

INVESTMENT ADVISER BROCHURE

ALTARIS, LLC

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Altaris, LLC (the “Management Company”). If you have any questions about the contents of this Brochure, please contact us at (212) 931-0250. 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 authority.

The Management Company is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding the Management Company is also available on the SEC’s website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

The Management Company filed its most recent Form ADV Part 2 on March 31, 2023. This amendment updates the description of the business practices and advisory services of the Management Company and its affiliates, including with respect to new clients, investment-related risk factors, conflicts of interest and other similar disclosures.

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ADVISORY BUSINESS

Altaris, LLC is a private investment management firm, including several investment advisory entities and other organizations affiliated with the Management Company (collectively, “**Altaris**”).

The Management Company, a Delaware limited liability company and a registered investment adviser, and its affiliated investment advisers provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. The Management Company commenced operations in January 2007.

The following are the affiliated advisers of the Management Company (collectively, with the Management Company, the “**Advisers**”):

- AHP II GP, L.P. (“**GP II**”);
- AHP III GP, L.P. (“**GP III**”);
- AHP Constellation GP, L.P. (“**Constellation GP**”);
- AHP IV GP, L.P. (“**GP IV**”);
- AHP Constellation IV GP, L.P. (“**Constellation IV GP**”);
- AHP V GP, L.P. (“**GP V**”);
- AHP VI GP, L.P. (“**GP VI**”);
- Altaris Partners, LLC (“**Altaris Partners**,” and collectively with GP II, GP III, Constellation GP, GP IV, Constellation IV GP, GP V and GP VI, the “**General Partners**”);
- AHP VI Manager, L.P. (“**Manager VI**”);
- AHP V Manager, L.P. (“**Manager V**”); and
- AHP IV Manager, L.P. (“**Manager IV**,” and together with Manager V, Manager VI and the Management Company, the “**Management Entities**”).

The Advisers’ clients include the following:

- Altaris Health Partners II, L.P. (“**Fund II**”);
- Altaris Health Partners III, L.P. (“**Fund III**”);
- Altaris Constellation Partners, L.P. (“**Constellation**”);
- Altaris Health Partners IV, L.P. (“**Fund IV**”);
- Altaris Constellation Partners IV, L.P. (“**Constellation IV**”);

- Altaris Health Partners V, L.P. and Altaris Health Partners V-A, L.P. (together, “**Fund V**”);
- Altaris Health Partners VI, L.P. and Altaris Health Partners VI-A, L.P. (together, “**Fund VI**”);
- Altaris Padagis Co-Invest, L.P. (“**Co-Invest**”);
- Altaris Padagis Co-Invest-A, L.P. (“**Co-Invest-A**”);
- Altaris V-4041, L.P. (“**V-4041**”);
- Altaris V-4042, L.P. (“**V-4042**”); and
- Altaris V-5082, L.P. (“**V-5082**”);
- Altaris VI T-Co-invest, L.P. (“**T-Co-invest**”);
- A5083, L.P. (“**A5083**”);
- A4048, L.P. (“**A4048**”);
- Altaris VI-4042, L.P. (“**VI-4042**”), and collectively with Fund II, Fund III, Constellation, Fund IV, Constellation IV, Fund V, Fund VI, Co-Invest, Co-Invest-A, V-4041, V-4042, V-5082, T-Co-invest, A5083 and A4048, collectively with any future private investment fund to which Altaris or its affiliates provide investment advisory services, the “**Partnerships**”).

The General Partners each serve as general partner to one or more Partnerships or other pooled investment vehicles and have the authority to make the investment decisions for the Partnerships to which they provide advisory services. The Management Entities provide day to day advisory services for the Partnerships. Each of the General Partners, Manager IV, Manager V and Manager VI is subject to the Advisers Act pursuant to the Management Company’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, Manager IV, Manager V and Manager VI, which operate as a single advisory business together with the Management Company.

The Partnerships invest through negotiated transactions in operating entities, generally referred to herein as “**portfolio companies**.” The Advisers’ investment advisory services to the Partnerships consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted, subject to certain limitations in the limited partnership or other operating agreement of each Partnership (each, a “**Partnership Agreement**”). Where such investments consist of portfolio companies, the senior principals or other personnel of the Advisers or their affiliates generally serve on such portfolio company’s board of directors or otherwise act to influence control over management of portfolio companies in which the Partnerships have invested.

The Advisers' advisory services to the Partnerships are detailed in the applicable private placement memoranda and other offering documents (each, a "**Memorandum**") and Partnership Agreements and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss" and "Investment Discretion." Investors in the Partnerships participate in the overall investment program for the applicable Partnership, but may be excused from a particular investment due to legal, regulatory or other applicable agreed-upon circumstances pursuant to the applicable Partnership Agreement. The Partnerships or the Advisers may enter into side letters or similar agreements ("**Side Letters**") with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant Partnership Agreement with respect to such investors.

Additionally, the Advisers are permitted to provide (or agree to provide) investment or co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain current or prospective investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, portfolio company management or personnel, Adviser personnel and/or certain other persons associated with the Advisers and/or their affiliates (to the extent not prohibited by the applicable Partnership Agreement), including opportunities to participate in co-invest vehicles that will invest in certain portfolio companies alongside a Partnership. Such co-investment opportunities typically involve investment and disposal of investments in the applicable portfolio company at the same time and on the same terms as the Partnership making the investment. However, for strategic and other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment from a Partnership. Any such purchase from a Partnership by a co-investor or co-invest vehicle generally would occur shortly after the Partnership's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in the relevant Adviser's sole discretion, an Adviser is authorized to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Partnership for related costs. However, to the extent such amounts are not so charged or reimbursed (including charges or reimbursements required pursuant to applicable law), they generally will be borne by the relevant Partnership.

As of December 31, 2023, Altaris managed \$9,414,930,097 in client assets on a discretionary basis. TYSON Partners, L.P., a Delaware limited partnership ("**TYSON**"), is the sole member of the Management Company. The general partner of TYSON is Altaris Partners, LLC which is principally owned by George E. Aitken-Davies and Daniel G. Tully.

FEES AND COMPENSATION

In general, the Management Entities receive a Management Fee (as defined below) and the General Partners each receive a carried interest in connection with their provision of advisory services. The Management Entities, the General Partners or other Altaris entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies (e.g., monitoring and other fees) of Partnerships and a portion of such additional compensation will offset in part the management fees otherwise payable to the Management Entities. Investors in a Partnership also bear certain expenses. The receipt of any such fees from co-investors will not reduce the Management Fee payable by any Partnerships that have also invested in such investment, and as a result a Partnership will, in most cases, only benefit

with respect to its allocable portion of any such fee and not the portion of any fee that relates to such co-investors, which have the potential to be significant. Additionally, as further described below and in the applicable Memorandum and/or Partnership Agreement of each Partnership, it is the Advisers' practice to retain certain third-party consultants (e.g., members of Altaris' Operating Network) to provide services to (or with respect to) certain portfolio companies in which one or more Partnerships invest. Any such consultants generally receive compensation and other amounts described herein, but not such amounts will result in additional offsets to the Management Fee.

The limited partners of Constellation, Constellation IV, Co-Invest, Co-Invest-A, V-4041, V-4042, V-5082, T-Co-invest, A5083, A4048 and VI-4042 bear no Management Fee.

Management Fee

Each of the Partnerships (other than Constellation, Constellation IV, Co-Invest, Co-Invest-A, V-4041, V-4042, V-5082, T-Co-invest, A5083, A4048 and VI-4042) generally pay the relevant Management Entity, quarterly in advance, a management fee (the "**Management Fee**") equal to 2.0% on an annual basis of aggregate Partnership third-party investor capital commitments ("**Commitments**"). The General Partner does not pay a Management Fee on any amounts invested into a Partnership. Investors participating in a closing after the initial closing of a Partnership bear the Management Fee from the date of the initial closing of such Partnership. After the expiration of the "**Investment Period**," which generally runs from the initial closing of a Partnership through the sixth anniversary of the date of the initial notice of capital contribution drawdowns or until certain termination events (as further described in the applicable Partnership Agreement), the Management Fee will generally equal 2.0% of an amount equal to (i) the investors' share of the aggregate capital invested in portfolio investments (which, for the avoidance of doubt, shall not include capital contributions made in respect of Partnership expenses) that have not been disposed of or otherwise valued at zero less (ii) such investors' share of any net write-downs of unrealized investments, in each case, determined as of the date of the applicable quarterly Management Fee calculation (such investments, "**Impaired Value Investments**"). Under the relevant Partnership Agreements, where the fair market value of an investment exceeds the total amount of investment contributions relating to such investment, Management Fees will not be calculated after the Investment Period based upon such appreciated value, and will instead continue to be calculated based on the amount of such investment contributions (however write-ups will be taken into account for purposes of calculating net write-downs). Where there has been a partial distribution, partial write-down or partial sale of an investment and the fair market value of such investment following such event exceeds the total amount of investment contributions relating to such investment, the relevant Partnership Agreements do require Management Fees to be reduced (net of any write-ups). The Management Fee will be payable over the term of the applicable Partnership. Installments of the Management Fee payable for any period other than a full three-month period are generally adjusted on a *pro rata* basis according to the actual number of days in such period. The Management Fee will be paid out of current income and disposition of proceeds of the applicable Partnership and, to the extent necessary, from called capital commitments to such Partnership which will reduce unfunded capital commitments; provided, however, that to the extent of subsequent distributions, such amounts will be restored to the unfunded commitments and may be recalled by such Partnership.

The Management Fee will be reduced by a portion of a Partnership's share of any directors' fees, professional services fees, and any breakup fees and certain other fees paid by portfolio companies to a General Partner, the relevant Management Entity or their affiliates, partners, members, officers or other personnel (such fees, "**Supplemental Fees**"). To the extent that such an offset credit would reduce the Management Fee for a given three-month period below zero, the credit will be carried forward for future application against payable Management Fees. To the extent that any other Partnership or any other entity or individual co-invests alongside the Partnership in any portfolio company investment, any Supplemental Fees generally will be allocated *pro rata* among the Partnership and the co-investors in proportion to the cost of the investment in the portfolio company borne by each. Supplemental Fees will be offset only to the extent they are paid during the holding period of the relevant Partnership, and limited partners generally will not receive the benefit of Supplemental Fees paid prior to the Partnership's acquisition, or following the Partnership's disposition, of the relevant investment. Similarly, to the extent a former Adviser employee becomes a consultant to, or employed by, a portfolio company, no compensation earned by such former employee will offset the Management Fee, whether or not such former employee has a remaining interest in the relevant Partnership's General Partner or affiliated entity. Conversely, in the event that an Adviser employs a person that previously received compensation from a portfolio company, limited partners will receive the benefit of any applicable offset only beginning as of the relevant start date of the person's employment with the Adviser, and not with respect to any compensation paid prior to such date, including equity grants made prior to the date of employment that vest thereafter.

As permitted under the Partnership Agreement for each Partnership, the General Partner may waive or agree to reduce the Management Fee. Certain such waived or reduced portions of the Management Fee are treated by the Partnership Agreement as a deemed capital contribution by the relevant General Partner, which is effectively invested in the relevant Partnership on such General Partner's behalf, and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to the Partnership. The limited partners of the Partnership may be required to make a *pro rata* contribution according to their respective Commitments to fund any contribution that would otherwise be required of the General Partner in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration (or delay) of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees have the potential to be significant. Due to waived or reduced Management Fees by an Adviser and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will not be fully realized by investors in a Partnership, resulting in a net additional benefit to such Adviser. The relevant Partnership Agreements set forth the full list of terms under which Management Fees will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified Management Fee rate in the Partnership Agreements until they are reduced in the circumstances and on the date(s) specified therein.

