



NEW RHEIN
HEALTHCARE INVESTORS

Form ADV Part 2A (The Brochure)

New Rhein Healthcare Investors LLC

Two Logan Square
100 N. 18th Street, Suite 1930
Philadelphia, PA 19103
www.newrhein.com

March 28, 2024

This brochure provides information about the qualifications and business practices of New Rhein Healthcare Investors LLC ("New Rhein" or "Firm"). If you have any questions about the contents of this brochure, please contact us at (215) 419-7830. 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 New Rhein also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

Since New Rhein's last annual update dated March 28, 2023, there were no material updates made to this brochure. We encourage you to carefully read this brochure for full details.

Item 3. Table of Contents

Item 2.	Material Changes	2
Item 3.	Table of Contents	3
Item 4.	Advisory Business	4
Item 5.	Fees and Compensation	5
Item 6.	Performance-Based Fees and Side-by-Side Management	9
Item 7.	Types of Clients	9
Item 8.	Methods of Analysis, Investment Strategies, and Risk of Loss	10
Item 9.	Disciplinary Information	36
Item 10.	Other Financial Industry Activities and Affiliations	36
Item 11.	Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading	37
Item 12.	Brokerage Practices	37
Item 13.	Review of Accounts	38
Item 14.	Client Referrals and Other Compensation	38
Item 15.	Custody	39
Item 16.	Investment Discretion	39
Item 17.	Voting Client Securities	39
Item 18.	Financial Information	40

Item 4. Advisory Business

New Rhein is a global venture capital manager founded in 2010. The Firm is a Limited Liability Company formed under the laws of Delaware and is wholly owned by Dr. Nayan Gregory Parekh. Dr. Parekh, also known as Greg, is the Founder of the Firm and a Managing Partner. New Rhein is managed by three Managing Partners: Dr. Parekh, Mr. Subhanu Saxena, and Dr. Ivan Gergel, who is also the Firm's Chief Medical Officer. The Firm is headquartered in Philadelphia, PA and has offices in Mechelen, Belgium and London, UK. Further explanation of the Firm's Belgian and UK affiliates can be found in Item 10 below.

New Rhein has an advisory board comprising professionals in the healthcare industry which assists in the identification of potential investments, due diligence, and strategic advice. The Firm also has a roster of "Executives in Residence," a network of healthcare professionals who may from time to time be available to provide consulting services to New Rhein and/or serve as officers and/or directors of companies held in New Rhein's portfolios. None of the advisory board members nor the Executives in Residence are employees of the Firm. New Rhein may from time to time employ certain individuals denoted as "Operating Executives" who may provide services as consultants, officers and/or directors to companies in New Rhein Funds' portfolios.

New Rhein provides discretionary investment management to its clients, including to clients organized as private investment funds (each a "Fund" and, collectively, the "New Rhein Funds" or the "Funds"), and may also provide advisory and due diligence services to clients that are separate from its investment management activities.

The Funds invest through negotiated transactions in operating entities, generally referred to herein as "portfolio companies." New Rhein's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of New Rhein or its affiliates generally serve on such portfolio companies' respective boards of directors or otherwise act to influence management of portfolio companies in which the Funds have invested.

New Rhein's advisory services to the Funds and the terms thereof are detailed in the relevant limited partnership agreement of a Fund as well as an investment management agreement between New Rhein and the General Partner of the relevant Fund (the "General Partners" and each, a "General Partner") and are further described below. Investors in the Funds participate in the overall investment program for the applicable Fund, but in exceptional circumstances may be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant partnership agreement; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between New Rhein and any investor. The relevant partnership agreement of a Fund and other Fund related agreements and documents such as investor presentations are sometimes referred to herein as a Fund's "offering documents."

Additionally, from time to time and as permitted by the relevant partnership agreement, New Rhein expects to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons or affiliates, including sponsors, market participants, finders, consultants and other service providers, New Rhein's advisory board members and/or certain other persons associated with New Rhein and/or its affiliates. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at

the same time and on the same terms as the Fund making the investment. However, on rare occasions such as when a co-investor must form an investment vehicle and is not able to do so prior to the closing of an investment transaction, a co-investor or co-invest vehicle (including a co-investing Fund) may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle would generally occur shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in New Rhein's sole discretion, New Rhein reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

As of December 31, 2023, the Firm managed \$229,555,832 in regulatory assets under management on a discretionary basis.

Item 5. Fees and Compensation

Management Fees

An investor in a New Rhein Fund will generally pay a management fee calculated on the basis of the investor's commitment amount. For the 2018 vintage Funds, the fee amount is equal to 1.75%, per annum, of an amount equal to each limited partners' aggregate investment contributions to investments not disposed or written off, billed semi-annually in advance, ten days into the period. For the 2021 vintage Funds, the fee amount is equal to 2.00% of an investor's commitment to the Fund per annum, collected quarterly in advance. Subject to the terms of the offering documents, management fees are waived for New Rhein employees and other affiliates of New Rhein. Additionally, the management fee may be waived or reduced for any investor, subject to the sole discretion of the General Partner of the relevant Fund. The management fee will generally be reduced after the investment period of the relevant Fund, and will be offset by any broken deal expenses, monitoring fees, or transaction fees as outlined below, received by New Rhein, the General Partner, or New Rhein affiliates as identified in Item 10 below.

A detailed description of the management fee terms and calculation for each New Rhein Fund is included in the offering documents for the relevant Fund.

Fund Expenses

As a general matter, expenses incurred in connection with the activities of the Fund will be borne by investors pro rata to their commitments and will be payable after issuance of a capital call notice specifying such expenses. The Fund generally incurs two types of expenses: (1) partnership expenses such as administrative costs, fees and expenses, such as legal, accounting and audit services and taxes; and (2) transaction expenses, such as costs, fees and expenses for due diligence reviews and related travel, expert consultants, and legal fees (whether or not such transactions are completed).

Expenses are inside the carry calculation, i.e., dollars contributed for expenses are included in capital that must be returned to investors before distribution of any profits/carry split to New Rhein.

Investors in the Funds will be responsible, on a pro-rata basis, for all organizational expenses of the Funds, including travel expenses in accordance with the Firm's travel policy, meals, lodging and entertainment,

other meals and entertainment, printing, mailing, courier, legal, capital raising, accounting, regulatory compliance (including the initial registrations, filings and compliance contemplated by the Alternative Investment Fund Managers Directive (“AIFMD”) in Europe, the Cybersecurity and Infrastructure Security Agency (“CISA”), , or any similar law, rule or regulation), and any administrative or other filings) incurred in connection with the structuring, organization, negotiating, funding and startup of the Funds, the General Partner, and any affiliated management company or control entity within the Funds’ structure, including the preparation of, and negotiations with respect to, investor presentations and other marketing materials, legal agreements, any side letters or similar agreements, agreements with placement agents and any other similar agreements, and out-of-pocket costs and expenses incurred by placement agents, finders or other persons performing similar services, but not placement agent fees.

In addition, the Funds will also be responsible for expenses related to activities with respect to the origination, identification and sourcing of investment opportunities for the Funds, including attending and sponsoring industry conferences and events, meeting with consultants, finders, broker-dealers, investment banks and other sources of investments and developing and maintaining an investment pipeline; activities with respect to the pursuing, structuring, organizing, negotiating, consummating, financing, refinancing, conducting diligence (including any subscriptions to any periodicals, databases and/or research services), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, dissolving or otherwise disposing of, as applicable, actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other costs payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party diligence, software and service providers, consultants and similar professionals in connection therewith); indebtedness of, or guarantees made by, the Funds, a New Rhein person, the General Partner or any affiliates on behalf of the Funds (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; financing, commitment, origination and similar activities; broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement, sales, investment banker and similar services; brokerage, sale, custodial, depository (including a depository, if any, appointed pursuant to the AIFMD and any law, rule or regulation relating to the implementation thereof in any relevant jurisdiction), local paying agent, trustee, record keeping, account, registered office and similar services; reporting, filings and other ongoing compliance requirements contemplated by the AIFMD or any similar law, rule or regulation (excluding, for the avoidance of doubt, the initial and/or preliminary registrations, filings and compliance obligations related thereto), including secondary legislation, regulations, rules and/or associated guidance, and any related requirements, including Funds-related fees and expenses in connection with ongoing costs of appointing a Swiss representative and paying-agent service provided pursuant to the CISA; developing, structuring, maintaining, operating and winding up administrative structures in Luxembourg, other European countries and other jurisdictions that are put in place to establish required residence and/or operate the investment activities of the Funds (including the salary and benefits of any personnel reasonably necessary for the maintenance of such structures, other overhead, rent and similar costs in connection therewith and the Funds' share of any such costs of any such structure involving other persons managed by, or affiliated with, the Firm, the General Partner or any of their respective affiliates); legal, accounting, research, auditing, technology, administration (including costs associated with any third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, fairness opinions, appraisals or pricing services), consulting (including consulting and retainer fees, salary and other compensation paid to, and benefits or personnel costs provided to or on behalf of, consultants performing investment initiatives or providing services

