

PFM Health Sciences, LP

Part 2A of Form ADV The Brochure

475 Sansome Street, Suite 1720
San Francisco, CA 94111
www.pfmhs.com

Updated: March 30, 2024

This brochure provides information about the qualifications and business practices of PFM Health Sciences, LP (“PFM” or the “Adviser”). The Adviser’s clients (“Clients”) may contact the Adviser’s Compliance Department at (415) 281-1000 if they have any questions about the contents of this brochure. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about the Adviser and its Affiliated Advisers (as defined herein) is also available on the SEC’s website at: www.adviserinfo.sec.gov.

This brochure is for informational purposes only. It does not convey an offer of any type and is not intended to be, and should not be construed as, an offer to sell, or the solicitation of an offer to buy, any interest in any entity, investment, or investment vehicle.

Item 2 Material Changes

Since the last updating amendment, filed on March 31, 2023, the Adviser has made no material changes to the Brochure.

The Adviser routinely makes updates throughout the Brochure to improve and clarify its business practices, compliance policies and procedures as well as to respond to evolving industry best practices. Upon request, the Adviser will provide Clients with a comparison of this Brochure against the one previously filed indicating these changes.

Item 3. Table of Contents

Item 1. Cover Page	1
Item 2. Material Changes.....	2
Item 3. Table of Contents	3
Item 4. Advisory Business	4
Item 5. Fees and Compensation	4
Item 6. Performance-Based Fees and Side-by-Side Management	8
Item 7. Types of Clients	10
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.....	10
Item 9. Disciplinary Information.....	22
Item 10. Other Financial Industry Activities and Affiliations	22
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	22
Item 12. Brokerage Practices	25
Item 13. Review of Accounts.....	28
Item 14. Client Referrals and Other Compensation	28
Item 15. Custody	29
Item 16. Investment Discretion	29
Item 17. Voting Client Securities	29
Item 18. Financial Information.....	29
Item 19. Requirements for State-Registered Advisers	29

Item 4. Advisory Business

PFM is a Delaware limited partnership with its principal place of business in San Francisco, California. The Adviser serves as an investment adviser to private investment funds in which qualified investors invest directly (the “Offered Funds”). Certain Offered Funds (the “Feeder Funds”), in turn, invest substantially all of their assets in Cayman Islands’ exempted limited partnerships for which PFM serves as investment adviser (the “Master Funds,” and together with the Offered Funds, the “Funds” or “Clients”), which invest directly in investment instruments. The Adviser receives certain assistance in providing investment advice from its affiliates, Partner Advisory Services, L.P. (“PAS”), a Delaware limited partnership, and Partner Fund Management, Inc. (“PFMI”), a Delaware corporation. PFMI and PAS are referred to herein as the “Affiliated Advisers.”

PFM has been in the investment advisory business since its inception in September 2004. Brian D. Grossman is the principal owner of and controls, directly and indirectly, the Adviser and Affiliated Advisers. As of January 1, 2024, the Adviser has approximately \$2.4 billion of regulatory assets under management, all of which is managed on a discretionary basis.

The Adviser has broad discretion with respect to the Funds’ investment decisions, selection of brokers, dealers and other counterparties, and the amount of commissions or other compensation to be paid by the Funds. The Adviser provides investment advisory services to the Funds based on the particular investment objectives and strategies described in the relevant Offered Fund’s Offering Documents (defined below).

Unless otherwise specified herein, all discussions relating to the Adviser relates equally to each of PFM and the Affiliated Advisers, as applicable. PFMI and PAS provide research services to the Adviser. PAS acts as a sub-advisor to PFM.

All discussions of the Funds in this brochure, including but not limited to their investments, the strategies used in managing the Funds, the fees, allocations and other costs associated with an investment in the Funds, and conflicts of interest faced by the Adviser and its Affiliated Advisers in connection with management of the Funds are qualified in their entirety by reference to each Fund’s respective confidential private offering memorandum (if any) and the governing documents of that Fund (referred to collectively as “Offering Documents”).

Item 5. Fees and Compensation

The Adviser does not have a fee schedule. The fees and expenses associated with an investment in the Funds vary, depending on the Fund and respective share classes therein, and are described in detail in each Offered Fund’s Offering Documents. The Adviser also has in the past, and may in the future, manage other Funds with higher or lower fees, different fee structures, different expense payment arrangements and different withdrawal or redemption rights, than the existing Funds. In the case of certain Feeder Funds, fees and expenses are generally charged and allocated at the Master Fund level, if applicable.

Direct Expenses of the Funds

Healthcare Funds. Generally, each Fund bears all expenses incidental to its organizational and ongoing operation, which include, without limitation, (a) trading costs and expenses, (b) interest, commitment, structuring and underwriting fees on loans and debit balances, (c) the costs and expenses of negotiating and entering into contracts and arrangements in the ordinary course of the Fund's activities and similar expenses in terminating those contracts, arrangements or services, (d) costs and expenses associated with regulatory filings of the Fund and, if applicable, its Master Fund and/or general partner and complying with U.S and non-U.S. tax obligations, (e) costs associated with registering restricted investments, (f) costs and expenses incurred in attempting to protect or enhance the value of investments, (g) fees and expenses related to research, market data and the due diligence, analysis, environmental, social and governance ("ESG") assessment, impact assessment, purchase or sale of investments, whether or not the investments are consummated, including the fees and expenses associated with information technology related to the foregoing, (h) entity-level taxes, income taxes, withholding taxes, transfer taxes and other governmental charges and duties, (i) fees and reimbursement for out of pocket expenses of the Fund's administrator, (j) fees and charges of custodians, clearing agencies and banks, (k) bookkeeping, middle office and recordkeeping, legal, accounting, auditing, tax preparation, valuation and all professional, expert and consulting fees and expenses arising in connection with its activities and fees (including fees and expenses related to compliance with any ESG or impact initiatives or principles), and expenses for service contracts related to research, portfolio management and quotation services and related equipment, (l) costs of communication with the Fund's limited partners or shareholders, as applicable, (m) all fees, costs and expenses of offering and selling limited partnership interests or shares, (n) insurance policies insuring the Fund, the Adviser(s), and, if applicable, the Master Fund and Fund's and the Master Fund's general partner, and/or board of directors, and each of their affiliates against liabilities that may arise in connection with the business or management of the Fund and, if applicable, the Master Fund, (o) proxy voting services, (p) any contingencies for which reserves are determined to be required, (q) if applicable, the Fund's directors' fees and expenses, (r) if applicable, the costs of maintaining the Fund's, the Master Fund's and/or the general partner's registered offices in the Cayman Islands or any other jurisdiction and the costs of maintaining any appropriate registrations and (s) any extraordinary expenses.

Growth Equity Funds. Generally, each Fund bears all expenses incidental to its organizational and ongoing operation, which include, without limitation, (a) all fees and expenses of professional and similar services to the Fund, fees and expenses incurred in connection with maintaining the books and records of the Fund, all fees and expenses associated with information technology, and all filing and similar fees, in each case including without limitation reimbursements of any expenses to advisers, service providers and other third parties; (b) all fees and expenses in connection with travel, meals and entertainment of the Fund's general partner, the Adviser, their affiliates, service providers, relevant third parties and their respective personnel, and all other fees and expenses, in connection with sourcing, researching, investigating, negotiating, structuring, hedging, making, holding, operating, managing, restructuring, refinancing, monitoring or disposing of potential and existing investments; (c) all printing, legal, accounting, travel, marketing, information technology, and other fees and expenses incurred in connection with the start-up and organization of the Fund, its general partner and the offering and sale of limited partner interests in the Fund; (d) all fees, costs and expenses relating to compliance with tax, securities law or other legal or regulatory requirements applicable to the Fund or their respective investors; (e) all custody, hedging, depositary, transfer,

registration and similar costs and expenses, insurance premiums and other expenses relating to any director and officer liability, general partner liability or other insurance and extraordinary administrative or operating expenses; (f) all brokerage, and finders' fees and commissions and discounts incurred in connection with the purchase or sale of securities; (g) financing commitment, origination and similar fees and expenses and all interest on funds borrowed by the Fund; (h) all expenses of the Fund's limited partner advisory committee, if any ("LPAC"); (i) the costs of forming, maintaining and operating any alternative investment vehicle, blocker, special purpose vehicle or other entity through which the Fund makes one or more investments; (j) all extraordinary expenses; (k) all taxes, fees and duties and other governmental charges, and, in each case, related interest, penalties and addition thereto; (l) all expenses incurred in connection with meetings of one or more investors and related activities; (m) expenses incurred in connection with complying with provisions of investment side letter agreements; (n) expenses associated with the Fund's compliance with applicable laws and regulations; (o) expenses and fees related to ESG and impact assessments and compliance with any ESG or impact initiatives or principles), (p) all other fees, costs, expenses and liabilities incurred in connection with the administration of the Fund or any Feeder Fund or otherwise that may be authorized or that may be approved by the LPAC; (q) expenses of liquidating the Fund; (r) proxy voting services; (s) all fees and expenses of placement agents; and (t) all other similar fees and expenses. The Fund will also generally pay for the costs and expenses of services of the types described above that are provided by its general partner, the Adviser, or their respective affiliates (including, without limitation, an allocable portion of compensation (including but not limited to salary, bonus, payroll taxes and benefits), expenses and overhead (including but not limited to rent, property taxes and utilities and workspaces as well as administrative personnel) of the Adviser's in-house personnel) so long as (i) such services would, in the ordinary course, otherwise be provided by third-party service providers and such fees, costs and other expenses would be Fund expenses if such services were provided by third-party service providers, (ii) the Fund's general partner reasonably believes that it is in the interests of the Fund to have in-house personnel perform such services rather than third-party service providers, and (iii) the costs of providing such services are no greater than the amount that would be charged by third-party service providers providing such services in an arm's length transaction.

