher risks than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks and investments in these stocks may be more illiquid than those in larger, better known companies. Further, investments in these companies often involve higher risks because the companies lack the management experience, financial resources, product diversification, markets, distribution channels and competitive strengths of larger companies. In addition, in many instances, the frequency and volume of the trading activity in their stock is substantially less than is typical of larger companies. Therefore, the securities of smaller companies may be subject to wider price fluctuations. The spreads between the bid and asked prices of the securities of these companies in the U.S. over-the-counter market typically are larger than the spreads for more actively traded securities. As a result, such Funds could incur a loss if

they were to sell such a security a short time after its acquisition. When making a large sale, such Funds may have to sell a portfolio holding at a discount from quoted prices or may have to make a series of small sales over an extended period of time because of the limited trading volume of smaller company securities.

Investments in Undervalued Securities: One of the primary objectives of certain Funds is to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task and there is no assurance that such opportunities will be successfully recognized or acquired. Such Funds may be required to hold such securities for a substantial period of time before realizing their anticipated value, thus possibly preventing them from investing in other opportunities. In addition, such Funds may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

Special Situations: Certain Funds may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies or sovereign debt involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. These investment opportunities involve a potential risk of loss by such Funds of their entire investment in such companies.

Lack of Liquidity of Assets: Certain Funds' assets include securities and other financial instruments or obligations which have contractual or regulatory limitations on sale or which are very thinly traded. The sale of any such investments may be possible only at substantial discounts. Finally, if a substantial number of investors were to redeem their interests/shares and such Funds did not have a sufficient amount of cash or liquid securities, such Funds might have to meet such withdrawal/redemption requests through distributions of illiquid securities.

Portfolio Company Directorships: Firm personnel serve on boards of directors or executive committees or in other capacities at companies in which certain Funds invest, either directly or indirectly. Serving in such a capacity may expose such personnel, and by association the Firm and such Funds, to certain limitations on the ability to trade the securities of the issuer company and certain conflicts of interest and may subject such Funds to certain risks. For example, such Funds may be unable to sell or buy securities or enter into transactions that may benefit such Funds if a representative of the Firm is in possession of material, non-public information relating to such portfolio investment. Furthermore, such individual board members may become subject to substantial liability arising out of claims against them and any liability in connection therewith may be borne by such Funds through indemnification obligations. The Firm and such Funds may also be subject to Section 16 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), including the disclosure requirements, the restrictions on purchases and sales, and the disgorgement of profits in certain circumstances. An employee or principal of the Firm serving as a director of a company owned, directly or indirectly, by such Funds may also face a conflict between the fiduciary duties owed by such employee to such Funds and the duties owed to such company. In such circumstances, such person may act in ways that are in the best interests of such company but not such Funds. The Firm intends to prevent its personnel from taking such positions when, in the Firm's determination, the potential risks to such Funds outweigh the potential benefits. However, there can be no assurance that permitting board membership will not

result in less favorable results for such Funds than if Firm personnel were not permitted to serve in such capacity. In addition to Firm personnel serving on the board of directors of certain portfolio companies, such Funds may, for example, take some positions that exceed 10% of the voting shares of a company or in which the market value of such Funds' position in the company exceeds certain thresholds required for notice under the Hart-Scott-Rodino premerger notification program. As a result of any such positions, such Funds may be subject to various U.S. and non-U.S. regulatory and legal requirements.

High Growth Industry Related Risks: Securities of companies in high growth industries (e.g., healthcare) may be very volatile. In addition, these companies may face undeveloped or limited markets, have limited products, and may operate at a loss or with substantial variations in operating results from period to period. Furthermore, these companies may have no proven profit-making history, limited access to capital and/or be in the developmental stages of their businesses, or limited ability to protect their rights to certain patents, copyrights, trademarks and other trade secrets. These companies may also be otherwise adversely affected by the extremely competitive markets in which many of their competitors operate.

Risks Relating to Private Investments and Designated Investments: Certain Funds invest in private companies or Designated Investments. The types of private investments or Designated Investments that such Funds anticipate making may involve a high degree of risk. In general, financial and operating risks confronting certain investments can be significant. While targeted returns should reflect the perceived level of risk in any investment situation, there can be no assurance that such Funds will be adequately compensated for risks taken. A loss of an investor's entire investment in a private investment or Designated Investment is possible. The timing of profit realization with respect to private investments and Designated Investments is highly uncertain.

Potential Dilution of Private Investments and Designated Investments: Investing in private companies or Designated Investments is subject to the risk of material dilution. This dilution can result from an investment's unanticipated need of additional financing, foreclosure by creditors, adverse litigation outcomes draining the investment's resources and numerous other factors. Because certain companies may have limited financial resources, events which could be easily absorbed by larger capitalization investments can force certain investments to take steps which result in the positions of existing investors being severely compromised, and often without existing investors having the opportunity to maintain their investments by making an additional investment. The Firm could correctly identify and successfully invest in a private investment with significant profit potential but then be "squeezed out" of its position by subsequent financing activity.

Limitations on Ability to Exit Private Investments and Designated Investments: The Firm generally expects to exit from its investments in private companies and Designated Investments in two principal ways: (i) private sales and (ii) initial and secondary public offerings. At any particular time, one or both of these avenues may not be open to the applicable Fund, or timing with respect to these exit mechanisms may be inopportune. As such, the ability to exit from and liquidate private portfolio companies and Designated Investments may be constrained at any particular time, and the likelihood of such transactions occurring will be materially affected by

prevailing market conditions. Further, even if an investment in which such Funds invest is ultimately enormously successful, such success may not occur during a timeframe in which it is feasible for such Funds to maintain their investment in such company.

Down Round and Cram Down Financings: From time to time, a private company in which a Fund invests (including, without limitation, Designated Investments) will experience a down round financing, where the company raises capital that is based on the company's valuation that is lower than the company's valuation in its prior financing round in which such Fund invested. As a result of the lower valuation, the equity outstanding immediately prior to the down round, which may include a Fund's investment, will suffer dilution. In other instances, such companies will also engage in a "cram down" financing. A cram down financing is a term that is often used to describe a down round financing in which existing investors lead a new financing that includes terms that may be severely dilutive to non-participating investors and that may include other features, such as forced conversions and "pay-to-play" mechanisms, that may have the perceived effect of punishing non-participating stockholders. In a severe cram down, existing stockholders who do not participate in the round may end up with little or no meaningful ownership stake in the company. In addition to further consolidating ownership of the company, investors willing to participate in a cram down may often also receive ancillary deal terms and preferred stock rights and preferences (such as super-priority liquidation preferences, "drag along" rights and special voting rights) that are superior to the prior rounds. If a Fund does not participate in a cram down financing, such Fund's equity ownership could be significantly reduced.

Interests/Shares Subject to Liabilities of Other Classes: Although the assets and liabilities of each of certain Funds' tranches or classes of common shares are segregated, there is a risk that the assets of a solvent tranche or class may be at risk with respect to, and may be used to satisfy, the liabilities of an insolvent tranche or class.

Sub-Advised Funds Pursuing Substantially the Same Strategy: The Firm and/or its affiliates sub-advise funds pursuing all or some of the investment strategy or implementing the same strategies as certain Funds. With respect to sub-advised funds, the agreement between the Firm and the fund may limit the ability of the fund to terminate the agreement; however, such fund always has the ability to assume control over the fund's account and to liquidate positions in the account. Such liquidations could have an adverse effect on other Clients. In addition, the fund has an inherent ability to see all positions in the account. Accordingly, the Firm's sub-advising such a fund pursuing the same or substantially the same strategies as certain Funds involves some of the same risks as having an investor of the Funds with immediate liquidity.

Valuation: Certain Funds' assets are invested in privately placed securities of publicly traded or private companies or in securities which are illiquid or very thinly traded, and certain Funds may determine not to treat such investments as Designated Investments or Special Investments. It is noted that these investments may be extremely difficult to value accurately and could result in redeeming/withdrawing investors being overpaid or underpaid relative to the actual value of the company. Similarly, to the extent that the Firm determines to accept a subscription in kind in the form of securities, such securities may also be extremely difficult to value accurately and could result in the subscribing shareholder receiving more or less shares in the relevant Fund relative to

that of existing shareholders depending on the actual value of such securities. There may also be risks associated with dilution and liquidation of these investments.

For certain Funds, when estimating the fair value of certain investments owned by the Funds, the Firm will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. For certain other Funds, while the administrator of those Funds typically calculates the value of such clients' portfolios based on pricing information from independent sources such as pricing services and brokers, including the prime broker, it also relies on information furnished by the Firm or the General Partner. Valuations are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of the Firm. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and differs from the prices at which such securities may ultimately be sold. Third-party pricing information may at times not be available regarding certain of a Fund's assets. The exercise of discretion in valuation by the Firm gives rise to conflicts of interest. Valuations (including, for instance, determination of when an investment should be written down or written off) impact the Firm's track record. In addition, the performance allocation in certain Funds is calculated based, in part, on these valuations, and such valuations affect the amount and timing of performance fees and calculation of Management Fees. Valuations also impact the value for purposes of subscriptions and redemptions, which can impact an investor's return and will under certain circumstances differ from the value a Fund ultimately realizes on its investments.

Bridge Financing: Certain Funds lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in such Fund's control, such long-term securities may not issue and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by such Fund. Such Funds will bear the risk of any changes in the capital markets, which may adversely affect the ability of a portfolio company to refinance any bridge investments. If such portfolio company were unable to complete a refinancing, such Funds could have a long-term investment in a junior security or that junior security might be converted to equity.

Portfolio Company Leverage: To the extent that any investment is made in a portfolio company with a leveraged capital structure or any portfolio company borrows or enters into other financing transactions requiring periodic payments, such investment will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such company or its industry. If such a company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of any equity investment by a Fund in such company could be significantly reduced or even eliminated.

Distributions In-Kind: The Funds may make distributions in cash, in-kind or in a combination thereof. Immediately prior to any distribution in-kind, the Firm generally determines the fair value

of the property distributed for purposes of calculating any Performance-Based Fees allocable to a General Partner in connection with the distribution.

There is no guarantee that the fair value assigned to any property distributed in-kind will represent the value that will, or could, be realized, on the eventual disposition of that property, whether the disposition is handled by the General Partner or the investor. To the extent that the fair value assigned is higher than the value that actually is or could be realized, the General Partner may receive a greater Performance-Based Fee than it would have received had such Fund instead liquidated the property and distributed the proceeds to such investor. Such securities may experience periods of price volatility or a decline in market value. In particular, immediately following a distribution of securities, trading volume may be insufficient to support sales of the securities without such sales triggering a price decline, which makes it difficult or impossible for all such securities to be sold at the distribution price. In addition, illiquid securities distributed in-kind generally will not be readily marketable or disposable due to a variety of legal or practical limitations on sale. Further, public securities may be distributed to investors in any quantity, whether or not such securities are liquid or illiquid. Accordingly, investors must be prepared to bear the risks of owning such securities for an indefinite period of time and incurring material costs and expenses in connection with any disposition thereof. The timing of when an investor sells any or all securities it receives in connection with a distribution in-kind is entirely determined by the investor, unless the investor requests, and the General Partner agrees, to liquidate the investor's securities rather than distribute them in-kind to such investor. In such a case, the timing and price of the sale of the investor's securities is entirely determined by the General Partner and any such sale may result in the securities being liquidated at a price lower than that which could have been obtained had the Fund or the investor continued to hold such investments in-kind.

The value of securities distributed will likely increase or decrease before the securities are sold, potentially materially, and there can be no assurance that the value of such assets will ultimately be realized. The risk of loss and delay in liquidating these securities will be borne solely by the investors, with the result that the investors may ultimately receive less cash than they would otherwise have received.

Material Non-Public Information: From time to time, the General Partners, the Firm, their affiliates and/or their members, officers and employees come into possession of material non-public information concerning specific portfolio companies. This may occur on a fairly regular basis given the expectation that such persons will have direct dealings with issuers in connection with certain Funds' investment activities. Under applicable securities laws, this can limit the Firm's flexibility to buy or sell portfolio securities issued by such companies. The Funds' investment flexibility therefore sometimes is constrained as a consequence of the Firm's inability to use such information for investment purposes. Alternatively, the Firm and their affiliates may decline to receive material non-public information which it is entitled to receive on behalf of the funds each manages, in order to avoid investment restrictions for such funds, even though access to such information might have been advantageous to such funds and other market participants are in possession of such information.

ERISA Risks: It is anticipated that the assets of the ERISA Funds will at all times be deemed to be “plan assets” subject to Title I of ERISA and/or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”). The Firm, therefore, will be a fiduciary with respect to plans or accounts subject to Title I of ERISA and/or Section 4975 of the Code investing in the ERISA Funds directly or indirectly through a benefit plan investor and will be prohibited from causing the ERISA Funds to engage in certain transactions. While the Firm believes that it can effect the ERISA Funds’ investment strategies utilizing various statutory and class exemptions to ERISA’s prohibited transaction regime, there may be particular transactions which ERISA and/or the Code will prevent the ERISA Funds from entering into or investments which the ERISA Funds must sell before they might otherwise do so.