related to environmental, social and governance investment considerations and policies and other consultants), tax and other professional services (including costs related to the establishment or maintenance of any such activities or services); reverse breakup, termination and other similar arrangements; insurance, including directors and officers liability, fidelity bond, cybersecurity, errors and omissions liability, crime coverage and General Partnership liability premiums and other insurance (including costs related to any retention or deductibles and broker costs and commissions) and any consultants or other advisors utilized in the procurement, review, maintenance and analysis of insurance; filing, title, transfer, survey, registration and other similar activities; printing, communications, mailing, courier, marketing and publicity; the preparation, distribution or filing of financial statements or other reports, tax returns, tax estimates, Schedule K 1s or similar forms or other communications with Investors, any other administrative, compliance or regulatory filings or reports (including Form PF and Bureau of Economic Analysis Reports) or other information, including costs of any third-party service providers and professionals related to the foregoing; compliance with any tax or financial account reporting regime, including Foreign Account Tax Compliance Act ("FATCA"), the Office of Economic Development ("OED") Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard and any similar laws, rules and regulations, including any costs of any third-party service providers and professionals related to the foregoing; developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, investor reporting, ledger systems, financial management and cybersecurity) or other administrative or reporting tools (including subscription-based services) utilized in respect of the Funds; any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information (including any costs incurred in connection with the EU Data Protection Law or the Freedom of Information Act ("FOIA")); activities or proceedings of the Limited Partner Advisory Committee ("LPAC") (including any reasonable out-of-pocket costs incurred by representatives of the General Partner, the LPAC members, permitted observers and other persons in attending or otherwise participating in meetings of the LPAC); indemnification (including legal and any other costs incurred in connection with indemnifying any Partner or other person in accordance with the Fund documents, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs of discovery related thereto and any judgment, other award or settlement entered into in connection therewith; any annual, periodic or special meeting of the Investors and any other conference, meeting or webcast or other video conference with any investor(s) (in each case, including any costs associated with venue, set-up, room and board, dining, entertainment, gifts and mementos, honorarium, events or speakers and other meeting or conference-related costs), in each case to the extent incurred by the Funds, the General Partner or any other affiliate of the General Partner; any cost relating to any Alternative Investment Vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such Alternative Investment Vehicle) including any costs incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Funds to the extent not paid by the investors investing in such entities and any other costs related to any structuring or restructuring of any Funds Entity; the termination, liquidation, winding up or dissolution of the Funds and any persons owned directly or indirectly by the Funds (including Portfolio Companies) and related entities; defaults by Investors in the payment of any capital contributions; amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Funds, any entities owned directly or indirectly by the Funds (including Portfolio Companies) and any alternative investment vehicle of the Funds, including the preparation, distribution and implementation thereof; compliance with any law, rule, regulation, policy, directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money laundering, sanctions or anti-terrorism considerations), including any legal, administrator, consulting or other third-party service provider costs related thereto, any regulatory costs of the General Partner or any of its

affiliates incurred in connection with the operation of the Funds and any costs related to compliance with any environmental, social or governance or other investment considerations and policies applicable to the Funds, the General Partner and/or any of their respective affiliates and/or (B) the validation or other confirmation of any payments made to the Funds or the General Partner (including as a result of any anti-money laundering laws, rules or regulations); any litigation or governmental inquiry, investigation or proceeding, including any costs of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith and in accordance with any indemnification provisions; any consultants, experts or advisors engaged, including independent appraisers engaged in connection with the Funds considering, making, holding or disposing of, directly or indirectly, an investment in the same person as one or more investment vehicles (other than the Funds) managed or controlled by the General Partner or any of its affiliates, including any unreimbursed costs of Executives in Residence; unreimbursed costs incurred in connection with any transfer or proposed transfer contemplated or any Investor's name change, internal restructuring or change in trust, registered agent or custodian; any taxes, fees and other governmental charges levied against the Funds and all costs incurred in connection with any tax audit, inquiry, investigation settlement or review of the Funds; distributions to the Investors and other costs associated with the acquisition, holding and disposition of investments, including extraordinary expenses; compliance or regulatory matters, except as otherwise set forth in this Agreement, including compliance with the fund documents/or any side letter or similar agreement; attendance of any member, manager, shareholder, partner, director, officer, employee or affiliate of the General Partner, the Firm or any of their respective affiliates at any trade conference, including any applicable registration costs and exhibition, sponsorship or other presentation costs; any travel in accordance with the Firm's travel policy and other meals and entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; any of the foregoing above relating to any investment, restructuring, taking public or private, disposition, transaction, project or other opportunity not consummated or otherwise not successful and/or that may have been offered to co-investors (including co-investors' proportionate share of any expenses related to an investment or other opportunity not consummated); any Placement Fees; and any other costs approved by the LPAC.

Fees and expenses will be allocated to the New Rhein Funds in accordance with the relevant Fund's offering documents. Each investor in the New Rhein Funds will pay a pro rata share of all expenses billed to the Fund. New Rhein reserves the right to waive the payment of any fees or expenses for any LP in its sole discretion. New Rhein has entered into an agreement with an anchor investor to pay the pro rata share of any Fund organizational and partnership expenses attributable to that investor in the 2018 vintage Funds.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the relevant partnership agreement, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other current or former employees of New Rhein generally receive salaries and other compensation derived from, and in certain cases including a portion of, the management fee, carried interest or other compensation received by New Rhein or its affiliates.

Transaction Fees

The New Rhein Funds may also be charged certain transaction fees, discussed further in item 7 below. Transaction fees will include closing fees, investment banking fees, placement fees, commitment fees,

breakup fees, litigation proceeds from transactions not consummated, monitoring fees, consulting fees, directors' fees and other similar fees (whether in the form of cash, securities or otherwise) received by any New Rhein person from any portfolio company in respect of the Fund's investment therein.

The 2018 vintage Funds deduct 50% of transactions fees (and 100% of breakup fees) received by New Rhein persons from portfolio companies from management fees charged to the relevant Fund. The 2021 vintage Funds deduct 100% of transactions fees received by New Rhein persons from portfolio companies from management fees charged to the relevant Fund, except that such offset will exclude amounts paid by portfolio companies to Operating Executives (discussed in Item 4.)

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

New Rhein Funds are generally subject to a performance-based fee (referred to as the "carried interest") on returns over a preferred return percentage, as outlined in the relevant Fund's offering documents. For the 2018 and 2021 vintage Funds, the performance-based fee is 20%. The performance fee is subject in each case to the preferred return and to the relevant General Partner's sole discretion to waive the performance fee for any investor.

The presence of performance-based compensation may create a variety of conflicts of interest for New Rhein, such as the incentive to make investments on behalf of its clients that are riskier or more speculative than would be the case in the absence of such compensation. Performance-based compensation also creates an incentive to favor Funds that charge higher performance-based fees over Funds whose performance-based fees are lower because the adviser can potentially earn more fees from the Funds having a higher performance-based compensation structure versus those Funds which provide for lower performance-based compensation.

The carried interest will only be charged to accounts of those Investors who are "qualified clients" as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended ("Advisers Act").

New Rhein does not manage any accounts which do not have a performance-based fee, and therefore the risks and conflicts created by side-by-side management are not present for the Firm.

Item 7. Types of Clients

New Rhein provides investment management services to the following 2018 vintage private funds which invest together on a side-by-side basis:

- New Rhein Healthcare 18 LP - Cayman
- New Rhein Healthcare 18 (Parallel) SCSP - Luxembourg

as well as to the following 2021 vintage private funds which invest together on a side-by-side basis:

- New Rhein Healthcare 2021 (DE) LP – USA
- New Rhein Healthcare 2021 (LUX) SCSP – Luxembourg
- New Rhein Healthcare 2021 Privak which is a feeder fund of New Rhein Healthcare 2021 (LUX) SCSP – Luxembourg;

Each Fund of a particular vintage will receive a pro rata share of all investments made by the Funds of that vintage. Generally, investors in a Fund are subject to a minimum commitment amount, which may vary

based on the relevant Fund. The minimum commitment amount may be waived at the sole discretion of the General Partner. The Funds are open to investment by “accredited investors” within the meaning set forth under the federal securities laws, and “qualified purchasers” within the meaning set forth under the Investment Company Act of 1940, as amended (the “Investment Company Act”).

New Rhein may enter into “side letters” with certain investors in the Funds, which may allow for differing terms from those outlined in the relevant offering documents of the Fund. These side letters may provide more advantageous fees and/or transparency and reporting than those received by investors without side letters.

Subscriptions for interests in New Rhein Funds are offered on a “commitment” basis and investors are not able to terminate their commitments to a Fund investment prior to the dissolution of such relevant Fund. Interests in a Fund are generally not transferrable, however, in some cases Investors may, subject to the approval of the relevant New Rhein Fund’s General Partner, transfer their interest to another investor in a private transaction. Apart from issuing approval of the purchasing investor, New Rhein does not facilitate any secondary transactions by investors.

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

Investment Strategy

The investment objective of the New Rhein Funds is to achieve capital appreciation through equity and equity-related investments in companies whose pharmaceutical and/or medical devices address large, underserved needs in healthcare, have shown proof of scientific concept (meaning that they involve a known mechanism of action for which there is data on initial safety and preliminary efficacy in humans), have intellectual property or market exclusivity protection, and offer compelling health economic value. New Rhein seeks to make only a limited number of investments through its Funds and take significant ownership positions in pharma and medical device companies with clinical-stage assets so that it may have an opportunity to actively monitor and manage each investment. Therefore, New Rhein may have less diverse investment portfolios than other venture capital fund managers. New Rhein believes that, in the biotech/pharma sector, the ability to apply greater focus on the development of individual portfolio companies reduces aggregate idiosyncratic risk to a greater degree than diversification does.

Methods of Analysis

New Rhein’s advisory board is a select group of industry leaders who help New Rhein source deals, run due diligence on prospective portfolio companies and advise on the companies the Firm invests in. The Executives in Residence are a network of more than a dozen pharma executives, physicians, and scientists who consult on New Rhein’s deal assessments where they have significant experience. The EIRs can also step in as business operators or board members in New Rhein's investments.

Risk of Loss

An investment in the New Rhein Funds involves the risk of loss of a portion, or the entirety, of the amount invested. There is no guarantee that our investments will be profitable, or that they will not lose money. Past performance does not guarantee future results.

Below is a summary of material risk factors specific to an investment in the Funds of which a prospective investor should be aware. Not all risks to which an investment may be exposed are outlined here, and all prospective investors should consult the offering documents for a full discussion of all potential risks involved with an investment in a Fund.

1. *Business Risks.* A New Rhein Fund's investment portfolio is expected to consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.
2. *Future and Past Performance.* Neither the performance of New Rhein's principals' (the "Principals") prior investments nor the performance of any other funds managed by New Rhein is necessarily indicative of a New Rhein Fund's future result. While New Rhein intends for New Rhein Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of a New Rhein Fund's entire principal is possible.
3. *Investment in Junior Securities.* The securities in which a New Rhein Fund will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect a New Rhein Fund's investment once made.
4. *Concentration of Investments.* New Rhein Funds will participate in a limited number of investments and will make all their investments in a single industry within a relatively short period of time. Furthermore, Funds may invest up to 35% of aggregate commitments to such Funds in a single investment. As a result, a Fund's investment portfolio is expected to be highly concentrated, and, as a consequence, the aggregate return of the Fund may be substantially adversely affected by the unfavorable performance of any single investment. Moreover, since all of a Fund's investments cannot reasonably be expected to perform well or even return capital, for the Fund to achieve above-average returns, one or a few of its investments must perform very well. There can be no assurance that this will be the case. To the extent a Fund concentrates investments in a particular issuer, industry, security or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto. Other than as provided in the partnership agreement of a Fund, prospective investors have no assurance regarding the degree of diversification of the Fund's investments. Furthermore, to the extent that the capital raised is less than the targeted amount, the Fund may invest in fewer portfolio companies and thus be less diversified. The focus of the Fund's investment portfolio on a specific industry may present more risks than if its investment portfolio were broadly diversified over numerous industries and sectors of the economy. A downturn in this industry or change in regulation, for example, would have a larger impact on the Fund than on an investment fund that does not concentrate in such an industry. At times, the performance of investments in the selected industry will lag that of other industries or the broader market.