Carried Interest

The General Partner of each Partnership is entitled to receive a carried interest with respect to such Partnership up to 20% of all profits in excess of an 8% compound preferred return, subject to a General Partner catch-up as more fully described in the applicable Partnership Agreement.

The carried interest distributed to the General Partner is subject to a potential clawback or giveback at the end of the life of the applicable Partnership (and, in the case of each of Fund III, Fund IV and Fund V, on the six-year anniversary of the date on which such Partnership is issued its initial drawdown notice for the Management Fee, or, in the case of Fund IV and Fund V, on any two-year anniversary thereafter until the final distribution of the assets of such Partnership) if the General Partner has received excess cumulative distributions.

It is expected that any similar future Partnerships will have a similar fee structure.

Distributions In Kind

A Partnership's General Partner generally is permitted to receive a distribution in kind from the Partnership, including in connection with investment dispositions or the payment in kind of amounts owed to the General Partner as carried interest (which generally will be made using the value of the relevant securities at a per share amount (or other applicable unit) equal to the average per share amount (or other applicable unit) of net proceeds received by the Partnership from the related sale of such investment). In such circumstances, there is a potential conflict of interest between the General Partner (and its beneficial owners) and the relevant Partnership's investors. For example, the General Partner and its beneficial owners may intend to hold the investment for a different time period than Altaris deems suitable for the Partnership. Although the General Partner and its beneficial owners bear the risk that the value of such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Partnership's disposition thereof, neither the relevant Partnership nor its investors will benefit from the increase, and over time the economic benefit to the General Partner and its beneficial owners could exceed the value of the General Partner's *pro rata* interest in the Partnership and the amount of carried interest owed. To the extent the beneficial owners of the General Partner contribute such

securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Partnership or its investors.

Other Information

The Advisers are permitted to exempt certain investors in the Partnerships from payment of all or a portion of Management Fees and/or carried interest, including the General Partners and any limited partner the majority of outstanding voting securities of which are held directly or indirectly by a General Partner, the relevant Management Entity or one or more of their respective affiliates. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by an Adviser and/or its affiliates, or through other Partnerships which co-invest with a Partnership. For example, in instances where an Adviser professional or its affiliate invests in a Partnership, such professional or affiliate generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant Partnership Agreement, certain Advisers have the right to permit investors, affiliated with the Advisers or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or carried interest.

The Partnerships generally invest on a long-term basis. Accordingly, Management Fees and other fees are expected to be paid, except as otherwise described in the Partnership Agreement, over the term of the applicable Partnership, and investors generally are not permitted to withdraw or redeem interests in the Partnership.

Principals or other current or former personnel of Altaris may receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by the General Partners, the Management Entities or their affiliates.

In addition to the Management Fee and carried interest payable to the relevant Adviser, each Partnership bears certain expenses. As set forth more fully in the applicable Memorandum and/or Partnership Agreement of each Partnership, a Partnership bears all fees, costs, expenses, liabilities and obligations relating to the Partnership's and/or its subsidiaries' activities, investments and business (to the extent not reimbursed by a portfolio company), including (i) activities with respect to the identifying, investigating, structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging (including any principal, interest and any related fees and expenses associated therewith), restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, portfolio companies and the Partnership's actual and potential portfolio investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, investment bankers, lenders (including interest and fees on money borrowed by the Partnership), third-party diligence software and service providers, consultants and similar professionals in connection therewith, and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (ii) indebtedness of, or guarantees made by, the Partnership, the General Partner or any affiliate thereof on behalf of the Partnership and expenses incurred in connection therewith (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker and similar services; (v) brokerage, sale, custodial, depository (including a depository appointed pursuant to the AIFMD or any law, rule or regulation relating to the implementation thereof in any relevant jurisdiction), trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with the Partnership's third-party administrator and administration or reporting software, if any), information, advisory (including financial advisory, mergers and acquisitions advisory), valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to operating partners or executives, consultants performing investment initiatives and other similar consultants), tax and other professional services; (vii) reverse breakup, termination and other similar fees ("**Broken-Deal Expenses**"); (viii) directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses (which in the discretion of the General Partner may in certain circumstances

be a single or umbrella policy for one or more funds); (ix) filing, title, survey, transfer, registration, market and reference materials (to the extent incurred for an actual or potential portfolio company) and other similar fees and expenses and commitment; (x) printing, communications, marketing and publicity; (xi) the preparation, distribution or filing of Partnership-related or portfolio investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s and similar forms (including the Partnership's online reporting portal), or any other administrative, compliance or regulatory filings or reports (including, without limitation, regulatory filings and ongoing compliance requirements of the relevant Management Entity and its affiliates relating to the Partnership and its activities, including reporting on and compliance with the Foreign Account Reporting Requirements and any comparable legislation or regulations), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, "know-your-client", ledger systems, financial management, communications and cybersecurity) or other administrative or reporting tools (including subscription-based services, software as a service, cloud-based applications or similar services) for the benefit of the Partnership or the limited partners; (xiii) any activities with respect to protecting the confidential or non-public nature of any information or data; (xiv) activities or proceedings of the Partnership's limited partner advisory board ("**Advisory Board**") (including any out-of-pocket costs and expenses incurred by representatives of the Partnership, the General Partner or the General Partner's members, managers, partners, officers and employees, the Advisory Board members, permitted observers and other persons in attending or otherwise participating in meetings of the Advisory Board, including travel and accommodations for such Advisory Board members); (xv) indemnification (including any fees, costs and expenses incurred in connection with indemnifying any partner or other person pursuant to the relevant Partnership Agreement and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the relevant Partnership Agreement); (xvi) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, governmental inquiry, investigation or proceeding, in each case, involving the Partnership, including any judgment, other award or settlement entered into in connection therewith; (xvii) any annual limited partner meeting or other periodic, if any, meetings of the limited partners and any other conference or meeting with any limited partner(s) including via webcast or other video conference (and any subscription, rental equipment, venue, lodging, meal and entertainment fees, costs and expenses related thereto); (xviii) except as otherwise determined by the General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment fund or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment fund) that would be a Partnership expense or organizational expense if it were incurred in connection with the Partnership, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Partnership to the extent not paid by the investors investing in such entities; (xix) the termination, liquidation, winding up or dissolution of the Partnership; (xx) defaults by partners in the payment of any capital contributions (including legal, financing and litigation costs incurred in connection with a defaulting partner); (xxi) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Partnership, the General Partner and related entities and any alternative investment vehicle of the Partnership, including the preparation, distribution and implementation thereof; (xxii) complying with any law

or regulation related to the activities of the Partnership (including regulatory expenses of the General Partner incurred in connection with the operation of the Partnership and legal fees and expenses); (xxiii) any third-party experts, including independent appraisers, engaged by the General Partner in connection with the Partnership considering, making or holding an investment in the same entity as one or more other Partnerships; (xxiv) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a limited partner or any limited partner's name change, internal restructuring or change in trustee, registered agent or custodian; (xxv) any taxes, fees and other governmental charges levied against the Partnership and all expenses incurred in connection with any tax audit, investigation settlement or review of the Partnership (except to the extent that the Partnership is reimbursed therefor by a partner or such tax, fee or charge is treated as having been distributed to the partners pursuant to the relevant Partnership Agreement) and any costs of or related to the "partnership representative" of the Partnership; (xxvi) to the extent not borne by a portfolio company, unreimbursed expenses and unpaid fees of operating partners or executives; (xxvii) any travel (including airfare, which may include business class or first class airfare and, solely to the extent that the General Partner deems it reasonable under the applicable circumstances, chartered and private airplanes; provided, that the cost of such chartered and private airplanes shall be limited to the cost of comparable business class or first class airfare), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxviii) any costs and expenses arising from any foreign exchange or other currency transaction; (xxix) the cost of complying with side letters; and (xxx) any other fees, costs, expenses, liabilities or obligations approved by the Advisory Board.

The General Partners reserve the right to agree with operating partners, operating executives, joint venture or similar partners, service providers, portfolio company management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits, participation or equity interest granted in the relevant investments or related intermediate entities. While such an arrangement is more favorable to the relevant Partnership in that it does not involve an initial cash outlay for the payment of expenses, and could be further favorable to the relevant Partnership if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits, participation or equity interest generally would have a dilutive impact on the Partnership's investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation, which in either case could be substantial.

The Management Entities (rather than the Partnerships) pay all of the ordinary administrative and overhead expenses incidental to managing, originating and monitoring investments, including employees' salaries, benefits, rent, equipment and administrative expenses incurred by the Management Entities or a General Partner. As is typical for private equity funds, the Partnerships likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in "Brokerage Practices."

In certain circumstances, one Partnership is expected to pay an expense common to multiple Partnerships and/or co-investors (including, without limitation, legal expenses for a transaction in which all such Partnerships and/or co-investors participate, or other fees or expenses in connection with services the benefit of which are received by other Partnerships and/or co-

investors over time), and be reimbursed by the other Partnerships by their share of such expense, without interest. To the extent the paying Partnership makes use of a credit facility to pay such expense, it generally will not be reimbursed separately by other Partnerships for the costs of establishing, negotiating or maintaining the facility as a whole. While the Advisers believe such circumstances to be highly unlikely, it is possible that one of the other Partnerships could default on its obligation to reimburse the paying Partnership. In certain circumstances, the Advisers may advance amounts related to the foregoing and receive reimbursement from the Partnerships to which such expenses relate.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Partnerships, subject to the Advisers' related policies and the relevant Partnership Agreement(s) and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Partnerships. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, all Broken Deal Expenses relating to such proposed transaction will be borne by the Partnership(s), and not by any potential co-investors, that were to have participated in such transaction. However, to the extent that such co-investors have already executed definitive documentation to invest in a co-investment or other vehicle in connection with such transaction (or co-investment transactions generally), such vehicle is expected to bear its *pro rata* share of such Broken Deal Expenses where permitted by such vehicle's governing documents. To the extent a Partnership makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for the costs of establishing, negotiating or maintaining the facility as a whole.

The Advisers and/or their affiliates generally have discretion over whether to charge transaction fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation. The receipt of such compensation generally will give rise to potential conflicts of interest between the Partnerships, on the one hand, and the Advisers and/or their affiliates on the other hand.

Operating Network

Additionally, as further described herein, it is the Advisers' practice to retain certain operating executives (including entities formed for the benefit of such persons and/or to facilitate the provision of their services) to provide services to (or with respect to) certain current or prospective portfolio companies in which one or more of the Partnerships invest. Such operating executives generally provide services in relation to the identification, assessment, acquisition, holding, improvement and disposition of portfolio companies, including operational and strategic aspects of such companies. In certain circumstances, these services may also include serving in management, policy-making or oversight positions for portfolio companies. Operating executives receive compensation for their time and expenses in connection with services provided with respect to prospective portfolio company investments (whether or not such investments are consummated) as well as ongoing compensation, both cash and equity-based, for services provided to existing portfolio companies. Operating executives may also be offered the opportunity to invest

in a portfolio company alongside a Partnership. In each case, such compensation typically is determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such operating executives, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. Compensation paid to operating executives in connection with portfolio company investments that are consummated, or related ongoing services provided to portfolio companies, will be paid or borne by the relevant portfolio company directly. No compensation paid to operating executives will offset the Management Fee. The use of operating executives subjects the Advisers to conflicts of interest, as discussed under “Methods of Analysis, Investment Strategies and Risk of Loss,” below.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under “Fees and Compensation,” the General Partners receive a carried interest allocation on certain realized profits in the Partnerships. Altaris also manages accounts that are not charged performance-based compensation. This practice could present a conflict of interest because Altaris has an incentive to favor accounts for which it receives the highest performance-based compensation. Altaris seeks to address the potential for conflicts of interest in this area with allocation policies that provide that transactions and investment opportunities will be allocated to the Partnerships in accordance with each Partnership’s investment guidelines and governing agreements, as well as other factors that do not include the amount of performance-based compensation received.