Recent Financial Market Fluctuations: Various sectors of the U.S. and global financial markets and the broader current financial environment have been, and continue to be, characterized by uncertainty, volatility and instability. The financial services industry generally and investment activities are affected by general economic and market conditions, including interest rates, availability of credit, lack of price transparency, inflation rates, economic uncertainty, changes in tax and other applicable laws and regulations, trade barriers, national and international and environmental and socioeconomic circumstances. These financial market fluctuations have the tendency to reduce the availability of attractive investment opportunities for the Funds and may affect the Funds’ ability to make investments and the value of the investments held by the Funds. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Funds’ investments. The public securities markets have seen increased volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by the tightening of the credit markets and the ongoing financial turmoil. It is unclear what the repercussions of this market turmoil may be. Moreover, it remains unknown whether governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) will have a positive or negative effect on market conditions. There can be no assurance that the market will, in the future, become more liquid than it is at present, and it may well continue to be volatile for the foreseeable future. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable a Fund to sell these securities when the Firm believes it is most advantageous to do so, or without adversely affecting the stock price. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of the Funds to buy, sell and partially dispose of their portfolio company investments. The Funds may be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid or volatile market, and a Fund may find itself unable to dispose of investments at prices that the Firm believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted and there can be no assurances that conditions in the financial markets will not worsen or adversely affect one or more a Fund’s portfolio companies.

Force Majeure: Force majeure is the term generally used to refer to an event beyond the control of the party claiming that the event has occurred, including acts of God, fire, flood, weather,

earthquakes, war, terrorism, disease and labor strikes. In particular, the Firm's primary office is, and a number of the Funds' portfolio investments may be located in, California, which has in the past and may during the Funds' terms experience events such as significant earthquakes, fires and/or other contagious diseases or natural disasters. These and other force majeure events (both in California and elsewhere in the world) may adversely affect the ability of the Firm, a portfolio investment or the parties with whom they do business to perform their respective obligations, under a contract or otherwise. Dealing with any force majeure event will divert the Firm's time and effort, and the cost of repairing or replacing damaged assets could be considerable. Force majeure events that are impossible or costly to cure may also have a permanent adverse effect on the Funds or a portfolio investment, and the Funds' potential returns would be diminished as a result. If a force majeure event is determined to have occurred, a counterparty to the Funds or an investment may be relieved of its obligations under certain contracts to which it is a party, or, if it has not, the Funds and their portfolio companies may be required to meet their contractual obligations, despite potential constraints on their operations and/or financial stability. Either outcome could adversely impact portfolio companies and the Funds' performance.

Inflation/Deflation Risk: Inflation risk is the risk that the value of assets or income from the Funds' investments will be worth less in the future as inflation decreases the value of payments at future dates. Inflation poses a "stealth" threat to investors because it reduces savings and investment returns. Central banks, such as the U.S. Federal Reserve, generally attempt to control inflation by regulating the pace of economic activity. They typically attempt to affect economic activity by raising and lowering short-term interest rates. At times, governments may attempt to manage inflation through fiscal policy, such as by raising taxes or reducing spending, thereby reducing economic activity; conversely, governments can attempt to combat deflation with tax cuts and increased spending designed to stimulate economic activity. Inflation rates may change frequently and significantly as a result of various factors, including unexpected shifts in the domestic or global economy and changes in economic policies, and the Funds' investments may not keep pace with inflation, which may result in losses to investors. As inflation increases, the real value of the portfolio could decline and the interest payments on the Funds' borrowings, if any, may increase. Deflation risk is the risk that prices throughout the economy decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely or materially impair the ability of distressed issuers to restructure, which may result in a decline in the value of the Funds' portfolios.

Interest Rate Risk: Interest rate risk refers to the risks associated with market changes in interest rates. In general, rising interest rates will negatively impact the price of fixed rate debt instruments and falling interest rates will have a positive effect on the price of such debt instruments. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). The Funds' other investments and transactions (e.g., derivatives) may also be affected by changes in interest rates. Declines in market value, if not offset by any corresponding gains on hedging instruments, may ultimately reduce earnings or result in losses to the Funds. The prices of long-term debt obligations generally fluctuate more than prices of short-term debt obligations as interest

rates change. To the extent a Fund invests in longer-term investments, it will be impacted to a greater degree by changes in market interest rates than if such Fund invested primarily in short-term debt securities.

Cash and Cash Equivalents: The Funds are expected to hold cash and cash equivalents at any given time during their term. Available cash and cash equivalents may be held in interest-bearing accounts, funds managed by third-party financial institutions or other similar instruments. The Funds' access to their invested cash and cash equivalents may be impacted by adverse conditions in the financial markets, and the Funds are subject to the risk that they may lose assets in connection with bank or other financial institution failures. The balances of accounts with third-party financial institutions can be expected to exceed the FDIC insurance limits, or the limits of the deposit insurance regimes of other applicable jurisdictions, as applicable. While the Partnership will make efforts to monitor the cash balances in its operating accounts and adjust the cash balances as appropriate, these cash balances could be impacted if the underlying financial institutions fail or other adverse conditions in the financial markets occur.

Cash and Other Investments: The Funds may invest all or a portion of their assets in cash or cash items for investment purposes, pending other investments or as provision of margin for swaps or futures or forward contracts. These cash items must be of high quality at the time of investment and may include a number of money market instruments such as negotiable or non-negotiable securities issued by or short-term deposits with the U.S. and non-U.S. governments and agencies or instrumentalities thereof, bankers' acceptances, high quality commercial paper, repurchase agreements, bank certificates of deposit, and short-term debt securities of U.S. or non-U.S. issuers deemed to be creditworthy by the Firm. A Fund may be prevented from achieving its investment objective during any period in which its assets are not substantially invested in accordance with its investment strategy. While investments in cash items generally involve relatively low risk levels, they may produce lower than expected returns, and could result in losses. Investments in cash items and money market funds may also provide less liquidity than anticipated by the Funds at the time of investment.

New Issues: New issues are generally equity securities issued in a public offering. Although investors typically assume that new issues will open at a price higher than their initial price, and that they will continue to trade at a premium until they are liquidated, there is no guarantee that either of these scenarios will occur. The prices of newly issued securities may not increase as anticipated and, in fact, may decline rapidly. In addition, the Funds may be prohibited from investing in new issues due to investors' status, or may be prohibited from investing, or elect not to invest, in new issues for other reasons (including issues relating to obtaining necessary information from investors or specially allocating profits and losses from new issues).

To the extent an investor is subject to new issue limitations or elects not to invest in such investments, and a Fund's investment in an initial public offering yields high returns, that investor may have meaningfully lower performance than that experienced by investors that are not subject to such restrictions, and to whom a disproportionate amount of the new issue profit will be allocated. Conversely, to the extent that new issue losses are incurred, all or most of such losses

will be allocated to non-restricted investors, and the investment returns of such investors will be negatively impacted as a result.

Concentration of Investments: The Funds have a flexible mandate and will not be subject to any limits with respect to diversification. As a result, the Funds' investments could potentially be concentrated in relatively few strategies, issuers, industries, markets geographies, or investment types. Such non-diversification would make the Funds more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be. The Funds could be subject to significant losses if it holds a relatively large position in a single strategy, issuer, industry, market, geographic region or a particular type of investment that declines in value, and the losses could increase even further if the investments cannot be liquidated without adverse market reaction or are otherwise adversely affected by changes in market conditions or circumstances.

Cybersecurity Risk: The Firm, the Funds' service providers and other market participants depend on complex and often interconnected information technology and communications systems to conduct business functions. These systems are subject to a number of different threats and other risks that could adversely affect the Funds and their investors, despite the efforts of the Firm and the Funds' service providers to adopt technologies, processes and procedures intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the security, confidentiality, integrity and availability of information belonging to the Fund and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, encrypt or otherwise prevent access to these systems of the Firm, the Funds' service providers and counterparties, as well as the data stored by these systems, including investor information. The Firm and the Funds' service providers may be subject to ransomware or other attacks that could cause a substantial business disruption or loss of availability of data that could prevent the Funds and the Firm from executing its investment strategy or accessing an account, which could lead to financial losses. Third parties have also attempted to fraudulently induce employees, customers, third-party service providers or other users of the Firm's systems to disclose sensitive information in order to gain access to the Firm's data or that of the Funds' investors or to transfer funds to unauthorized third parties. A successful penetration or circumvention of the security of the Firm's systems by unauthorized third parties could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, 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, the Firm or their service providers to incur regulatory penalties, reputational damage, additional compliance costs, increased insurance premiums or financial loss. In addition, the Firm may incur substantial costs related to investigation and remediation of the cybersecurity incident, increasing and upgrading cybersecurity protections including its administrative, technical, organizational and physical controls, acts of identity theft, unauthorized use or loss of proprietary information, adverse investor reaction, increased insurance premiums or difficulties obtaining insurance coverage, or litigation, regulatory actions or other legal risks. Similar types of operational and technology risks are also present for the companies in which the Funds invest, which could have

material adverse consequences for such companies, and may cause the Funds' investments to lose value.

Risks of Artificial Intelligence ("AI"): The Firm's ability to use, manage and aggregate data may be limited by the effectiveness of its policies, systems and practices that govern how data is acquired, validated, used, stored, protected, processed and shared. Failure to manage data effectively and to aggregate data in an accurate and timely manner may limit the Firm's ability to manage current and emerging risks, as well as to manage changing business needs and to adapt to the use of new tools, including AI. While the Firm may under certain circumstances restrict certain uses of third-party and open source AI tools, such as ChatGPT, the Firm's employees and consultants and a Fund's portfolio companies will from time to time use these tools, which poses additional risks relating to the protection of the Firm's and such portfolio companies' proprietary data, including the potential exposure of the Firm's or such portfolio companies' confidential information to unauthorized recipients and the misuse of the Firm's or third-party intellectual property, which could adversely affect the Firm, a Fund or its portfolio companies. Use of AI tools may result in allegations or claims against the Firm, a Fund or its portfolio companies related to violation of third-party intellectual property rights, unauthorized access to or use of proprietary information and failure to comply with open-source software requirements. Additionally, AI tools may produce inaccurate, misleading or incomplete responses that could lead to errors in the Firm's and its employees' and consultants' decision-making, portfolio management or other business activities, which could have a negative impact on the Firm or on the performance of a Fund and its portfolio companies. Such AI tools could also be used against the Firm, a Fund or its portfolio companies in criminal or negligent ways. As the use and availability of AI tools has grown, the U.S. Congress and a number of U.S. federal and state agencies have been examining the AI tools and their use in a variety of industries, including financial services. These agencies have issued proposed or adopted a variety of rules and other guidance regarding the use of AI. AI similarly faces an uncertain regulatory landscape in many foreign jurisdictions. Ongoing and future regulatory actions with respect to AI generally or AI's use in any industry in particular may alter, perhaps to a materially adverse extent, the ability of the Firm, a Fund or its portfolio companies to utilize AI in the manner it has to-date, and may have an adverse impact on the ability of the Firm, a Fund or its portfolio companies to continue to operate as intended.

Tax Reform Risks: Tax law is subject to change and various historic and current legislative proposals could affect the Funds and the investors. Under current law, capital gains in respect of a General Partner's right to carried interest will be subject to a three-year "holding period" in order to be classified as "long term capital gains," while the corresponding holding period requirement with respect to capital gains that Fund investors are allocated is one year. This carried interest holding period requirement could affect investment decisions, including the timing and structure of dispositions and other realization events, and it could adversely impact returns for investors. For example, the holding period requirement may incentivize the General Partner to cause a Fund to hold an investment for longer than three years in order for the General Partner to obtain a preferential tax rate on carried interest, even if there are attractive realization opportunities prior to that time. Further, there are currently administrative and legislative proposals to further change the tax treatment of "carried interest" in ways that may be adverse to partners in the General

Partner. A General Partner and the Firm may take these potential adverse consequences into account in their management and operation of the Funds and in addressing these adverse consequences, the interests of the General Partner and the Firm, on the one hand, may diverge from the interests of the investors, on the other hand.

Possibility of Fraud and Other Misconduct of Employees and Service Providers: Misconduct by employees of the Firm, service providers to the Firm or the Funds and/or their respective affiliates could cause significant losses to such Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Funds, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such Funds and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such Funds. The Firm has controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that the Firm will be able to identify or prevent such misconduct.

Financial Fraud: Instances of fraud, material misrepresentations or omissions, professional negligence and/or other deceptive practices (including those committed by transaction counterparties, issuers, investments, service providers and their respective employees, officers, directors or other representatives) may undermine the Firm's due diligence efforts with respect to and/or negatively affect the valuation of the Funds' investments. If such fraud or other action or omission occurs, the Funds may suffer a material loss of capital and the value of the Funds' investments may be adversely impacted. In addition, financial fraud may contribute to overall market volatility, which can negatively impact the Funds' investment programs.