A New Rhein Fund may provide bridge financing to facilitate portfolio company investments. It is possible that all or a portion of a bridge financing will not be recouped within the time period specified in the relevant partnership agreement, in which case the investment would be treated as a permanent investment of such New Rhein Fund. As a result, such Fund's portfolio could become more concentrated with respect to such investment than initially expected.

5. *Lack of Sufficient Investment Opportunities.* The business of identifying, structuring and completing private equity transactions is competitive and involves high uncertainty. In addition, the Firm has several investment criteria and therefore investment targets are narrowly focused. It is possible that the aggregate commitments to a New Rhein Fund will never be fully invested if enough sufficiently suitable and attractive investments are not identified. However, investors will be required to bear management fees through a New Rhein Fund during the Investment Period based on the entire amount of the investors' Commitments and other expenses as set forth in the relevant Fund's partnership agreement.
6. *Dynamic Investment Strategy.* While the Firm generally intends to seek attractive returns for the Fund primarily through making control-oriented, growth equity investments, the Firm may opportunistically pursue additional investment strategies and may modify or depart from its control position investments as it determines appropriate, in each case subject to and in accordance with the Fund Agreement. This would require the Firm to manage its investments differently and could create risk in the execution of its strategy.
7. *Growth Equity and Venture Capital Transactions.* The Fund's strategy includes targeting growth-equity and venture capital investments in the healthcare sector. While growth-equity and venture capital investments each offer the opportunity for significant capital gains, such investments involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity portfolio companies often operate at a loss and require significant ongoing funding prior to any recognition of revenue from commercial activity or may have substantial variations in operating results from period to period. Investments into companies characterized as venture capital transactions are usually even earlier in the growth cycle and are likely to be operating at a loss or even before recognition of any revenue. Such companies may need substantial additional capital to support research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources. Without such additional capital, growth and venture stage companies may not be viable, and there can be no assurances that such companies will be able to raise the necessary additional capital to be successful. Furthermore, growth-equity and venture capital portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive research and development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.
8. *Impact of Government Regulation, Reimbursement and Reform.* The healthcare and pharma industry segments in which the Fund invests are (or may become) (i) highly regulated at both the federal and state levels within the United States, federal and provincial levels within Canada, at national and supra-national levels within Europe and at national and other governmental levels in other jurisdictions, and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs, and certain companies may produce a single product that may not be marketed without approval of certain regulatory agencies which may not be obtained. While the Fund intends to invest primarily in companies located in the United States, Canada, Europe, and Israel (and possibly other jurisdictions) that seek to comply with applicable laws and regulations of the jurisdictions applicable to them, the laws and regulations relating to certain industries, including in particular the healthcare and pharmaceutical industries, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable

judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which the Fund invests.

9. *Illiquidity; Lack of Current Distributions.* An investment in a New Rhein Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such a time, there may be no current return on the investment. Furthermore, the expenses of operating a New Rhein Fund (including the management fee payable to the Firm or an affiliate) may exceed its income, thereby requiring that the difference be paid from a New Rhein Fund's capital, including unfunded Commitments.
10. *Leveraged Investments.* A New Rhein Fund may make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in a given portfolio company. Leverage generally magnifies both a New Rhein Fund's opportunity for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by a New Rhein Fund will also result in interest expense and other costs to a New Rhein Fund that may not be covered by distributions made to a New Rhein Fund or appreciation of its investments. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of a New Rhein Fund's investments in the leveraged portfolio companies in a down market. A New Rhein Fund may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable therefor, and in such situations, it is not expected that the Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a New Rhein Fund also will result in interest expense and other costs to a New Rhein Fund that may not be covered by distributions made to a New Rhein Fund or appreciation of its investments. A New Rhein Fund may incur leverage on a joint and several bases with one or more other investment funds and entities managed by the General Partner or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a New Rhein Fund incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by a New Rhein Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of the Fund.
11. *Limited Transferability of Fund Interests.* There will be no public market for a New Rhein Fund interest, and none is expected to develop. There are substantial restrictions upon the transferability of a New Rhein Fund interests under the relevant partnership agreement and applicable securities laws. In general, withdrawals of a New Rhein Fund interests are not permitted. In addition, Fund interests are not redeemable.

12. *Restricted Nature of Investment Positions.* Generally, there will be no readily available market for Fund investments, and hence, most of the Fund's investments will be difficult to value. Certain investments may be distributed in kind to the Partners, and it may be difficult or impossible to liquidate the securities received at a price or within a time period that is determined to be favorable by such Partners. After a distribution of securities is made to the Partners, many Partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such Partners may be lower than the value of such securities determined pursuant to the Fund Agreement, including the value used to determine the amount of carried interest available to the General Partner with respect to such investment. It is also possible that there may be no readily available market for such securities and, therefore, such securities may not be capable of being sold.

13. *Reliance on the General Partner, the Firm and Portfolio Company Management.* The Fund is newly formed and has limited operating history and will be dependent on the General Partner and the Firm. The Firm has a limited historical operating history in respect of pooled investment funds. Control over the operation of the Fund will be vested with the General Partner and the Firm, and the Fund's future profitability will depend largely upon the business and investment acumen of the Principals. The loss or reduction of service of one or more of the Principals could have an adverse effect on the Fund's ability to realize its investment objectives. In addition, the Principals are currently managing another pooled investment fund and may in the future manage other investment funds besides the Fund, and the Principals may need to devote substantial amounts of their time to the investment activities of such other funds, which may pose conflicts of interest in the allocation of the time of the Principals. Investors generally have no right or power to take part in the management of the Fund, and as a result, the investment performance of the Fund will depend on the actions of the General Partner and the Firm. In addition, certain changes in the General Partner or circumstances relating to the General Partner may have an adverse effect on the Fund or one or more of its portfolio companies, including potential acceleration of debt facilities.

Although the General Partner and the Firm will monitor the performance of each Fund investment, it will be the responsibility of each portfolio company's management team to operate such portfolio company daily. Although the Fund generally intends to invest in companies with strong management or recruit strong management to such companies, which may include executives who are employed by the Firm and seconded to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with the Fund's objectives.

14. *Limited Operating History.* To the extent a New Rhein Fund has limited operating history, it will be entirely dependent on the General Partner and the Firm. While the Principals have previous experience making and managing investments similar to those contemplated by a New Rhein Fund, the Principals have limited experience managing and investing a committed pool of funds. Furthermore, there can be no assurance that a New Rhein Fund's investment will achieve results similar to those attained by previous investments of the Principals or of funds managed by the Firm. In addition, a New Rhein Fund's investment may differ from previous investments made by any of the Principals or the Firm in a number of respects, including target return levels, level of

risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure, and holding period.

15. Projections. Projected operating results of a company in which a New Rhein Fund invests normally will be based primarily on financial projections prepared by such a company's management, with adjustments to such projections made by the General Partner in its discretion. In all cases, projections are only estimates of future results based on information received from the company and third parties and assumptions made when the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.
16. Tax Information Exchange Regimes; FATCA Withholding Tax on Certain Non-U.S. Entities. The United States, pursuant to the "Foreign Account Tax Compliance Act" or "FATCA" has entered into numerous intergovernmental agreements with various jurisdictions concerning the exchange of information to combat tax evasion. Other countries are also considering such agreements, and the OECD has published a global Common Reporting Standard for the exchange of information pursuant to which many countries have now signed multilateral agreements. One or more of these information exchange regimes are likely to apply to a New Rhein Fund and/or alternative investment vehicles and may require the General Partner to collect and share with applicable taxing authorities information concerning investors (including identifying information and amounts of certain income allocable or distributable to them). An investor's failure to provide required information may result in withholding taxes, government-imposed penalties, or other potential remedies. In addition, FATCA generally imposes a withholding tax of 30% on a non-U.S. entity's share of most payments attributable to investments in the United States, including dividends, interest and gross proceeds of a disposition of stock, unless an exception applies. A New Rhein Fund may be required to withhold such taxes from or with respect to certain non-U.S. investors, unless an exception applies.
17. Conflicting Investor Interests. Investors may have conflicting investment, tax, and other interests with respect to their investments in the New Rhein Funds, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the Firm regarding an investment that may be more beneficial to one investor than another, including with respect to tax matters. In structuring, acquiring and disposing of investments, the Firm generally will consider the investment and tax objectives of a New Rhein Fund and its Partners as a whole, not the investment, tax, or other objectives of any investor individually.
18. Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continue to be significant legislative and regulatory developments focused on enhancing governmental scrutiny of and/or increasing regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the General Partner or New Rhein Fund's activities, including the ability of the General Partner or Fund to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve a New Rhein Fund's investment objectives.

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, have contributed to downturn in the U.S. and global financial markets and the exacerbation of income and wealth inequality, may impede a New Rhein Fund's efforts to structure, consummate and/or exit investments, both in general and relative to competitors outside of the alternative asset space and a New Rhein Fund's ability to effectively achieve its investment objectives. As a result, a New Rhein Fund may make fewer investments, incur greater expenses or delays in completing or exiting investments, and/or realize lower proceeds on the disposition of investments than it otherwise would have. Moreover, any such enhancement of scrutiny or increase in regulation may adversely impact a New Rhein Fund's activity (including a New Rhein Fund's ability to implement operating improvements to portfolio investments, comply with applicable laws, rules and regulations in a manner not materially more burdensome than currently anticipated, or otherwise execute its investment strategy or achieve its investment objectives). In particular, a New Rhein Fund may be required to incur additional costs and expenses in implementing structural changes in the conduct of a New Rhein Fund's business, including to establish greater substance in certain jurisdictions in which a New Rhein Fund invests or proposes to invest, and a New Rhein Fund also may become directly or indirectly subject to additional tax liabilities (for example through restrictions on or denial of the deductibility of interest expenses against taxable profits). The foregoing may make it less attractive or impractical to continue to invest in one or more jurisdictions. Additionally, such additional scrutiny may divert the General Partner's time, attention and resources from portfolio management activities.

Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a New Rhein Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law is treated as an allocation of the partnership's income, which may be taxed at lower rates than ordinary income. Enactment of any such legislation, whether during or after the initial closing of a New Rhein Fund, could adversely affect the ability of the Principals, employees or other individuals associated with a New Rhein Fund or the General Partner who were or may in the future be granted direct or indirect interests in the Carried Interest Partner, to benefit from carried interest taxed at lower rates. This may reduce such persons' after-tax returns from a New Rhein Fund and the General Partner, which could make it more difficult for the General Partner, the Firm and their affiliates to incentivize, attract and retain individuals to perform services for a New Rhein Fund. These same issues may also apply to officers, directors and employees of a New Rhein Fund's portfolio companies if such persons receive a profits interest in such companies. In addition, current United States tax legislation imposes a requirement that a New Rhein Fund's capital gains eligible investments be held for more than three years prior to their disposition in order for long-term capital gain tax rates to apply to the carried interest distributions with respect to any such disposition. This requirement may create an incentive for the General Partner to delay the disposition of portfolio investments in an effort to minimize the amount of tax imposed on the carried interest distributions which may occur from such disposition.

19. Alternative Investment Fund Managers Directive. The European Union ("EU") Alternative Investment Fund Managers Directive (the "AIFMD") regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area ("EEA"). In particular, the AIFMD potentially restricts the ability of

the General Partner to market the limited partner interests in a New Rhein Fund to investors domiciled or with a registered office in the EEA ("EEA Investors").

To the extent a New Rhein Fund is actively marketed to investors domiciled or having their registered office in the EEA: (i) the New Rhein Fund, the General Partner and/or the Firm will be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which will result in the Fund incurring additional costs and expenses; (ii) the New Rhein Fund, the General Partner and/or the Firm may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which would result in the Fund incurring additional costs and expenses or may otherwise affect the management and operation of the Fund; (iii) the General Partner and/or the Firm will be required to make detailed information relating to the Fund and its investments available to regulators and third parties; and (iv) the AIFMD will also restrict certain activities of the New Rhein Fund in relation to EEA portfolio companies, including, in some circumstances, the New Rhein Fund's ability to recapitalize, refinance or potentially restructure an EEA portfolio company within the first two years of ownership, which may in turn affect operations of the Fund generally. In addition, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which may make it more difficult for a New Rhein Fund to raise its targeted amount of Commitments.

In the future, it may be possible for non-EEA alternative investment fund managers ("AIFMs") to market an alternative investment fund ("AIF") within the EEA pursuant to a pan-European marketing "passport," instead of under national private placement regimes. Access to this passport may be subject to the non-EEA AIFM complying with various additional requirements under the AIFMD, which may include one or more of the following: additional conduct of business and organizational requirements; rules relating to the remuneration of certain personnel; minimum regulatory capital requirements; restrictions on the use of leverage; additional disclosure and reporting requirements to both investors and EEA home state regulators; independent valuation of an AIF's assets; and the appointment of an independent depository. Certain EEA Member States have indicated that they will cease to operate national private placement regimes when, or shortly after, the passport becomes available, which would mean that non-EEA AIFMs to whom the passport is available would be required to comply with all relevant provisions of the AIFMD to market to professional investors in those jurisdictions.

As a result, if in the future non-EEA AIFMs may only market in certain EEA jurisdictions pursuant to a passport, the General Partner and/or the Firm may not seek to market interests in the Fund in those jurisdictions, which may lead to a reduction in the overall amount of capital invested in the Fund. Alternatively, if the General Partner and/or the Firm sought to comply with the requirements to use the passport, this could have adverse effects including, amongst other things, increasing the regulatory burden and costs of operating and managing the Fund and its investments, and potentially requiring changes to compensation structures for key personnel, thereby affecting the General Partner and/or the Firm's ability to recruit and retain these personnel.

20. United Kingdom Exit from the EU. On March 29, 2017, the UK formally notified the European Council of its intention to leave the European Union ("Brexit"). The UK formally left the EU on January 31, 2020, at 11:00 pm after which it entered the transition period, which ended on December 31, 2020. During the transition period, the majority of the existing EU rules applied in

the UK. On 24 December 2020, the UK government and the EU Commission provisionally agreed a trade and cooperation agreement governing their future relationship, which has been ratified by the UK Parliament and the EU Parliament. Although the terms of the UK's future relationship with the EU have been agreed, the terms of the trade and cooperation agreement are silent on financial services and there is still uncertainty as to the extent to which UK businesses will have access to the EU single market, and the extent to which EU businesses have access to the UK market. There is also a risk of significant disruption to trade between the UK and the EU, particularly in the initial period following the end of the transitional period and the implementation of the new trade arrangements. There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on the Fund and its investments, including the ability of the Fund to achieve its investment objectives. The legal, political and economic uncertainty generally resulting from the UK's exit from the EU may adversely affect both EU and UK-based businesses. This uncertainty may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

21. *Need for Follow On Investments.* Following its initial investment in a given portfolio company, the Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that the Fund will be able to make such follow-on investments or will have sufficient funds to make all or any of such investments. Any decision by the Fund not to make follow on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for the Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company.
22. *Non-U.S. Investments.* The New Rhein Fund intends to invest a significant portion of Commitments in portfolio companies located in Europe or elsewhere. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a New Rhein Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on a New Rhein Fund and/or the Partners with respect to a New Rhein Fund's income, and possible non-U.S. tax return filing requirements for a New Rhein Fund and/or the Partners.

A portion of a New Rhein Fund's portfolio investments, and the income received by a New Rhein Fund with respect to such portfolio investments, may be denominated primarily in non-U.S. currencies. However, the books and records of a New Rhein Fund will be maintained, and contributions to and distributions from a New Rhein Fund will be made, in U.S. dollars. Accordingly, changes in currency exchange rates may adversely affect the dollar value of portfolio investments and the amounts of distributions, if any, to be made by a New Rhein Fund. In addition, a New Rhein Fund will incur costs in converting investment proceeds from one currency to another. Investors in a New Rhein Fund based in any country in which U.S. dollars are not the local currency should note that changes in the value of exchange between U.S. dollars and such local currency may have an adverse effect on the value, price or income of the investment to such

investor. There may be foreign exchange regulations applicable to investments in non-U.S. currencies in certain jurisdictions. The fees, costs and expenses incurred by an investor in converting its local currency to U.S. dollars (if applicable) in order to meet drawdowns will be borne solely by such investor and will be in addition to the amounts required by such drawdown.

Ongoing political, financial and economic challenges in Europe have raised questions concerning the continued viability of the Eurozone's single currency and increased the risk of a possible failure of the Euro. Europe is experiencing increasing challenges as a result of certain member-countries' financial difficulties and the uncertainty around their fiscal and monetary policy direction, as well as devolutionist efforts such as Brexit. Volatility in the currency markets may result in a New Rhein Fund's investment portfolio incurring higher costs and may adversely impact the profitability and cash flows from operations of its portfolio companies.

Additional risks include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

23. Hedging Arrangements; Related Regulations. The Firm may (but is not obligated to) endeavor to manage a New Rhein Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. A New Rhein Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject a New Rhein Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a New Rhein Fund to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements may create for the General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission ("CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

24. Significant Adverse Consequences for Default. The partnership agreement of a New Rhein Fund provides for significant adverse consequences in the event an investor defaults on its Commitment or any other payment obligation. In addition to losing its right to potential distributions from the New Rhein Fund, a defaulting investor may (among other things) be forced

to transfer its interest in the New Rhein Fund for an amount that is less than the fair market value of such interest.

25. *Dilution.* Investors admitted or that increase their respective Commitments to a New Rhein Fund at subsequent closings generally will participate in then-existing investments of the New Rhein Fund, thereby diluting the interest of existing investors in such investments. Although any such new investor will be required to contribute its pro rata share (plus an additional amount thereon, subject to any exceptions set forth in the relevant partnership agreement) of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the New Rhein Fund's existing investments at the time of such contributions.
26. *Carried Interest Partner's Carried Interest.* The fact that the Carried Interest Partner's carried interest is based on a percentage of net profits may create an incentive for the Firm to cause a New Rhein Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case.
27. *Transfer by General Partner.* To the extent the General Partner, the Principals and/or their respective affiliates commit to make a direct or indirect investment in or along-side a New Rhein Fund, a material participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the relevant New Rhein Fund's partnership agreement.
28. *Public Company Holdings.* A New Rhein Fund's investment portfolio may contain securities and debt issued by publicly held companies. Such investments may subject a New Rhein Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a New Rhein Fund to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the Principals and increased costs associated with each of the aforementioned risks.
29. *Director Liability.* A New Rhein Fund will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes a New Rhein Fund's representative, and ultimately the New Rhein Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from New Rhein Fund's investment activities.
30. *Limitation of Recourse and Indemnification.* A New Rhein Fund's partnership agreement will limit the circumstances under which the Firm will be held liable to the New Rhein Fund. As a result, investors may have a more limited right of action in certain cases than they would have in the absence of such a provision. In addition, a New Rhein Fund's partnership agreement will provide that the New Rhein Fund will indemnify the Firm for certain claims, losses, damages and expenses arising out of their activities on behalf of the New Rhein Fund. Such indemnification obligations could materially impact the returns to investors.