Co-Investment Funds generally bear expenses similar to those of those Healthcare Funds or Growth Equity Funds. However, if a proposed transaction in which a co-investment fund was intended to participate is not consummated (a "Broken Deal"), no co-investment vehicle will be required, and the full amount of any expenses relating to such Broken Deal will be borne by the Healthcare Funds and/or Growth Equity Funds, or allocated among the Healthcare Funds, Growth Equity Funds and/or other Clients as determined by the Adviser. Such expenses will be allocated in whole or part to the Healthcare Funds or Growth Equity Funds, as applicable, in a manner the Adviser deems fair and equitable.

In the case of a Feeder Fund, it will typically bear its proportionate share of the costs and expenses of the relevant Master Fund.

In the case of certain Funds, investors have varying levels of participation in different ownership series attributable to separate portfolio investments, and each such ownership series bears its own costs and expenses.

Expenses of a Fund incurred by the Fund's general partner or Adviser, as the case may be, are generally reimbursed by that Fund. If an expense relates to one or more Funds, those Funds will generally bear their pro rata share of the expense based on their respective net asset values and/or capital commitments (though not necessarily based on their actual use of the relevant item to which the expense is attributable). In the case of expenses associated with a private investment, the participating Funds will generally bear their pro rata share of the expense based on their respective participation levels in the private investment. In certain cases, expenses may be incurred in connection with a private investment that is ultimately not consummated ("Shared Broken Deal Expense"). The Adviser or the Fund's general partner, as the case may be, will generally seek to allocate Shared Broken Deal Expenses based on the respective Funds' pro rata level of expected participation in the broken deal (but excluding Co-Investment Funds as described above). Expenses and Shared Broken Deal Expenses associated with private investments will be borne in whole or part by a Fund or, where only certain investors would have participated in a private investment, by such investors. To the extent a Fund invests in an investment instrument (such as an exchange-traded fund) that charges separate management, trading or administrative expenses, the Fund will bear such expenses. In addition, to the extent that expenses (including, without limitation, management fees or extraordinary expenses) are incurred by a Fund in respect of an illiquid instrument (or the general partner deems it appropriate to establish reserves for any such expenses), the general partner may, in its sole discretion, allocate those expenses to investors that participate in such illiquid instrument.

The Adviser and general partners generally seek to allocate expenses and Shared Broken Deal Expenses fairly over time among participating Funds or investors, as the case may be. In certain cases, an expense related to one or more prospective investments may be incurred and allocated among the Funds prior to the investment being made (if the investment is made at all) and may result in an allocation of that expense that differs, potentially materially, from the relative investments of the Funds or benefits related to that expense enjoyed by the Funds. While the Adviser believes that allocation methodologies described above are reasonable, other expense allocation protocols exist that yield different results (for example, certain expenses may be specifically allocated to a Fund or allocated disproportionately across Funds relative to the Funds' net asset values). In the case of certain Funds, the Adviser or general partner may voluntarily reimburse the Fund for certain expenses, including certain Shared Broken Deal Expenses, which reimbursement may result in the Fund's performance being higher than it would have been had those amounts not been reimbursed. PFM has a conflict of interest in allocating expenses to or among the Funds (due to Funds paying PFM different levels of fees) and when determining the extent to which expenses should be shared with PFM.

Management Fees

In general, the Healthcare Funds pay the Adviser a management fee calculated and payable quarterly in advance, at an annual rate of between 1.0% and 2.0% of the applicable Fund's net asset value (without double counting for the master-feeder structure). In certain cases, the management fee is charged on a prorated basis for capital contributions made on a date other than the first day of the quarter or month, as applicable.

In the case of the Growth Equity Funds, the Advisor is typically paid an annual management fee equal to 2% of (i) the capital commitments during the commitment period and (ii) the invested capital after the commitment period. Such management fees paid by the Growth Equity Funds are subject to

reduction and/or offsets based on criteria set forth in the relevant Growth Equity Fund's Offering Documents. Management fees are paid by the Growth Equity Fund in arrears on a quarterly basis.

Furthermore, in the case of Partner Investments and Co-Investment Funds, the management fee (if any) is determined by the Fund's general partner and may vary by ownership series or with respect to a portfolio investment.

Certain Funds, including Biotech Opportunities, or investors in particular Funds do not pay a management fee.

The Adviser generally deducts management fees directly from the applicable Fund's account.

Fees of the Administrator and the Directors

Each Fund's administrator (the "Administrator") performs certain middle and back office administrative and operational services for the Funds. Each Fund pays the Administrator a fee for its services. The Administrator receives a fee equal to a percentage of the Fund's gross asset value or net asset value (without double counting for any master-feeder structure), as applicable, plus certain expenses, subject to a monthly minimum. The Administrator receives additional fees for specific services, for example, performing and administering certain functions relating to compliance with applicable anti-money laundering requirements and with FATCA/CRS and, in the case of the Growth Equity Funds, certain transaction-based fees (e.g., capital calls, distributions). In addition, the Administrator receives fees for certain accounting services, information technology services and tax compliance services and software. Each offshore offered Fund pays a fee for the services of its directors. The Administrator also provides individuals to serve as Anti-Money Laundering Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer for each of the offshore offered Funds and the costs and expenses associated with these services are borne by the relevant Funds. The Funds will bear the expenses of all third-party administrator service providers even if there is some overlap in services performed by such Administrator and Adviser personnel. These costs are treated as Fund expenses as described in more detail above and in each such Fund's Offering Documents.

Item 6. Performance-Based Fees and Side-by-Side Management

Certain Funds pay or allocate performance-based consideration to their general partner.

The Healthcare Funds and Partner Investments typically pay or allocate to their general partner or their Adviser a fee or allocation equal to between 10% and 25% of the net profits (which includes both realized and unrealized gains and losses for the Healthcare Funds and only realized gains and losses for Partner Investments) otherwise allocable (directly or indirectly) to each investor in the Fund and, in certain cases, only to the extent net profits exceed prior unrecouped losses of that investor (without double counting for any master-feeder structure). The performance-based consideration rate varies depending on a number of factors, including, but not limited to, corresponding redemption or withdrawal rights, the amount of an investor's unrecouped losses (commonly referred to as "high water mark"), and management fees borne by that investor.

In the case of the Healthcare Funds and Partner Investments, the applicable performance-based consideration may be calculated separately with respect to sub-capital accounts or sub-series of shares corresponding to the liquid and illiquid portions of the Fund's portfolio; performance-based consideration is generally not made with respect to illiquid instruments until such investments are sold or otherwise determined by the Adviser to be liquid (although, in certain cases, an otherwise liquid instrument may be treated as illiquid until the Adviser determines that it should no longer be treated as illiquid, including, without limitation, if such illiquid instrument has a readily ascertainable market value or has become free of transferability restrictions, and/or until the resolution of an expected event or set of circumstances impacting the illiquid instrument). Investors in the Healthcare Funds with less frequent withdrawal or redemption rights are typically subject to performance-based consideration based on a reduced percentage of net profits. Performance-based consideration for the Healthcare Funds is typically paid or allocated annually at the end of the calendar year, or, if applicable, upon any withdrawal or redemption with respect to the amount withdrawn or redeemed. Furthermore, in the case of Partner Investments, the performance-based consideration (if any) varies by ownership series.

The performance-based consideration for the Growth Equity Funds is between 10% and 20% of each Growth Equity Fund's net profits after taking into account any unrecouped capital contributions on previously realized portfolio investments (e.g., realized losses). The performance-based compensation for the Growth Equity Funds is typically distributed to the applicable general partner following the disposition of a portfolio investment or annually in the case of income generated from interest or dividends related to portfolio investments. The Growth Equity Fund's performance-based compensation is subject to a claw-back.

The performance-based consideration is 10% of Biotech Opportunities' net profits, after taking into account any unrecouped capital contributions, and 25% of Biotech Opportunities' net profits once the aggregate net profits distributed to limited partners are equal to the limited partners' aggregate capital contributions. The performance-based compensation for Biotech Opportunities is typically distributed to the general partner following the distribution of certain amounts of capital to the limited partners.