Third-Party Litigation: The Funds' investment activities will, from time to time, subject them to the risks and costs of becoming involved in litigation with third parties due to, among other reasons, the fact that different investor groups may have qualitatively different, and frequently conflicting, interests with respect to certain portfolio investments. The Funds, the General Partner, the Firm, their affiliates and each of their respective direct and indirect partners, members, managers, officers, directors, employees and agents will also, from time to time, become involved in litigation or regulatory inquiries because of their connection to the Funds' activities. Such involvements could, by way of example and without limitation, involve litigation with third parties (including Investors, co-investors, owners and other stakeholders of portfolio investments and entities in which an investment was contemplated but not ultimately consummated) and where the Funds, the General Partner, the Firm and their affiliates may be named as defendants, formal and informal proceedings related to litigation (including being called as a witness, being deposed and being required to comply with extensive document production and other discovery requests) or investigations by regulators in connection with the Funds' investment activities or matters involving actual or potential investments. The risk of litigation with third parties will be elevated in situations where the Funds exercise control or significant influence over an issuer's direction,

including where the Funds appoint representatives to a company's board of directors or becomes involved in official or unofficial creditor committees or becomes involved in activities that may be considered hostile in nature to an issuer. Such proceedings or actions could adversely affect such companies' financial results. Furthermore, in any such situations, the Funds will be required to pay legal fees, settlement costs, damages, penalties or other charges, any or all of which could materially adversely affect the Funds and their investments. Any expense incurred in connection with any actual or potential third-party claims or litigation, regulatory inquiries or any other of the foregoing, including any settlement, disgorgement or judgment, as well as fees and expenses associated with engaging experts, professionals and other providers in connection with such matters, and the expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments, or bringing claims against third parties, would generally be borne by the Funds and such expenses would reduce the net assets of the Funds. In addition, the Funds' investment activities may subject it to certain risks inherent in restructuring, bankruptcy and similar proceedings.

Russian Invasion of Ukraine: On February 21, 2022, Russian President Vladimir Putin ordered the Russian military to invade two regions in eastern Ukraine (the Donetsk People's Republic and Luhansk People's Republic regions) and shortly thereafter commenced a full-scale invasion of Russia's pre-positioned forces into Ukraine. This has led various countries (including the United States) to issue sanctions against Russia and against certain foreign individuals and national leaders who have supported Russia's invasion of Ukraine. Further sanctions may be forthcoming. Russia's invasion of Ukraine, related cyberattacks, the displacement of persons both within Ukraine and to neighboring countries and the increasing international sanctions could have a negative impact on various economies and business activity globally, and therefore could adversely affect the performance of the Funds' investments. Furthermore, given the ongoing and evolving nature of the conflict and its ongoing escalation, it is difficult to predict the conflict's ultimate impact on global economic and market conditions, and, as a result, the situation presents material uncertainty and risk with respect to the Funds and the performance of their investments or operations, and the ability of the Funds to achieve their investment objectives.

Israel-Hamas War: On October 7, 2023, the Hamas militant group breached the fences separating Israel and Gaza and carried out a violent terrorist attack. The foregoing attack sparked an armed conflict, which is currently ongoing, between Hamas and other Palestinian militant groups and Israel, known as the 2023 Israel-Hamas war. Although since the establishment of the State of Israel a state of hostility has existed in varying degrees of intensity between various Arab countries and Israel, the current conflict between Israel and Hamas has escalated to a heightened level not seen in recent years and may escalate further. Additionally, while Israel has entered into peace agreements with both Egypt and Jordan, and several other Middle Eastern and North African countries have normalized relations with Israel, the 2023 Israel-Hamas war has created tremendous unrest and uncertainty in the region, which may threaten any such peace agreements. A further expansion of the hostilities between Israel and Palestine could have significant international ramifications. The 2023 Israel-Hamas war could potentially have a significant adverse impact and result in significant losses to the Funds, including those described above in "Russian Invasion of Ukraine". The ultimate impact of the Israel-Hamas war and its effect on global economic and

commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country, and the duration and severity of those effects is impossible to predict.

Recent Regulatory Developments for Private Funds and their Advisers: In recent years, the SEC has proposed and adopted, and continues to adopt, various changes to the rules relating to private funds and their advisers. On August 23, 2023, the SEC adopted previously proposed new rules and amendments to existing rules (collectively, the “Private Funds Rules”) under the Investment Advisers Act of 1940 (as amended, the “Advisers Act”) specifically related to advisers of private funds.

The Private Funds Rules will impose new and substantial requirements on advisers and the funds they advise, including with respect to quarterly reporting, restricted activities, preferential treatment of investors, audit requirements, adviser-led secondaries and annual compliance reviews. The Private Funds Rules, in addition to any other new rules adopted by the SEC, are expected to significantly impact the business of the Firm and its affiliates, a Fund and/or its investments. As a result of the new rules, the Firm will under certain circumstances be restricted or refrain from providing information regarding a Fund in response to investor requests. The Firm will be required to circulate to all investors the material terms of any preferential treatment agreed in connection with investments in a Fund (i.e., all side letter terms), without regard to any most favored nation provision. This may ultimately impact the Firm’s decisions with respect to agreeing to certain preferential rights. Further, many provisions of the Private Funds Rules require the Firm to make a variety of subjective determinations as to whether and how such rules apply to a Fund and the Firm’s related obligations. The Firm will face conflicts of interest in making such determinations, including for example with respect to whether certain fees and expenses may be charged to a Fund, whether certain provisions may have a material negative impact on certain investors and whether certain allocations are fair and equitable. The Firm’s and a Fund’s compliance burdens and associated costs including, without limitation, insurance expenses, are also expected to increase. The Firm also will be subject to increased risk of exposure to additional regulatory scrutiny, litigation, censure and penalties for noncompliance or perceived noncompliance as a result of the Private Funds Rules, and any noncompliance or perceived noncompliance with such rules may negatively impact a Fund’s reputation as well as its investment activities, thereby materially reducing returns to investors.

Several trade groups representing private fund managers have filed a legal challenge to the Private Funds Rules and other legal challenges to the Private Funds Rules may be forthcoming. Regardless of the outcome of these lawsuits, the implementation of these new rules is expected to create additional burdens for advisers to private funds.

Item 9 - Disciplinary Information

Item 9 is not applicable to the Firm.

Item 10 - Other Financial Industry Activities and Affiliations

Neither the Firm nor any of the Firm's management persons are registered, or have an application pending to register as:

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

Given the relationship between the Firm and the General Partners, it is likely that the General Partners are deemed related persons or affiliates of the Firm. For a description of material conflicts of interest created by the relationship among the Firm and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

Neither the Firm, nor the General Partners recommend or select other investment advisers for their clients for compensation.

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

Code of Ethics

The Firm has adopted a Code of Ethics ("Code") that describes the standards of business conduct that it requires of employees (and any others subject to the Code) and establishes procedures intended to help the Firm detect and prevent potential conflicts of interest'. The Code, which is designed to comply with Rule 204A-1 under the Advisers Act, establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations.

Furthermore, the Code and the Firm's Policies and Procedures Manual strictly prohibit:

- Using any device, scheme or artifice to defraud, or engaging in any act, practice, or course of conduct that operates or would operate as a fraud or deceit upon, any client or prospective client or any party to any securities transaction in which the Firm or any of its clients is a participant;
- Making any untrue statement of a material fact or omitting to state to any person a material fact necessary in order to make the statements the Firm has made to such person, in light of the circumstances under which they are made, not misleading;
- Engaging in any act, practice, or course of business that is fraudulent, deceptive, or manipulative, particularly with respect to a client or prospective client; and
- Causing the Firm, acting as principal for its own account or for any account for which the Firm or any person associated with the Firm acts as a fiduciary, to make an investment in violation of any applicable law, rule or regulation of a governmental agency.

Under the Code, employees are required to report personal securities holdings on an annual basis. In addition, the Firm monitors all employees' securities transactions including that employees must

arrange for brokerage data feeds or duplicate copies of their brokerage statements and trade confirmations to be sent to the Chief Compliance Officer or her delegate. The Code includes procedures for and restrictions on employee trading including certain restrictions with regard to the purchase and/or sale of securities in the healthcare sector and requirements that employees make a written request for and receive clearance from the Firm's Chief Compliance Officer or her delegate before they buy or sell certain other securities. The Code also contains procedures to prevent inappropriate trading while the Firm is in possession of material nonpublic information.

A copy of the Code of Ethics is available to any client or prospective client upon written request to ir@redmilegrp.com or redmile_legal@redmilegrp.com.

Participation or Interest in Client Transactions

The Firm and certain employees and affiliates of the Firm may invest in and alongside the Funds, either through the General Partners, as direct investors in the Funds or otherwise. A Fund or its General Partner, as applicable, may reduce all or a portion of the Management Fee, Performance-Based Fees or other incentive compensation related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see "Conflicts of Interest" immediately below.

Conflicts of Interest

The Firm and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management, consulting and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Fund will, from time to time, conflict with the interests of the Firm, other Funds or their respective affiliates. Certain of these conflicts of interest, as well as a description of how the Firm addresses such conflicts of interest, can be found below.

The material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Fund. Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

Resolution of Conflicts

As noted in Item 4 above, the Firm serves as the investment manager to the Funds. In addition, the Firm, its affiliates, including the General Partners, and their respective principals, affiliates and employees as well as business associates and other "friends and family" of the Firm (including any related entity established by any of the foregoing, such as trusts, charitable programs, endowments or related programs, family investment vehicles and other estate planning vehicles) (collectively, the "Management Group") conduct investment activities for their own accounts or accounts of the Management Group and create potential conflicts of interest (see *Management Group Conflicts*, below).

In the case of all conflicts of interest, the Firm's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Firm's best judgment, but in its sole discretion. In resolving conflicts, the Firm considers various factors, including the interests of the applicable Fund with respect to the immediate issue and/or with respect to their longer-term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors generally mitigate, but will not eliminate, conflicts of interest:

- (1) The Firm will consider the appropriateness of an investment from the viewpoint of a Fund;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the Organizational Documents for the Funds;
- (3) Certain Funds have established an Advisory Committee, consisting of representatives of investors not affiliated with the Firm. On any issue involving actual conflicts of interest, the Firm will be guided by its good faith discretion;
- (4) Where the Firm deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price;
- (5) The Firm has adopted and implemented certain policies and procedures designed to reduce certain conflicts of interest; and
- (6) Prior to subscribing for interests in a Fund, each investor receives or can access information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

While the Firm endeavors to resolve all conflicts in a fair and impartial manner, there can be no assurance that its own interests will not influence its conduct and decisions. There can be no assurance that the Firm will identify or resolve all conflicts in a manner that is favorable to the Funds and the Funds' investors may not be entitled to receive notice or disclosure of the actual occurrence of conflicts or have any right to consent to them as they arise.

Allocation of Investments

In connection with its investment activities, the Firm may encounter situations in which it must determine how to allocate investment opportunities (including follow-on investments) among various clients and other persons, which may include, but are not limited to, the following:

- The Funds;

- Any co-investors or co-investment vehicles that have been formed to invest side-by-side with one or more Client in all or particular transactions entered into by such Clients(s) (the co-investors or investors in such co-investment vehicles which may include the Management Group and/or individuals and entities that are not investors in any Clients (“Third Parties”));
- The Management Group and/or Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Clients in particular transactions entered into by such Clients(s); and
- The Management Group and/or Third Parties acting as “co-sponsors” with the Firm with respect to a particular transaction.

The Firm makes allocation determinations consistent with the Funds’ Organizational Documents and in accordance with its written policies and procedures. The Funds are generally subject to investment allocation guidelines (collectively, “Investment Allocation Guidelines”). Investment Allocation Guidelines are generally set forth in the Funds’ Organizational Documents. To the extent the Investment Allocation Guidelines of a Fund do not include specific allocation procedures and/or allow the Firm discretion in making allocation decisions among the Funds, the Firm will follow the process set forth below.

After determining which Funds and/or other parties are eligible to participate in an investment opportunity, the Firm assesses whether an investment opportunity is appropriate for a particular Fund, based on several factors, including but not limited to the Fund’s investment objectives, strategies and structure, which are typically reflected in such Fund’s Organizational Documents. Prior to making any allocation to a Fund of an investment opportunity, the Firm determines what additional factors may restrict or limit the offering of an investment opportunity to the Fund. Possible restrictions include, but are not limited to:

- **Obligation to Offer:** the Firm may be required to offer an investment opportunity to one or more Funds.
- **Related Investments:** the Firm may offer an investment opportunity related to an investment previously made by a Fund(s) to such Fund(s) to the exclusion of, or resulting in a limited offering to, another Fund.
- **Legal and Regulatory Exclusions:** the Firm may determine that certain Funds or investors in such Funds should be excluded from an allocation due to specific legal, regulatory and contractual restrictions placed on the participation of such persons in certain types of investment opportunities.