The existence of performance-based compensation has the potential to create an incentive for the General Partner to operate the relevant Fund in a riskier, more speculative or other manner that is less favorable to investors than it would otherwise in the absence of such arrangement, although the Advisers generally consider performance-based compensation to better align their interests with those of investors, particularly in instances where the relevant governing documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Partnership’s life or at certain interim intervals.

TYPES OF CLIENTS

The Advisers provide investment advice to the Partnerships, which are investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”). The investors participating in Partnerships may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and often include, directly or indirectly, principals or other personnel of the Advisers and their affiliates and members of their families, operating executives or other service providers retained by the Advisers or a Partnership, as well as executives of portfolio companies.

The Partnerships may include alternative investment vehicles established in order to permit one or more investors to participate in one or more particular investment opportunities in a manner

desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Partnership.

Fund II and Fund III each has a minimum investment of \$10 million, Fund IV and Fund V has a minimum investment of \$20 million, for third-party investors, which may be waived in the applicable General Partner's discretion. Constellation and Constellation IV have a minimum investment of \$5 million, which may be waived in the General Partner's discretion. In most circumstances, investors in the Partnerships must meet certain suitability and net worth qualifications prior to making an investment. Generally, investors must be (i) "accredited investors" as defined under Regulation D of the Securities Act of 1933, as amended, and (ii) either "qualified purchasers" or "knowledgeable employees" as defined under the Investment Company Act.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

The principal investment strategy of Altaris is to seek to achieve long-term capital appreciation, primarily by acquiring equity and equity-related securities and certain debt instruments in private healthcare companies. Investments are predominantly of non-public companies although investments in public companies are permitted, subject to certain restrictions in the applicable Partnership Agreement.

The following is a summary of the investment strategies and methods of analysis generally employed by the Advisers on behalf of the Partnerships. More detailed descriptions of the Partnerships' investment strategies and methods of analysis are included in the applicable Memorandum and Partnership Agreement for each Partnership. *There can be no assurance that the Advisers will achieve the investment objectives of any of the Partnerships, and a loss of investment is possible.*

Investment and Operating Strategy

The Advisers seek to provide returns to investors by (i) using research and contacts to identify investments that the Advisers believe are attractive, (ii) performing rigorous analysis and due diligence to select and structure investments, and (iii) providing significant resources to portfolio companies.

Identification of Investment Opportunities. The Advisers seek investments for the Partnerships across the healthcare industry, and in particular, target healthcare businesses with one or more of the following attributes: (a) intellectual property-based product lines, (b) industry transforming business models, and (c) traditional value investing characteristics. The principals of the Advisers (the "**Principals**") seek to leverage their relationships with large healthcare corporations and hospital systems to source and structure attractive investment opportunities. They may also use their relationships with other private equity firms and may work with a wide variety of healthcare and strategic consultants, deal finders, investment bankers, lenders, lawyers and accountants that may serve as sources of investment opportunities.

Rigorous Analysis and Diligence. The Advisers believe that rigorous due diligence is critical to assessing investment opportunities. The Advisers' diligence process typically includes conducting meetings with the target company's management, analyzing the target company's sector within the healthcare industry and the target company itself. The analysis generally includes an analysis of the company's historical performance and a review of the company's actual performance versus budget. The Advisers develop financial models for the proposed investment based on projected financial results. Altaris' investment committee decides whether to accept or reject each proposed investment.

Managing Investments. The Partnerships' investments are expected to vary with respect to size, type of security, and use of leverage. The Advisers target both control and influential minority investments and may partner with other private equity firms, strategic investors, or the Partnerships' limited partners to consummate certain transactions. The Advisers intend to pursue investments in which the Principals can exercise significant positive influence, typically through board representation. Additional involvement may include regular consultations with management, participating in corporate governance, assisting with the development of business and strategic plans, and identifying and recruiting top level management.

Realization of Liquidity. The Advisers seek to create value for the Partnerships through the careful formulation and evaluation of multiple exit options when making an investment. The Principals have significant experience conducting or advising in the sale of businesses to strategic or financial buyers as well as accessing public markets. Using their understanding of the dynamic nature of healthcare and its emerging trends, the Advisers seek to identify potential strategic buyers positioned to pay a premium valuation for the Partnerships' portfolio companies.

Risks of Investment

Each Partnership and its investors bear the risk of loss that the applicable Advisers' investment strategy entails. The risks involved with the Advisers' investment strategy and an investment in a Partnership are detailed in the applicable Partnership's Memorandum. In general, the investment risks applicable to each Partnership and the activities of its related Advisers include, but are not limited to:

Business and Market Risks. A Partnership's investment portfolio will include securities and/or other interests issued by privately-held companies, and operating results in a specified period will be difficult to predict. In addition, it is expected that a Partnership's investment portfolio will include companies in an early stage of development, which may not have a proven operating history, may face competition from companies with greater resources and may require substantial additional capital to support their operations or to finance expansion. It is expected that a Partnership's investment portfolio will also include securities issued by public companies, including formerly privately-held portfolio companies that have consummated IPOs during the Partnership's holding period. Public companies may be subject to public reporting requirements that could have a significant impact on the valuation of their shares on any given trading day. The foregoing investments involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic and market conditions, and changes in laws, regulations, fiscal policies or political

conditions of countries in which investments are made, including the risks of war, revolutions and the effects of terrorist attacks. The possibility of partial or total loss of capital will exist, and investors should not invest unless they can readily bear the consequences of such loss.

Limited Number and Concentration of Investments; Impact of Excuse or Exclusion. A Partnership will make only a limited number of investments. There may be relatively few attractive investment opportunities at certain times during a Partnership's investment period and there can be no assurance that a Partnership will succeed in obtaining a sufficient number of such investment opportunities, that the investments ultimately acquired by a Partnership will achieve its return objectives or that a Partnership will be able to invest all of its available capital.

In addition, each Partnership intends to make all of its investments in various segments of the healthcare industry and, as a result, a Partnership's investment portfolio may become highly concentrated such that the performance of a few holdings or healthcare industry segments may substantially affect its aggregate return. Concentrating in a single industry may involve risk greater than generally associated with diversified acquisition funds, including fluctuations in returns. Furthermore, to the extent that the capital raised is less than the targeted amount, a Partnership may invest in fewer portfolio companies and thus be less diversified.

Additionally, a limited partner's participation in a Partnership's investments may be limited by virtue of the applicable Adviser's right to exclude a limited partner from, or a limited partner's right to be excused from, participating in certain of a Partnership's investments as set forth in the applicable Partnership Agreement, thereby increasing the participation of other limited partners. As a consequence of one or more limited partners being excused or other factors limiting investments, the aggregate returns realized by the participating limited partners could be adversely affected in a material manner by the unfavorable performance of even one investment by a Partnership. The performance of one or more substantial investments may have a significant impact on the overall performance of a Partnership.

Investment in Junior Securities. The securities in which a Partnership will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect a Partnership's investment once made.

Lack of Sufficient Investment Opportunities. The business of identifying, completing, structuring and realizing private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that a Partnership will never be fully invested if enough sufficiently attractive investments are not identified. The availability of investments generally will be subject to market conditions, including perceptions of the Advisers' ability to consummate transactions. In particular, in light of changes in such conditions, certain types of investments may not be available to a Partnership on terms that are as attractive as the terms on which opportunities were available to previous investment programs sponsored by the Advisers. Moreover, the Advisers expect competition among private equity firms to potentially increase. A Partnership may be competing for investments with many other private equity investors, as well as companies, governments, public equity market participants, individuals, financial institutions and other investors. Additional investment funds with similar objectives as a Partnership may be formed in the future by other unrelated parties. Further, there continues to be a significant amount of equity capital available for investment by such other investors. In such an environment, the sourcing and

execution of transactions for a Partnership, whether on a proprietary basis or otherwise, becomes more challenging. To the extent that a Partnership encounters competition for investments, returns to limited partners may decrease. Additionally, a Partnership will incur bid, due diligence or other costs on investments that may not be successful. As a result, a Partnership may not recover all of its costs, which would adversely affect returns.

Reliance on the Altaris Investment Professionals. The success of a Partnership will depend in large part upon the skill and expertise of Altaris professionals. Limited partners will have no right to participate in the day-to-day operation of a Partnership, including investment, structuring and disposition decisions and decisions regarding the operation of portfolio companies. Although Altaris believes the success of a Partnership is not dependent upon any individual, there can be no assurance that any individual professional will continue to be associated with a Partnership. There can be no assurance that Altaris personnel will not be solicited by and join competitors or other firms or that Altaris will be able to hire and retain any new personnel or add to its roster of investment professionals. In the event of the death, disability or departure of any of such individuals, the business and the performance of a Partnership may be adversely affected.

Lack of Liquidity of Investments; Lack of Current Distributions. Most of the investments to be made by a Partnership are likely to be illiquid. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on the transfer, sale or other disposition of investments made by a Partnership. Dispositions of the investments of a Partnership may be subject to contractual and other limitations on transfer, or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. Investments in publicly-traded companies held by a Partnership may also be subject to legal, contractual, practical or applicable company policy restrictions on transfers or sales, including the possibility that a Partnership will be in possession of material non-public information about the company and statutory volume limitations. In addition, the ability to exit an investment through the public markets (and the terms of such exit) will depend on market conditions, and particularly the market for public offerings.

A Partnership's investment program should be considered speculative, as there can be no assurance that the applicable Adviser's assessments of the short-term or long-term prospects of investments will generate a profit for limited partners. In view of the fact that a Partnership is only obligated to make distributions to the extent of distributable cash, if any, after taking into account reserves for future obligations, and may, subject to certain limitations set forth in the applicable Partnership Agreement, reinvest, rather than distribute, or otherwise recall certain proceeds from investments, if any, an investment in a Partnership is not suitable for prospective investors seeking current income for financial or tax planning purposes. In addition, there can be no assurance that a Partnership will have sufficient cash flow to permit it to make annual distributions in the amount necessary for the limited partners to pay all tax liabilities resulting from the limited partners' ownership of interests in the Partnership.

Lack of Unilateral Control. Even if it is the majority investor or the controlling shareholder in certain circumstances, a Partnership may not have unilateral control of all of its portfolio companies. In addition, a Partnership may make minority equity investments in portfolio companies where there is the possibility that the portfolio companies may be controlled or influenced by persons who have economic or business interests or goals or tax or other

considerations that differ from or are inconsistent with those of a Partnership or its limited partners or may be in a position to take action contrary to a Partnership's business, tax or other interests, and such Partnership may not be in a position to limit such contrary actions or otherwise protect the value of such Partnership's investment. When taking non-control positions, a Partnership will generally seek to obtain negative controls and veto rights on major decisions, but there can be no assurance that a Partnership will be able to control the timing or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value.

Investments in Public Companies. A Partnership may invest in public companies (subject to restrictions set forth in the applicable Partnership Agreement) or take private portfolio companies public. Investments in public companies may subject a Partnership to risks that differ in type or degree from those involved with investments in privately-held companies. Such risks include, without limitation, movements in the stock market and trends in the overall economy, greater volatility in the valuation of such companies, increased obligation to disclose information regarding such companies, limitations on the ability of a Partnership to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, which may include Altaris personnel, regulatory action by the SEC and increased costs associated with each of the aforementioned risks.