The performance-based consideration provides the Adviser with an incentive to engage in more speculative investment strategies in an effort to maximize gross profits and receive greater consideration. Such arrangements also create an incentive to favor Funds that are subject to higher performance-based consideration over others in the allocation of investment opportunities. The Adviser, however, allocates trades among Funds that pursue different strategies based on the Adviser's determination of what is appropriate for each Fund. The Adviser's investment opportunity allocation practices are described more specifically in Item 12, Brokerage Practices.

Waivers

The Adviser, the general partner of a domestic Fund or the directors of an offshore Fund may waive or rebate all or any portion of the management fees or performance-based consideration payable by a Fund (e.g., the fees and other consideration payable by a Fund in respect of a particular investor) in any period. In addition, the Adviser, the general partner of a domestic Fund or the directors of an offshore Fund have the right to agree to different terms with an investor including with respect to liquidity and/or information rights. The Adviser and general partner, as applicable, currently and expect to in the future waive the performance-based compensation and management fee paid by a Fund with respect to, and for the benefit of, the Adviser's Related Parties and employees.

Item 7. Types of Clients

The Adviser provides investment advice to the Funds based on the particular investment objectives and strategies described in the applicable Offering Documents. The Adviser may, in the future, provide investment advice to other Clients; for instance, Clients investing through managed accounts, which may include high net worth individuals, institutions, trusts, endowments and pension plans. The Adviser may in the future manage other Clients with different objectives, higher or lower fees and different fee structures than the existing Clients. In general, Clients are required to sign an investment advisory agreement that sets forth the terms under which the Adviser will provide its services.

Generally, the minimum initial investment amount in the "Healthcare" Funds is \$2,000,000 and the "Growth Equity" Funds is \$5,000,000. The minimum initial investment amount in Biotech Opportunities is \$5,000,000. The Healthcare Funds, Growth Equity Funds and Biotech Opportunities do accept lower initial investments from certain investors, including, in the case of the Healthcare Funds, investors referred by its placement agents. The applicable general partner of Partner Investments and the Co-Investment Funds determines the minimum investment in each ownership series and/or fund with respect to a portfolio investment. The applicable Fund's general partner or board of directors may waive these minimums. Other eligibility requirements may also apply.

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

Methods of Analysis

In the case of the Healthcare Funds, the Adviser generally uses bottom-up analysis in an attempt to identify transformational changes, trends, investment themes and core investment opportunities across asset classes and geographies. The Adviser seeks to identify out- and under-performing companies across industries or sub-sectors that have the widest expectation gaps relative to consensus. The Adviser may consider a variety of factors in seeking to identify attractive investment opportunities, including, but not limited to, economic, political and financial market conditions. In the case of the Growth Equity Funds, the Adviser generally originates a top-down view on secular themes that the Adviser believes will shape the healthcare investment landscape over the next three-to-five years. The Adviser will then seek to identify attractive investment opportunities in private companies within those themes. With respect to the Growth Equity Funds, the Adviser may invest in various healthcare subsectors, including, but not limited to: biopharma, medtech/devices, life sciences/tools and healthcare services. With respect to the Healthcare Funds, the Adviser may invest in various industries or sectors, including, but not limited to healthcare and the following subsectors:

pharmaceuticals, services, medtech/devices, biotechnology, and life sciences/tools. In the case of Biotech Opportunities, the Adviser seeks to invest in undervalued biotech companies.

Investment Strategies

The Adviser's investment strategies are currently (1) "Healthcare," which primarily invests in the global healthcare industry, (2) "Growth Equity," which primarily invests in growth equity healthcare investments and "Biotech Opportunities", which primarily invests in biotech investments. The Adviser utilizes certain co-investment vehicles from time to time for investment opportunities in privately held companies (e.g., "Co-Investment" and "Partner Investments"). The Adviser may, from time to time, manage funds with solely internal capital. There are limitations in describing any investment strategy due to its complexity, confidentiality and indefinite nature. The Adviser has broad discretion to use different trading or investment techniques in the management of the Funds, based on the particular investment objectives, policies and strategies described in the applicable Fund's Offering Documents. In general, there are no material limitations on the types of investments in which the Adviser may invest in on behalf of the Healthcare Funds, the concentration of a Healthcare Fund's investments, or the amount of leverage that the Adviser may use for the Healthcare Funds. Depending on conditions and trends in securities and commodities markets and the economy generally, the Adviser may pursue different objectives or use alternative techniques that they consider appropriate and in a Healthcare Fund's interest. For the Healthcare Funds, the Adviser seeks to use structural parameters that emphasize liquidity and investment flexibility by actively managing each Fund's net and gross exposures. A Healthcare Fund's net exposure may be long or short. The Adviser may invest across the market capitalization spectrum in companies of either a "growth" or "value" nature. Mid- and large-cap "growth" companies may constitute a significant portion of the Adviser's investment positions.

For the Growth Equity Funds and Biotech Opportunities, the Adviser will primarily invest in equity, equity-related and other securities with equity components and debt. The Growth Equity Fund is also subject to certain investment restrictions, including, limiting the amount of the Fund's borrowing and its investments in public companies, IPOs and specific portfolio investments. Biotech Opportunities is also subject to certain investment restrictions, including, limiting its investments in private investments and incurring certain indebtedness.

The Adviser invests in and trade a broad range of investment instruments, which may include, from time to time, without limitation, securities, commodity interests, repurchase agreements, options, exchange- traded funds, futures, currencies, derivatives, evidences of indebtedness (including participations in or assignments of bank loans or trade credit claims or similar instruments) and other intangible investment instruments and vehicles of every kind and nature, U.S. or non-U.S., whether publicly or non-publicly traded. The Adviser takes both long and short positions in such investment instruments. Such transactions may be structured, where relevant, as swaps, collars forwards, forward rate agreements, caps, floors, futures, options, options on transactions or other types of structures or combinations of structures, including commingled funds, venture capital funds, special purpose vehicles or separately managed accounts.

Significant Risks

Investing in securities and derivatives involves risk of loss that Clients and Fund investors should be prepared to bear. There can be no assurance that a Client's objective will be achieved or that the

investment strategies or techniques deployed on behalf of a Client will be successful. Clients and Fund investors must be prepared to lose all or substantially all of its investment. **Past performance of a Fund is not indicative of its future performance or the future performance of other Client Accounts or Funds.** The following is a brief summary of some of the significant risks that investors should consider before investing with the Adviser. Not all of these risks will apply equally to each Fund or at any given time and certain risks may apply to one or more Funds and not others.

Investment Strategy Risks. The following risks are associated with the Adviser's investment strategies.

- *Fundamental Analysis.* Fundamental analysis is subject to the risk of inaccurate or incomplete market information, as well as faulty analysis of known information. Also, investor sentiment can lead to a material disconnect between the market price of investments and the prices indicated by fundamental analysis – as in the case of “flights to quality” when the demand for certain risky investment instruments plummets or when technical factors, such as price momentum encouraged by trend following, dominate the market – creating the potential for significant price volatility and potential loss.
- *Model Risk.* The Adviser depends, in part, on models to evaluate investment opportunities and certain portfolio risks. These models generally seek to forecast metrics, such as price changes, valuations, performance or exposures, based upon a limited number of factors and inputs. The forecasts generated by these models may differ substantially from actual future realizations. There can be no assurance that the models the Adviser use will be effective or will be effectively utilized. Moreover, there can be no assurance that the Adviser will be able to continue to develop, maintain and update the models.
- *Hedging.* While intended to limit or reduce investment risk, hedging can also be expected to involve transaction costs and may inherently limit or reduce the potential for profit. Hedges are often imperfectly inversely correlated with the underlying exposure the Adviser seeks to hedge and, to the extent that is the case, can subject the relevant Client to additional risk, if prices involved in the hedging position move against the Client. The Adviser will not attempt to hedge all market or other risks inherent in a Client's positions, and will hedge certain risks, including, but not limited to, currency, macro risk, factor and crowding risk and cross-market and cross-asset risks, but if at all, only partially. Portfolio composition will commonly result in various directional market risks remaining unhedged. Certain Client's positions will not be hedged.
- *Short Sales.* Short sales have a theoretically unlimited risk of loss as the price of a security sold short increases. Short selling activities have been subject to increased regulatory scrutiny, including the imposition of restrictions on short selling certain securities and reporting requirements. Regulatory initiatives affecting the financial markets are ongoing and changes in short-selling-related regulations may continue to occur, potentially with little notice. Clients could suffer losses on short-selling activities as a direct or indirect result of those changes, and the Adviser's ability to use short selling as a part of its investment strategies could be limited or made less effective or profitable.
- *Leverage.* The Adviser typically employs leverage on behalf of certain Clients by borrowing on margin, selling securities short and trading futures, other commodity interests and derivatives. Leverage may increase the possibility for profit, as well as volatility and the risk

of loss. In addition, to the extent that leverage is used to facilitate illiquid instrument investments by certain Clients, investors will share proportionately in the risks relating to that leverage even though they may not participate proportionately in the illiquid instrument investments. This could cause investors who have elected not to participate in illiquid instrument investments to bear losses or expenses relating to those investments even though they will not participate in profits from those investments.