31. Litigation. A New Rhein Fund's strategy will involve investing in portfolio companies in the healthcare sector, some of which may conduct clinical trials in the course of their research and development. Clinical trials can be time-consuming, expensive and involve a high degree of uncertainty. The success of a New Rhein Fund will, in part, depend on the success of such clinical trials. In the ordinary course of its business, a New Rhein Fund may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of a New Rhein Fund and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the General Partner's and the Principals' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.
32. LP Advisory Committee ("LPAC"). The General Partner will appoint three or more investor representatives to the LPAC. A New Rhein Fund partnership agreement may provide that to the fullest extent permitted by applicable law, none of the LPAC members shall owe any fiduciary duties to the New Rhein Fund or any other partner. In addition, representatives of the LPAC may have various business and other relationships with the General Partner and its partners, employees and affiliates. These relationships may influence their decisions as members of the LPAC.
33. General Economic and Market Conditions. The private equity industry generally and the success of a New Rhein Fund's investment activities specifically will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and national and international political and socioeconomic circumstances. Such factors are unpredictable and cannot be controlled by the General Partner. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for a New Rhein Fund and may affect a New Rhein Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in New Rhein Fund's investments and could have a negative impact on the performance and/or valuation of a New Rhein Fund's portfolio companies. A New Rhein Fund's performance can be affected by deterioration in the capital markets and by market events, including events similar to the credit crisis in the summer of 2007, the downgrading of the credit rating of the U.S. in 2011 or the recent downturn in the U.S. and global financial markets, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a New Rhein Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a New Rhein Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of a New Rhein Fund to pay break-up, topping, termination or other fees and expenses in the event a New Rhein Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of a New Rhein Fund to dispose of investments at prices that the General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect a New Rhein Fund's ability to raise funding to support its investment objective.

34. *Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments.* The recent deterioration of the global credit markets has made it more difficult for investment funds such as a New Rhein Fund to obtain favorable financing for investments. A widening of credit spreads, coupled with the deterioration of the sub-prime and global debt markets and a rise in interest rates, has dramatically reduced investor demand for high yield debt and senior bank debt, which in turn has led some investment banks and other lenders to be unwilling to finance new private equity investments or to only offer committed financing for these investments on unattractive terms. A New Rhein Fund's ability to generate attractive investment returns may be adversely affected to the extent a New Rhein Fund is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events are not temporary and continue, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of a New Rhein Fund to realize its investments at favorable times or for favorable prices.
35. *Material Non-Public Information.* As a result of its operations, New Rhein frequently comes into possession of confidential or material non-public information. Therefore, New Rhein and its affiliates may have access to material non-public information that may be relevant to an investment decision to be made by a New Rhein Fund. Consequently, a New Rhein Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or New Rhein's internal policies. Due to these restrictions, a New Rhein Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.
36. *Conflicts of Interest.* The Firm, principals and their related entities, including the General Partner of the Funds, engage in a broad range of advisory and non-advisory activities, including investment activities for their own accounts and for the account of others. The General Partner will devote such time, personnel and internal resources as are necessary to conduct the business affairs of a New Rhein Fund in an appropriate manner, as required by a New Rhein Fund's partnership agreement, although a New Rhein Fund and its respective investments will place varying levels of demand on these over time. In the ordinary course of the General Partner conducting its activities, the interests of a New Rhein Fund likely will conflict with the interests of the General Partner, one or more other investment funds sponsored by the Firm or an affiliate, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, the General Partner will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals of the LPAC.

Until such time as the General Partner is permitted under a New Rhein Fund's partnership agreement to raise a successor investment fund to such New Rhein Fund, the Principals generally will pursue substantially all appropriate investment opportunities that meet the investment criteria of a New Rhein Fund for the benefit of the New Rhein Fund, subject to certain exceptions set forth in the relevant New Rhein Fund's partnership agreement. However, the Principals currently, and may in the future, manage several other investment funds besides the Fund and investments similar to those in which a New Rhein Fund will be investing and may direct certain

relevant investment opportunities to those investment funds and investments. Over time, certain investment opportunities suitable for a New Rhein Fund are likely also to be suitable for other investment funds sponsored by the General Partner, Firm or their affiliates.

When the Firm is managing multiple investment vehicles, it must first determine which New Rhein Funds(s) will, or are required to, participate in the relevant investment opportunity. New Rhein and the relevant General Partner generally assess whether an investment opportunity is appropriate for a particular fund based on the relevant partnership agreement, as well as factors including, but not limited to, investment restrictions and objectives (including those set forth in the relevant partnership agreement, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, diversification limitations, cash level (if any), applicable tax and regulatory considerations, life cycle, structure and other relevant factors. New Rhein and the relevant General Partner will determine a New Rhein Fund's allocation of investment opportunities in a manner that it believes is fair and equitable to its client under the circumstances over time consistent with New Rhein and the relevant General Partner's obligations and reserves the right to take into consideration factors such as those set forth above.

Following such determination of an allocation for the Fund, the General Partner will determine if the amount of an investment opportunity in which the Fund will invest exceeds the amount that would be appropriate for the Fund and the General Partner reserves the right to offer any such excess to one or more potential co-investors, including third parties, as determined by the Fund Agreement, side letter agreements with investors and the Firm's overall allocation policy. The General Partner may take into consideration a variety of factors in making such determinations, as described in Co-Investments below.

The Firm and/or its affiliates' allocation of investment opportunities among the Fund and any of the other investment funds sponsored by the General Partner and/or its affiliates in the future may not always, and often will not, be proportional. Therefore, such allocations may be more advantageous to the Fund relative to one or all of the other investment funds, or vice versa. While the General Partner and/or its affiliates will allocate investment opportunities in a way that it believes is fair and equitable to the Fund, there can be no assurance that the Fund's actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they would be if the conflicts of interest to which the General Partner and/or its affiliates may be subject did not exist.

In certain cases, the General Partner will have the opportunity (but, subject to any applicable restrictions or procedures in the relevant New Rhein Fund partnership agreement, no obligation) to identify one or more secondary transferees of interests in the New Rhein Fund. In such cases, the General Partner will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on eligibility and other factors similar to those employed in selecting co-investors, and unless required by the relevant New Rhein Fund's partnership agreement, will determine in its sole discretion whether the opportunity to receive a transfer of the New Rhein Fund interests should be offered to one or more existing Fund investors.

Additionally, conflicts of interest can arise if a New Rhein Fund makes an investment in a portfolio company in conjunction with an investment made by another investment fund sponsored by the Firm or an affiliate, including by investment vehicles affiliated with the families of the Principals. For instance, the Fund may not invest through the same investment vehicles, have the same

access to credit or employ the same hedging or investment strategies as such other investment fund. This may result in differences in price, investment terms, leverage and associated costs between a New Rhein Fund and any other investing fund sponsored by the General Partner or an affiliate. There can be no assurance that a New Rhein Fund and the other investing fund(s) will exit the investment at the same time or on the same terms, and there can be no assurance that a New Rhein Fund's return on such an investment will be the same as the returns achieved by any other investment fund participating in the transactions. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to a New Rhein Fund.

The General Partner may, in the future, be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to a New Rhein Fund. The General Partner, in its sole discretion, will allocate fees and expenses in accordance with a New Rhein Fund Agreement and in a manner that it believes in good faith is fair and equitable to a New Rhein Fund under the circumstances and considering such factors as it deems relevant. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of funds or co-investors receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a New Rhein Fund or the General Partner. A New Rhein Fund generally has different expense reimbursement terms, including with respect to management fee offsets, which is expected from time to time to result in a New Rhein Fund bearing different levels of expenses with respect to the same investment.

A New Rhein Fund intends to make controlling or significant investments in portfolio companies. As a result of these controlling or significant interests, the Firm typically has the right to appoint portfolio company board members who may be current or former Firm personnel or persons serving at its request, as well as to engage management team members (including Firm personnel and Executives in Residence), or to influence their appointment or engagement, and to determine or influence the determination of their compensation. Except to the extent amounts paid in respect of such directorships or employment are subject to a New Rhein Fund's partnership agreement's offset provision, such compensation may be in addition to the management fee or carried interest discussed herein. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to the Firm in connection with services provided by the Firm to such portfolio company, and, except to the extent such amounts are subject to the relevant New Rhein Fund's partnership agreement's offset provision, are in addition to the management fee or carried interest discussed herein. The Firm's authority to appoint or influence the appointment of portfolio company board members who may be involved in approving compensation payable to the Firm subjects the Firm and any such portfolio company board appointees to potential conflicts of interest.

Additionally, a portfolio company typically will reimburse the General Partner or service providers retained at the General Partner's discretion for expenses (including, without limitation, travel expenses) incurred by the General Partner or such service providers in connection with the performance of services for such portfolio company. This subjects the General Partner to conflicts of interest because a New Rhein Fund generally does not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the relevant New Rhein Fund's partnership agreement and its internal reimbursement policies and practices, the General Partner determines the amount of these reimbursements for such services in its own discretion. Except to the extent such amounts are

subject to the relevant New Rhein Fund's partnership agreement's offset provisions, they will be in addition to any management fees or carried interest paid by a New Rhein Fund to the General Partner and its affiliates. Although the amount of individual reimbursements typically is not disclosed to investors in a New Rhein Fund, any fee paid or expense reimbursed to the General Partner or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest.

In connection with its services to a New Rhein Fund and its investments, the General Partner, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of the General Partner's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, the General Partner and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, the "General Partner Information"). In many cases, the General Partner Information will include tools, procedures and resources developed by the General Partner to organize or systematize the General Partner Information for ongoing or future use. Although the General Partner expects a New Rhein Fund and its portfolio companies generally to benefit from the General Partner's possession of the General Partner Information, it is possible that any benefits will be experienced solely by other or future funds or portfolio companies and not by the fund or portfolio company from which the General Partner Information was originally received. The General Partner Information will be the sole intellectual property of the General Partner and solely for the use of the General Partner. The General Partner reserves the right to use, share, license, sell or monetize the General Partner Information, without offset to management fees, and the relevant fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to a New Rhein Fund or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, a New Rhein Fund or their respective investors. No such rewards will offset management fees.

