

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

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This Brochure provides information about the qualifications and business practices of Blue Water Life Science Advisors, LP (the “**Adviser**” or “**Blue Water**”). If you have any questions about the contents of this Brochure, please contact us by telephone at (415)-720-3006 or by e-mail at yolanda@bluewaterlifescienceadvisors.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Blue Water is a Registered Investment Adviser with the SEC. Registration as an investment adviser does not imply that Blue Water or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

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

Any reference to Blue Water as a registered investment adviser does not imply any level of skill or training.

Item 2 Material Changes

We last filed an annual update to this Brochure on March 31, 2023, and have not updated this Brochure since that annual update. We are required to identify and discuss material changes made to this Brochure since the last annual update.

While this update to our Brochure contains changes and updates to various information, we do not believe they represent material changes since the last annual update of our Brochure. Readers of this brochure should review it in its entirety.

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Item 4 Advisory Business

A. General Description of Advisory Firm

Blue Water Life Science Advisors, LP (the “**Adviser**” or “**Blue Water**”), is a limited partnership organized under the laws of the State of Delaware. The Adviser was formed on June 3, 2014 as a limited liability company organized under the laws of the State of Delaware, as Blue Water Private Capital LLC. The Adviser’s name was changed on January 11, 2017, to Blue Water Life Science Advisors, LLC. On December 29, 2021, the Adviser converted from a Delaware limited liability company to a Delaware limited partnership and, in connection with such conversion, changed its name to Blue Water Life Science Advisors, LP.

The Adviser’s principal place of business is in Larkspur, California.

Nathaniel (“Nate”) T. Cornell is the principal owner of Blue Water. The Adviser’s general partner is Blue Water Life Science Advisors GP, LLC, a limited liability company organized under the State of Delaware.

The Adviser is a registered investment adviser with the SEC.

B. Description of Advisory Services (including any specializations)

The Adviser provides investment advisory services on a discretionary basis to its clients, which are pooled investment vehicles (each, a “**Fund**” and together, the “**Clients**”). Investors in a Fund are generally “accredited investors” within the meaning of Rule 501(a) under the Securities Act of 1933, as amended (the “**Securities Act**”), and are generally “qualified purchasers” within the meaning of Section 2(a)(51) under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”) and “qualified clients” within the meaning of Rule 205-3 under the Advisers Act.

Currently, the Funds advised by Blue Water consist of the following:

- Blue Water Life Science Fund, LP (the “**Onshore Feeder Fund**”), Blue Water Life Science Offshore Fund, Ltd. (the “**Offshore Feeder Fund**”), and the Blue Water Life Science Master Fund, Ltd. (the “**Master Fund**”), and together with Onshore Feeder Fund and Offshore Feeder Fund, the “**LS Funds**”).
- Blue Water Special Opportunities, LP, a co-investment vehicle that generally invests opportunistically in securities issued by a limited number of portfolio companies; and
- Blue Water Ventures Fund, LP (the “**Ventures Fund**”).

The Adviser mainly invests client assets in life sciences companies with a focus on technology platforms, diagnostics, and devices. Clients may opportunistically invest in emerging pharmaceutical companies, establish short sale positions, and deploy portfolio hedges. Notwithstanding the foregoing, the Adviser has the flexibility to make a broad range of investments and to act opportunistically on behalf of its Clients.

C. Availability of Tailored Services for Individual Clients

Blue Water’s advisory services are provided to its Clients pursuant to the terms of each Client’s applicable offering documents. The advisory services a Fund receives are tailored to meet the specified investment objectives and strategies as set forth in the Fund’s offering documents. Investors generally cannot impose additional investment guidelines, restrictions, or other requirements on such Fund.

D. Wrap Fees

The Adviser currently does not participate in any wrap fee programs.

E. Client Assets Under Management

As of December 31st, 2023, the Adviser manages approximately \$160,225,734 of regulatory assets on a discretionary basis.

Item 5 Fees and Compensation

A. Advisory Fees and Compensation

Pooled Investment Vehicles

Asset-Based Compensation

With respect to each investor in an LS Fund with interests in the “Class S” or “Class T” currently offered classes interests or shares (as applicable) therein, the Adviser will receive a quarterly management fee (the “**LS Management Fee**”) in advance equal to 0.5% (2.00% annually) based on the capital account or series account (“**Capital Account**”) balance of such investor at the beginning of the calendar quarter (as described in each LS Fund’s governing documents). In general, the portion of the LS Management Fee attributable to a particular special investment will be charged to the Class S interests/shares or other Classes of interests/shares (if any) held by the investors participating in the special investment or to an expense reserve established in respect of a special investment, as applicable (the determination as to whether an expense relates specifically to a particular special investment will be made by the Adviser in its sole discretion). In the event of a withdrawal by an investor from its Capital Account prior to the end of a calendar quarter, the quarterly LS Management Fee for such calendar quarter will not be prorated. Investors who are permitted by the general partner or directors (as applicable) of the applicable LS Fund, in their sole discretion, to contribute capital to such LS Fund on a date other than the first five (5) business days of a calendar month are charged a *pro rata* LS Management Fee as to that contribution. Investors who are permitted by the general partner or directors (as applicable) of the applicable LS Fund, in their sole discretion, to contribute capital on a date during the first five (5) Business Days of a calendar month are charged a LS Management Fee as to that contribution as if such contribution were made as of the first day of such month.