- *Derivatives.* Derivative instruments involve a variety of material risks, including, in some cases, extremely high embedded leverage. Derivatives markets can frequently be characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realize gains or to limit losses. The pricing relationships between derivatives and the instruments underlying them may not correlate with historical patterns, resulting in unexpected losses. Derivative instruments can also subject the Clients to counterparty credit risks and risks similar to margin trading and leveraging strategies.
- *Options.* A Client may sell covered and uncovered options on securities. To the extent a Client sells (writes) options and must deliver the underlying securities at the option price, the Client has a theoretically unlimited risk of loss if the price of the underlying securities increases.
- *Counterparty and Custody Risk.* Counterparties such as brokers, dealers, futures commission merchants, custodians and administrators with which the Adviser does business on behalf of Clients may default on their obligations. For example, a Client may lose its assets on deposit with a broker if the broker, its clearing broker, an exchange clearing house, or one of its affiliated entities were to declare bankruptcy or become insolvent.
- *Repurchase Agreements.* The Adviser may enter into repurchase agreements or reverse repurchase agreements on behalf of Clients, which can subject the Client to counterparty credit risks and risks similar to margin trading and leveraging strategies.
- *Non-U.S. Investments.* The Adviser invests and trades on behalf of certain Clients in investment instruments issued by non-U.S. companies or governmental entities or denominated or traded in currencies other than U.S. dollars. Those activities can subject the Clients to risks not typically associated with investing in securities and commodity interests in the United States, such as political risks, economic conditions of the country in which the issuer is located, limitations on foreign investment in any such country, currency exchange risks, withholding taxes, limited information about the issuer, limited liquidity, and limited regulatory oversight of the issuer.
- *Micro, Small and Medium Capitalization Stocks.* A Client may hold positions in companies with micro-, small- or medium-sized market capitalizations, which can involve higher risks than investments in stocks of larger companies, including greater volatility and risk of bankruptcy or insolvency.
- *Concentration of Investments.* A Client's investment portfolio may at times consist of investment instruments issued by relatively few issuers. Concentration of the portfolio in a particular industry or small number of issuers may materially increase the portfolio's risk; a loss in any one position or downturn in any one industry could reduce performance materially.
- *Illiquid Instruments.* A Client may hold positions that are or become illiquid, in which case the Client may not be able to sell such positions. Investing in illiquid instruments involves a high degree of business and financial risk and can result in substantial or complete losses.

Certain Funds can devote all or a substantial portion of their portfolios to investments in illiquid instruments, and such Funds will generally allocate such investments to separate sub-accounts established at the time of each illiquid investment. Therefore, investors that invest in such Funds at different times may have disproportionate ownership interests and may not have illiquid sub-accounts for all of the same illiquid instruments. As a result, investors that invest in such a Fund at different times may have highly disproportionate returns on their investments during any given time period (for example, during any month, quarter or year).

- *Restricted Securities and PIPEs.* A Client may at times invest in restricted securities not traded in public markets or subject to long holding periods. These securities can be difficult or impossible to sell at prices comparable to the market prices of similar publicly-traded securities and may never become publicly traded. Certain Clients acquire securities through PIPE (private investment in public equity) financings. In a PIPE transaction, a Client typically purchases unregistered equity securities of a class of securities that is publicly traded and receives registration rights with respect to the unregistered securities that it purchases. The securities are not publicly tradable when the Client purchases them, and they may never become publicly tradable.
- *Private Investments.* Investments in the private equity of companies at various stages in their development involve a high degree of business and financial risk. Private companies with limited operating histories often require substantial additional capital to support expansion or to achieve or maintain a competitive position, which can produce substantial variations in operating results from period to period or cause the company to operate at a loss. Such companies tend to face intense competition, including competition from companies with greater financial resources, more extensive development, more extensive intellectual property development and protection, better marketing and service capabilities and a larger number of management and technical personnel. The Adviser will rely on each portfolio company's management to operate that company on a day-to-day basis, and management of the portfolio company may not operate successfully. Although the Adviser typically seeks protective provisions in connection with private investments, to the extent a Client takes minority positions in companies in which it invests, the Adviser may not be in a position to exercise control over the management of such companies, and, accordingly, may have a limited ability to protect the Client's position in such companies. To the extent a Client holds a controlling stake in, or is deemed an affiliate of a company, it may be subject to certain restrictions which could affect both the liquidity of the Client's investment and the Client's ability to liquidate its investment without adversely impacting the investment's price. The use of leverage by the private companies may increase the exposure of such companies to adverse economic factors such as downturns in the economy or deterioration in the condition of such companies or their respective industries. In the event any such company cannot generate adequate cash flow to meet debt service or operating expenses, a Client may suffer a partial or total loss of capital invested in the company, which, depending on the size of the Client's investments, could adversely affect the return on the capital of the Client. In such cases, the Adviser will rely on the company's existing management and board of directors, which may include representatives of other financial investors with whom the Client is not affiliated and whose interests may conflict with the Client's interests.
- *Third-party Involvement.* A Client may co-invest with third parties through capital rounds relating to private companies. Third-party involvement with an investment may involve risks not present in investments where a third party is not involved and may negatively impact the

returns of such investment if, for example, the third-party co-venturer has financial difficulties or has economic or business interests or goals that are inconsistent with those of the Client.

- *Economic Conditions and Concerns Regarding Governmental Instability.* Changes in economic conditions can have material adverse effects on a Client's investment performance. Volatile global financial markets may lead to significant losses. Also, a government's actions or inactions responding to these conditions could lead to negative consequences for a Client. For example, uncertainty about a government's ability to service its sovereign debt obligations, policy decisions and financial support programs, sequestration of governmental functions, and/or changes in the structure of multi-national organizations (for example, the United Kingdom's decision to withdraw from the European Union) or a government's currency (for example, the abandonment of the Euro by a particular member state) could severely disrupt global markets and have potentially material adverse effects on a Client.
- *Market Conditions and Disruptions; Interconnected Markets.* Developments and disruptions in financial and securities markets generally can significantly affect the prospects of companies in which a Client invests, the Adviser's ability to assess those prospects and a Client's ability to adapt its portfolio and market exposures. Market disruptions could cause a Client to incur major losses, particularly if they cause historical pricing relationships to become materially distorted or previously liquid positions to become illiquid. Market disruptions can result in otherwise historically low-risk strategies performing with unexpected volatility and risk.
- *Custody and Banking Risks.* The Clients will maintain funds with one or more banks or other depository institutions ("banking institutions"), which include US and non-US banking institutions, and may enter into credit facilities or have other financial relationships with banking institutions. The distress, impairment or failure of one or more banking institutions with whom the Clients, their portfolio companies, the Funds' general partners and/or the Adviser transact may inhibit the ability of the Clients or their portfolio companies to access depository accounts or lines of credit at all or in a timely manner. In such cases, the Clients may be forced to delay or forgo investments or to call capital when it is not desirable to do so, resulting in lower performance for the Clients. In the event of such a failure of a banking institution where the Clients or one or more of their portfolio companies holds depository accounts, access to such accounts could be restricted and U.S. Federal Deposit Insurance Corporation (FDIC) protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to banking institutions in other jurisdictions not subject to FDIC protection). In such instances, the Clients and their affected portfolio companies may not recover such excess, uninsured amounts and instead, would only have an unsecured claim against the banking institution and participate pro rata with other unsecured creditors in the residual value of the banking institution's assets. The loss of amounts maintained with a banking institution or the inability to access such amounts for a period of time, even if ultimately recovered, could be materially adverse to the Clients or their portfolio companies. One or more investors in a Fund or a Fund's general partners could also be similarly affected and unable to fund capital calls, further delaying or deferring new investments. In addition, the Adviser may not be able to identify all potential solvency or stress concerns with respect to a banking institution or to transfer assets from one bank to another in a timely manner in the event a banking institution comes under stress or fails.

General Risks for Clients and Fund Investors. The following general risks apply to Clients and investors in the Funds.