The General Partner generally exercises its discretion to recommend to a New Rhein Fund or to a portfolio company that it contract for services with certain service providers, and from time to time such service providers are expected to include: (i) the General Partner or a related person of the General Partner (which may include a portfolio company of such Fund); (ii) an entity with which the General Partner or its affiliates or current or former members of their personnel has a relationship or from which the General Partner or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where the General Partner's personnel are seconded, or from which the General Partner receives secondees; or (iii) certain limited partners or their affiliates. For example, the General Partner expects to be presented with opportunities to receive financing and/or other services in connection with a New Rhein Fund's investment from certain limited partners or their affiliates that are engaged in lending or a related business. This discretion subjects the General

Partner to conflicts of interest, because, although the General Partner selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of a New Rhein Fund, the General Partner has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that the General Partner, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to a New Rhein Fund or the General Partner), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. The General Partner will not necessarily seek out the lowest cost options when incurring (or causing a New Rhein Fund or its portfolio companies to incur) such expenses. Although the General Partner generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. In certain circumstances where the General Partner commits or has committed to seek “market” or “arms-length” rates or terms, the General Partner will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Consequently, the General Partner undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets or services to which such rates or terms relate. Where such rates or terms include hourly components, the General Partner reserves the right to rely on approximations or estimates of time spent for the purpose of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not the General Partner has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

In addition, as described above, portfolio companies typically pay certain fees to consultants (including potentially Executives in Residence), and such fees do not offset or reduce the management fee as described herein. Executives in Residence generally make use of Firm resources or otherwise are associated with the General Partner. Executives in Residence generally receive investment opportunities, reimbursements and other compensation that do not offset or reduce the management fee of any Fund, as described herein. To the extent that Executives in Residence are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or a New Rhein Fund will bear a greater share of such compensation due to the utilization of the Executives in Residence’s services at a time when fewer portfolio companies or a New Rhein Fund make use of such Executives in Residence. Although the use of Executives in Residence and the allocation of compensation paid to them by the General Partner, its affiliates and/or the portfolio companies subjects the General Partner and/or its affiliates to potential conflicts of interest, the General Partner believes that such potential conflicts have the potential be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of a New Rhein Fund) that will result if the cost of the Executives in Residence is lower than market rates for the services provided and/or if the services of the Executives in Residence align with the General Partner’s model for the portfolio company and improve portfolio company performance. Although the General Partner seeks to retain Executives in Residence with a view to reducing costs to portfolio companies (and, ultimately, a New Rhein Fund) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. The General Partner also seeks to reduce

potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that the General Partner believes will align such persons' interests with those of a New Rhein Fund's investors, and seeks to retain only Executives in Residence and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Although uncommon, the General Partner reserves the right from time to time to cause a New Rhein Fund to enter into a transaction whereby a New Rhein Fund purchases securities from, or sells securities to, other funds managed by the General Partner, or co-investors or co-investment vehicles. Such transactions may arise in the context of automatic or other re-balancing of an investment among parallel investing entities or in contexts where a portfolio company owned by a New Rhein Fund is acquired by a portfolio company acquired by another fund. Certain of such transactions raise potential conflicts of interest, including where the investment of one fund supports the value of portfolio companies owned by another fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value.

In certain circumstances, lenders and other market parties negotiate for the right to face only select fund entities, which may result in a single fund being solely liable for other funds' share of the relevant obligation and/or joint and several liability among funds. In such case, the General Partner intends to cause the relevant other funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although a New Rhein Fund will not receive compensation for being primarily liable under these arrangements.

The General Partner may also, from time to time, employ personnel with pre-existing ownership interests in or who were employed by portfolio companies owned by a New Rhein Fund or other funds or investment vehicles advised by the General Partner; conversely, former personnel or executives of the General Partner may serve in significant management roles at portfolio companies or service providers recommended by the General Partner. Similarly, the General Partner and/or its personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the General Partner, and/or a New Rhein Fund, other funds or other investment vehicles the General Partner advises. The General Partner may have a conflict of interest with a New Rhein Fund in recommending the retention or continuation of a third-party service provider to a New Rhein Fund or a portfolio company owned by a New Rhein Fund if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more funds the General Partner advises, will provide the General Partner information about markets and industries in which the General Partner operates (or is contemplating operations) or will provide other services that are beneficial to the General Partner. The General Partner may have a conflict of interest in making such recommendations, in that the General Partner has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for a New Rhein Fund and other funds and investment vehicles that the General

Partner advises, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a New Rhein Fund.

Over the life of a New Rhein Fund, the General Partner generally expects to exercise its discretion to recommend to a New Rhein Fund or to a portfolio company that it contract for services with various service providers, potentially including, among others: (i) the General Partner (or an affiliate, which may include other portfolio companies of a New Rhein Fund or other investment funds sponsored by the General Partner) and at rates determined or substantively influenced by the General Partner; (ii) an entity with which the General Partner or its affiliates or current or former members of their personnel has a relationship or from which such person derive a financial or other benefit; or (iii) an investor (or a limited partner of another fund) or its affiliates. This subjects the General Partner to potential conflicts of interest, because although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, the General Partner may have an incentive to recommend the related or other person because of its financial or business interest. Additionally, there is a possibility that the General Partner, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the General Partner, a New Rhein Fund or other investment funds sponsored by the General Partner or its affiliates), may favor such retention or continuation even if a better price and/or quality of service provider could be obtained from another person. Whether or not the General Partner has a relationship with or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

In addition, because a New Rhein Fund has a fixed Investment Period after which capital from investors generally may only be drawn down in limited circumstances, and because the management fee is, at certain times during the life of a New Rhein Fund, calculated based upon the invested capital a New Rhein Fund, the management fee structure may create an incentive for the General Partner to deploy capital when it might not otherwise have done so.

The General Partner and/or its affiliates reserve the right to enter into Side Letters with certain investors in a New Rhein Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures (including discounted or rebated compensation terms), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, and liquidity or transfer rights. Except where required by the relevant New Rhein Fund's partnership agreement, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a New Rhein Fund, the General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. As a consequence of one or more investors being excused or excluded, or from regulatory or other factors limiting their participation in investments, the aggregate returns realized by participating investors could be adversely affected in a material manner by the unfavorable performance of particular investments.

The General Partner has incentives to use or to recommend products or services of one portfolio company to another, which may involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as the

General Partner has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. In most cases, a New Rhein Fund will not consent, participate in the negotiations or be directly involved in such arrangements.

Any of these situations subjects the General Partner and/or its affiliates and a New Rhein Fund to potential conflicts of interest. The General Partner attempts to resolve such conflicts of interest in light of its obligations to investors in a New Rhein Fund and the obligations owed by the General Partner's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a New Rhein Fund, other investment funds and such investment vehicles in a manner it believes to be fair and equitable to a New Rhein Fund under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, the General Partner will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, the General Partner consults and receives consent to conflicts from the LPAC.

37. Handling of Mail. Mail addressed to the Funds registered in Luxembourg that is received at its registered office will be forwarded, unopened, to be dealt with at the forwarding address supplied by a New Rhein Fund to the entity providing registered office services in Luxembourg. The New Rhein Fund, the General Partner or any of their respective directors, officers, advisors or service providers (including the organization that provides registered office services in Luxembourg) will not bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular, it is possible that the partners, members, managers, directors and officers of the General Partner will only receive, open or deal directly with mail that is addressed to them personally (as opposed to mail which is addressed just to a New Rhein Fund), and that other personnel of the General Partner will handle such forwarded mail.
38. Unfunded Pension Liabilities of Portfolio Companies. Recent court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. A New Rhein Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where a New Rhein Fund may own an 80% or greater interest in such a portfolio company. If a New Rhein Fund (or other 80%-owned portfolio companies of a New Rhein Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of a New Rhein Fund and the companies in which a New Rhein Fund invests. This discussion is based on current court decisions, statutes and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Subscription Agreement, which may change in the future as the case law and guidance develops.
39. Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modelling market conditions, potentially

reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a New Rhein Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by a New Rhein Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon New Rhein Fund's portfolio companies.

One such example is the on-going conflict in Israel. Two of New Rhein Funds' portfolio companies are headquartered in Israel and, since the onset of the conflict, New Rhein has been actively engaged in discussions regarding business continuity planning. Importantly, since the critical activities which drive the real progress of both companies are in the United States and Europe, contingency planning has focused on key Israeli based employees, production facilities/supply chain, locally stored electronic data and general operations.

40. Valuation of Assets. There is not expected to be an actively traded market for most of the securities owned by a New Rhein Fund. When estimating fair value, the Firm will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments which may involve the services of independent appraisers. The process of valuing securities for which reliable market quotations are not available, including when conducted by independent appraisers, is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the Firm may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.
41. Co-Investments. The General Partner may provide or commit to provide co investment opportunities to one or more investors and/or other persons. Conflicts of interest may arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the General Partner in its discretion, may not be in the best interests of a New Rhein Fund or any individual investor. In exercising its discretion in connection with such co-investment opportunities, the General Partner may consider some or all of a wide range of factors, which may include factors which benefit the General Partner such as the likelihood that an investor may invest in a future fund sponsored by the General Partner or its affiliates.

A New Rhein Fund may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may be dependent on New Rhein's ability to secure co-invest funding, making them necessary to complete financing in an investment. Such investments may also involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of a New Rhein Fund, or may be in a position to take action contrary to the investment objectives of a New Rhein Fund. In addition, a New Rhein Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner. There can be no assurance that a New Rhein Fund's return from a transaction would

be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by the General Partner or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities may, and typically will, be offered to some and not to other investors. When and to the extent that employees and related persons of the General Partner make capital investments in or alongside a New Rhein Fund, the General Partner is subject to conflicting interests in connection with these investments. The General Partner's allocation of co-investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others.

42. Contingent Liabilities Upon Disposition. In connection with the disposition of an investment, a New Rhein Fund and the General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by a New Rhein Fund and, ultimately, its investors.
43. No Assurance of Investment Return. A New Rhein Fund's task of identifying and negotiating private investment opportunities, managing such investments and realizing a significant return for investors is difficult. Many similar investment funds have been unable to make, manage and realize profits on such investments successfully. The success of a New Rhein Fund depends on the Firm's ability to identify, select, develop and realize investments within a New Rhein Fund's investment objectives. There can be no assurance that the Firm will be able to do so or that a New Rhein Fund will be able to invest its capital on attractive terms or generate returns for its investors.
44. Early Termination. In the event of early termination of a New Rhein Fund, the General Partner would be required to distribute to each investor its pro rata interest in the assets of a New Rhein Fund. At the time of such termination and/or distribution, certain or all investments held by a New Rhein Fund might be worth less than the initial cost of such investments, which will result in a loss to the investors.
45. Information Asymmetry. The Firm will make investment decisions based on information and data made directly available to the Firm or a portfolio company or through sources other than the portfolio company subject to investment in addition to filings with regulatory agencies, as appropriate. Although the Firm will evaluate all such information and data and may seek independent confirmation when deemed appropriate and when such confirmation is reasonably commercially available, the Firm will not generally be in a position to confirm the completeness, genuineness or accuracy of such information or data. For instance, a New Rhein Fund may seek to invest in companies where key managers or other persons hold significant interests in the company and/or benefit from incentives linked to the successful sale of (or further investment in)

the business, and hence have asymmetric interest to a New Rhein Fund in relation to a New Rhein Fund's acquisition of such business. Such persons may also hold a significant information advantage over the Firm and a New Rhein Fund in connection with the business. This asymmetry in interests and information may distort the accuracy and completeness of information available to the Firm, which in turn may hamper a New Rhein Fund's investment decision and have an adverse effect on a New Rhein Fund and its investors. While this risk is pronounced in investment targets that are privately held (since such companies generally maintain less comprehensive financial records than listed companies and make fewer public disclosures which can be relied upon) it is also present in the case of investment targets that are listed (since a listed target may have material price sensitive information that remains unpublished).