Uncertainty of Financial Projections. A Partnership may use financial projections to help analyze a potential investment or future capital raises and financing for portfolio companies or other transactions. Projected operating results will often be based on management judgments, with adjustments to such projections made by the applicable Adviser in its discretion. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse effect on the reliability of such financial projections.

Borrowing; Portfolio Company Leverage. A Partnership may make investments, either through leveraged buyouts or otherwise, in portfolio companies that have a leveraged capital structure. To the extent that any investment is made in a company with a leveraged capital structure, such investment may be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a downturn in the economy or deterioration in the condition of such company or its industry. In the event that such a company is unable to generate sufficient cash flow to timely meet principal and interest payments on its indebtedness, the value of a Partnership's investment in such portfolio company could be significantly reduced or even eliminated. Additionally, lenders would typically have a claim that has priority over any claim by a Partnership to the assets of such portfolio company in an insolvency event or proceeding. The use of leverage will result in costs to a Partnership that may not be covered by distributions made to a Partnership or appreciation of its investments.

The Partnerships are authorized to borrow funds for investment or other specific business purposes and to provide guarantees of or other credit support for the obligations of third parties, subject to certain limitations provided in the applicable Partnership Agreement. Such borrowing may be used, for among other purposes, to purchase portfolio investments as they become available in advance of the receipt of anticipated funds from capital contributions or otherwise

when capital contributions are not available. As security for such borrowing, guarantees or other credit support, a Partnership may grant liens on any of its assets to the lender or other counterparty, which assets may not necessarily be limited to a single portfolio investment. Such lender or other counterparty would, accordingly, have a claim that has priority over any claim by a limited partner of the Partnership to such assets in an insolvency event or proceeding. In addition, to support borrowing, each Partnership and the applicable General Partner will have the right, at their option, to pledge all or a portion of uncalled capital commitments, deliver notices to limited partners demanding capital contributions and enforce all remedies pursuant to the applicable Partnership Agreement in accordance with the terms thereof against defaulting limited partners, and any account into which such capital contributions are made; provided, that no limited partner will be obligated to pledge its interest in a Partnership. Although borrowings by a Partnership may enhance overall returns, they may further diminish returns (or increase losses) to the extent overall returns are less than a Partnership's cost of funds.

Subscription Lines. A Partnership generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations, including the acquisition, financing or refinancing of the Partnership's investments, as well as to consolidate or make less frequent capital calls to limited partners. Partnership-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Partnership fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Partnership would likely be subordinate to the Partnership's obligations to a subscription line's creditors.

In addition, Partnership-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Partnership's limited partners and the terms of the Partnership's governing documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the relevant Partnership's cost of borrowing, Partnership-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Partnership's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Partnership-level borrowing typically delays the need for limited partners to make contributions to a Partnership, or results in short-term gains to a Partnership, which in certain circumstances enhances the relevant Partnership's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Partnership's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Partnership-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other

circumstances, the use of Partnership-level borrowing can increase the base of a Partnership's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because Management Fees are incurred whether an investment is financed through capital calls or borrowings, and a Partnership's preferred return typically does not accrue on outstanding borrowings, the relevant General Partner has an incentive to cause the Partnership to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Partnership-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Partnership's investment period, and cause or defer a related change in the basis of the relevant Partnership's Management Fee calculation under the Governing documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Partnerships) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Partnership nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Partnership and the limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in a Partnership or impose concentration or other limits on the Partnership's investments, and/or financial or other covenants, that could affect the implementation of the Partnership's investment strategy. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Partnership subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Partnership, resulting in a potential net benefit to the Partnership, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Partnership subsidiary.

Partnership-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Partnership. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. A General Partner is authorized to use Partnership-level borrowing to pay Management Fees and to reimburse the Advisers for expenses incurred on behalf of the relevant Partnership. A Partnership is also permitted to utilize

Partnership-level borrowing when a General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If a Partnership ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

If an investment appreciates in value and is disposed of prior to repayment, the relevant Partnership generally would apply disposition proceeds to repay the borrowing and related interest and expenses, the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant General Partner, as reduced by the interest incurred by the relevant Partnership. Subject to any limitations in the relevant governing documents, this scenario potentially incentivizes the relevant General Partner to permanently fund the acquisition and ongoing capital needs of a Partnership's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

Hedging Policies/Risks. In connection with certain portfolio investments, a Partnership may employ hedging techniques designed to reduce the risks of adverse movements in commodity prices, interest rates and currency exchange rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks and costs. Therefore, while a Partnership may benefit from the use of these hedging mechanisms, unanticipated changes in commodity prices, interest rates or currency exchange rates may result in a weaker overall performance for a Partnership than if it had not entered into such hedging transactions. Further, there may be circumstances where a Partnership elects not to employ hedging techniques. In such circumstances, the lack of a hedge may permit a Partnership to take advantage of favorable movements in commodity prices, interest rates and currency exchange rates but may expose a Partnership to risks of adverse commodity price, interest rate or currency exchange rate movements. A Partnership is permitted to incur costs related to hedging arrangements, which are permitted to be undertaken in exchange-traded or over-the-counter (“OTC”) contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject a Partnership to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Partnership to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for the applicable General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission or other regulator or comply with an applicable exemption.

Insufficient Capital for Follow-On Investments. Following its initial investment in a portfolio company, a Partnership may have the opportunity to increase its investment in successful

operations and is permitted to decide to provide additional funds to such portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that a Partnership will make follow-on investments or that a Partnership will have sufficient available capital or capacity under any credit agreements to, or be permitted to, make such investments. Any decision not to make follow-on investments, or a Partnership's inability to make them, may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure is permitted to be made, but cannot be made by a Partnership due to insufficient capital) by a Partnership due to insufficient capital, may result in missed opportunities for a Partnership, or may result in dilution of a Partnership's investment.

Non-U.S. Investments. A Partnership may invest in the securities of issuers located or headquartered outside of the U.S. Such non-U.S. securities, including certain securities issued in Canada, involve certain factors not typically associated with investing in U.S. securities, including, but not limited to, risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which a Partnership's non-U.S. investments are denominated, and costs associated with conversion of investment capital and income from one currency into another and/or the repatriation of capital from such jurisdictions; (ii) inflation matters, including rapid fluctuations in inflation rates; (iii) differences between the U.S. and many non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and the potential of less government supervision and regulation; (iv) economic, social and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation; and (v) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities. In addition, laws and regulations of non-U.S. countries may impose restrictions that would not exist in the U.S. and may require financing and structuring alternatives that differ significantly from those customarily used in the U.S. Non-U.S. countries also may impose taxes on a Partnership and/or the partners of a Partnership. The General Partners intend to analyze risks in the applicable non-U.S. countries before making such investments, but no assurance can be given that a change in political or economic climate, or particular legal or regulatory risks, including changes in regulations regarding non-U.S. ownership of assets or repatriation of funds or changes in taxation, will not adversely affect a Partnership, the limited partners or an investment by a Partnership.

United Kingdom ("UK") Exit from the European Union (the "EU"). On January 31, 2020, the UK formally withdrew from the European Union ("**Brexit**"). After a transition period on December 31, 2020, EU rules ceased to apply in the UK.

Although the terms of the UK's future relationship with the EU were agreed in a trade and cooperation agreement, the agreement does not include an agreement on financial services and, as a result, UK firms in the financial sector have more limited access to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow

for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

As a result of the onshoring of EU legislation in the UK, UK firms are currently subject to substantially many of the same rules and regulations as prior to Brexit. However, the UK government has stated its intention to recast onshored EU legislation as part of UK legislation and regulation, which could result in substantive changes to regulatory requirements in the UK. It remains to be seen to what extent the UK may elect to implement or mirror future changes in the EU regulatory regime, or to diverge from the current EU-influenced regime over time. It is possible that the EU may respond to UK initiatives by restricting third country access to EU markets. If the regulatory regimes for EU and UK financial services change or diverge further, this could have an adverse impact on the Partnership and its investments, including the ability of the Partnership to achieve its investment objectives in whole or in part (for example, owing to increased costs and complexity and/or new restrictions in relation to cross-border access between the EU and non-EU jurisdictions).

The legal, political and economic uncertainty and disruption generally resulting from Brexit may adversely affect both EU- and UK-based businesses. Brexit has already led to disruptions in trade as businesses attempt to adapt cross-border procedures and rules applicable in the UK and in the EU to their activities, products, customers, and suppliers. Continuing uncertainty and the prospect of further disruption may result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

Sanctioned Investors. If, after subscribing to a Partnership, a limited partner is included on a list of prohibited persons maintained by a relevant regulatory or governmental authority (including the Office of Foreign Assets Control or equivalent non-U.S. authorities) (a “**Sanctions List**”), the relevant General Partner will have the sole discretion to determine the resolution, remedy and manner of compliance of the Partnership with applicable laws, including without limitation a “freeze” on distributions and/or capital calls from the relevant limited partner and reporting to the relevant authorities. Adverse actions by any such authorities, including temporary or permanent stays or holds on the Partnership’s activities, could materially and adversely affect the Partnerships.

Risks Arising from Dispositions of Investments. In connection with the disposition of an investment in a portfolio company, a Partnership and its Adviser(s) may be required to make (and/or be responsible for another person’s or entity’s breach of) representations and warranties, for example, about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, or may be responsible as a selling stockholder for certain contents of disclosure documents under applicable securities laws. A Partnership and its Adviser(s) may also be required to indemnify the purchasers of such investments or underwriters of any offering to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. The limited partners of a Partnership may be required to return distributions received by them to pay

such indemnification obligations, subject to certain limitations provided in the applicable Partnership Agreement.

Reliance on Portfolio Company Management. The day-to-day operations of each portfolio company will be the responsibility of such portfolio company's management team. Although the Advisers will be responsible for monitoring the performance of each investment and each Partnership will seek to invest in companies operated by (or else put in place) strong management, there can be no assurance that a portfolio company's existing management team, or any successor team, will be able to operate such company in accordance with the a Partnership's expectations. In addition, a Partnership may not always be the controlling shareholder in a portfolio company or represent a majority of its board of directors, and thus may exert less influence than a controlling shareholder. Furthermore, the success of many health care companies is highly dependent on the experience, abilities and continued service of key executive officers and key scientific personnel. If these companies lose the service of any of these officers or key scientific personnel, their future success could be undermined. The success of many health care companies also depends upon their ability to attract and retain other highly qualified scientific, managerial, sales and manufacturing personnel and their ability to develop and maintain relationships with relevant members of the health care technology community. Competition for such personnel and relationships is intense and many of these companies compete with each other (and other companies and organizations) for such personnel and relationships. There is no certainty that any of these health care technology companies will be able to continue to attract and retain qualified personnel or develop and maintain relationships with relevant members of the health care technology community.

Healthcare Industry Risks. Healthcare and healthcare-related companies are generally subject to greater governmental regulation than most other industries at the U.S. state and federal levels, and internationally. In recent years, both local and national governmental budgets have come under pressure to reduce spending and control healthcare costs, which could both adversely affect regulatory processes and public funding available for healthcare products, services and facilities. In March 2010, comprehensive healthcare reform legislation was enacted in the United States through the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or PPACA (collectively, the "**Health Care Reform Act**"). These laws are intended to increase health insurance coverage through individual and employer mandates, subsidies offered to lower income individuals, tax credits available to smaller employers and broadening of Medicaid eligibility. While one intent of healthcare reform is to expand health insurance coverage to more individuals, it may also involve additional regulatory mandates and other measures designed to constrain medical costs, including coverage and reimbursement for healthcare services. The Health Care Reform Act has had a significant impact on the healthcare sector in the U.S. and consequently has the ability to affect the companies within the healthcare industry. The ultimate effects of federal healthcare reform or any future legislation or regulation, or healthcare initiatives, if any, on the healthcare sector, whether implemented at the federal or state level, or internationally, cannot be predicted with certainty and such reform, legislation, regulation or initiatives, including the Health Care Reform Act, may adversely affect the performance of a Partnership's investments.