- *Valuation.* Where third-party pricing information for a position is not available, or where the Adviser considers market-based pricing information not to be indicative of a position's value, the Adviser may assign a different value. As a result, values reflected in financial reports and used in determining withdrawal proceeds, fees and performance-based consideration might not accurately reflect the amounts the Client could obtain (or would be required to pay as to some types of derivatives positions) if it were to try to sell the security (or close the position).
- *Trading Errors.* The Adviser places orders on a Client's behalf to buy, sell and otherwise trade in investments with Transacting Parties (defined below), and may make errors in doing so. Trade errors are not errors in judgment, strategy, market analysis, economic outlook, etc., but rather errors in implementing specific trades. Trade errors can occur in part because trading processes can be very complex and can vary for different types of investment instruments and different markets. The Adviser may determine to reimburse a Fund for a loss resulting from a trade error, and pursuant certain Clients' Offering Documents, is required to do so. There can be no assurance that, if a trade error of significant magnitude were to occur, the Adviser's assets would be adequate to provide that reimbursement.
- *Substantial Assets Under Management.* The Adviser has substantial assets under management. It can become more difficult to find attractive investment opportunities as the amount of assets an investment adviser must invest increases. In addition, with greater assets to invest, it may become increasingly difficult for the Adviser to make investments large enough to be meaningful to Clients' overall portfolios.
- *Trade Sequencing.* Clients that deploy different investment strategies may trade in the same investment instruments of an issuer. In such situations, one set of Clients may begin trading the investment instruments of an issuer before the other set of Clients begins trading in those investment instruments. The differences in timing of the trades may result from liquidity, different risk profiles of the investment strategies and other factors. As a result of the differences in trading, one set of Clients may benefit from the subsequent trading by the other set of Clients.
- *Different Terms for Different Investors.* As described in Item 11 in more detail, the Adviser has in the past and may again in the future provide certain Clients or Fund investors with more frequent or detailed reports, special fee arrangements, redemption rights and other preferential terms that are not provided to other Fund investors. Investors in different Co-Investment Funds and ownership series of Partner Investments will be subject to different terms with respect to such fund or ownership series.
- *Other Accounts.* The Adviser and its affiliates currently sponsor, manage or participate in various investment activities and programs and may in the future be engaged in other investment activities, including some that may be viewed as in competition with one or more Clients in some respects. These other activities include, among other things, investing for their own accounts and providing investment advisory services to each of its Clients. In addition, the Adviser and its affiliates, members, partners, officers or employees may enter into other business arrangements with each other and third parties (for instance, joint ventures with third parties). Providing advice to any one Client will necessarily reduce the time the Adviser may dedicate to advising each of their other Clients and could be viewed as creating a conflict of interest in that the Adviser's and its personnel's time, effort and resources must be allocated between Clients. In addition, the Adviser can have, or appear to have, incentives to favor one

Client over another in making and implementing trading decisions. In some circumstances the Adviser could even be viewed as having incentives to cause one Client to enter into transactions or engage in trading activities for the benefit of multiple Clients, rather than solely for that Client's benefit. The Adviser is not obligated to provide one or more Clients with any particular investment opportunity or to refrain from taking advantage themselves of any investment opportunity that could be beneficial to the Clients.

- *Master-Feeder Structure.* Some Funds invest through a “master-feeder” structure. This creates risks associated with investing in any non-U.S. security. Changes in U.S. tax law, Cayman Islands tax law or any tax treaty between the United States and the Cayman Islands also may adversely affect the Fund's investment in the Master Fund. The pooling in a Master Fund of a Feeder Fund's assets with those of other Feeder Funds could also, under some circumstances, create an incentive for the Adviser to manage the Master Fund's portfolio in ways that are less advantageous to the Feeder Fund than if the Feeder Fund pursued its investment activities independently. Separately, withdrawals from a Master Fund as a result of withdrawals or redemptions from other Feeder Funds could affect the Master Fund's investment activities.
- *In-Kind Distributions.* A Fund may make distributions in cash, in kind or in a combination thereof. If a distribution is made in kind, the Adviser shall determine the fair market value of the property distributed. The net asset value of an investor's shares or interests may move upwards or downwards to reflect the difference between the book value and the fair market value thereof, as if such gain or loss had been recognized upon an actual sale of such property.
- *No Separate Counsel.* The attorneys who represent the Adviser or its principals do not represent Clients or Fund investors. Clients and Fund investors must hire its own counsel for legal advice and representation.
- *Anti-Money Laundering.* In order to comply with applicable anti-money laundering laws, the Adviser, a Fund's general partner and/or the Administrator may request information from a Client or an investor in order to process a subscription, withdrawal, or redemption request and may refuse to accept or remit all or a portion of proceeds (that is, they may “freeze” the proceeds) until satisfactory information has been provided. A Client or an investor will be liable for losses related to actions taken in an effort to comply with anti-money laundering regulations.
- *Inside Information; Substantial Positions.* The Adviser may receive material nonpublic information about or relating to an issuer or investment instruments. Under various securities laws (or the Adviser's internal policies), this could restrict the Adviser's ability to cause a Client to buy or sell investment instruments of an issuer for substantial periods when doing so could generate a profit or avoid a loss. If a Client were to acquire more than certain percentages of the outstanding securities of some companies (determined, under certain circumstances, in combination with amounts held by other Clients), the Adviser and/or the Client could become subject to public reporting requirements and, in some cases, legal and regulatory limits on disposition of those securities. Limits of those kinds could prevent such Client from disposing of those securities when it otherwise would or at favorable prices.
- *Regulatory Risks.* Federal, state and international governments may increase regulation of investment advisers, private investment funds, securities and derivatives, which may increase the time and resources that the Adviser must devote to regulatory compliance, to the detriment of investment activities.

- *Securities Laws.* The Adviser and Affiliated Advisers are not registered with the SEC as broker-dealers or with the Commodity Futures Trading Commission as commodity pool operators. The equity interests in the Funds are not registered under the Securities Act, and the Funds are not registered investment companies under the Company Act. The Adviser does not believe that any of these registrations are required because exemptions are available under applicable law. Compliance with these regulations could result in increased burdens for the Adviser, which may divert its attention from managing Client portfolios or could result in increased costs for Clients. If a regulatory authority deems that any of these registrations is required, the Adviser and any Fund could be subject to expensive legal action and potential termination. In addition, investors in the Funds do not have certain regulatory protection that they would have if these registrations were in place.
- *Fund Dissolution; Investor Expulsion.* A Fund may dissolve or expel any investor at any time, even if such actions adversely affect one or more Fund investors. A Fund may receive proceeds from class-action lawsuits or other litigation involving the Fund's investments. To the extent such proceeds are received after the dissolution of the Fund, the Adviser or general partner, as applicable, may determine, in its sole discretion, that distributing such amounts to the Fund's former investors is impracticable (e.g., as a result of the costs of identifying and locating former investors, determining investors' allocable shares of proceeds, confirming the investors' wire information, opening a new bank account, tax consequences (including, restating tax returns for prior years), etc.). In those cases, the Adviser or general partner, as applicable, (or its respective successor) may instead donate such amounts to one or more charitable organizations.
- *Adverse Tax Consequences.* The Adviser's activities could cause adverse tax consequences to Clients or Fund investors, including liability for interest and penalties. The Adviser may refrain from making certain types of investments on behalf of a Fund that could have significant adverse tax effects for some investors (e.g., investments that could cause it to be considered to be engaged in a trade or business in the United States). The Adviser may also consider the potential tax impact on some investors of the timing of transactions (for example, whether disposing of a security or closing a position at a particular time could have a different tax effect than disposing or closing somewhat sooner or somewhat later). The tax implications of timing may benefit certain investors, including the Adviser and its affiliates, and not others, and in some cases could adversely affect an investor. The Adviser may also structure investments in a manner that are intended to benefit one group investors, while not benefitting (or potentially disadvantaging) another group of investors. The costs of structuring a Fund investment are generally borne by all investors, regardless of whether they are benefitted by the structure.
- *Operational Risks.* The Adviser is highly dependent on information systems and technology. Any failure, deterioration or erroneous operation of these systems or technology due to human error, data transmission failures or other causes could materially disrupt their operations. A disaster or a disruption in the infrastructure that supports the Adviser's businesses, including a disruption involving electronic communications or other services that the Adviser, or third parties with which they do business, use or affecting one of the Adviser's offices or facilities, may affect the Adviser's ability to continue to manage Clients' investments without interruption. The Clients and the Adviser may also be prone to operational and information security risks resulting from breaches of its cybersecurity or other cyber-attacks. Although the Adviser and its Affiliated Advisers have back-up facilities for their information systems as

well as technology and business continuity programs in place, there can be no assurance that these will be sufficient to mitigate the harm that may result from such a disaster, cyber-attack or infrastructure disruption. In addition, insurance and other safeguards might only partially mitigate the effects of such a disaster or disruption.

The Adviser relies on third-party service providers and trading counterparties for certain aspects of its business, including certain financial operations of the Funds, and those service providers and counterparties may also be adversely impacted by a disaster, cyber-attack or infrastructure disruption. Any interruption or deterioration in the performance of these third parties could impair the quality of the Funds' operations and negatively impact the Adviser's investment strategies.