46. *Nature of Investments*. The portfolio companies in which a New Rhein Fund will invest are likely to face intense competition, including competition from companies with greater financial resources, more extensive development, production, marketing and service capabilities and a larger number of qualified managerial and technical personnel. There can be no assurance that the development or marketing efforts of any particular portfolio company will be successful or that its business will be profitable.

Many of a New Rhein Fund's portfolio companies may be unseasoned, unprofitable and/or have no established operating history or earnings. These companies may also lack technical, marketing, financial and other resources or be dependent upon the success of one product or service, a unique distribution channel, or the effectiveness of a manager or management team. The failure of this one product, service or distribution channel, or the loss or ineffectiveness of a key executive or executives within the management team may have a materially adverse impact on such companies. Furthermore, these companies may be more vulnerable to competition and to overall economic conditions than larger, more established entities.

A New Rhein Fund expects to invest in companies at growth stages of development. Particularly in such enterprises, a major risk exists that a proposed service or product cannot be developed successfully with the resources available to the portfolio company. There is no assurance that the development efforts of any portfolio company will be successful or, if successful, will be completed within the budget or time period originally estimated.

Following its initial investment in its portfolio companies, a New Rhein Fund anticipates that its portfolio companies will require additional funding, and that a New Rhein Fund may have the opportunity to increase its investment in successful portfolio companies. There can be no assurance that a New Rhein Fund will make, or will have the resources to make, follow on investments. Any decision by a New Rhein Fund not to make follow on investments, or its inability to make them, may have a substantial adverse effect on a portfolio company in need of such an investment, may result in a missed opportunity for a New Rhein Fund to increase its participation in a successful enterprise, may result in significant dilution of any existing portfolio company investment, or may cause a decrease in the value of a New Rhein Fund's portfolio.

Freedom of Information / Sunshine Laws. Under "freedom of information," "sunshine," "public records" and similar laws, certain governmental or other regulated entities such as state universities and pension funds may be required to publicly disclose confidential information regarding a New Rhein Fund or its portfolio companies, notwithstanding contractual obligations (such as those contained in the relevant New Rhein Fund's partnership agreement) to the

contrary. Any such disclosure could have a material adverse effect upon a New Rhein Fund or its portfolio companies, and could expose a New Rhein Fund, the General Partner or any of their affiliates to claims for damages brought by portfolio companies or other persons related thereto. A New Rhein Fund's partnership agreement may limit or prohibit such entities from being admitted to, or continuing to hold a limited partnership interest in, a New Rhein Fund.

47. Cybersecurity Risk. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries. To the extent that a portfolio company is subject to cyberattack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or a New Rhein Fund, to substantial losses. In addition, in the event that such a cyberattack or other unauthorized access is directed at the Firm or one of its service providers holding its financial or investor data, the Firm, its affiliates or a New Rhein Fund may also be at risk of loss, despite efforts to prevent and mitigate such risks under the Firm's policies.
48. Artificial Intelligence ("AI"). Rapidly improving AI technologies enable access to information normally only available through intensive due diligence, industry experience and subject matter expertise, all of which New Rhein considers to be its core strengths. As a result, there is a risk that the Manager's competitors can easily replicate its capabilities. New Rhein has begun monitoring the competitive risks associated with AI technologies and is planning to implement its own proprietary tools in an effort to mitigate risks associated with AI.
49. Privacy, Data Protection and Information Security Compliance Risk. Compliance with current and future privacy, data protection and information security laws could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and some of New Rhein's current and planned business activities and as such could increase costs for a New Rhein Fund, the General Partner and/or any portfolio companies. A failure to comply with such laws and regulations could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business of the General Partner, a New Rhein Fund and/or any of its portfolio companies, as well as have an impact on reputation. The adoption, interpretation and application of consumer and data protection laws or regulations in the United States, Europe and elsewhere are often uncertain and in flux, and in some cases, laws or regulations in one country may be inconsistent with, or contrary to, those of another country. U.S. federal and state, as well as non-U.S., government bodies or agencies have in the past adopted, and may in the future adopt, laws and regulations affecting data privacy. For instance, the State of California recently passed the California Consumer Privacy Act of 2018, A.B. 375, which went into effect in January 2020, granting consumers additional data protection and privacy rights and imposing additional obligations on companies that collect personal information. A New Rhein Fund, as well as its portfolio companies, are increasingly subject to regulations related to privacy, data protection and information security in the jurisdictions in which they operate. As privacy, data protection and information security laws are implemented, interpreted and applied, compliance costs are

likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place. Industry organizations also regularly adopt and advocate for new standards in this area. In the United States, these include rules and regulations promulgated under the authority of federal government bodies and agencies, state attorneys general, legislatures and consumer protection agencies. European data privacy regulations, including the EU General Data Protection Regulation (Regulation (EU) 2016/679) (“GDPR”), further govern the processing of personally identifiable data and are, frequently, stricter than U.S. laws. The GDPR took direct effect across the EU Member States on May 25, 2018, and seeks to harmonize national data protection laws across the EU, while at the same time, modernizing the law to address new technological developments. The GDPR notably has a greater extra-territorial reach than pre-existing legislation and has a significant impact on data controllers and data processors, (i) with an establishment in the EU, (ii) which offer goods or services to EU data subjects, or (iii) which monitor EU data subjects’ behavior within the EU. The GDPR imposes more stringent operational requirements on both data controllers and data processors and introduces significant penalties for non-compliance. These regulations may materially adversely impact the business of the General Partner, the Fund or any of its portfolio companies.

50. *Risks Inherently Associated with Healthcare Technology Companies.* To the extent a New Rhein Fund invests in healthcare technology companies, these types of firms often face specific risks to which a New Rhein Fund will also be exposed. Such risks typically include: (1) rapidly changing science and technologies; (2) new competing products and improvements in existing products which may quickly render existing products or technologies obsolete; (3) scarcity of management, technical, scientific, research and marketing personnel with appropriate training; (4) the possibility of lawsuits related to patents and other intellectual property and their associated rights; (5) rapidly changing investor sentiments and preferences with regard to technology sector investments; and (6) the collection and storage by certain companies of large amounts of confidential information (including personal information and intellectual property). The size and complexity of a healthcare technology company’s information technology and information security systems, and those of such third-party vendors (and the large amounts of confidential information that is present on them), make such systems potentially vulnerable to service interruptions or to security breaches from inadvertent or intentional actions by employees, vendors, or malicious attackers. Cyber-attacks are of ever-increasing levels of sophistication and are made by groups and individuals with a wide range of motives (including, but not limited to, industrial espionage) and expertise, including organized criminal groups, “hacktivists,” nation states and others. Healthcare technology company systems are subject to such frequent cyber-attacks. Any such interruption or breach of a healthcare technology company’s systems could adversely affect such company’s business operations and/or result in the loss of critical or sensitive confidential information or intellectual property, and could result in financial, legal, business and reputational harm to such healthcare technology portfolio company.
51. *Intellectual Property Risk.* Many target portfolio companies rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect proprietary rights, including as to biomarkers, chemical and biological processes and compounds, and other life science-related intellectual property. There can be no assurance that a New Rhein Fund or a portfolio company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop technologies substantially equivalent or superior to a company’s technologies or allege patent infringement by a portfolio company. Piracy or any such allegations may adversely affect portfolio company revenue,

particularly outside the U.S. in countries where laws are less protective of intellectual property rights. The absence of harmonized patent laws makes it more difficult to ensure consistent respect for patent rights. Reductions in the legal protection for software intellectual property rights could adversely affect portfolio companies.

52. *Clinical Development Risk*. The efficacy and safety of pharmaceutical products are established by generating data in both animal and then human studies, and then performing statistical analyses on the data to determine significance of the results. Such analyses can only suggest a probability of success that may not translate into the real world. Clinical development is uncertain and early results may not translate into successful outcomes at later stages. Later stage success may not translate into marketing approval by regulators. In addition, the ongoing effects of the COVID-19 crisis (see below “Coronavirus and Public Health Emergencies and Other Geopolitical Risks”) have negatively impacted and can be expected to continue negatively impacting clinical trials -- and pre-clinical scientific study and trials -- which are necessary to the development of pharmaceutical products and clinical procedures, such that the pathway to market for a portfolio company’s product may be significantly extended, resulting in lower returns to a New Rhein Fund.
53. *Regulatory Risk*. A regulator’s task is to approve pharmaceutical products based on an acceptable benefit/risk profile. Often, in the early stages of development regulatory guidance does not specify thresholds expected. As a result, there is a risk that a product may not gain approval even if the portfolio company believes it has a robust data package, as regulators may take a conservative position. This can be the result of (i) new data generated by other programs, (ii) new safety signals hitherto unseen or (iii) a change of stance by the regulators in their requirements. As a result of regulatory interpretations and assessments or other developments that occur during the review process, and even after a pharmaceutical product is authorized or approved for marketing, a pharmaceutical product’s commercial potential could be adversely affected by potential emerging concerns or regulatory decisions regarding or impacting labeling or marketing, manufacturing processes, safety and/or other matters.

Human biology is a complex system and results obtained in small patient numbers may not identify all efficacy parameters or safety risks of the product, which would only be identifiable in larger patient populations in real world settings. Regulators may, therefore, modify or cancel product approvals after launch of the product. For example, if a particular side effect has a 1 in 10,000 chance of occurring, a clinical trial of 2,000 patients may not highlight that particular adverse event.