Changes in governmental policies may have a material effect on the demand for or costs of certain products and services. A healthcare or healthcare-related company must receive government approval before introducing new drugs and medical devices or procedures. This

process may delay the introduction of these products and services to the marketplace, resulting in increased development costs, delayed cost recovery and loss of competitive advantage to the extent that rival companies have developed competing products or procedures, adversely affecting the company's revenues and profitability. Failure to obtain governmental approval of a key drug or device or other regulatory action could have a material adverse effect on the business of a portfolio company. Additionally, expansion of facilities by healthcare related providers is subject to "determinations of need" by the appropriate government authorities. This process not only increases the time and cost involved in these expansions, but also makes expansion plans uncertain, limiting the revenue and profitability growth potential of healthcare related facilities operators.

In both the U.S. and foreign markets, sales of a healthcare company's products and its success will depend in part on the availability of reimbursement from third-party payors such as government health administration authorities, private health insurers, and other organizations. The levels of revenues and profitability of healthcare companies may be affected by the rising or falling costs of medical products and services, pricing pressure, an increased emphasis on outpatient services, a limited product offering, industry innovation, changes in technologies and other market developments. The profitability of healthcare companies may also be affected by the continuing efforts of governmental and third-party payors to contain or reduce the costs of health care. Significant uncertainty exists as to the reimbursement status of newly approved health care products. There can be no assurance that a company's proposed products will be considered cost-effective or that adequate third-party reimbursement will be available to enable a company to maintain price levels sufficient to realize an appropriate return on its investment in product development.

Certain healthcare and healthcare-related companies depend on the exclusive rights or patents for the products they develop and distribute. Patents have a limited duration and, upon expiration, other companies may market substantially similar "generic" products that are typically sold at a lower price than the patented product, causing the original developer of the product to lose market share and/or reduce the price charged for the product, resulting in lower profits for the original developer. As a result, the expiration of patents may adversely affect the profitability of these companies.

Certain companies in which the Partnerships invest may only have a limited number of products under development. There can be no assurance that such products will be approved for marketing by the U.S. Food and Drug Administration or any foreign regulatory agency. Further, competition to these products may develop from other new and existing products. In either case, if a company is dependent on these several products, the consequences of such failure could be devastating to the prospects of such company, which in turn could negatively affect the performance of a Partnership.

The healthcare industry spends heavily on research and development. Research findings (e.g., regarding side effects or comparative benefits of one or more particular treatments, services or products) and technological innovation (together with patent expirations) may make any particular treatment, service or product less attractive if previously unknown or underappreciated risks are revealed, or if a more effective, less costly or less risky solution is or

becomes available. Any such development could have a material adverse effect on the companies in which the Partnerships invest.

The testing, manufacturing, marketing and sale of many of the products and technologies developed by health care companies inherently expose these companies to potential product liability risks. Many health care companies obtain limited product liability insurance, however there can be no assurance that a health care company will be able to maintain its product liability insurance on reasonable terms or that any product liability insurance obtained will provide adequate coverage against potential liabilities.

Environmental, Social, and Governance (“ESG”). Altaris maintains an ESG policy and intends to apply that policy to Partnership investment activities subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. Depending on the investment, the impact of developments connected with ESG factors, including worker health and safety, environmental compliance, and bribery and corruption, could have a material effect on the return and risk profile of the investment. The act of selecting and evaluating material ESG factors is subjective by nature, and there is no guarantee that the criteria utilized or judgment exercised by the relevant General Partner or a third-party ESG advisor will reflect the beliefs or values, internal policies or preferred practices of any particular limited partner, other asset managers or with market trends. Considering ESG factors when evaluating an investment in certain circumstances has the potential, to the extent material risks associated with an investment are identified, to cause a General Partner not to make an investment that it would have made or to make a management decision with respect to an investment differently than it would have made in the absence of such consideration, which carries the risk that a Partnership performs differently than investment funds that do not take ESG factors into account. Additionally, ESG factors are only some of the many factors that a General Partner can take into consideration in making a portfolio investment. Although each General Partner considers application of Altaris’ ESG policy to be an opportunity to enhance or protect the performance of investments over the long-term, there is no guarantee that consideration of ESG factors will enhance long-term value and financial returns for any limited partner or individual investment. Similarly, to the extent a General Partner or a third-party ESG advisor engages with portfolio companies on ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the performance of such portfolio investments. Successful engagement efforts on the part of a General Partner or a third-party ESG advisor will depend on the General Partner’s skill in properly identifying and analyzing material ESG and other factors and their value, and there can be no assurance that the strategy or techniques employed will be successful.

The materiality of ESG risks on an individual asset, issuer and on a portfolio as a whole depends on many factors, including the relevant industry, location, asset class and investment style. Certain ESG factors, issues and considerations do not apply in every instance or with respect to each investment held, or proposed to be made, by the Partnership, and will vary greatly based on numerous criteria, including, but not limited to, location, industry, investment strategy, and issuer-specific and investment-specific characteristics. In evaluating a prospective portfolio investment, a General Partner often depends upon information and data provided by the company or obtained via third-party reporting or advisors, which may be incomplete or inaccurate and could cause the General Partner to incorrectly identify, prioritize, assess or analyze the prospective portfolio investment’s ESG practices and/or related risks and

opportunities. The General Partners do not intend to independently verify certain of the ESG information reported by investments of the Partnerships, and may decide in their discretion not to utilize certain information provided by such investments. To the extent that a General Partner provides reports of material ESG issues to limited partners, such reports will be based on the General Partner's or applicable investment management team's sole and subjective determination of whether a material ESG issue has occurred in respect of an investment.

In addition, Altaris' ESG framework, including its ESG policy and associated procedures and practices, is expected to change over time, and the firm may determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives based on cost, timing or other considerations. It is also possible that market dynamics or other factors will make it impractical, inadvisable or impossible for Altaris to adhere to all elements of a Partnership's investment strategy, including with respect to ESG risk and opportunity management, whether with respect to one or more individual investments or to the Partnership's portfolio generally.

Finally, there is also growing regulatory interest, particularly in the US, UK, and EU (which may be looked to as models in growth markets), in improving transparency around how asset managers define and measure ESG performance, in order to allow investors to validate and better understand sustainability claims. There may also be an increase in related enforcement through efforts such as those of the SEC's Climate and ESG Enforcement Task Force, established in March 2021. Altaris' ESG program and the General Partners could become subject to additional regulation in the future, and the General Partners cannot guarantee that their current approach (including the ESG policy) or the Partnerships' investments will meet future regulatory requirements, reporting frameworks or best practices, increasing the risk of related enforcement.

Regulation and Enforcement; Litigation. The growth of the private equity industry, and the increasing size and reach of transactions, has prompted additional governmental and public attention to the industry and its practices. A Partnership's portfolio companies may be subject to the antitrust and competition rules that apply in those countries or regions in which they do business. Failure to comply with those rules could expose the infringing company to sanctions or penalties including fines and civil damage actions. In some situations, private equity sponsors could be held jointly and severally liable for any sanctions or penalties imposed on a current or previously-owned portfolio company for breach of the applicable antitrust rules. In recent years, there have been governmental investigations and lawsuits over whether certain club deals or consortium bids constituted an illegal attempt to collude and drive down the prices of acquisitions. Consortium bids are deals in which two or more unaffiliated entities either provide equity financing or divide the target business being acquired. These transactions can range in size from the large private equity club deals in which the target remains intact to much smaller deals in which a target is broken up and sold to multiple strategic buyers. Private equity firms that engage in potentially anti-competitive practices in an otherwise permissible and lawful club deal could be liable for monetary damages to former shareholders of target companies and be subject to U.S. Department of Justice investigation and civil and criminal prosecution resulting in fines. The Antitrust Division of the U.S. Department of Justice has previously issued information requests relating to private equity transactions among multiple fund sponsors and in 2014, several fund sponsors settled claims that they had conspired to not bid against each other on eight large "take-

private” buyouts that occurred prior to the global financial crisis. There can be no assurance that the Partnership will not be subject to third-party litigation and/or investigations involving consortium bids.

Additional legal, tax and regulatory changes could occur during the term of a Partnership that may adversely affect a Partnership, its portfolio companies or Partners. The SEC has proposed and enacted significant rules that will impact the business of Altaris and the Partnerships. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact Altaris and its affiliates, the Partnerships and/or their investments. In addition, the Partnerships are expected to bear significant increased costs as a result of such rules, including costs relating to investor reporting and disclosures. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to the Partnerships. Certain rules are or may become subject to legal challenge from private fund industry groups and others, and to the extent such legal challenges are successful, investors will not be afforded some or all of the protections provided by these rules.

The market for private equity transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. A Partnership may invest in portfolio companies that operate in a highly regulated environment and are subject to extensive legal and regulatory restrictions and limitations and to supervision, examination and enforcement by regulatory authorities. New and existing regulations and burdens of regulatory compliance may directly impact the business and results of the operations of, or otherwise have a material adverse effect on, portfolio companies that are subject to regulation. Failure to comply with any of these laws, rules and regulations, some of which are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines, which may have material adverse effects.

Additional regulation could also increase the risks of third-party litigation. The transactional nature of the business of a Partnership exposes the Partnership and/or its Advisers generally to this risk of third-party litigation. Altaris and its related affiliates have been subject, historically, to such litigation. Under the applicable Partnership Agreement, a Partnership will generally be responsible for indemnifying the applicable General Partner, Management Entity and related parties for costs they may incur with respect to such litigation not covered by insurance.

General Economic and Market Conditions. The private equity industry generally and the success of a Partnership’s investment activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of a Partnership’s investments), trade barriers, currency exchange controls, and national and international political, environmental and socioeconomic circumstances (including pandemics, wars, terrorist acts or security operations). Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for a Partnership and may affect a Partnership’s

ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent to a Partnership's investments and could have a negative impact on the performance and/or valuation of a Partnership's portfolio companies. The Adviser's financial condition may be adversely affected by a significant general economic downturn and it may be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the Adviser's business and operations and thereby could impact a Partnership. The Adviser itself could also be affected by difficult conditions in the capital markets and any overall weakening of the financial services industry. Similarly, the Partnerships' portfolio companies historically have regularly utilized the corporate debt markets in order to obtain financing for their operations. Any market turmoil, coupled with the threat of an economic slow-down, as well as a perceived increase in counterparty default risk, may have an adverse impact on the availability of credit to businesses generally, which in turn may adversely affect or restrict the ability of a Partnership to sell or liquidate investments at favorable times or at favorable prices or which otherwise may have an adverse impact on the business and operations of a Partnership, restrict a Partnership's investment activities and/or impede a Partnership's ability to effectively achieve its investment objective. In addition, there can be no assurance that substantial volatility in stock markets will not have an adverse effect on a Partnership.

International Conflicts. Wars and other international conflicts, such as the Israeli-Palestinian conflict and the ongoing military conflict between Russia and Ukraine, have caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses. However, the ultimate impact of these conflicts and their effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Partnerships or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

These conflicts may have a significant adverse impact and result in significant losses to the Partnerships. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Partnership to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Partnership intends to pursue, all of which could adversely affect the Partnership's ability to fulfill its investment objectives.

Public Health Emergencies; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have resulted in historic market disruptions, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Partnerships.