- *Cybersecurity Breaches.* Each of the Adviser and the Funds are subject to risks associated with a breach in its cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from "hacking" by other computer users, other unauthorized access and the resulting damage and disruption of hardware and software systems, loss or corruption of data as well as misappropriation of confidential information. If a cybersecurity breach occurs, the Adviser or Funds may incur substantial costs, including those associated with: forensic analysis of the origin and scope of the breach; increased and upgraded cybersecurity; investment losses from sabotaged trading systems; identity theft; unauthorized use of proprietary information; litigation; adverse investor reaction; the dissemination of confidential and proprietary information; and reputational damage. Any such breach could expose the Fund, the Adviser and its respective affiliates to civil liability as well as regulatory inquiry and/or action. In addition, any such breach could cause substantial redemptions from a Fund.
- *Human Error.* The decision-making of the Adviser's personnel has a significant impact on the performance of the Clients. The Adviser's personnel are responsible for implementing and modifying the strategies and models used to make investment decisions on behalf of the Clients. In some cases, the Adviser's personnel may input data or make investments manually. All such actions and decisions are subject to human error, which could have a material adverse effect on the performance of the Clients.
- *Expedited Transactions.* Investment analyses and decisions by the Adviser are often undertaken on an expedited basis in order for a Fund to take advantage of investment opportunities. In such cases, information available to the Adviser at the time of an investment decision may be limited, and the Adviser may not have access to the detailed information necessary for a full evaluation of the investment opportunity.
- *Other Market Conditions and Disruptions.* Clients are subject to the risk that war, terrorism, and related geopolitical events, including health pandemics or outbreaks of disease, particularly if the outbreak persists for an extended period of time, may lead to increased short-term market volatility and have adverse long-term effects on the United States and world economies and markets generally, as well as have adverse effects on issuers of securities and the value of the Clients' Investment Instruments. Those events as well as other changes in U.S. and non-U.S. political conditions could also adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the Adviser's operations, the value of a Client's Investments, or the Client's ability to source new investments or realize its investments.

- *Risk Management.* The Adviser actively takes risk on behalf of the Clients, directly exposing the Clients to potential loss under a wide variety of market conditions. The Adviser employs risk management procedures to identify, measure and monitor risks associated with investment activities. These risk management processes are intended to assist the Adviser in its investment decision-making process and to identify certain risks that they may choose to hedge or otherwise mitigate. However, the risk management processes may fail to identify or anticipate a wide variety of risks that may adversely affect the Clients, potentially exposing Clients to material unanticipated losses. The Adviser may employ certain quantitative based strategies as risk management tools.
- *Importance of the Adviser.* The authority to make decisions and to exercise business discretion on behalf of the Funds is delegated to the Adviser. The success of the Funds is therefore expected to significantly depend on the expertise of certain of the Adviser's key personnel. Therefore, the death, incapacity or withdrawal of such personnel could materially adversely affect the Funds, including possibly triggering a material number of investor withdrawals or redemptions in the Healthcare Funds or limiting the Growth Equity Funds' ability to call additional capital for future investments.

Risks for Healthcare Fund Investors. The following general risks apply to investors in the Healthcare Funds.

- *Limited Liquidity; Suspending Withdrawals and Redemptions.* A market does not exist for Fund interests nor is a market expected to develop. It may be difficult or impossible for a Fund investor to transfer any Fund interests, even in an emergency. An investor may dispose of its Fund interests, if at all, only through periodic withdrawals, which are subject to substantial restrictions (such as limitations on the portion of an investor's interests that may be withdrawn, or withdrawal charges on amounts withdrawn within a certain period of time) except with respect to certain Funds that hold substantial investments in illiquid instruments, in which case the relevant portion of such instruments may be transferred to a separate liquidating fund pending distribution. The investor(s) requesting withdrawal will bear the risk of any decline in the value of the Fund interests during the period from the date of notice of withdrawal until the effective withdrawal date. The Fund's board of directors or general partner, as applicable, generally has the power to suspend, limit and compel withdrawals.
- *Redemptions and Withdrawals.* A Fund may not be able to generate cash necessary to satisfy investor withdrawals or redemptions. Substantial withdrawals or redemptions in a short period could force the Adviser to liquidate investments rapidly, which may depress the value of those investments, and may so reduce the size of a Fund such that it cannot generate returns or reduce losses.
- *Reserves.* A Fund may establish a reserve for contingencies if considered appropriate. Investors may not withdraw or redeem assets covered by that reserve until it is lifted.
- *No Distributions.* The Funds generally intend to reinvest substantially all income and gain and do not intend to make distributions. Therefore, a Fund investor may have taxable income from a Fund without a cash distribution to pay the related taxes.

Risks for Growth Equity Fund Investors. The following general risks apply to investors in the Growth Equity Funds.

- *Risks Associated with Capital Calls.* Capital calls will be issued by the Fund from time to time at the discretion of its general partner. To satisfy such calls, investors may need to maintain a substantial portion of their capital commitments to the Fund in assets that can be readily converted to cash. Generally, each investor's obligation to satisfy capital calls will be unconditional and will not in any manner be contingent upon the performance or prospects of the Fund. The failure of any investor to contribute any portion of its capital commitment on a timely basis may adversely affect the Fund's access to capital and, among other things, the ability of the Fund to enter into or consummate investments.
- *Adverse Consequences of Default.* An investor that defaults in its obligations to make capital contributions or other payments pursuant to the Fund's partnership agreement (or other governing document) will be subject to default provisions and remedies as further described in that agreement, including, but not limited to, the forfeiture or forced transfer of up to all of its limited partnership interest on such terms, and to any other person or entity, selected by the general partner. In the event of an investor default, the other limited partners may be required, subject to certain limitations, to contribute additional capital in order to cover any shortfall. In addition, any failure by limited partners to make timely capital contributions in respect of their capital commitments may impair the ability of the Fund to pursue its investment program, force the Fund to borrow or cause other damage. As a result, the Fund may be materially adversely affected by a default and may be subjected to significant consequences that could negatively affect the returns of the Fund.
- *Limited Liquidity; Suspending Withdrawals and Redemptions.* A market does not exist for Fund interests nor is a market expected to develop. It may be difficult or impossible for a Fund investor to transfer any Fund interests, even in an emergency. The Fund's board of directors or general partner, as applicable, generally has the power to suspend, limit and compel withdrawals. Investors in the Growth Equity Funds generally have no right to withdraw their investment.
- *Service on Boards of Directors.* Direct and indirect partners, members, managers, officers, directors, employees and agents of a Fund's general partner and/or the Adviser (such individuals, the "Fund Agents") from time to time serve as officers or directors of the Fund's portfolio companies. In their capacity as officers or directors (or even simply by virtue of the Fund's status as a significant shareholder of a portfolio company), such Fund Agents may become subject to fiduciary or other duties that could adversely affect the Fund, and may subject the general partner, the Adviser and the Fund to claims to which they would not otherwise be subject, including claims of breach of duty of loyalty, securities laws claims and other director-related claims. In general, the Fund will indemnify the general partner, the Adviser, and Fund Agents for such claims. Additionally, the Fund may be unable to sell or otherwise dispose of an investment if a Fund Agent is in possession of material, non-public information relating to the issuer thereof due to the member's service as an officer or director of such portfolio company.
- *Distributions In-Kind.* Investors may receive in-kind distributions of liquid or illiquid securities prior to and/or in connection with the dissolution of the Fund. Such securities may experience periods of price volatility or a decline in market value. Immediately following a distribution of securities, trading volume may be insufficient to support sales by an investor without such sales triggering a price decline, which may make it difficult or impossible for all limited partners to sell such securities at the distribution price.

The above is only a summary of some of the significant risks that a Client or Fund investor may encounter. Prospective investors should carefully review the applicable Offering Documents and consult with their professional advisers before deciding whether to invest. A prospective investor should discuss with the Adviser's representatives any questions that such prospective investor may have before investing in a Fund.

Item 9. Disciplinary Information

The Adviser is not aware of any legal or disciplinary events that it believes are material to a Client's or prospective Client's evaluation of its advisory business or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

General

PFM and its Affiliated Advisers are affiliated and share offices with one another. Each is registered as an investment adviser with the SEC (the Affiliated Advisers are "Relying Advisers"). The Adviser provides services to different types of clients and may pursue different investment strategies. PFM receives investment sub-advisory services from PAS. The Adviser and the Affiliated Advisers maintain joint compliance policies and procedures. PFMI is also a wholly owned subsidiary of PFM. The Affiliated Advisers provide investment advisory services to the Adviser in connection with its management of the Clients.

Passive Owner

Christopher M. James ("James") and Affiliated Managers Group ("AMG"), a publicly traded asset management company, each hold an indirect, minority interests in PAS and the Funds' general partners. Under the terms of the arrangements with James and AMG, PFM, PAS and the Fund's general partners maintain operational autonomy in managing their business. More information regarding AMG, including its public filings, is available at www.amg.com.

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

Code of Ethics

The Adviser maintains compliance policies, including, but not limited to a business code of conduct and personal investment policies in furtherance of its commitment to conduct its businesses in accordance with applicable laws. Among other things, the code requires individuals to comply with applicable laws and to avoid conflicts of interest that could compel one to act in a manner that is inconsistent with the interests of the Adviser and its Clients. The code requires employees to report any violation or suspected violation of the code, the Adviser's compliance policies and procedures or applicable law promptly to the Chief Compliance Officer (or designee).