Once the Firm identifies the Fund or Funds that are eligible to participate in a particular investment, the Firm, in its discretion, decides how to allocate such investment opportunity. In allocating such investment opportunity, the Firm may consider some or all of a wide range of factors, which include, but are not necessarily limited to, one or more of the following:

- a Fund's exposure to the securities, issuer or market in question;
- the different liquidity positions and requirements of a Fund;
- a Fund's tax considerations;
- a Fund's regulatory considerations;
- small share allocations, odd lots, foreign securities law restrictions or restrictions of a Fund;
- the relative capitalization and cash availability of a Fund;
- the relative risk and value at risk ("VAR") profiles of a Fund;
- different strategies or mandates of a Fund;
- a Fund's portfolio concentration considerations;
- formal diversification requirements imposed by a Fund's constituent documents;
- borrowing base considerations of a Fund;
- different historical and anticipated subscription and redemption patterns of a Fund;
- minimum investment criteria or undesirable position size for a Fund;
- a Fund's ramp up and ramp down periods;
- a Fund's investment time horizon; and
- adjustments that lead to cost savings or other transactional efficiencies for a Fund.

The application of the Investment Allocation Guidelines and factors set forth above will often result in allocation on a non-pro rata basis and there can be no assurance that a Fund will participate in all investment opportunities that fall within its investment objectives. The Firm makes allocation determinations based solely on the Firm's expectations at the time such investments are made, however investments and their characteristics may change and there can be no assurance that an investment may prove to have been more suitable for another Fund in hindsight.

Allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process. For example, in allocating an investment opportunity among Funds with differing fee, expense and compensation structures, the Firm has an incentive to allocate investment opportunities to the Funds from which the Firm or its related persons derive, directly or indirectly, higher fees, compensation or other benefits. Notwithstanding the foregoing, the Firm will not allocate investment opportunities among the Funds based, in whole or in part, on (i) the

relative fee structure or amount of fees paid by any Fund or (ii) the profitability of any Fund. While the Firm determines how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Firm is subject, discussed herein, did not exist.

In addition, the Management Group invests in Funds and therefore participates indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund and may create an incentive to allocate particularly attractive investment opportunities to the Fund in which such personnel hold a greater interest. The existence of these varying circumstances presents conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund. For example, additional conflicts could arise to the extent the Firm and/or its affiliates, or the Management Group, hold an outsized economic position in any of the participating Funds. In such cases, the Firm could be incentivized to manage such arrangements in a manner that would enhance the returns of the Funds in which the Firm and/or its related parties hold a substantial portion of the equity, even to the detriment of other Funds.

Allocation of Co-Investments

In certain instances, after all of the Firm's Funds have been allocated what the Firm believes to be the appropriate amount of an investment, given such clients' capacity, restrictions, investment objectives and risk profile, among other considerations, excess capacity remains available. If the Firm determines, based on the Investment Allocation Guidelines, and any other relevant investment allocation criteria, that allocating the full amount of an investment opportunity to the Fund(s) is inappropriate, the excess portion of such investment opportunity from time to time is offered as a co-investment opportunity (a "Co-Investment") to persons selected by the Firm ("Co-Investors"). Such Co-Investors sometimes include the Management Group, whether or not such persons are investors in the Funds. The Firm sometimes finds that an investment opportunity is inappropriate for the Funds, but appropriate as a Co-Investment.

The allocation of Co-Investments will, in many or all cases, also involve a benefit to the Firm, including the receipt of Management Fees or Performance-Based Fees from the Co-Investor, and/or capital commitments to Funds (including successor Funds). As a result of the foregoing, the Firm could be incentivized to allocate a greater portion of an investment to a Co-Investor than it would have otherwise allocated absent such an arrangement or economic terms.

In addition, SPVs and/or co-investment vehicles may be formed to make investments alongside a Fund. In such cases, the SPV and/or co-investment vehicle will have a priority right to make Co-Investments in some or all of the investments made by such Fund. The existence of such a priority right will significantly reduce or eliminate Co-Investments available to the investors.

Subject to any investment allocation principles or other specific agreements with an investor, in general, (i) no investor in a Fund has a right to participate in any Co-Investments (including those that are follow-on investments) and investing in a Fund does not give an investor any rights,

entitlements or priority to Co-Investments, (ii) decisions regarding whether and to whom to offer Co-Investments, as well as the applicable terms on which a Co-Investment is made, are made in the sole discretion of the Firm or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) Co-Investments typically will be offered to some and not other investors in the Funds, in the sole discretion of the Firm or its related persons, investors may be offered a smaller amount of Co-Investments than originally requested and an investor may be offered fewer Co-Investments than other investors in the same Fund, with the same, larger or smaller capital commitments to such Fund, and (iv) certain persons other than investors in the Funds (e.g., other Funds managed by the Firm, consultants, the Management Group, persons associated with a portfolio company and other third parties, including persons who the Firm believes will provide a benefit to a Fund and/or one or more portfolio companies or who provide a strategic sourcing or similar benefit to the Firm, a Fund, and/or a portfolio company and one or more of their respective affiliates, due to industry or regulatory expertise or otherwise), rather than one or more investors in a Fund, will, from time to time be offered Co-Investments, in the sole discretion of the Firm or its related persons, and (v) co-investors will generally purchase their interests in a portfolio company at the same time as the Funds. Each Co-Investment (should any exist) is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation (e.g., timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). Additionally, non-binding acknowledgements of interest in Co-Investments do not require the Firm to notify the recipients of such acknowledgements if there is a Co-Investment. However, the Firm from time to time agrees to give particular investors, Funds, or other third parties priority access to Co-Investments. The existence of such priority or other contractual co-investment access rights could affect the Firm's decision to offer certain Co-Investments and could limit the ability of Funds or their investors to be offered certain Co-Investments.

As a general matter, the allocation of Co-Investments is entirely discretionary and it is expected that many investors who have expressed an interest in Co-Investments will not be allocated any Co-Investments or will receive a smaller amount of a Co-Investment than the amount requested. The Firm will take into account various facts and circumstances in allocating Co-Investments, which include but are not limited to one or more of the following:

- Whether the prospective Co-Investor has expressed an interest in evaluating Co-Investments;
- Whether the Fund in which the prospective Co-Investor is invested has made, or will be making, an investment in the same investment opportunity that is being offered as a Co-Investment;
- Size of a Co-Investment;
- Strategic value of a prospective Co-Investor to the company to which a Co-Investment relates;

- The ability of a prospective co-investor to conduct its own due diligence, make an investment decision and fund a Co-Investment within the applicable timeline for completing the Co-Investment;
- Whether a prospective Co-Investor has the sophistication and/or financial and other resources to make the Co-Investment;
- Whether a prospective Co-Investor has previously indicated a desire to make investments of the type represented by the Co-Investment, including the sub-sector of the relevant company;
- Whether a prospective Co-Investor is likely to prove to be a suitable partner to the company to which the Co-Investment relates (e.g., by demonstrating to the Firm's and/or such company's satisfaction that it: (i) will be able to meet future investment needs of such company on a timely basis and (ii) adequately understands the business plan and operations of such company);
- Whether a potential Co-Investor has a history of participating in Co-Investments with the Firm, and any relevant considerations based on this prior experience;
- The size of a prospective Co-Investor's commitments to, and/or investment in, the Fund(s);
- Whether the potential Co-Investor has demonstrated a long-term and/or continuing commitment to the potential success of the Firm, the Funds, and/or other Co-Investments;
- The size of the potential Co-Investor's interest to be held in the underlying company as a result of the Fund's investment (which is likely to be based on the size of the potential Co-Investor's capital commitment and/or investment in the Fund);
- Any requirements or restrictions relating to the selection of Co-Investors set forth in the Organizational Documents of the Fund(s) to which a Co-Investment relates;
- The likelihood that an investor may invest in a future Fund sponsored by the Firm or its affiliates;
- Tax, legal and/or regulatory considerations; and
- Any other factors determined by the Firm, in its sole discretion, to be relevant to the Co-Investor selection process.

The factors above are not listed in order of importance or priority and the Firm is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances. The Firm's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Funds,

potential Co-Investors, the Management Group and Third Parties, and in the manner discussed above, often will not result in proportional allocations among such persons, and such allocations often will be more or less advantageous to some such persons relative to other such persons. For example, the Firm may be incentivized to offer a Co-Investments to certain persons over others based on its economic arrangement with such persons (including, for example, whether the Firm and/or the applicable General Partners are entitled, under arrangements made with certain potential Co-Investment parties, to additional Management Fees and/or Performance-Based Fees based on the availability of Co-Investments offered to such parties). The Firm expects that these factors will lead the Firm to favor some potential co-investors over others with respect to the frequency with which the Firm offers them co-investment opportunities. The Firm also expects to allocate certain co-investors a greater proportion of an investment opportunity than others as a result of these factors.

In the event the Firm determines to offer an investment opportunity to Co-Investors, there can be no assurance that the Firm will be successful in offering a Co-Investment to a potential Co-Investor, in whole or in part, that the closing of such Co-Investment will be consummated in a timely manner, or that the Co-Investment will take place on the terms and conditions that will be preferable for the Fund. Further, it is possible that a potential Co-Investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of a Fund and as a result, may take a different view from the Firm as to appropriate strategy for an investment or may be in a position to take a contrary action to a Fund's investment objective. In the event that the Firm is not successful in offering a Co-Investment to potential Co-Investors, in whole or in part, the Fund may consequently hold a greater concentration and have more exposure in the related investment opportunity than was initially intended and would bear the entire portion of any fees, costs and expenses related to such investment, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. An investment that is not made by Co-Investors as originally anticipated could significantly reduce a Fund's overall investment returns. Therefore, it is possible that a Fund that overcommits to an investment will bear a disproportionate allocation of the risks associated with the transaction without being compensated for assuming such risks.

The Firm or its affiliates, from time to time, establishes dedicated co-investment vehicles (i.e., SPVs) for specific investors in order to facilitate investments by the relevant investors as Co-Investors alongside a Fund that may have more favorable rights and/or terms than the Funds and/or other Co-Investors. Any such vehicle will be established at the Firm or its affiliates' sole discretion and the Firm and its affiliates have no obligation to offer a similar opportunity to any other investor.

Further, the Firm has entered into agreements with certain investors that include terms and conditions applicable to such investor and its investment in the Funds that would not apply to other investors' investment in any of the Funds. Other investors will not receive a copy of the agreement memorializing such terms and conditions (even if in the form of a side letter) and may be unable to elect to receive any rights or benefits granted to such investor. Specific examples of such additional rights and benefits include discounts on fees or performance-based compensation, as

well as the presentation of Co-Investments. The existence of any such arrangements could result in fewer Co-Investments being made available to other investors. The Funds typically bear their share of expenses for unconsummated transactions, and the Firm will endeavor to treat all Funds and any Co-Investors fairly and equitably in allocating such expenses.

Due in part to the fact that potential investors in a Fund or a Co-Investment may ask different questions and request different information, the Firm in certain circumstances provides certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

Conflicts with Regard to Purchases and Sales and Capital Structure Conflicts

Funds, from time to time, make multiple investments in a portfolio company whether in different parts of the capital structure (e.g., equity and debt) or otherwise. Additionally, Funds, from time to time, make an investment in a portfolio company in which other Funds have or make investments whether in different parts of the capital structure of such company or otherwise. Investment opportunities are from time to time appropriate for more than one Fund at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts arise in determining the terms of investments, particularly where these Funds may invest in different types of securities in a single portfolio company. Questions arise as to whether payment obligations and covenants should be enforced, modified or waived, whether payments should be accelerated, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, the terms of any work-out or restructuring or other concessions that may be given in such a situation raise conflicts of interest, and the Firm may be incentivized to choose a course of action that benefits one Fund to the detriment of another Fund.

In the event that one Fund has a controlling or significantly influential position in a portfolio company, it will have the ability to elect some or all of the board of directors of such a portfolio company, thereby controlling the policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition, a controlling Fund is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of such a company. Such management and operational decisions may, at times, be in direct conflict with other Funds that have invested in the same portfolio company that do not have the same level of control or influence over the portfolio company.

Certain clients of the Firm and its affiliates may invest in debt securities of companies in which other clients hold securities, including equity securities. Equity holders and debt holders have different (and often competing) motives, incentives, liquidity goals and other interests with respect to a portfolio company. In the event that such investments are made by a Fund, the interests of such Fund will at times conflict with the interest of such other Fund, particularly in circumstances where the underlying company is facing financial distress. In such instances, it may be in the best interest of the Fund holding debt securities to declare a default, accelerate a loan or take other

protective actions, while such actions would harm another Fund's equity investment in the portfolio company.