The ultimate impact of any such health emergency — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations,

financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Partnerships. The extent of the impact on the Partnerships' and their portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Partnerships to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Partnerships intend to pursue, all of which could adversely affect the Partnerships' ability to fulfill their investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Partnerships, their portfolio companies, the General Partners and the Advisers may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Material Non-Public Information. The Advisers and their personnel may come into possession of material non-public information concerning specific companies, including as a result of certain of the Advisers' professionals serving on the boards of directors of portfolio companies. Under applicable securities laws, this may limit the Advisers' flexibility to buy or sell securities issued by such companies. A Partnership's investment flexibility may be constrained as a consequence of the Advisers' inability to use such information for investment purposes. The Advisers have policies and procedures in place that are intended to prevent the misuse of material non-public information by personnel of the Advisers, although there can be no assurance that such misuse will never take place.

Unfunded Pension Liabilities of Portfolio Companies. Certain court decisions have suggested that, where an investment fund owns 80% or more of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although a Partnership intends to manage its investments in a manner that will minimize any such exposure, the Partnership is permitted to invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where such Partnership owns an 80% or greater interest in such portfolio company. If a Partnership (or other 80%-owned portfolio companies of a Partnership) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of a Partnership and the companies in which a Partnership invests 80% or more of the equity.

Valuation of Investments. Generally, the relevant General Partner will determine the value of all the related Partnership's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Partnership's investments because, among other things, the securities of portfolio companies held by such Partnership generally will be illiquid and not quoted on any exchange. Each General Partner will determine the value of all the relevant Partnership's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the relevant General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Partnership on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by such General Partner may cause it to ineffectively manage the relevant Partnership's investment portfolios and risks, and may also affect the diversification and management of such Partnership's portfolio of investments.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a portfolio company, Partnership, General Partner, Adviser or one or more of their respective service providers is subject to cyber-attack or other unauthorized access is gained to their systems, substantial losses may occur in the form of stolen, lost or corrupted: (i) data or payment information; (ii) financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, the Advisers, the General Partners, the Partnerships and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Advisers', the General Partners', the Partnerships', portfolio companies' and/or service providers' operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or the relevant Partnership, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other

unauthorized access is directed at an Adviser or one of its service providers holding its financial or investor data, the Adviser, its affiliates or the Partnerships may also be at risk of loss, despite efforts to prevent and mitigate such risks under the Adviser's policies and practices.

Privacy and Data Protection Law Compliance Risk. The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively, “**Privacy Laws**”) could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the Advisers, the General Partners, the Partnerships and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties or litigation, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Partnership performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the Advisers, the General Partners, the Partnerships and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

Certain jurisdictions, including U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include the Advisers, the General Partners, the Partnerships and/or their portfolio companies.

Financial Institution Risk; Distress Events. An investment in a Partnership is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a “**Financial Institution**”) of some or all of the Partnership's (or any portfolio company's) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty (each, a “**Distress Event**”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, the Advisers, any General Partner, the Partnerships and/or any of the portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose potentially increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of the Advisers to manage the Partnerships and their investments, and on the ability of the Advisers, any Partnership or any portfolio company to maintain operations, which in each case could result in operational burdens, significant losses and unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event a Partnership is unable to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of the Partnership to access capital contributions or otherwise); the inability of the Partnership to acquire or dispose of investments, including at prices that the relevant General Partner believes reflect the fair value of such investments; and/or the inability of the Advisers or portfolio companies to make payroll, fulfill obligations and/or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that the Advisers will experience operational burdens and expenses, and a Partnership or a portfolio company will incur additional expenses and/or delays in putting in place alternative arrangements and/or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). There can be no assurance that the Advisers will be able to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, or that such remedies will be successful or avoid losses, delays or other negative impacts. The Partnerships and their portfolio companies are subject to additional risks in the event a Financial Institution utilized by investors of a Partnership or suppliers, vendors, service providers or other counterparties of a portfolio company become subject to Distress Events, which could have a material adverse effect on a Partnership, its investors or such portfolio companies, including the risk of investor defaults.

Many Financial Institutions require, as a condition to using their services (including lending services), that an Adviser and/or the relevant Partnership maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. Although the Advisers seek to do business with Financial Institutions that they believes are creditworthy and capable of fulfilling their respective obligations to the Partnerships, the Advisers are under no obligation to use a minimum number of Financial Institutions with respect to any Partnership, or to maintain account balances at or below the relevant insured amounts.

Changes to Benchmark Rates. To the extent that a Partnership's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or reference rates, including the London Interbank Offered Rate ("LIBOR"), Secured Overnight Financing Rate ("SOFR") or other rates (each, a "Benchmark Rate"), the Partnership may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants have transitioned historical instruments and contracts away from LIBOR to new Benchmark Rates. This transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Partnerships and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that

include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

Secondaries and other General Partner-Led Transactions. There continues to be a significant market for secondary sales, General Partner-led transactions, continuation funds, successor fund investments and other transactions, and the Advisers reserve the right to dispose of (or seek additional capital for) Partnership investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase all or a portion of one or more investments that will continue to be managed by an Adviser following the transaction. Such transactions are permitted to be undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where an Adviser believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Partnerships sponsored by an Adviser and its affiliates), often on different terms than their original investment in the Partnership. However, certain of such transactions are expected to involve: a limited partner investing (or being required to invest) additional capital in the existing Partnership and/or other investment vehicles; a greater exposure to one or more particular portfolio companies; and/or a delay in the full liquidation of the Partnership's investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (*i.e.*, a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Partnership or limited partner and those of an Adviser or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where an Adviser or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the relevant General Partner on the sale of an asset from an existing Partnership in such transaction), their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Partnership, Adviser, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the subject investment(s). To the extent an Adviser requires existing limited partners and/or new buyers to commit capital to a continuation fund or another Partnership managed by an Adviser in addition to the purchase amount paid in a transaction (including commitments to the relevant Partnership in specified ratios to the purchase price), such requirement is expected to have a dilutive effect on the purchase price for the selling Partnership and its limited partners. There can be no assurance that any such transaction will accurately reflect the fair market value of the Partnership investment(s) being sold. Further, the relevant General Partner is expected to be incentivized, including through the possibility of receiving additional compensation, to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-

investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Partnership, and in such circumstances the relevant Adviser reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that the Adviser will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of the Partnership or any individual limited partner or group of limited partners. However, each Adviser reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant governing documents. Each Adviser is permitted to seek the consent of the relevant Partnership advisory committee to approve conflicts associated with such transactions and accordingly not all limited partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Partnership investments, to the extent such transactions are not consummated, the Partnership is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

Social Media and Publicity Risk. The use of social networks, message boards, internet channels and other platforms has become widespread within the United States and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation, without independent or authoritative verification. Any such information or misinformation regarding Altaris, the Partnerships or one or more portfolio companies could have a material and adverse effect on the value of the Partnerships.

Conflicts of Interest

The Advisers and their related entities engage in a broad range of advisory and non-advisory activities. The Advisers will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Partnerships in an appropriate manner, as required by the relevant Partnership Agreement, although the Partnerships and their respective investments will place varying levels of demand on these over time. In the ordinary course of the Advisers conducting their activities, the interests of a Partnership may conflict with the interests of the Advisers, one or more other Partnerships, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, the Advisers will determine all matters relating to structuring transactions and Partnership operations using their best judgment considering all factors they deem relevant, but in their sole discretion, subject in certain cases to required approvals by the advisory committee(s) of limited partners (each, an “**LP Committee**”) of the participating Partnership(s).

During the Investment Period of each of the Partnerships, the Principals pursue all appropriate investment opportunities through such Partnerships, to the extent such opportunities fit within such Partnership’s investment guidelines and subject to certain exceptions, as described in the applicable Partnership Agreement. However, the Principals currently manage, and expect in the future to manage, several other Partnerships (including certain committed co-investment vehicles that invest, or are expected to invest, alongside a Partnership) and investments similar to

those in which the Partnerships invest, and may, to the extent not limited by the relevant Partnership Agreement(s), direct certain relevant investment opportunities to those Partnerships and investments rather than to the Partnerships. The Principals and the Advisers' investment staff will continue to manage and monitor such Partnerships and investments until their realization. The significant investment of the Principals in each of the Partnerships, as well as the Principals' interest in the carried interest, operate to align, to some extent, the interest of the Principals with the interest of the limited partners in the Partnerships, although the Principals have economic interests in such other Partnerships and investments as well and receive management fees and carried interest relating to such interests. Such other Partnerships and investments that the Principals control or manage may potentially compete with the Partnerships or companies acquired by the Partnerships. Following the Investment Period of the Partnerships, the Principals may and likely will focus their investment activities on other opportunities and areas unrelated to the Partnerships' investments.

The Principals will be presented with investment opportunities that would be suitable not only for a Partnership, but also for other Partnerships and other investment vehicles operated by the Advisers or their advisory affiliates. In determining which investment vehicles should participate in such investment opportunities, the Advisers and their affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one client of an Adviser in a portfolio company also have the potential to raise the risk of using assets of a client of such Adviser to support positions taken by other clients of the Advisers.

The Advisers must first determine which Partnership(s) will, or are required to, participate in the relevant investment opportunity. The Advisers generally assesses whether an investment opportunity is appropriate for a particular Partnership based on the applicable Partnership Agreement, as well as factors including but not limited to: allocation, conflicts, and other related provisions in the relevant Partnership Agreement(s), investment and operating guidelines, diversification and position guidelines and limitations (including the potential for follow-on investments), legal, tax, regulatory and accounting considerations, minimum dollar limits and other relevant factors, including risk (the "**Allocation Factors**"). For example, a newly organized Partnership generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Partnership may invest together with other Partnerships advised by an affiliated adviser of the Advisers in the manner set forth in the relevant Partnership Agreements and the Advisers' Investment Allocations / Co-Investment Policy. The Advisers will determine the allocation of investment opportunities among Partnerships in a manner that it believes is fair and equitable consistent with the Advisers' obligations and may take into consideration factors such as the Allocation Factors set forth above. Following such determination of allocation among the applicable Partnerships, the Advisers will determine if the amount of an investment opportunity in which one or more Partnerships will invest exceeds the amount that would be appropriate for such Partnership(s) and any such excess may be offered to any committed co-investment vehicle that invests alongside the applicable Partnership(s). The Advisers' procedures permit it to take into account a variety of factors in making such determinations, including but not limited to: the total capital then available to the applicable Partnership and such committed co-investment vehicle (after taking into account amounts reserved for (i) payment of expenses through the remainder of the term of the relevant Partnership and such committed co-investment vehicle, as applicable, (ii) funding of follow-on investments and refinancing of any outstanding bridge investments of the

relevant Partnership and such committed co-investment vehicle, as applicable, and (iii) funding obligations in respect of any written commitments of the relevant Partnership and such committed co-investment vehicle, as applicable), the size of the transaction, portfolio diversification (which, for the avoidance of doubt, shall not be based solely on the maximum amount that may be invested by the relevant Partnership or such committed co-investment vehicle, as applicable, in the applicable investment opportunity), investment guidelines, risk allocation, contractual prohibitions, the anticipated need and amount of any follow-on investment in respect of such investment opportunity and any of the above named Allocation Factors or similar considerations deemed relevant by the Adviser.

To the extent the applicable Partnership and/or any committed co-investment vehicle that invests alongside such Partnership do not fully subscribe to an investment opportunity, the Advisers will determine if such excess amount may be offered to one or more potential co-investors, including third parties, as determined by the relevant Partnership Agreements, Side Letters and the Advisers' Investment Allocations / Co-Investment Policy. The Advisers' procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to the above-named Allocation Factors. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Partnership, and each Adviser expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Partnership because (i) co-invest opportunities generally appeal to Partnership investors and third parties, (ii) to the extent co-investments made by Partnership investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the "most-favored nation" provisions of a Partnership's governing documents and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Partnership's governing documents. In order to facilitate the acquisition of a portfolio company, a Partnership reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Partnership will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Partnership's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Partnership would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment.