Personal Investment Policies

The Adviser's personal investment policies permit employees to invest for its personal accounts, subject to certain guidelines and restrictions. All personal securities transactions by employees,

certain family members and other accounts in which supervised persons have a financial interest must be conducted in accordance with the requirements of the Adviser's personal investment policies. Among other things, the Adviser's policies require that certain personal securities transactions by employees be approved in advance by the Adviser's Chief Compliance Officer (or designee). Certain personal securities transactions are subject to a minimum holding period. Employees must report certain personal securities holdings upon commencement of employment (or otherwise upon becoming subject to the personal investment policies) and periodically thereafter.

In addition, the Adviser permits certain of its employees, including the Adviser's portfolio manager, to make co-investments in securities together with the Growth Equity Funds in accordance with policies that (i) set aside a certain portion of each investment for co-investment rights and (ii) contain guidelines regarding participation in follow-on investments. As a result of the Adviser's personal trading and co-investment policies, there may occur situations in which the Adviser's personnel invest in securities of an issuer in which a Fund has an existing investment or makes a future investment, and certain conflicts could arise for the Adviser and its personnel in these scenarios. If an employee of the Adviser or its affiliate participates in a co-investment, the employee (or the Adviser on the employee's behalf) will generally bear his or her pro rata portion of the investment-related expense attributable to such investment.

Clients and Fund investors, including prospective Clients and Fund investors, may obtain a copy of the Adviser's business code of conduct and personal investment policies by contacting the Adviser's Compliance Department at (415) 281-1000.

Principal and Cross Transactions

The Adviser has in the past and may in the future effect cross trades between or among Clients (*i.e.*, causing one or more Clients to sell investment instruments to one or more other Clients). In effecting such cross trades, the Adviser seeks to reduce the transaction costs to the Clients involved. All such cross trades will be consistent with the investment objectives and policies of each Fund involved in the trades and applicable law.

To the extent permitted by applicable law and with the consent of the Clients, at times, the general partner and the Adviser may enter into a "principal transaction." A "principal transaction" is a purchase from, or sale to, a Client of an investment instrument by an Adviser acting as a principal for its own account.

Certain Funds have engaged an independent fund representative (the "Independent Fund Representative"). The Independent Fund Representative provides a mechanism for the Adviser to obtain the informed consent of the Fund to a transaction if an Adviser believes such consent is required under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), or otherwise advisable for a particular transaction. When providing consent, the Independent Fund Representative acts as the representative and agent of the Fund. Cohen & Company, Certified Public Accountants, serves as the Independent Fund Representative for certain Funds and is independent of the Adviser. The Independent Fund Representative does not make investment recommendations or comment on the merits of the Adviser's investment recommendations. In reviewing a transaction, the Independent Fund Representative may rely on information provided by or at the request of the Adviser (or, at the Independent Fund Representative's Request, one or more independent third parties (including financial advisers and consultants)). The Independent Fund Representative will approve a

transaction if the Independent Fund Representative determines that the terms of the transaction are consistent with terms that would reasonably be expected in a comparable transaction between unrelated parties.

A Fund may replace its Independent Fund Representative in the future with a person or entity the Fund chooses.

In addition, each Growth Equity Fund typically forms a limited partner advisory committee (LPAC), for which the members will be selected by the applicable Fund's general partner. The LPAC has the authority and responsibility to approve or disapprove on behalf of the Fund's limited partners the appropriateness of any action or inaction in any situation referred to the LPAC by the general partner because it involves a conflict, risk of conflict of interest involving the Fund or any of its partners, including without limitation, a principal transaction.

Conflicts of Interest

Because the Adviser manages more than one Client, there are conflicts of interest related to the time devoted to managing any one Client or the allocation of investment opportunities among all eligible Clients managed. Consistent with the fiduciary duty owed to each Client, the Adviser selects investments for each Client based solely on investment considerations for that Client. Different Clients have different investment strategies, investment guidelines, restrictions and expected levels of trading; as a result, the Adviser may buy or sell a security for one Client but not for another, or may buy (or sell) a security for one Client while simultaneously selling (or buying) the same security for another Client. Similarly, the Adviser may give advice to a Client or take an action on behalf of a Client that differs from the advice given or the timing or nature of an action taken on behalf of another Client. The Adviser is not obligated to acquire for any Client any security that another Client may also acquire if, in the Adviser's absolute discretion, it is not practical or in the Client's best interest to do so.

The Adviser and the Affiliated Advisers, the Funds' general partners, principal owners, members of the Adviser's management, and members of their immediate families (together, "Related Parties") have in the past and may in the future participate in investment opportunities that otherwise may be considered investment opportunities for the Clients, and may be given an opportunity to invest in Funds even in instances where such Funds are closed to third-party investors. In some cases, the Clients may not participate in these investment opportunities. The Adviser also permits certain investors and/or other third parties to co-invest alongside the Clients in certain investments. If existing investors are interested in co-investment opportunities, they should contact Graham Low at PFM Health Sciences, LP, telephone (415) 281-1000, e-mail IR1@pfmhs.com. The Adviser makes these choices in its sole discretion.

The terms that govern any Fund may be more advantageous than those generally applicable to another Fund, and the terms that apply to a particular investor in a Fund may be more advantageous than those generally applicable to other investors in that Fund. For example, the Adviser, employees and the Related Parties to the extent they invest in the Funds, typically receive a reduction, rebate or waiver of management fees, carried interest, performance-based fees or allocations or withdrawal/redemption charges to be borne by the investors. Some investors have in the past and may in the future seek to obtain excuse or exclusion rights; co-investment rights; and rights to receive reports from a Fund on a more frequent basis or that include information not provided to other Fund investors (including,

without limitation, more detailed information regarding portfolio positions). Notwithstanding the foregoing, the Adviser does not provide any investor, taking into account differences due to share classes, with preferential fees, liquidity, or transparency terms that create a material advantage over other similarly situated investors. The advisory agreements between non-Fund Clients and the Adviser are expected to be materially different, and in some cases materially more or less favorable, than the advisory agreements between the Funds and the Adviser and the terms on which Fund investors invest in the Funds.

The Adviser's portfolio manager may delegate investment discretion over a portion of the Client's assets to other PFM investment personnel but will at all times retain ultimate investment discretion over the investment activities of each Client it manages.

Economic Interests of the Adviser's Personnel

The Adviser and its employees will have different economic interests in different Clients and, accordingly, have incentives to favor certain Clients over other Clients or cause investments to be made, managed or realized in seeking the interests of such other Funds. Certain of the Funds may have substantial investment, directly or indirectly, by or be solely comprised of investments by the Adviser's personnel or Related Parties. Additionally, the portfolio manager and other employees receive different compensation with respect to different Clients. The personal investments and compensation structure could cause an employee to favor one Client over another.

The Adviser has discretion in determining which investments are made by the Clients, sold to others or made by them or its affiliates, with or without the participation of any other person. The Adviser or its affiliates may be able to obtain more favorable terms in connection with some investments if one or more Clients do not participate. Therefore, the Adviser could be influenced to cause a Client not to make an investment even though participation might benefit that Client. Performance-based consideration that the Adviser and its affiliates receive from one Client may get a more favorable tax treatment than that from another Client. Related Parties may also make any investment, whether or not in competition with a Client or in a manner that would limit or eliminate a Client's opportunity to make the same or similar investment, without any accountability to that Client.

Item 12. Brokerage Practices

Brokerage Practices

The Adviser has complete discretion to select the brokers, dealers and other financial intermediaries and counterparties ("Transacting Parties") used to effect transactions on behalf of the Funds (and other Clients that have engaged the Adviser in a discretionary capacity), and may select or recommend the selection of Transacting Parties as provided in their contracts with their other Funds. In selecting or recommending Transacting Parties to effect transactions, the Adviser may cause a Client to enter into arrangements pursuant to which the Client pays transaction costs in an amount greater than would be incurred if another Transacting Party were used. The Adviser is not required to solicit competitive bids or seek the lowest available commission or transaction costs.

In determining which Transacting Party to transact with, the Adviser considers various factors, such as quoted prices, liquidity, commissions and other execution or operational fees, research, general market commentary, economic information, portfolio strategy advice, industry and company

commentary, technical data, recommendations, general reports, quotations and other market data or information, arrangement of meetings with the management of companies, on-line pricing, execution capabilities, including the ability to execute transactions with appropriate levels of confidentiality, willingness to commit capital, trading and block positioning capabilities, quality of the operational infrastructure and frequency of operational errors or difficulties, error resolution, the adequacy of its trading infrastructure, technology, capital, quality and timing of investment opportunities presented to the Adviser or other brokerage and research services that may benefit the Adviser and its affiliates.

The Adviser may also cause a Client to effect transactions with a Transacting Party that refers prospective Fund investors to the Adviser.