54. *Quality and Manufacturing Risk*. The manufacturing of pharmaceutical products is a highly complex process, to which regulators apply stringent standard. From time-to-time issues can arise in manufacturing that may result in a delay or suspension of a product, or even a recall of a product. An error may arise in the production process that results in the contamination of a product or batch, or more simply, a product batch being produced outside of approved specifications as a result of production variability. Corrective actions to such events generally result in significant one-time costs, can impact ongoing profitability and sometimes remove products from the market.
55. *Environmental, Social and Governance Risks*. The Firm maintains an environmental, social and governance (“ESG”) policy and intends to apply the policy to a New Rhein Fund’s investment

activities. The ESG policy may cause a New Rhein Fund not to make an investment that it would have made or to make a management decision with respect to an investment differently than it would have made in the absence of its ESG policy. Although the Firm believes that its ESG policy will enhance the performance of the portfolio companies in which a New Rhein Fund invests over the long-term, the Firm cannot guarantee that its ESG policy will positively impact the financial or ESG performance of any individual investment or a New Rhein Fund as a whole. Further, ESG integration and responsible investing practices as a whole are evolving rapidly and there are different frameworks, methodologies, and tracking tools being implemented by other asset managers. In addition, there is also growing regulatory interest, particularly in the U.S., UK, and the EEA in improving transparency around how investment fund managers, amongst others, define, measure and disclose the impact of ESG factors on the performance of a New Rhein Fund. The Firm's ESG policy could become subject to additional regulation in the future, and the Firm cannot guarantee that its current approach will meet future regulatory requirements.

56. Public Health Emergencies and Other Geopolitical Risks. New Rhein's business may be materially affected by conditions in the global financial markets and economic conditions or events throughout the world that are outside of New Rhein's control. This includes but is not limited to, economic uncertainty, slowdown in global growth, changes in laws (including laws relating to taxation and regulations on the financial industry), geo-political clashes, due to disease, pandemics or other severe public health events. Worth noting as well are trade and travel barriers, volatility in commodity prices, currency exchange rates and controls and other national and international political circumstances. Disease, pandemics, or other severe public health events may necessitate partial or complete remote work. Heavy reliance on external sources for information and technology may make a business more vulnerable to cybersecurity incidents and cyberattacks.

Item 9. Disciplinary Information

New Rhein does not have any disciplinary Information to disclose.

Item 10. Other Financial Industry Activities and Affiliations

New Rhein has two affiliated investment advisers:

- New Rhein (UK) Advisory LLP is an appointed representative of Aldgate Advisors Limited, a firm registered with the Financial Conduct Authority in the United Kingdom under reference number 763187.
- New Rhein Healthcare Investors BV is regulated by the Financial Services and Markets Authority of Belgium.

Each of the regulated entities provides investment advice solely to the New Rhein Funds.

Affiliates of New Rhein also serve as the General Partners of the New Rhein Funds, and the Firm has established a carried interest partner ("CIP") to receive the carried interest payable by each of the funds. The CIP entities are structured as partnerships and the New Rhein General Partner for each of the funds serves as the General Partner of the CIP entities. The CIP entities do not engage in any activities other than the receipt of the carried interest payments. Finally, New Rhein may form additional related entities for the purposes of holding specific investments for tax and/or liability reasons.

In addition to providing investment management services to the Funds, New Rhein may also provide non-investment management consulting services to unaffiliated third parties.

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

New Rhein has adopted a written Code of Ethics (the “Code”) which requires its employees and other designated individuals involved in the provision of service to the New Rhein Funds to act in the best interest of the New Rhein Funds and to abide by all rules, regulations, and laws applicable to New Rhein and its investment activities. The Code also implements requirements for the personal trading in accounts by employees and includes, among other provisions, the requirement to pre-clear certain personal securities transactions, report personal securities transactions on at least a quarterly basis, and to provide the Firm with a detailed summary of their personal investment holdings (both initially upon commencement of employment and annually thereafter).

A copy of New Rhein’s Code shall be provided to any investor or prospective investor upon request.

New Rhein and its affiliated persons may come into possession, from time to time, of material, non-public or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, New Rhein and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of New Rhein.

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

New Rhein, its principals, employees, and other affiliated entities will generally have a material direct or indirect investment in the New Rhein Funds and may therefore be considered to participate, indirectly, in transactions effected for a New Rhein Fund. At the sole discretion of the General Partners to the New Rhein Funds, a New Rhein Funds may also offer co-investment opportunities in individual investments to investors and unaffiliated third parties. These co-investments may be offered on terms which differ materially from the terms under which the New Rhein Funds will invest. The conflicts and potential risks associated with co-investments are outlined above in Item 8.

Item 12. Brokerage Practices

Broker Selection and Best Execution

New Rhein invests primarily in private companies and therefore does not frequently conduct traditional trading or brokerage activities. From time to time, New Rhein may execute securities transactions on behalf of the New Rhein Funds, such as conducting hedging activities or disposing of publicly-traded securities obtained in the investment process.

In selecting broker-dealers to effect securities transactions on behalf of the New Rhein Funds, the Firm will always attempt to achieve best execution for those trades, taking into consideration the size and type of transaction, the markets in which securities are to be purchased or sold, the execution efficiency, settlement capability, and financial condition of the broker-dealer, the quality of the broker-dealer's portfolio execution on a continuing basis and reasonableness of the brokerage commissions charged. New Rhein does not consider best execution to be limited solely to obtaining the lowest commission rate for any individual transaction. New Rhein will conduct periodic evaluations of execution quality and costs to ensure that New Rhein is obtaining the best execution for client transactions.

Trade Errors

New Rhein does not generally engage in trading securities. However, on occasion, the Firm may receive public securities in connection with the disposition of an investment or otherwise in relation to an investment. In those situations, the relevant General Partner may offer to sell the securities on behalf of investors. As the volume and frequency of trading are both very low, the Firm does not anticipate that trade errors will occur. However, in the event that there is an error, it is New Rhein's policy to correct the error immediately, such that any potential losses are mitigated. Where the error resulted from the actions of a third-party, New Rhein will pursue a return of any funds loss from the erring party to the extent possible. Where an error is attributed to New Rhein or the General Partner of a New Rhein Fund, generally the New Rhein Fund will absorb any losses and retain any gains resulting from the error.

Item 13. Review of Accounts

Review and Oversight of Client Accounts

New Rhein and the General Partner of a New Rhein Fund will maintain regular oversight of the New Rhein Fund's investments.

Reporting to Investors

Investors will receive audited financial statements of a New Rhein Fund on an annual basis within 120 days of the Fund's fiscal year end. In addition, investors in the 2018 vintage Fund will receive a semi-annual report and investors in the 2021 vintage Fund will receive a quarterly report containing unaudited financial information, including valuations of each investment. Investors will also receive detailed descriptions of new investments as well as commentary on the portfolio at least annually.

New Rhein may also provide additional information relating to a New Rhein Fund to one or more investors in such Fund as it deems appropriate, if requested by an investor or pursuant to a side letter agreement, if any.

Item 14. Client Referrals and Other Compensation

New Rhein does not receive any compensation for referring clients to any third-party. As discussed previously, New Rhein may receive compensation for providing consulting services to third-parties,

independent from its investment management activities. New Rhein, its employees and affiliates may also receive gifts from, or discounts on products and services provided by portfolio companies and prospective portfolio companies held by the New Rhein Funds. New Rhein's policies generally prohibit its employees or affiliates from personally benefitting from their positions with New Rhein giving to and/or requesting or accepting gifts from third-parties, service providers, or other entities engaged in or potentially engaged in a business relationship with New Rhein, the General Partners, or the New Rhein Funds except such gifts that are of nominal value. Any gifts or entertainment that may be received, some of which may have greater than nominal value, will not be shared with or reimbursed to the New Rhein Funds, or investors.

The Firm, or the General Partners of the New Rhein Funds may engage placement agents for the purposes of identifying and marketing the New Rhein Funds to potential investors. Generally, placement agents will receive a flat fee, or a fee in an amount equal to a percentage of the capital commitments made by investors sourced by the placement agent. Costs and expenses associated with the engagement of any placement agent will be borne by the New Rhein Funds subject to the terms of the offering documents, but the success fee will not be borne by the Funds. Please see Item 5 above for further discussion of fees and expenses related to such arrangements.

On occasion, New Rhein may sublet office space to Portfolio Companies on a discounted basis. These arrangements are separately documented and do not impact the fees or expenses charged to a New Rhein Funds.

Item 15. Custody

New Rhein does not take physical custody of client assets. Most Client assets are held with Qualified Custodians. However, as discussed in Item 10 above, New Rhein affiliates serve as the General Partner to the New Rhein Funds and therefore New Rhein is deemed to have custody over New Rhein Funds.

In compliance with Rule 206(4)-2 of the Investment Advisers Act of 1940 ("Custody Rule"), New Rhein ensures that each of the Funds are subject to an annual financial statement audit by an independent public account registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board ("PCAOB"). The audited financial statements will be prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), or if prepared in accordance with the International Financial Reporting Standards ("IFRS"), a U.S. GAAP reconciliation will be provided. The audited financial statements will then be distributed to each investor within 120 days of each New Rhein Fund's fiscal year end.

Item 16. Investment Discretion

New Rhein exercises full investment discretion over a New Rhein Fund subject to and in accordance with the terms of the offering documents and other governing documents applicable to the Funds. New Rhein does not provide investment advice to any individual investor. Restrictions on investing activities will be outlined in any New Rhein Fund's partnership agreement. Investors will not be permitted to place any additional restrictions on New Rhein's investment management activities, or investment selection process.

Item 17. Voting Client Securities

As noted previously, New Rhein does not generally invest in publicly traded securities, and therefore anticipates that its involvement in any proxy voting will be limited. However, a New Rhein Fund generally takes a significant or controlling equity position in its portfolio companies and frequently has the right to have representatives nominated by it appointed as members of the boards of directors of its portfolio companies. In this position, New Rhein's representatives have the opportunity to voice the Funds' positions and vote on a variety of governance matters.

New Rhein will review and vote on proxy and shareholder consent matters on a case-by-case basis and in a manner that the Firm and the relevant General Partner believe is in the best interests of the applicable Fund. In rare instances where a conflict of interest in the proxy voting or board governance process is identified, New Rhein may consult with counsel or other independent third parties to ensure that it acts in the best interest of the New Rhein Funds. In certain situations involving conflicts of interest, New Rhein or its representatives may abstain from casting a vote.

Investors may obtain a copy of New Rhein's proxy voting policies and procedures, as well as the proxy voting record of the relevant Funds upon request.

Item 18. Financial Information

New Rhein does not have any financial information to disclose.