If additional capital is necessary as a result of financial or other difficulties of a portfolio company, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and, if provided, each Fund will supply such additional capital in such amounts, if any, as determined by the Firm. In the event one Fund is unable to fund its share of additional capital (e.g., in the event such Fund does not have sufficient available capital), the other Fund may be obligated to fund more than its share of such amount. In such event, one Fund will gain greater exposure to such investment than may have been intended and the other Fund will be diluted in such investment. The returns of each Fund may be negatively impacted as a result of the foregoing. Investments by more than one Fund of the Firm in a portfolio company also raise the risk of using assets of a Fund of the Firm to support positions taken by other Funds of the Firm, or that a Fund may remain passive in a situation in which it is entitled to vote.

There may be differences in timing of entry into, or exit from, a portfolio company for reasons such as differences in strategy, existing portfolio or liquidity needs. In addition, where more than one Fund of the Firm invests in the same portfolio company, there can be no assurance that such parties will dispose of investments at the same time or on the same terms. Investments disposed of at different times will likely be disposed of at different valuations and, as a result, each Fund may realize different returns as compared to the same investment held by another Fund. These variations in timing may be detrimental to a Fund. For example, if one Fund sold a position and another Fund continued to hold a position, this position could have an adverse effect on the Fund that is continuing to hold the position. At the same time, if the Firm determines it is advisable for a Fund to exit an investment at the same time as another Fund of the Firm or its affiliates, the term of which may expire sooner than the former Fund's, such Fund may dispose of its interest earlier than it ordinarily would have and may, as a result, experience lower returns than it otherwise may have earned on such investments. In addition, investors may receive different consideration (for instance, investors in one Fund may receive cash whereas investors in another Fund may be provided the opportunity to receive distributions in-kind), which may impact the realized return ultimately received by each Fund.

Finally, in certain circumstances, if more than one Fund is participating in an investment, one Fund may bear more than its pro rata share of expenses relating to such investment if the other Fund or Funds does not have the resources to bear such expenses (including, for instance, as a result of insufficient reserves and/or the inability to call capital to cover such expenses).

In such circumstances described above, the Firm could take steps to reduce the potential conflicts of interest between the various Funds, including causing a Fund to take certain actions that, in the absence of such conflict, it would not take (e.g., a Fund may divest itself of an asset it otherwise may have retained, the Firm may establish information barriers, certain matters may be referred to an Advisory Committee or a third party, or a Fund may only invest in securities that seeks to align the interests with other investing Funds). Any such steps could have the effect of benefiting one Fund or the Firm at the expense of another Fund.

The application of a Fund's Organizational Documents and the Firm's policies and procedures are expected to vary based on the particular facts and circumstances surrounding each investment by two or more Funds in different classes of an issuer's capital structure (as well as across multiple issuers or borrowers within the same overall capital structure) and, as such, there may be a degree of variation and potential inconsistencies, in the manner in which potential or actual conflicts are addressed.

Management Group Conflicts

The Management Group and other related persons of the Firm and its affiliates have made and may make capital investments in or alongside certain Funds. These investments may be at different times or in non-pro rata amounts, or in different classes or levels of the capital structure. Such persons therefore have additional conflicting interests in connection with these investments.

By reason of their responsibilities in connection with other activities of the Firm, certain members of the Management Group may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, the Funds may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell an investment that they otherwise might have sold.

Personal investment by investment professionals and other personnel of the Firm or its affiliates and persons related thereto can present potential conflicts of interest. The Firm and the Management Group will, under certain circumstances and subject to certain restrictions, buy and sell securities or other investments for their own accounts, including making investments in securities of issuers separate from Funds or alongside Funds at different times or in non-pro rata amounts, or in different classes or levels of the capital structure. To the extent that the Management Group makes an investment for their own account in a portfolio company that, following such investment, is later determined to be suitable or appropriate for a Fund (e.g., a later round of financing), the Management Group may make a concurrent or subsequent investment in the portfolio company, even if such investment limits the Fund's desired allocation, or may maintain or sell their interests at any time, in each case without regard to the actions of the Fund.

The Management Group will under certain circumstances receive securities held by a Fund as a distribution in-kind in situations in which such Fund continues to hold or evaluate future investments in those securities, and the Fund will be responsible for expenses related to such securities (including without limitation in connection with any evaluation, research, investigation, and due diligence) without reimbursement from the Management Group.

The Firm, its affiliates, and the Management Group may buy or sell securities or other instruments that the Firm has recommended to Funds. The Management Group may also buy securities in transactions offered to but rejected by Funds. A conflict of interest may arise because such investing Firm personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by the Firm on behalf of the Fund. In such circumstances, the

investing Firm personnel will not share or reimburse the relevant Fund(s) and/or the Firm for any expenses incurred in connection with the investment opportunity.

In addition, the Management Group also buys securities and holds interests as passive investors in other investment vehicles (including private equity funds, venture capital funds, hedge funds, real estate funds and other similar investment vehicles) which may invest in similar industries and sectors as the Funds. Such members of the Management Group have a conflict of interest with respect to their personal investment holdings. There could be situations in which such investment vehicles invest in the same portfolio companies as the Funds, and there may be situations in which such investment vehicle purchases securities from, or sells securities to, a Fund. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds. In the event the Management Group make an investment with the intent to source future investments in the Funds, there is a greater likelihood that the Funds will make investments in the same portfolio companies in which the Management Group hold an interest as described above. Such personnel may be incentivized to cause a Fund to act in a manner that benefits such other investment vehicles and indirectly, themselves as investors in such investment vehicles.

The transactions described above are subject to the policies and procedures set forth in the Firm's Code, and investors will not benefit from any such investments. However, the potential exists for personal securities transactions by the Management Group, including those which have been pre-cleared or approved in advance, to generate significantly higher investment returns to such personnel than any of the Funds' investment transactions generate for their own investors.

The Management Group has family members that are actively involved in industries and sectors in which the Funds invest or have business, personal, financial or other relationships with companies in such industries and sectors (including service providers described below) or other industries, which gives rise to conflicts of interest. For example, such family members might be officers, directors, personnel or owners of companies which are actual or potential investments of the Funds or other counterparties of the Funds and the portfolio companies. Moreover, in certain instances, the Funds or the portfolio companies may purchase or sell companies or assets from or to, or otherwise transact with companies that are owned by such family members or in respect of which such family members have other involvement. In most such circumstances, the Funds' Organizational Documents will not preclude Funds from undertaking any of these investment activities or transactions.

From time to time, the Management Group may invest in funds or other entities managed by limited partners of a Fund, which could incentivize such members of the Management Group to afford the limited partner preferential or favored treatment, such as, for example, increased access to co-investment opportunities, and could create conflicts of interest to the extent such other funds compete with a Fund for investment opportunities or invest in competing portfolio companies.

The General Partner of a Fund will, in its discretion, under certain circumstances elect to increase its commitment to such Fund prior to the final close of the Fund without the consent of the limited partners. Any increased commitment by the General Partner will dilute the interests of the limited partners. Although the General Partner will pay interest in respect of prior capital contributions in

the same manner as is paid by the limited partners, the General Partner has information about the Fund's investments, including regarding their valuation and performance expectations, which the limited partners do not have and that information may inform its decision whether to increase its capital commitment. Therefore, the General Partner has a conflict of interest in deciding to increase its subscription because a decision to increase its subscription may result in the General Partner receiving value that would have otherwise benefitted limited partners.

Cross Transactions

In certain cases, the Firm will, from time to time cause a Fund to purchase investments from another Fund, or it will cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or the Firm might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. Additionally, in connection with such transactions, the Firm, its affiliates and/or their professionals (i) will, from time to time, have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). The Firm and its affiliates generally receive management or other fees in connection with their management of the relevant Funds involved in such a transaction, and generally are entitled to share in the investment profits of the relevant Funds. The Firm will not conduct cross transactions between or among the ERISA Fund and other Funds.

Depending on the transaction structure, these transactions may disproportionately benefit the purchasing, selling, or merging Fund (or the Firm as a result of its interests in a particular Fund), and one Fund may incur expenses or forego gains that would have been obtained had it not entered into such transaction. For example, the Firm may be incentivized to support a less successful portfolio company of an older Fund by causing a newer Fund with a longer remaining term and investment period to purchase a part or all of such portfolio company in order to provide the Firm additional time to potentially manage it to a successful exit and increase the likelihood of the Firm or an affiliate receiving Performance-Based Fees. Conversely, the Firm may be incentivized to sell an attractive investment in an older Fund to a newer Fund to increase the amount of fees received by the Firm or an affiliate with respect to such an investment. Determining the valuation or other terms of such transactions may also create a conflict of interest due to the Firm's consideration of the particular terms (including the fee terms) of the Funds and the Firm's interest in such Funds. Such acquisition or merger may result in the acquiring entity purchasing a Fund's portfolio company at a valuation that is: (a) not the highest price than could have been obtained in the market had there been a robust sales process with multiple third party bidders or (b) higher than the value of the company resulting in an overvaluation.

Under certain circumstances, the Firm may wish to reduce the investment of one or more Funds in an investment and increase the investment of other Fund(s) in such investment, and may, therefore, effect such transactions by directing the transfer of such investment between such Funds or through any other transaction structure (for example, distribution of portfolio company interests from one Fund and contribution of such interests to another Fund). Any costs and expenses associated with

any such transaction will be borne by such Funds in accordance with such Funds' Organizational Documents and to the extent not addressed in the applicable Organizational Documents, on an allocation that the Firm deems in good faith to be fair and reasonable.

To address these conflicts of interest, in connection with effecting such transactions, the Firm will follow the Investment Allocation Guidelines of the relevant Funds. To the extent such matters are not addressed in the Investment Allocation Guidelines, the Firm's Chief Compliance Officer will be responsible for confirming that all such cross transactions (i) fall within the investment objectives and policies of each such Fund, and (ii) be effected at a price that reflects the security's fair value as determined by the Firm in accordance with the Firm's valuation policies. There can be no assurance that any such conflicts can be resolved in a manner that is beneficial to each Fund or portfolio company nor is there any assurance that such transaction will be equally or similarly profitable or advantageous to each participating Fund.

Principal Transactions

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with the Firm's management of the Funds, the Firm and its affiliates may engage in principal transactions. The Firm has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received.

Follow-On Investments

Investments to finance follow-on acquisitions may present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Fund in a portfolio company in which another Fund has previously invested. In addition, a Fund will from time to time participate in releveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. Conflicts of interest arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Furthermore, a conflict of interest also arises because a Fund that participates in a follow-on investment in a portfolio company held or previously held by another Fund will benefit from the initial evaluation, investigation and due diligence undertaken by the Firm on behalf of the original Fund and from operational or other information about such portfolio company acquired from the

original Fund's ownership of interests in the portfolio company. In such circumstances, such benefitting Fund or Funds will not be required to reimburse the original Fund for expenses incurred in connection with researching such investment. An investment by a Fund in a portfolio company in which another Fund invests at a later stage may be made at a higher or lower valuation than the investment in such portfolio company by such other Fund and an investment by one or more other Funds in any such portfolio company may dilute the original Fund's interest in such portfolio company.

Additionally, the Firm at times will make a follow-on investment in a portfolio investment because such follow-on investment protects the rights given to the investing Fund (or another Fund) previously or for reputational or strategic reasons, even when such follow-on investment's valuation has decreased since the original investment. These reputational benefits and protections will, from time to time, benefit and/or accrue to other Funds and/or the Firm at the expense of the current Fund(s) investing in such follow-on investment.

Fund Level Borrowing

The Funds from time to time borrow funds or enter into other financing arrangements for various reasons, including to pay fund expenses and liabilities, to pay management fees, organizational expenses, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from investors), to make payments under hedging transactions, to cover any shortfall resulting from an investor's default or exclusion. If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all limited partners in such Fund on a pro rata basis, including the General Partner.

To the extent a Fund uses borrowed funds in advance or in lieu of capital contributions, the Fund's investors generally make correspondingly later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. As a result, the Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and generally make net IRR calculations higher than they otherwise would be without fund-level borrowing as these calculations generally depend on the amount and timing of capital contributions. It is expected that the interest will accrue on any such outstanding borrowings at a lower rate than any preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the relevant Fund. Thus, while the Fund will bear the expense of borrowed funds, such borrowings can also increase the Performance-Based Fees received by the Fund's General Partner or will result in the Fund's General Partner receiving Performance-Based Fees earlier than it would otherwise have by decreasing the amount of distributions from the Fund that are required to be made to Fund investors in satisfaction of any preferred return. The General Partner therefore has a conflict of interest in deciding whether to borrow funds because the General Partner may receive disproportionate benefits from such borrowings. Furthermore, the use of Fund-level borrowing for investment purposes are treated as investment capital for purposes of calculating the relevant Fund's Management Fee. Therefore, investors pay Management Fees on borrowed amounts used to fund an investment even though such amounts would not accrue a preferred return as described above.