When and to the extent that personnel and related persons of an Adviser and its affiliates make capital investments in or alongside certain Partnerships, such Adviser and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Partnership's return from a transaction would be equal to and not less than another Partnership participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

The Advisers' allocation of investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others. While the Advisers will allocate investment opportunities in a manner that they believe in good faith to be fair and equitable to their clients under the circumstances over time and considering relevant factors, there can be no assurance that a Partnership'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 Advisers may be subject, discussed herein, did not exist.

In certain cases, the Advisers will have the opportunity (but, subject to any applicable restrictions or procedures in the relevant Partnership Agreement, no obligation) to identify one or more secondary transferees of interests in a Partnership. In such cases, the Advisers will not receive compensation for identifying such transferees, and will use their discretion to select such transferees, if any, based on suitability and other factors, and unless required by the relevant Partnership Agreement, will determine in their sole discretion whether to purchase the interests being transferred or whether the opportunity to receive a transfer of interests in a given Partnership should be offered to one or more existing investors in that Partnership.

Conflicts may arise when a Partnership makes investments in conjunction with an investment being made by another Partnership, or if it were to invest in the securities of a company in which another Partnership has already made an investment. A Partnership may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Partnerships. This may result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Partnership and the other Partnership(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. The Advisers and their affiliates may express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Partnership's investments will be the same as the returns obtained by other Partnerships participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Partnerships. In that regard, actions may be taken for one or more Partnerships that adversely affect other Partnerships.

Subject to any relevant restrictions or other limitations contained in the Partnership Agreements, the Advisers will allocate fees and expenses in a manner that they believe in good faith to be fair and equitable to clients under the circumstances and considering such factors as they deem relevant, but in their sole discretion. In exercising such discretion, the Advisers may be faced with a variety of potential conflicts of interest.

As a general matter, Partnership expenses typically will be allocated among all relevant Partnerships or co-invest vehicles receiving the benefit of such expenses (in the relevant General Partner's sole discretion) and eligible to reimburse expenses of that kind. In all such cases, subject to applicable law and legal, contractual or similar restrictions, expense allocation decisions generally will be made by the Advisers or their affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion to be fair and equitable across these vehicles. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining which Partnerships or co-invest vehicles benefit (or the extent to which they benefit) from the relevant service relating to the expense, or whether to allocate *pro rata* based on number of Partnerships or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Partnership or Adviser. The Partnerships generally have different expense reimbursement terms, including with respect to Management Fee offsets, which may result in the Partnerships bearing different levels of expenses with respect to the same investment.

As a result of the Partnerships' controlling interests in portfolio companies, the Advisers and/or their affiliates typically have the right to appoint board members (including current or former Altaris personnel or persons serving at their request) to such portfolio companies, or to influence their appointment, and to determine or influence a determination of their compensation. Portfolio company board members frequently approve compensation and/or other amounts payable to the Advisers and/or their affiliates. Unless such amounts are subject to the Partnership Agreements' offset provisions, they will be in addition to any Management Fees or carried interest paid by a Partnership to an Adviser.

Additionally, a portfolio company typically will reimburse the Advisers or service providers retained at an Adviser's discretion for expenses (including without limitation travel expenses) incurred by the relevant Adviser or such service providers in connection with its performance of services for such portfolio company. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by Adviser personnel. This subjects the Advisers and their affiliates to conflicts of interest because the Partnerships generally do not have an interest or share in these reimbursements, and the amount of such reimbursements is expected to be substantial over time. The Advisers determine the amount of these reimbursements for such services in their own discretion, subject to internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Partnership, their effect is reflected in each Partnership's audited financial statements.

The Advisers generally exercise their discretion to recommend to a Partnership or to a portfolio company thereof that it contract for services with (i) the Advisers or a related person of the Advisers (which is permitted to include a portfolio company of a Partnership), (ii) an entity with which the Advisers or their affiliates or current or former members of their personnel has a relationship or from which the Advisers or their affiliates or their personnel otherwise derives financial or other benefit or (iii) certain limited partners or their affiliates. Although the Advisers generally seek appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. The Advisers may be presented with opportunities to receive

financing and/or other services in connection with a Partnership's investments from certain limited partners or their affiliates that are engaged in lending or related businesses. This subjects the Advisers to conflicts of interest, because although the Advisers select service providers that they believe are aligned with their operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Partnership, the Advisers may have an incentive to recommend the related or other person because of their financial or other business interest. There is a possibility that the Advisers, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Partnership(s) or Adviser(s)), may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Because the Partnerships intend to invest only in portfolio companies within the healthcare industry, the potential conflicts of interest described in this paragraph are more likely to arise than if the Partnerships employed a more diversified investment strategy. Whether or not the Advisers have a relationship or receive financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost. Additionally, the Advisers expect certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Partnerships, and due to the nature of the service provider relationships and the timing of services these persons have the potential to have information advantages relative to other investors or co-investors, and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors. Based on the foregoing, limited partners should not expect service providers to the Advisers or any Partnership to provide services that will be the most beneficial to any limited partner.

The Advisers reserve the right to cause a Partnership to enter into a transaction whereby the Partnership (i) purchases securities from, or sells securities to, other Partnerships managed by the Advisers, or co-investors or co-investment vehicles or (ii) co-invests alongside such other Partnerships or co-investors. Such transactions may arise in the context of re-balancing an investment among parallel investing entities or in contexts where a portfolio company owned by one Partnership is acquired by a portfolio company acquired by another Partnership. In some cases, a portfolio company of one Partnership will be merged with or into a portfolio company owned by another Partnership. Any such transactions raise potential conflicts of interest, including where: (i) the investment of one Partnership supports the value of portfolio companies owned by another Partnership; or (ii) the transaction allows the relevant Adviser or its affiliates to realize carried interest or receive future Management Fees or other compensation with respect to such investments. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant governing documents or otherwise in the sole discretion of the Advisers, the Advisers reserve the right to seek to mitigate such conflicts by seeking input from an unaffiliated third party (including the use of a consultant or investment banker paid for by the relevant Partnership(s) to opine as to the fairness or "arm's-length" nature of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of the relevant Adviser) or by obtaining the consent of the relevant Partnership(s) (including, where authorized,

the consent of each Partnership's Advisory Board) to such transactions. The Advisers reserve the right to determine that the willingness of a third party to make an investment on the same or similar terms demonstrates the fairness of the relevant transaction (including its value) to the Partnership under then-current market conditions and therefore determine not to obtain a consent or fairness opinion (except where required by applicable law). The Advisers intend that any such transactions be conducted in a manner that they believe in good faith to be fair and equitable to each Partnership under the circumstances, including a consideration of the potential present and future benefits with respect to each Partnership. Further, cross transactions are expected to arise in the context of automatic or other re-balancing of investments among parallel investing entities, and in such circumstances, the Advisers generally will not seek a fairness opinion or Advisory Board consent given that such transactions typically are effected close in time to the initial Partnership's investment or pursuant to authorizing provisions in the relevant governing documents.

Although the Advisers generally structure Partnerships to avoid cross-guarantees and other circumstances in which one Partnership bears liability for all or part of the obligations of another Partnership or affiliate of the Advisers, in certain circumstances lenders and other market parties negotiate for the right to face only select Partnership entities, which may result in a single Partnership being solely liable for other Partnerships' share of the relevant obligation and/or joint and several liability among Partnerships. In each such case, the Advisers intend to cause each relevant other Partnership to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Partnership undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements. In other circumstances, lenders and other market participants are expected to seek "cross default" rights under which a Partnership will be treated as in default under the relevant facility in the event of a default by another Partnership or affiliate of the Adviser relating to their respective lending or other facilities; if any such provision were to be triggered, a Partnership's limited partners could suffer adverse effects resulting from any default by any Partnership or affiliate of an Adviser, whether or not related to the Partnership in which such limited partners have invested.

The Advisers and/or their affiliates may also employ personnel with pre-existing ownership interests in portfolio companies owned by the Partnerships or other investment vehicles advised by the Advisers and/or their affiliates; conversely, current or former personnel or executives of the Advisers and/or their affiliates may serve in significant management roles at portfolio companies or service providers recommended by the Advisers. Similarly, the Advisers, their affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Advisers and/or their affiliates, and/or the Partnerships or other investment vehicles they advise. The Advisers may have a conflict of interest with a Partnership in recommending the retention or continuation of a third-party service provider to such Partnership or a portfolio company if such recommendation, for example, is motivated by a belief that the

service provider or its affiliate(s) will continue to invest in one or more Partnerships, will provide the Advisers information about markets and industries in which the Advisers operate (or is contemplating operations) or will provide other services that are beneficial to the Advisers. The Advisers may have a conflict of interest in making such recommendations, in that the Advisers have an incentive to maintain goodwill between them and the existing and prospective portfolio companies for a Partnership, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Partnership.

The Advisers, their affiliates, and equity holders, officers, principals and other personnel of the Advisers and their affiliates may buy or sell securities or other instruments that an Adviser has recommended to a Partnership. In addition, officers, principals and other personnel may buy securities in transactions offered to but rejected by a Partnership. Such transactions are subject to any restrictions in the applicable Partnership Agreement and any policies and procedures set forth in Altaris' Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Partnership. Personnel and related persons of the Advisers have, and are expected to continue to have, capital investments in or alongside certain Partnerships, or in prospective portfolio companies directly or indirectly, and therefore may have additional conflicting interests in connection with these investments.

Because certain expenses are paid for by a Partnership and/or its portfolio companies or, if incurred by an Adviser, are reimbursed by a Partnership and/or its portfolio companies, the Advisers will not necessarily seek out the lowest cost options when incurring (or causing a Partnership or its portfolio companies to incur) such expenses.

In addition, as described above, portfolio companies (and, to a lesser extent, the Partnerships) typically pay certain fees to operating executives and other consultants (including consultants introduced or arranged by the Advisers and/or their affiliates that regularly provide services to one or more portfolio companies), and such fees do not offset the Management Fee, as described herein. The use of operating executives and other consultants is expected to fluctuate and/or expand over time. Operating executives may make use of the Advisers resources or otherwise may be associated with the Advisers. Operating executives receive compensation for their time and expenses in connection with services provided with respect to prospective portfolio company investments (whether or not such investments are consummated) as well as ongoing compensation, both cash and equity-based, for services provided to existing portfolio companies. Under many of these arrangements, including where operating executives are paid a flat fee, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or tangible work product generated by operating executives. Operating executives may be offered the opportunity to invest in a portfolio company alongside a Partnership. In each case, such compensation will be determined by the Advisers using reasonable judgment based on the fair market value of the services provided. Compensation paid to operating executives in connection with portfolio company investments that are consummated, or related ongoing services provided to portfolio companies, will be paid or borne by the relevant portfolio company directly. No compensation paid to operating executives will offset the Management Fee. Although the use of operating executives and the allocation of compensation paid to them by the Partnerships and/or the portfolio companies subjects the Advisers and/or their affiliates to potential conflicts of interest, the Advisers believe that such potential conflicts may be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the

benefit of the applicable Partnership(s)) that will result if the cost of the operating executive is lower than market rates for the services provided and/or if the services of the operating executive align with the relevant Adviser's model for the portfolio company and improve portfolio company performance. Although the Advisers seek to retain operating executives with a view to reducing costs to portfolio companies (and, ultimately, the Partnerships) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. The Advisers also seek to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that the Advisers believe will align such persons' interests with those of the Partnerships' limited partners, and seek to retain only operating executives and service providers which they believe provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Because a General Partner's carried interest is based on a percentage of net realized profits, it may create an incentive for an Adviser to cause a Partnership to make riskier or more speculative investments (or hold investments for longer periods) than would otherwise be the case. Also, because there is a fixed investment period after which capital from investors in a Partnership may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Partnership, based upon capital invested by such Partnership, this fee structure may create an incentive to deploy capital when Altaris may not otherwise have done so.