The Clients' positions may involve significant turnover, potentially resulting in substantial brokerage, custodial and other transaction expenses and fees.

Use of Soft Dollars and Commission Sharing Arrangements (CSAs)

Beginning in 2023, the Adviser elected to discontinue the use soft dollars. However, to the extent the Adviser elects to use soft dollars again in the future, it will seek to use soft dollars only to obtain services and products that constitute "research" and "brokerage" services within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934.

In acquiring services or products with soft dollars, the Adviser has a conflict of interest – the Adviser has an incentive to cause a Client to pay higher compensation or brokerage fees, to use different Transacting Parties and to effect more transactions than it might otherwise do, possibly at a Client's expense.

Prime Brokers and Custodians

The Adviser has selected and retained prime brokers and custodians for the Funds and other discretionary Clients. The prime brokerage agreements entered into by and among the Adviser, those Clients and prime brokers contain provisions that limit each prime broker's liabilities to that Client and under which that Client must indemnify that prime broker. The Adviser may replace a prime broker or appoint additional prime brokers and custodians at any time. Some of the factors that the Adviser considers when selecting a prime broker include price, clearance, settlement, error resolution, offering to the Adviser's electronic access to data regarding its Clients' accounts, the availability of stocks to borrow for short sale transactions, custody, recordkeeping, reputation, financial strength and stability and similar services and other matters involved in the receipt of prime brokerage services generally. Certain prime brokers also provide the Adviser with certain ancillary services, such as administrative services, capital introduction services, consulting services, portfolio reporting and access to electronic communications networks. These services are also typically considered by the Adviser in selecting a prime broker. Although many prime brokers provide similar services to investment advisers in exchange for brokerage, custody and clearance fees and other charges, if the Adviser did not receive these services from the prime brokers, the Adviser would be required to pay for all or some portion of them. The Adviser is not required to direct a particular number of trades to any prime broker or to continue to use any prime broker as a Client's custodian, but the Adviser has an incentive to do so based on the prime broker's prior and continued services. A Client typically also maintains some of its assets at a bank.

Allocation of Investment Opportunities

The Adviser uses reasonable efforts to allocate investment opportunities (including new issues) in a manner that it believes is fair and equitable over time among Clients, but there can be no assurance that a Client will participate in any particular investment opportunity or on an equal or *pro rata* basis with any other Client or Related Party. In determining how to allocate investment opportunities (including new issues) among Clients, the Adviser generally will consider, among other things:

- Client investment objectives, time horizons, or strategies;
- Transaction sourcing (and with respect to an investment opportunity originated by a third-party, the relationship of a particular Client to or with such third-party);
- The public or private nature of an investment;
- Current portfolio holdings and weightings for a Client;
- Each Client's liquidity and reserves (including whether a Client is able to commit to invest all capital required to consummate a particular investment opportunity);
- Tax considerations or regulatory implications;
- The availability of other suitable investments for each Client;
- Risk considerations;
- The centrality of an investment to a Client's strategy;
- Asset class restrictions or other allocation targets;
- The amount of available working capital or risk characteristics or levels for each Client;
- Financing, contractual, regulatory or legal constraints;
- Size of opportunity (e.g. de minimis) and/or excessive costs relative to a Client's investment strategy, portfolio construction, or available capacity (e.g., available side pocket capacity); and
- Other considerations, including any specific Client investment guidelines or restrictions.

The Adviser may determine that certain investment opportunities are appropriate for certain Clients and not others. Furthermore, while limited investment opportunities, such as private investments, will generally be allocated among Clients in accordance with the foregoing, a Fund may offer certain investors—but not others—the option of participating in a particular private investment and such investors may include Related Parties. With respect to private investments, it is generally expected that such investments (excluding PIPEs) will be allocated first to Growth Equity Funds, second to Healthcare Funds and then to Co-Investment Funds, if any, and in each case subject to the Fund's applicable Offering Documents. Investments in follow-on private investments will generally be allocated to a Client based on its participation in prior investment rounds, if any.

As described above, the Adviser may also allocate a portion of an investment opportunity to certain of its employees, including portfolio managers of the Adviser, to permit those employees to make co-investments together with the Growth Equity Funds in accordance with the Adviser's policies and/or guidelines. See Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading for more information.

Trade Aggregation

The Adviser determines the aggregation and allocation methodologies used. The Adviser may execute a single transaction and allocate portions of the executed trade among participating Clients. Although

the Adviser anticipates that, overall, aggregating orders will benefit the participating Clients, aggregating orders may disadvantage a particular Client. Conversely, not aggregating orders may disadvantage a Client. In accordance with applicable regulations, the Adviser may allocate futures transactions made pursuant to investment strategies for certain accounts (including accounts in which the Adviser or its affiliates have an interest) after execution. These allocations will be made so that Clients are treated reasonably and non-preferentially over time.

Trading Errors

As described above, the Adviser may make errors when placing orders on a Client's behalf to buy, sell and otherwise trade with Transacting Parties.

Item 13. Review of Accounts

Brian D. Grossman is the portfolio manager of each of the Funds and controls the Adviser.

Mr. Grossman is responsible for continuously reviewing the Clients. Among other factors, performance, liquidity, exposures, allocation, cash management, tax considerations, market prospects and individual issue prospects are considered. Particular attention may be given to changes in company earnings, industry outlook, macro-outlook and price levels.

The Adviser provides Fund investors with written reports on a periodic basis that include, among other things, the net asset value or balance of the investor's account and audited financial statements. Such written reports are provided pursuant to the terms of the Offering Documents.

Item 14. Client Referrals and Other Compensation

The Adviser has engaged placement agents to refer investors to certain "Healthcare" Funds and have agreed to pay each placement agent a fee based on the net asset value of the investments of referred investors. The Adviser may use other placement agents for Client or Fund investor referrals in the future.

In addition, PFM is party to a client service/marketing agreements with certain subsidiaries of AMG under which the AMG subsidiaries introduce PFM's investment management services to prospective institutional clients/investors and/or provide reporting and other communication services to certain of such clients/investors. PFM pays the AMG subsidiaries a fee for these services. AMG may waive this fee at its discretion. The AMG subsidiaries include U.S. and non-U.S. subsidiaries. The U.S. subsidiary is a FINRA-registered broker dealer. The non-U.S. AMG subsidiaries are not broker-dealers, investment advisers, or any of the other financial institutions described in Item 7.A. of Form ADV Part 1A. Depending on the foreign jurisdiction, the non-U.S. AMG subsidiaries may be registered or exempt from registration, as appropriate, with the relevant foreign financial regulatory authorities. Other than the described in this Item 14, the Adviser does not directly compensate any person for client referrals (although, as discussed above, certain Transacting Parties may refer potential clients or Fund investors to the Adviser).

Item 15. Custody

Pursuant to Rule 206(4)-2 of the Advisers Act and the SEC's related guidance, the funds and securities of the Funds are generally held by qualified custodians. Those custodians are not affiliates of the Adviser. Fund investors receive annual financial statements audited by an independent public accounting firm for the Funds in which the investors have invested. The Adviser urges Fund investors to carefully review such statements. The Adviser does not expect to have "custody" (as that term is defined in the Advisers Act) of the funds or securities of any non-Fund Clients.

The audited financial statements are prepared in accordance with U.S. generally accepted accounting principles and distributed within 120 days of the Fund's fiscal year-end.

Item 16. Investment Discretion

The Adviser exercises discretion in managing the Funds. Any such discretion may be limited by the particular Client's investment objectives, policies and strategies disclosed in its Offering Documents (with respect to a Fund) or described in the investment advisory agreement with the Client.

Item 17. Voting Client Securities

The Adviser exercises sole discretion in casting proxy votes for the Funds and may or may not have the authority to exercise discretion over casting proxy votes for its non-Fund Clients depending on the relevant advisory agreement. The Adviser has adopted a proxy voting policy intended to satisfy the requirements of Rule 206(4)-6 of the Advisers Act. The following is a summary of the key provisions:

- The Adviser will seek to vote proxies on a best efforts basis and when doing so, in the best interest of the Clients.
- The Adviser has retained a third-party service provider to provide research, recommendations, voting and record-keeping services with respect to the Client's securities for which the Adviser has proxy voting authority.
- While the Adviser may assess each proxy on a case-by-case basis, the Adviser will generally vote consistent with the third-party's vote recommendation.
- The Adviser may choose not to vote if doing so would be costly or impractical or they otherwise deem it unnecessary or unwarranted for any other reason.
- If the Adviser identifies that a material conflict of interest exists with respect to a proxy, the Adviser will seek to not place its interests ahead of its Clients' in voting such proxy.

Clients may obtain a copy of the Adviser's proxy voting policy and information on how they voted its securities holdings by contacting the Adviser's Compliance Department at (415) 281-1000.

Item 18. Financial Information

The Adviser does not believe that there is any information required by this item.

Item 19. Requirements for State-Registered Advisers

The Adviser does not believe that there is any information required by this item.