To the extent a subscription facility is due upon demand by a lender (such as upon an event of default or otherwise), such a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of such liquidity constraints and/or investors facing similar capital calls in multiple funds and being unable to satisfy all such demands simultaneously. The batching of capital calls may amplify the magnitude of potential defaults by investors as a result of there being fewer but larger capital calls. Moreover, the existence of a subscription facility may impair an investor's ability to transfer its interest in a Fund as a result of restrictions imposed on such transfers by the lender.

Borrowing by the Fund will generally be secured by capital commitments made by the limited partners to the Fund and/or by the Fund's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the investors may be subordinated to such Fund-level borrowing. Moreover, tax-exempt investors should note that the use of borrowings by the Fund may cause the realization of Unrelated Business Taxable Income.

The use of Fund-level borrowings will differ based on available credit facility capacity and contractual terms applicable to each Fund and each such credit facility. Therefore, as the subscription credit facilities utilized by the Funds may have different terms, while the Funds may be invested in the same investment, and while the valuation of such investment would be consistently determined pursuant to the relevant Organizational Documents, the investment return can, in certain circumstances, differ among the Funds as a result.

The Funds within a single fund structure (e.g., feeder funds) will, from time to time, enter into borrowing arrangements that require the Funds to be jointly and severally liable for the obligations. If one Fund defaults on such arrangement, the other Funds may be held responsible for the defaulted amount.

Other Conflicts and Activities of the Management Group

The Firm manages a number of Funds that have investment objectives similar to each other. The Firm expects that it or its personnel will in the future establish one or more additional investment funds with investment objectives substantially similar to, or different (and potentially conflicting) from, those of the current Funds. At times, the Firm will give advice or take actions with respect to the investments of one or more Fund that will not be given or taken with respect to other Funds with similar investment programs, objectives or strategies. As a result, Funds with similar strategies will not hold the same securities or achieve the same performance. In addition, a Fund generally may not be able to invest through the same investment vehicles, or have access to similar credit or utilize similar investment strategies as another Fund. These differences will result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

In addition, it is expected that the Management Group responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by the Firm, including funds raised in the future or to proprietary investments made by the Firm and/or its principals of the type made

by a Fund. Conflicts of interest arise in allocating time, services or functions of the Management Group. The Management Group has an incentive to allocate more time, services or functions to Funds from which such personnel derive a higher economic benefit and/or better-performing Funds.

The Firm will, from time to time, consider an investment opportunity for one Fund and then subsequently determine to have another Fund make the investment. In making any such reallocation determination, the Firm will consider a variety of factors, including those set forth above under “*Allocation of Investments*”. Conflicts of interest arise in connection with such a reallocation, including those set forth above under “*Allocation of Investments*”. In addition, a conflict of interest exists because the investing Fund will benefit from the initial evaluation, investigation and due diligence undertaken by the Firm on behalf of the original Fund for which the investment was initially considered.

In addition, the Firm receives and generates various kinds of portfolio company data and other information, including related to or created in connection with financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors, ESG and other metrics, financial information, commercial and transactional information, user data, cost data and related data or information, some of which is sometimes referred to as “big data.” This information may, in certain instances, include confidential and/or sensitive information received or generated in connection with efforts on behalf of one Fund’s investment (or prospective investment) in a portfolio company. As a result, the Firm is better able to anticipate macroeconomic and other trends and financial opportunities, enhance and improve operations of portfolio companies and otherwise develop investment strategies or identify specific investment or business opportunities. The Firm also intends to utilize such data for purposes of identifying new investment opportunities for the Funds. Information from a portfolio company owned by a Fund may enable the Firm to better understand a particular industry and develop and execute investment strategies in reliance on that understanding for the Firm and other Funds that do not own an interest in such portfolio company, without compensation or benefit to such Fund or its portfolio companies. Further, data is expected to be aggregated across the Funds and their respective portfolio companies and, in connection therewith, the Firm is expected to serve as the repository for such data, including with ownership, use and distribution rights therein.

The Firm has in the past entered into and is likely in the future to enter into information sharing and confidentiality arrangements with portfolio companies and other sources of information that may limit the internal distribution or use of such data. The Firm has used and is likely in the future in certain instances to use this information in a manner that may provide a material benefit to the Firm, its affiliates, or to certain other Funds without compensating or otherwise benefitting the Fund or Funds from which such information was obtained. In addition, the Firm may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. Furthermore, except for (a) contractual obligations to third parties to maintain confidentiality of certain information or otherwise limit the scope and purpose of its use and distribution, (b) policies, practices and procedures designed to ensure confidentiality of trade secrets and (c) compliance with applicable data privacy laws, laws prohibiting insider trading, anti-

competition laws and laws protecting national security interests, the Firm is generally free to use data and information from a Fund's activities in its sole discretion for the benefit of the Firm and other Funds. The sharing and use of "big data" and other information present potential conflicts of interest and any benefits received by the Firm or the Management Group will not be subject to the Management Fee offset provisions or otherwise shared with a Fund or its investors. The Firm has and is likely in the future to utilize such information to benefit the Firm, its affiliates or certain Funds.

The Firm and its affiliates may also enter into formal or informal arrangements with portfolio investments to facilitate the sharing of data and/or data analytics. Subject to applicable legal, regulatory and contractual requirements, these information sharing arrangements are designed to allow the Firm, the Funds and the Funds' portfolio companies to better discern economic or other trends and developments. The Firm believes that all Funds benefit from these arrangements in ways that would be impossible without the ability to aggregate data from across the Firm's businesses and the Funds' portfolio companies. However, information sharing may involve conflicts of interest between the Funds and/or between the Funds and the Firm. For example, data analytics based on inputs from one portfolio company may inform business decisions by other portfolio investments, or investment decisions by the Firm and its affiliates, without the source of the data being directly compensated. It is difficult, if not impossible, to measure exactly the benefits any particular entity receives from these kinds of arrangements, or to provide specific and direct monetary compensation for such information. Therefore, the Firm and its affiliates may utilize such data outside of Fund activities in a manner that may provide a material benefit to the Firm, without directly compensating or otherwise benefiting the Funds. As a result, the Firm may have an incentive to pursue investments (on its own behalf or on behalf of the Funds) based on the data that may be accessible as a result of owning such investments, and/or to utilize such data in a manner that benefits the Firm and/or investments held by other Funds.

Service Providers

The Firm and/or its affiliates engage certain service providers to provide services to the Firm and the Funds, including services during the due diligence and acquisition process. Such service providers or their affiliates are, in certain circumstances, investors in a Fund or affiliates of such investors and may include, for example, accountants, administrators, lenders, bankers, brokers, attorneys, consultants and investment or commercial banking firms, and/or other investors who provide services (including lending arrangements). The engagement of any such service provider may be concurrent with an investor's admission to a Fund, or during the term of such investor's investment in the Fund. This creates a conflict of interest, as the Firm may give such investor preferred economics or other terms with respect to its investment in a Fund, enhanced information or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor. In addition, the Firm will have a conflict of interest in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide the Firm information about markets and industries in which the Firm operates, will provide other services that are beneficial to the Firm and/or will

provide financial sponsorship of events held by the Firm (such as dinners or outings, or informational summits or training events for the Firm or portfolio company personnel). The Firm generally has an incentive to recommend the products or services of certain investors or prospective investors in the Funds to the Funds or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Funds or the portfolio companies.

The Firm generally may in its discretion, contract directly with, or recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with, a related person of the Firm or an affiliate (including but not limited to a portfolio company of a Fund). When making such a recommendation, the Firm, because of its financial or other business interest, has an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

Additionally, former Firm employees may also become employees, officers or directors of, or otherwise be engaged by, third-party service providers that provide services to the Firm, the Funds and/or portfolio companies. While employed by the Firm, the cost of the compensation, benefits and attributable overhead provided to these individuals are paid by the Firm unless a Fund's governing documents permit certain allocations of internal expenses to the Fund. If a former Firm employee becomes an employee or consultant of a third party that also provides services to a Fund, such former Firm employee may be assigned by such third party to provide services to that account. In such instance, the cost of the third-party service provider attributable to the former Firm employee working on the Fund will be borne entirely by the Fund and no such amounts will reduce the Management Fee paid or the Performance-Based Fee distributed by such Fund on the basis that such person used to be a former Firm employee.

Additionally, the Management Group, and/or their family members or relatives may have ownership, employment, or other economic or other interests in certain service providers. These relationships can influence the Firm in determining whether to select or recommend such service provider to perform services for a Fund or a portfolio company. Although the Firm selects service providers that it believes will enhance portfolio company performance (and, in turn, the performance of the relevant Fund(s)), there is a possibility that the Firm, because of financial, business interest, or other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

Certain other service providers to the Firm, the Funds and/or the portfolio companies, or affiliates of such service providers, also provide goods or services to or have business, personal, financial or other relationships with the Firm, its affiliates, or their respective portfolio companies. Such service providers (or their employees) may also source investment opportunities, be co-investors or commercial counterparties or entities in which the Firm and/or the Funds have an investment, and payments by a Fund and/or such portfolio companies may indirectly benefit the Firm and/or such Fund.

Investors have in the past or may from time to time in the future be introduced to the Firm, or may be brought in a Fund, by a third-party consultant from which the Firm or a related person purchases products or services and to which the Firm or a related person may make payments, including in connection with conferences sponsored or hosted by the third-party consultant.

The Firm, the Management Group, the Funds and the portfolio companies of the Funds will, from time to time, engage common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Firm, its personnel, the Funds, and/or the portfolio companies. As a result, the Firm or the Management Group from time to time receives a more favorable rate on services provided to it by such a common service provider than the rates payable by the Funds and/or the portfolio company, or from time to time receives a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. For example, the Firm and/or its principals may receive legal services at more favorable rates than the rates applicable to legal services performed by the same legal counsel in respect of investment funds managed by the Firm. The Firm does not have any obligation to obtain similar benefits (e.g., rate reductions or discounts from service providers) for the clients as it obtains for the Management Group. This creates a conflict of interest between the Firm and the Management Group, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Firm will favor the engagement or continued engagement of such persons if it, or the Management Group receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies. Neither the Funds nor the investors in the Funds will receive the benefit of any such favorable rate or discount provided to the Firm, the Management Group or its affiliates, and the Management Fee paid by any Fund will not be reduced in connection with such favorable rate or discount.

In addition, service providers often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required, and the time demands of the service provider. As a result, to the extent the services required by the Firm or its affiliates differ from those required by the Funds and/or its portfolio companies, the Firm and its affiliates will pay different rates and fees than those paid by the Funds and/or its portfolio companies.

The Firm and the Funds will generally engage common legal counsel and other service providers in a particular transaction, including a transaction in which there may be conflicts of interest (e.g., cross transactions and other affiliated transactions). Members of the law firms engaged to represent the Funds may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Firm and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Firm and its affiliates, and in litigation and other circumstances, separate representation may be required.

Fee Structure

Because the Management Fee is payable through liquidation of a Fund and there is a fixed investment period after which capital from investors in certain Funds will only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a certain Fund, based upon capital invested by such Fund, this fee structure creates an incentive to defer the realization of investment and/or deploy capital when the Firm would not otherwise have done so. In addition, the valuation of partially realized or unrealized investments from time to time may be zero or close to zero. Because at certain times during the life of certain Funds, Management Fees are not based on the fair value of investments, in such instances the Management Fee paid with respect to such investment will be higher than if the Management Fee payable were based on the fair value of such investment.

The Firm has discretion in determining whether and when an investment has been written off, which impacts the calculation of Management Fees. As provided in the Organizational Documents of a certain Fund, following the investment period of the Fund, the Management Fees with respect to such Fund are typically calculated based on invested capital, which is reduced by any investments that are written off. As a result, a conflict of interests exists because the Firm has an incentive to refrain from or delay writing off investments in order to ensure the Management Fee base does not decrease, which would result in higher Management Fees ultimately paid to the Firm. In general, the Firm evaluates criteria in determining whether to write off an investment, including, without limitation, how long the investment has been held, length of time the investment has been marked down, materiality or markdown, anticipated holding period of the investment, volatility in valuation, impact of market conditions on valuation, other valuation methodologies showing increased valuations, and anticipated recovery path for the investment. The Firm may change these criteria in its sole discretion from time to time and the Firm has flexibility in determining the applicability and weight of these factors and has ultimate discretion in determining whether an investment should be written off. As a result, the Firm is permitted to determine that even extremely distressed investments should not be written off. There can be no assurance that an investment, in hindsight, should have been written off or should have been written off down at an earlier date.

Additionally, as discussed above in Item 6, the General Partners of many Funds are entitled to Performance-Based Fees under the terms of the Organizational Documents of such Funds. Such General Partners are affiliates of the Firm. The existence of the General Partners' Performance-Based Fees creates an incentive for the General Partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation. However, the investment made by the Firm or its affiliates in a Fund, the clawback obligation of the General Partner (as described below) and the fact that the preferred return is calculated on an aggregate basis reduces the incentive to make speculative investments or otherwise time the sale of an investment in a manner motivated by the personal benefit of the Firm's personnel.