The Partnerships' governing documents provide the Advisers with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that in each case have the potential to affect the Advisers' compensation. In making such determinations, the Advisers are subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for the Advisers or their affiliates to make investments and to hold investments longer than otherwise would be the case in the absence of the relevant Partnership's Management Fee and carried interest compensation arrangements. The Advisers expect to be incentivized to cause a Partnership to make, hold, value and/or dispose of investments (and to delay or forego a determination that the investments are Impaired Value Investments) in order to receive greater ongoing Management Fees and, potentially, earlier and/or larger carried interest distributions than would otherwise be the case.

Where the Management Fee is calculated taking into account the valuation of an investment, the Advisers will have incentives to make determinations that result in the continued payment of, or a higher, Management Fee. Where the Partnerships' governing documents do not require Management Fees to be reduced in connection with investment reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, the Advisers are incentivized to pursue such transactions. Additionally, the amount of carried interest owed to the relevant General Partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are Impaired Value Investments, and the relevant General Partner expects to be subject to related potential conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value Investment, within the requirements of the relevant governing documents.

The Advisers' wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by the relevant General Partner or its affiliates in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the relevant General Partner's determination that an investment is an Impaired Value Investment, and except as set forth in the relevant governing documents, neither the General Partner nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the Partnership's holding period. The General Partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the relevant governing documents. As a general matter, the standards for determining Impaired Value Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of the Advisers' compensation is dependent in part on an investment's status as an Impaired Value Investment, the relevant General Partner faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although the Advisers intend to operate in accordance with the relevant governing documents, as well as its valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

Altaris and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Partnership providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of an Adviser's compensation), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Partnership's advisory committee, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, investment pacing restrictions, as well as economic, procedural and other terms, many of which will not be subject to the "most-favored nation" provisions of a Partnership's governing documents.

Altaris is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners, e.g., based on commitment amount to a Partnership or the timing thereof, the ability of a limited partner to provide sourcing or other services to an Adviser, its affiliates and personnel or the Partnerships, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to an Adviser, its affiliates and personnel, or the Partnerships. Further, Side Letters also are expected to relate to strategic relationships under which an investor agrees to make Commitments to multiple Partnerships. Except in the circumstances and on the timing required by governing documents and/or applicable law, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Partnership, an Adviser, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject Altaris to potential conflicts of interest, including in circumstances where an investor's right to

serve on the relevant Partnership's advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Partnership or of limited partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Partnership.

As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although Altaris believes it to be unlikely, excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Partnership have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Partnership as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the governing documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Partnership. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Partnership.

Although the Partnership governing documents generally contain broad exculpation and indemnification provisions, no Adviser will interpret such provisions to constitute a waiver of any person's non-waivable federal fiduciary duties to the relevant Partnership under the Advisers Act. The relevant liability standards under insurance coverage procured by Altaris are expected to vary by carrier, and such standards are expected to vary depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages are expected to vary from relevant liability and/or indemnity standards in the relevant governing documents. Investors generally will be responsible for insurance premiums, as set forth in the relevant governing documents, regardless of whether the liability and/or indemnity standards in Altaris' insurance coverage are higher or lower than that set forth in the relevant governing documents.

Any of these situations subjects the Advisers and/or their affiliates to potential conflicts of interest. The Advisers and their affiliates attempt to resolve such conflicts of interest in light of their obligations to investors in the Partnerships and obligations owed by the Advisers to investors in investment vehicles managed by them, and attempt to allocate investment opportunities among a Partnership and the other Partnerships in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, the Advisers will review the

circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, the Advisers consult and receive consent to conflicts from the applicable LP Committee(s) and such other investment vehicles.

DISCIPLINARY INFORMATION

Altaris and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Management Company is affiliated with other Altaris investment advisers registered with the SEC under the Advisers Act pursuant to the Management Company's registration in accordance with SEC guidance. The Management Entities provide advisory services to the General Partners and other Altaris entities pursuant to management agreements. These entities operate as a single advisory business together with the Management Company and serve as managers or general partners of Partnerships and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

The Advisers have adopted the Altaris Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of the Advisers' Principals and other personnel and addresses conflicts that arise from personal trading. The Code requires the Advisers' personnel to:

- report their personal securities transactions;
- pre-clear from directly or indirectly acquiring beneficial ownership or disposing of any securities in a specific sector or industry or securities in an initial public offering or limited offering; and
- comply with the policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information.

A copy of the Code will be provided to any investor or prospective investor upon request to Altaris' Chief Compliance Officer at (212) 931-0250. Personal securities transactions by personnel who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client-eligible investments.

The Advisers and their affiliated persons (as defined below) may come into possession of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, the Advisers and their affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Advisers. Accordingly, should the Advisers or any of their affiliated

persons come into possession of material non-public or other confidential information with respect to any public or non-public company, the Advisers generally would be prohibited from communicating such information to clients, and the Advisers will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Altaris personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Partnerships.

Principals and other personnel of the Advisers and their affiliates may directly or indirectly own an interest in Partnerships or certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles may invest in one or more of the same portfolio companies as a Partnership.

Co-invest opportunities may also be presented to certain affiliates of the Advisers, as well as third party investors and other persons, and such co-investments may be effected through co-investment vehicles or directly in a particular portfolio company. Such co-investment opportunities generally will be allocated in the manner described under “Methods of Analysis, Investment Strategies and Risk of Loss.”

The Advisers and their affiliates, principals and other personnel may carry on investment activities for their own accounts and for family members, friends or others who do not invest in the Partnerships, and may give advice and recommend securities to other accounts or certain Partnerships or vehicles which may differ from advice given to, or securities recommended or bought for, other Partnerships or vehicles, even though their investment objectives may be the same or similar. The operative documents and investment programs of certain Partnerships may restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Partnerships or may give priority with respect to investments to such Partnerships.

The Advisers or their affiliates may recommend the purchase or sale of securities for Partnerships in which one or more of their partners, members, officers, directors, other personnel (and members of their families) or affiliates (“**affiliated persons**”), directly or indirectly, have a position or interest, or which an affiliated person buys or sells for himself or herself. Such transactions also may include trading in securities in a manner that differs from or is inconsistent with the advice given to the Partnerships. Certain of these transactions may require the consent of the applicable Partnership.

Each General Partner reserves the right to advance funds on behalf of a Partnership and contribute such amounts to the relevant Partnership as a special interim capital contribution for investment, to be redeemed at a later date. A yield amount in connection with such borrowing typically is borne by the relevant Partnership, consistent with the relevant governing documents. Similarly, the Advisers or an affiliate thereof are authorized to sign non-disclosure agreements or other deal documentation in view of future participation by one or more Partnership(s), although this typically is done as a courtesy and without compensation from a Partnership.

BROKERAGE PRACTICES

The Advisers focus on securities transactions of private companies and generally purchase and sell such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, the Advisers may also distribute securities to investors in a Partnership or sell such securities, including through using a broker-dealer, if a public trading market exists. Although the Advisers do not intend to regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If the Advisers purchase or sell publicly traded securities for a Partnership, they are responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Advisers. In such event, the Advisers will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Advisers may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

The Advisers have no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Advisers generally seek competitive commission rates, they may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Advisers seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although the Advisers generally do not make use of such services at the current time and have not made use of such services since their inception.

The Advisers do not anticipate engaging in significant public securities transactions; however, to the extent that the Advisers engage in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Partnerships are completed independently, the Advisers may also purchase or sell the same securities or instruments for several Partnerships simultaneously. The Advisers are permitted, but not obligated, to purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Partnership of the Advisers is favored over any other Partnership. When an aggregated order is filled in its entirety, each participating Partnership generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Partnership participating in such buy or sell order in accordance with the amount of securities originally requested for such Partnerships.

Each Partnership generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to the Partnerships over time.

REVIEW OF ACCOUNTS

The investments made by the Partnerships are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Advisers closely monitor companies in which the Partnerships invest, and the Altaris Chief Compliance Officer periodically checks to confirm that the investments of each Partnership are maintained in accordance with its stated objectives.

The Partnerships will provide to their limited partners (i) annual GAAP audited and quarterly unaudited financial statements and (ii) annual federal income tax information necessary for each limited partner's tax return. Each Partnership expects to hold an annual meeting of limited partners to review and discuss the Partnership's investment activities.

CLIENT REFERRALS AND OTHER COMPENSATION

The Advisers and/or their affiliates may provide certain business or consulting services to companies in the Partnerships' portfolio and may receive compensation from these companies in connection with such services. As described in the applicable Partnership Agreement, this compensation may, in many cases, offset a portion of the Management Fees paid by the Partnerships. However, in other cases (e.g., reimbursements for out of pocket expenses directly related to a portfolio company), these fees would be in addition to Management Fees. See "Fees and Compensation."

The Advisers may enter into solicitation arrangements pursuant to which the Advisers compensate persons for client referrals that result in a potential investor becoming a limited partner in a Partnership. Any fees payable to such placement agents will be borne by the Advisers indirectly through an offset against the Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Partnership(s).

CUSTODY

The Advisers maintain custody of the Partnerships' assets held in the Partnerships' names with JP Morgan Chase, a qualified custodian located at 383 Madison Avenue, New York, NY 10017. Further, for each of the Partnerships, the Advisers have historically complied and intend to continue to comply with the private fund audit requirements as provided in Rule 206(4)-2(b)(4) under the Advisers Act.

AUDIT

The Partnerships are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are distributed to each Investor. The audited financial statements are prepared in accordance with U.S. generally accepted accounting principles and, in accordance with Rule 206(4)-2 under the Advisers Act, will be distributed within 120 days of each Partnership's fiscal year-end.

INVESTMENT DISCRETION

The Advisers have discretionary authority to manage investments on behalf of each applicable Partnership. As a general policy, the Advisers do not allow clients to place limitations on this authority, provided that the Partnership Agreement of a Partnership may impose certain restrictions on investing in certain types of securities. Pursuant to the terms of the Partnership Agreement, however, an Adviser may enter into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in the Partnership may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. The Advisers assume this discretionary authority pursuant to the terms of (i) the Partnership Agreement, (ii) the investment management agreement between each Partnership, the applicable General Partner and the Management Company and (iii) powers of attorney executed by the limited partners of each Partnership.

VOTING CLIENT SECURITIES

The Advisers have adopted the Altaris Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how they will vote proxies, as applicable, for the Partnerships' portfolio investments. The Proxy Policy seeks to ensure that the Advisers vote proxies (or similar instruments) in the best interest of the Partnerships, including where there may be material conflicts of interest in voting proxies. The Advisers generally believe their interests are aligned with those of the Partnerships' investors through the principals' beneficial ownership interests in the Partnerships and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that the Advisers may address the conflict using several alternatives, including by seeking the approval or concurrence of a LP Committee, on the proposed proxy vote, or through other alternatives set forth in the Proxy Policy. The Advisers do not consider service on portfolio company boards by Altaris personnel or the Advisers' receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by the Advisers when voting proxies on behalf of the Partnerships. Clients or investors that would like a copy of the Altaris' complete Proxy Policy or information regarding how the Advisers voted proxies for particular portfolio companies may contact Altaris' Chief Compliance Officer at (212) 931-0242, and it will be provided at no charge.

FINANCIAL INFORMATION

The Management Company does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.