Pursuant to the Organizational Documents, the General Partner may be required to return excess amounts of carried interest as a "clawback." This clawback obligation may create an incentive for the General Partner to defer disposition of one or more investments or delay the liquidation of a

Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation for the General Partner.

In addition, the General Partner is incentivized to hold on to investments that have poor prospects for improvement in order to receive ongoing Management Fees in the interim and, potentially, a more likely or larger Performance-Based Fees distribution if such asset's value appreciates in the future. This incentive is increased by the presence of the clawback obligation of the General Partner.

Distributions in-Kind to a Fund's General Partner and Affiliates

The Organizational Documents of certain Funds permit the General Partner of each such Fund to cause such Fund to distribute securities resulting from an investment disposition by such Fund to all partners, including to the General Partner or its affiliates (including the Management Group), in kind. This ability creates conflicts of interest between the General Partners and the limited partners of the applicable Fund. The General Partners are particularly incentivized to receive distributions in-kind of securities that it expects to increase in value, and in cases where the increase occurs, if the limited partners elect to receive cash distributions instead of in-kind distributions, the limited partners will be denied the benefits of that increase had the Fund retained the securities, and the General Partner will receive more value from the securities than it would have had its Performance-Based Fees been paid in cash. In the event the General Partner, or its affiliates, receive a distribution in-kind, the General Partner (and its affiliates) will generally act in its own interest with respect to its share of securities and will under certain circumstances determine to sell the distributed securities (which may include selling its securities prior to the time at which the investor sells its distributed securities, and in certain cases, selling securities still held by a Fund), hold on to the distributed securities for such time as the General Partner shall determine or distribute such securities to its direct and indirect partners or members. The ability of the General Partner and its affiliates (including direct and indirect managing directors, officers, employees and other similar personnel) to act in its own interest with respect to such distributed shares creates a conflict of interest between the General Partner or affiliate, as an adviser to the Fund, and the Fund. These conflicts may be exacerbated due to the enhanced knowledge and information the General Partner has relative to the limited partners with respect to such securities.

Pursuant to the Organizational Documents, the General Partner may elect to receive its Performance-Based Fees in the form of an in-kind distribution of securities of a portfolio company, including for purposes of permitting one or more General Partner personnel to donate such securities to charity (which may include private foundations, fund or other charities so chosen by such personnel). Any tax efficiencies to such General Partner personnel associated with this form of charitable giving may have the effect of reinforcing or enhancing the General Partner's incentives otherwise resulting from the existence of its Performance-Based Fees and therefore, the General Partner may have a conflict of interest in making decisions on behalf of the Funds (including, for instance, the timing of disposition of investments).

Diverse Membership

The investors in the Funds are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors often have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors generally relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the nature and timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by the Firm or its affiliates, including with respect to the nature or structuring of investments, that are more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, the Firm and its affiliates will consider the investment and tax objectives of the applicable Fund, not the investment, tax or other objectives of any investor individually.

Business with and Among Portfolio Companies and Investors and Prospective Investors

Given the collaborative nature of the Firm's business and the portfolio companies in which the Funds have invested, there are often situations where the Firm is in the position of recommending the services of a portfolio company to other portfolio companies of the Funds, which may involve fees, commissions, servicing payments and/or discounts to the Firm, an affiliate, or a portfolio company. The Firm will generally have a conflict of interest in making such recommendations, in that the Firm has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds. The benefits received by a portfolio company providing a service may be greater than those received by the Fund(s) and its portfolio companies receiving the service.

Current and former officers and executives of portfolio companies may also invest in a Fund. While the Firm believes this aligns portfolio company management teams with the best interests of the Fund, the Firm may, in certain circumstances, be incentivized to take (or refrain from taking) certain actions with respect to a portfolio company in order to maintain the goodwill with such portfolio company management team investor.

In certain instances, a Fund's portfolio company competes with, is a customer of, or is a service provider to, another Fund's portfolio company. In providing advice to a portfolio company's business, the Firm may consider the interests of one portfolio company or Fund and is not obligated to, and need not, take into consideration the interests of other relevant portfolio companies or Funds. As a result, a conflict of interest may arise in these instances because advice and recommendations provided by the Firm to a portfolio company may have adverse consequences to a separate portfolio company owned by another Fund. The performance and operations of a competitor, customer or service provider portfolio company could conflict with, and adversely affect the performance and operations of another portfolio company, or could adversely affect prices, business opportunities or potential acquisition opportunities. For instance, a portfolio company may seek to expand its market share at the expense of another portfolio company; withdraw business from another portfolio company in favor of another company offering the same product or service at a lower price; increase its own prices, purchase assets from, or sell assets to,

another portfolio company; commence litigation against another portfolio company; or prevent one portfolio company from commencing litigation against another portfolio company.

From time to time a Fund's portfolio company will be counterparties or participants in agreements, transactions or other arrangements with other portfolio companies of such Fund or other Funds. These agreements, transactions and other arrangements will involve payment of fees and other amounts, none of which will result in any offset to the Management Fee. Such agreements, transactions and other arrangements will generally be entered into without the consent or direct involvement of the Funds and/or the Firm or the consent of any Advisory Committee.

In addition, certain portfolio companies controlled by a Fund may engage in activities that could adversely affect another Fund and/or its portfolio company, including, for instance, as a result of laws and regulations or certain jurisdictions (such as bankruptcy, environmental, consumer protection and/or labor or union laws) that may not recognize or permit the segregation of assets and liabilities between separate entities. Such jurisdictions may also allow for recourse against assets that are under common control with, or part of the same economic group as the entity that has incurred the liability. This may result in the assets of a Fund and/or a portfolio company being used to satisfy the obligations or liabilities of another Fund or its portfolio company.

In addition, the Firm has in the past, any may in the future cause a Fund to transact with a portfolio company of the Fund or another Fund, including purchasing an asset from, or selling an asset to, a portfolio company. This creates a conflict of interest as the interests of the purchasing or selling Fund differ from those of the counterparty portfolio company.

The Firm and its affiliates have in the past and may, from time to time, hire part-time or full-time employees (including interns) who are relatives of, or are otherwise associated with an investor, portfolio company, former portfolio company, investment target, or service provider. Although the Firm uses reasonable care to mitigate any potential conflicts of interest with respect to each particular situation, there is no guarantee the Firm can control all such conflicts of interest, and there may be a continuing appearance of a conflict of interest (including, for instance, preferential hiring practices).

While less common, from time to time a Fund could hold an investment in a different layer of the capital structure than an investor or another party with which the Firm has a material relationship, in which case the Firm could have an incentive to cause the Fund or the portfolio company to offer more favorable terms to such parties (including, for instance, financing arrangements).

Positions with Portfolio Companies

The Management Group may serve as directors of, or observers on boards with respect to, certain portfolio companies. While conflicts of interest may arise in the event that such member of the Management Group's fiduciary duties as a director conflicts with those of the Fund, it is expected that generally the interests will be aligned. For instance, such positions could impair the ability of a Fund to sell the securities of an issuer in the event a director receives material non-public information by virtue of his or her role, which would have an adverse effect on the Fund.

Furthermore, a member of the Management Group serving as a director to a portfolio company owes a fiduciary duty to the portfolio company, on the one hand, and the relevant Fund, on the other hand, and such member of the Management Group may be in a position where they must make a decision that is either not in the best interest of the Fund, or is not in the best interest of the portfolio company. A member of the Management Group serving as a director may make decisions for a portfolio company that negatively impact returns received by a Fund investing in the portfolio company. In addition, to the extent a member of the Management Group serves as a director on the board of more than one portfolio company, such member of the Management Group's fiduciaries duties among the two portfolio companies may create a conflict of interest. Certain decisions made by a director may subject the Firm, its affiliate or a Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Funds will indemnify the Firm and the Management Group from such claims. In addition, members of the Management Group may leave the employment of the Firm, its affiliates and become an officer or employee of a portfolio company, which will shift the burden of compensating such persons from the Firm to the applicable portfolio companies, and any fees received by such persons as an employee of the portfolio company will not reduce the Management Fee.

From time to time members of the Management Group may also be asked to serve as directors of, or observers with respect to, certain entities in which a Fund has fully exited its ownership interest and/or following the termination of such person's employment with the Firm. In such circumstances, any compensation or fees received with respect to such exited investment and/or by such former employee is not subject to the Management Fee offset described above, or otherwise shared with the Funds and/or investors.

In connection with co-investment opportunities, some co-investors (which may include one or more investors in the Funds) are often provided with the opportunity to serve on the board of directors or board of advisors of the applicable portfolio company. Positions on the board of directors or board of advisors of such portfolio companies provide such co-investors with voting rights, access to information and the ability to potentially influence the operations and decision-making of the portfolio company that are not available to other investors in the Funds. In certain cases, co-investors have contractual rights that require the approval of the co-investors for certain major actions relating to the applicable portfolio company, such as a sale of the company or the issuance of additional equity by the company. Such rights may limit the ability of the Firm to take actions with respect to the portfolio company that the Firm considers to be in the best interests of the Funds.

Certain personnel of the Firm or its affiliates may from time to time in the future be temporarily seconded to or otherwise engaged by certain portfolio companies on either a full-time or a part-time basis to provide services to such portfolio companies. In such instances, the portfolio companies will pay such person's directors' fees, salaries, consultant fees, other cash compensation, stock options, other equity grants or other compensation and incentives and may reimburse the Firm or such persons for any travel costs or other out-of-pocket expenses incurred in connection with the provision of their services. The Firm may also advance compensation to

seconded employees and be subsequently reimbursed by the applicable portfolio companies. Any compensation customarily paid directly by the Firm or its affiliates to such persons will typically be reduced to reflect amounts paid directly or indirectly by the portfolio company even though the Management Fee paid or Performance-Based Fee distributed by the Fund to the Firm will not be reduced. Any amounts paid to such persons by a portfolio company (or paid by the Firm and reimbursed by a portfolio company) will not reduce the Management Fee otherwise payable to the Firm or any Performance-Based Fee otherwise payable to the Firm or its affiliates. All or a portion of any such compensation and incentives will be borne by the Fund, directly or indirectly, via its ownership interest in such portfolio company. In certain instances, whether an individual who provides services to a portfolio company should be categorized as an employee of the Firm, a former employee of the Firm or a seconded employee may not be clear. In such cases, the Firm will make a determination in good faith based on an evaluation of the facts and circumstances.

Side Letter Agreements; Advisory Committee Rights

The Firm often enters into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures and other preferential economic rights, information and reporting rights, excuse or exclusion rights, waiver of certain confidentiality obligations, co-investment rights, certain rights or terms necessary in light of particular legal, regulatory or policy requirements of a particular investor, additional obligations and restrictions with respect to structuring particular investments in light of the legal and regulatory considerations applicable to a particular investor, modification of representations, indemnification and/or liability and other obligations, veto rights and liquidity or transfer rights. Except as otherwise agreed with an investor, the Firm (or applicable General Partner) is not required to disclose the terms of side letter arrangements with other investors in the same Fund. Also, investors will have no recourse against a Fund, the applicable Fund's General Partner, the Firm or their respective affiliates in the event that certain investors receive additional or different rights or terms pursuant to such side letters, some of which rights may impact the rights and/or increase the obligations of other investors.

Many of the Funds have established an Advisory Committee, consisting of representatives of investors. A conflict of interest may exist when some, but not all limited partners are permitted to designate a member to an Advisory Committee because those designating limited partners will, for instance, have greater information rights. The Advisory Committee may also have the ability to approve conflicts of interests with respect to the Firm and the applicable Fund, which could be disadvantageous to the investors, including those investors who do not designate a member to the Advisory Committee. Representatives of the Advisory Committee may have various business and other relationships with the Firm, the Management Group and its affiliates. These relationships may influence the decisions made by such members of the Advisory Committee.

In addition, in some instances, members of one Fund's Advisory Committee are also members of another Fund's Advisory Committee. In such instances, a conflict of interest exists because the Funds on which such overlapping Advisory Committee members may have conflicting interests and such Advisory Committee members may be asked to provide their consent with respect to such conflicts of interest and will not recuse themselves from any such vote.

The Organizational Documents of a Fund establish complex arrangements among the Funds, the Firm, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the Organizational Documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While the Firm will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Fund or its investors.

The Firm and the Management Group have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses may result in "miles" or "points," rebates, or credit in loyalty/status programs to the Firm and/or its personnel. Such benefits, rewards and/or amounts (whether or not de minimis or difficult to value), will exclusively benefit the Firm and/or such personnel even though the cost of the underlying service is being borne by the Funds, its investors and/or the portfolio companies. Any such benefits, rewards and/or amounts will not be subject to the offset arrangements described above or otherwise shared with such Fund, its investors and/or the portfolio companies. In addition, airline travel incurred as a Fund expense for Firm personnel travelling for appropriate Fund-related purposes (including, without limitation, travel related to a portfolio company, a prospective portfolio company or other Fund-related matter) may benefit such Firm personnel to the extent the trip also serves a personal purpose.

The Firm has in the past and may, in its discretion, cause the Funds and/or their portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of the Firm. The Funds and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between the Firm and the Funds (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that the Firm may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

The Firm may, from time to time in the future, cause one or more Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable General Partner, the Firm and/or the Management Group and their respective agents, representatives, members of the Advisory Committee and other indemnified parties, against liability in connection with the activities of the Funds. This may include a portion of any premiums, fees, costs and expenses for one or more "umbrella" or other insurance policies maintained by the Firm that cover one or more Funds and/or the Firm (including the Management Group and their respective agents, representatives, members of the Advisory Committee and other indemnified parties). The Firm will make judgments about

the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among one or more Funds, and/or the Firm on a fair and reasonable basis, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

The Organizational Documents of certain Funds permit each such Fund’s General Partner to withhold information from certain limited partners or investors in such Fund in certain circumstances. The General Partner may elect to withhold certain information to such limited partners for reasons relating to the General Partner’s public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

Please see the discussion above under the sub-heading “Resolution of Conflicts” for a description of the means by which the Firm and its related persons may seek to alleviate conflicts of interest among the Funds or other persons.

Item 12 - Brokerage Practices

Selection of Brokers

For each of the Funds, the Firm has, subject to the direction of such Fund’s General Partner, if applicable, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for a Fund involving a broker-dealer, the Firm will seek “best execution” of the transaction except to the extent it may be permitted to pay higher brokerage commissions in exchange for brokerage and research services (as discussed below). “Best execution” means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

While trade price is often a significant quantitative factor in best execution, the Firm also evaluates qualitative execution factors, such as research capabilities, success of prior research recommendations, ability to execute trades, nature and frequency of sales coverage, depth of services provided (including back office and processing capabilities), financial stability and responsibility, reputation, commission rates, responsiveness to the Firm and the value of research and brokerage products and services provided by such brokers. The determining factor is not the lowest possible commission cost alone. The Firm may place transactions with a broker or dealer that (i) provides the Firm (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to the Fund or other products advised by the Firm (or an affiliate), if otherwise consistent with seeking best execution; provided the Firm is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of investors. The Firm may employ one or more firms to provide various trading services and support to the Firm, including the direct execution of trades and the direction and allocation of orders (such firms, the “Assisting Brokers”). Expenses related to such Assisting Brokers will be borne by the relevant Fund.

Aggregation of Securities Transactions

When appropriate, the Firm often does, but is not required to, aggregate client orders to achieve more efficient execution or to provide for equitable treatment among accounts. These transactions may be made at slightly different prices, because of the volume of securities purchased or sold. As a result of aggregating trades, however, the price may be less favorable to a particular Fund than it would be if similar transactions were not being executed concurrently for other Funds. The Firm has implemented procedures intended to treat all Funds equitably in the aggregation process and over the course of a buying or selling program. If any order is not filled at the same price, orders are generally allocated on an average price basis.

Research and Other Soft Dollar Benefits

As noted above, the Firm may cause a client to pay a brokerage commission in excess of that which another broker might charge for effecting the same transaction in recognition of the value of the brokerage, research and other services and soft dollar relationships. Although the Firm believes that clients benefit from many of the services obtained with soft dollars generated by client trades, clients do not benefit exclusively. The Firm, its affiliates and other client accounts also derive direct or indirect benefits from some or all of these services, particularly to the extent that Redmile uses “soft” or commission dollars to pay expenses that the Firm would otherwise be required to pay or produce itself.

Section 28(e) of the Exchange Act is a “safe harbor” that permits an investment manager to use commissions or “soft dollars” to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Where applicable and except for services that would be a client expense or as otherwise described below, the Firm will limit the use of “soft dollars” to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants’ advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between the Firm 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; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing 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. If applicable, the use of commissions arising from clients’ investment transactions for services other than research and brokerage will be limited to services that would otherwise be a client expense.

The use of commissions to obtain such other services would be outside the parameters of Section 28(e).

In some instances, the Firm receives a product or service that may be used only partially for functions within Section 28(e) (e.g. an order management system, trade analytical software or proxy services). In such instances, the Firm makes a good faith effort to determine the relative proportion of the product or service used to assist the Firm in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting the Firm in carrying out its investment decision-making responsibilities is paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) is paid for by the Firm from its own resources unless it is attributable to items that would otherwise be a client expense in which case it will either be paid by the client or be paid through brokerage commissions generated by the client's transactions.

The Firm makes payments for eligible research and brokerage services either via a portion of the commission paid to the executing broker/dealer or through client commission sharing arrangements ("CSAs"). Any research received can be used to service all Funds to which it is applicable, whether or not a Fund's commissions were used to obtain the research, and services received from a broker (or paid for by commissions paid to a broker) that executed transactions for a particular Fund will not necessarily be used specifically in providing investment advice to that particular Fund. Some Funds will generate more CSA credits than other Funds for a variety of reasons, including but not limited to account size, trading frequency, and the investment strategy in which the account is managed.

A conflict of interest exists when a broker-dealer provides such research or brokerage services, however, as the Firm will have an incentive to favor such broker-dealer over others that may charge lower commissions. Any such research or brokerage service may be broadly useful and of value to the Firm in rendering investment advice to all or a significant portion of the Funds, or may be relevant and useful for the management of one or only a few Funds' accounts, regardless of whether such account or accounts paid commissions to the broker-dealer through which the research or brokerage service was provided.

Although the Firm will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commission rates are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates likely results in higher transaction costs than would otherwise be obtainable. The receipt of such products or services and the determination of the appropriate allocation in the case of "mixed use" products or services create a potential conflict of interest between the Firm and its clients.

Prime Brokerage Practices

The Funds typically have accounts at prime brokers that allow the Funds to receive services that include, but are not limited to, custody, margin financing, clearing, settlement, stock borrowing,

and select technology services. The Firm may replace a Fund's prime broker or appoint an additional prime broker at any time. The Firm also receives additional services from prime brokers, including technology services, capital introduction services, portfolio reporting and access to electronic communications networks. Although, the Firm will use a substantial portion of these services for research and trading on behalf of client accounts, some services may be used for administrative purposes, which would benefit the Firm and, which would not be within the safe harbor of Section 28(e). Prime brokers may provide services to the Firm in exchange for brokerage, custody and clearance fees and other charges, and if the Firm did not receive these services from the Funds' prime brokers, the Firm would be required to bear the cost for all or some portion of them. The Firm is not required to direct a particular number of trades to a prime broker or to continue to use any prime broker, but the receipt of such services by the Funds and the Firm, creates an incentive for the Firm to continue to engage a prime broker and to direct business to one particular prime broker over another, even if such prime broker is not the most advantageous for a Fund.

Trade Errors

Trade errors may occur in connection with the Firm's management of the Funds. The Firm has policies and procedures that address identification and correction of trade errors, consistent with applicable standards of care and any relevant offering documents. The Firm makes its determinations regarding trade errors pursuant to its policies and procedures on a case-by-case basis, in its discretion. Not all mistakes or errors that are caused by the Firm will be considered trade errors, and not all trade errors will be considered compensable to the Funds. The Firm's policies and procedures generally do not require perfect implementation of investment management decisions, trading, processing or other functions performed by the Firm. Generally, errors in judgment in making investment decisions for clients—which include errors in securities analysis—are not considered to be trade errors. Subject to the terms of the Organizational Documents of the Funds, if a trade error is the result of the Firm's gross negligence, willful misconduct or fraud, any pertinent transaction will be corrected and the Firm will be responsible for any Funds losses from such. If the error is otherwise incurred as a result of conduct by the Firm on behalf of the Funds, the pertinent transaction will be corrected and the Funds will be responsible for the gain and/or loss associated with such error. The calculation of the amount of any gain or loss will depend on the particular facts surrounding the trade error, and the methodology used by the Firm to calculate gain or loss may vary. Compensation is generally expected to be limited to direct and actual out-of-pocket monetary losses (in certain circumstances, net of any associated gains) and will not include any amounts that the Firm deems to be uncertain or speculative, nor will it cover investment losses not caused by the trade error or other opportunity costs.

Brokerage for Client Referrals. The Firm does not direct client transactions to a particular broker-dealer in return for client referrals.

Directed Brokerage. The Firm does not recommend, request, require or permit a client to direct the Firm to execute transactions through a specified broker-dealer.

Item 13 - Review of Accounts

Fund investment positions are actively monitored and are reviewed regularly.

Investors in the Funds typically receive either an unaudited monthly net asset value statement or an unaudited quarterly net asset value statement from the administrator or registrar and transfer agent.

In addition, investors are provided audited financial statements of the Fund in which they are invested.

Item 14 - Client Referrals and Other Compensation

For details regarding economic benefits provided to the Firm by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Items 11 and 12 above.

The Firm has arrangements whereby the Firm compensates third parties for client referrals (i.e., placement agents). In the future, the Firm and/or the Funds may enter into additional arrangements of this type, subject to terms of the Organizational Documents.

Item 15 - Custody

Item 15 is not applicable to the Firm.

Item 16 - Investment Discretion

Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of each Fund and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or Organizational Documents of the applicable Fund. As the investment manager of the Funds, the Firm has broad discretion, without limitation, to determine:

- the securities to be bought or sold for the Funds;
- the amount and allocation of securities to be bought or sold for the Funds;
- where applicable, the broker or dealer to be used for a purchase or sale of securities for the Funds; and
- where applicable, the commission rates to be paid to a broker or dealer for the Funds' securities transactions.

Item 17 - Voting Client Securities

The Firm votes proxies for the Funds, as described below. The Firm has adopted and implemented policies and procedures that it believes are reasonably designed to have proxies voted in the best interest of its clients, in accordance with ERISA (as applicable), its fiduciary duties and SEC Rule 206(4)-6 under the “Advisers Act”. In situations where there is a conflict of interest between the Firm’s proxy voting policy and the interests of a Fund, the Firm will cast the vote in accordance with the client’s interests and directions.

The Firm’s authority to vote the proxies of its clients is established in the Advisory Agreements and/or Organizational Documents with each Fund, and its proxy voting guidelines have been tailored to reflect these specific contractual obligations.

ERISA requires fiduciaries to act “solely in the interest of the participants and beneficiaries of the plan” and “for the exclusive purpose of providing benefits to and defraying reasonable expenses of administering the plan.” The U.S. Department of Labor has held that the right to vote shares of stock owned by a pension plan is an asset of the plan, and therefore, the fiduciary’s responsibility to manage the plan’s assets includes proxy voting. Additionally, the U.S. Department of Labor recently finalized its rule on “Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights,” which governs how proxy voting decisions should be made by plan fiduciaries.

The Firm has engaged a third-party proxy voting service (“the Proxy Service”), to furnish proxy voting research and execution services on behalf of the Funds. In general, the Firm relies on the Proxy Service to research proxy proposals and vote client proxies consistent with their guidelines without the Firm’s prior review or input. In certain cases, the Firm may review the Proxy Service’s recommendation before a proxy vote is cast. If the Firm determines that the Proxy Service’s vote recommendation is not in the best interests of our clients or in cases where the Proxy Service does not provide a vote recommendation, the Firm’s investment team will make an independent determination, consistent with the Firm’s proxy voting policy, as to whether and how to vote the proxy. The Firm’s Chief Compliance Officer has the responsibility to monitor proxy votes for any conflicts of interest, regardless of whether they are actual or perceived. The Firm’s Chief Compliance Officer will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the Funds.

The Funds, from time to time, engage in securities lending programs with third parties to enhance return on their investment assets, in which case the borrower of the security is entitled to vote the proxy. The Firm may decide whether to recall securities on loan to facilitate proxy voting on a case by case basis. The Firm retains the discretion to take no action with respect to a proposed vote if it determines that doing so is in the best interests of a Fund (for example, where the Firm determines that the cost of voting exceeds the expected benefit to a Fund).

Copies of relevant proxy logs identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client upon written request to: ir@redmilegrp.com or redmile_legal@redmilegrp.com.

Participation in Class Actions and Other Litigation Matters

The Firm will have occasion to consider whether to participate in litigation on behalf of a Fund, including by filing proofs of claim in class actions. The Firm shall not be responsible for monitoring the pendency of class actions or other litigation matters that, in the Firm's sole discretion, are believed unlikely to have a material bearing upon a Fund's overall financial position. Additionally, the Firm has complete discretion to determine, based on the facts and circumstances of each case or on broader policy considerations, whether to file proof of claims for the Funds in any class action of which the Firm is made aware of. In some (if not all) circumstances, the Firm may determine it is in the best interests of the Fund not to file a proof of claim including where the costs associated with filing a proof of claim outweigh any potential benefits, as determined by the Firm in its sole discretion.

Item 18 - Financial Information

Item 18 is not applicable to the Firm.

Item 19 - Requirements for State-Registered Advisers

Item 19 is not applicable to the Firm.