With respect to each investor in the Ventures Fund, the Adviser will receive a quarterly management fee (the “**Venture Management Fee**” and, together with the LS Management Fee, the “**Management Fee**”) in advance equal to 0.5% (2.00% annually) of (x) during the Ventures Fund’s investment period, each investor’s capital commitment to the Fund and (y) after the investment period, each investor’s net invested capital. The Venture Management Fee will be prorated for partial quarters.

Notwithstanding the foregoing, the Adviser, in its discretion, may waive all or a portion of the Management Fee as to a Fund investor, including any such investors affiliated with the Adviser, or may agree with a Fund investor to other changes in the Management Fee with respect to such investor.

Performance-Based Compensation

With respect to the LS Funds, Blue Water Life Science Fund GP, LLC, a Delaware limited liability company that serves as the general partner of the Onshore Feeder Fund, an affiliate of the Adviser (the “**LS General Partner**”) (the LS General Partner also serves as the general partner to Blue Water Special Opportunities, LP), will be allocated an annual profit allocation from the Master Fund equal to 20% of the profits (including realized and unrealized gains and losses) allocated in respect of the capital account/series of shares of each LS Fund investor holding Class S and T interests/shares in the applicable LS Feeder Fund (each a “**Performance Allocation**”) that exceed the “Prior High NAV” (*i.e.*, the “high water mark”) in respect of such capital/series of shares. Any Performance Allocation allocated to the LS General Partner with respect to a particular period is not subject to reduction, refund, or “claw back” based on subsequent changes in an investor’s loss carryforward account.

The Performance Allocation will be determined separately with respect to each Capital Account of an investor in the applicable LS Fund. The Performance Allocation will also be calculated separately as to each special investment held by the LS Funds in substantially the same manner.

If a LS Fund investor makes a withdrawal/redemption from the applicable LS Fund other than at the end of a fiscal year including in connection with a mandatory withdrawal/redemption, a Performance Allocation will be determined with respect to such withdrawal/redemption as of the applicable withdrawal/redemption date and will be allocated on such date to the LS General Partner.

With respect to the Ventures Fund, Blue Water Life Science Ventures GP LLC, a Delaware limited liability company that serves as the general partner of the Ventures Fund and is an affiliate of the Adviser (the “**Venture General Partner**”) will receive “carried interest” distributions (“**Carried Interest Distributions**”) in respect of each Ventures Fund limited partner on an investment-by-investment basis, subject to such Ventures Fund limited partner achieving a return of capital on the investment generating the investment proceeds in respect of which such Carried Interest Distributions are distributed (as well as return of capital in respect of previously realized or written-off investments). Carried Interest Distributions will be distributed to the Venture General Partner at varying rates: (i) they will be distributed at a rate of 20% with respect to investment proceeds exceeding a return of capital and until the applicable Venture investor has received a 300% return on its invested capital; (ii) they will be distributed at a rate of 25% with respect to investment proceeds exceeding a 300% return and until the applicable Venture investor has received a 500% return on its invested capital; and (iii) they will be distributed at a rate of 30% with respect to investment proceeds exceeding a 500% return.

Notwithstanding the foregoing, the LS General Partner or the Venture General Partner, in its discretion, may waive all or a portion of the Performance Allocation or Carried Interest Distributions (as applicable) as to the applicable Fund investor, or may agree with an applicable Fund investor to other changes in the Performance Allocation or Carried Interest Distributions (as applicable) with respect to that investor.

Co-investment vehicles have in the past and are expected to have lower management fees and/or performance-based compensation terms than as described above.

B. Payment of Fees

Management Fee, Performance Allocation and Carried Interest Distributions (if applicable) are generally deducted from Client accounts by instructing the Client’s custodian. The Adviser or its affiliates shall send an invoice to the custodian indicating the amount of the fees, allocations or distributions to be deducted from the relevant Client account.

With respect to each Fund, the Management Fees, Performance Allocation and Carried Interest Distributions, if any, are generally deducted from such Fund directly after such Management Fee, Performance Allocation and Carried Interest Distributions have been calculated and are payable in accordance with such Fund’s governing documents. Accordingly, (i) the Adviser deducts the Management Fees quarterly in advance, the Performance Allocation is allocable annually (or on an earlier withdrawal of a Fund investor as to amounts withdrawn, or at the of the realization of a special investment with respect to Performance Allocation attributable to that special investment), and the Carried Interest Distributions generated by proceeds on a certain investment are distributed at the time the Ventures Fund disposes such investment.

C. Other Fees and Expenses

In addition to paying Management Fees and, if applicable, Performance Allocation, Carried Interest Distributions (or the equivalent) or other compensation, Client accounts will also be subject to other investment expenses such as custodial charges, brokerage fees, commissions and related costs; interest expenses; taxes, duties and other governmental charges; transfer and registration fees or similar expenses; costs associated with foreign exchange transactions; other portfolio expenses; and costs, expenses and fees (including, investment advisory and other fees charged by investment advisers with, or funds in, which the Client's account invests) associated with products or services that may be necessary or incidental to such investments or accounts. Client assets may be invested in pooled investment vehicles. In these cases, Clients will bear their pro rata share of the underlying fund's operating and other expenses including, in addition to those listed above: sales expenses, legal expenses, internal and external accounting, audit and tax preparation expenses, and organizational expenses. Client assets may be invested in money market mutual funds, exchange traded funds ("ETF") or other registered investment companies. In these cases, the Client will bear its pro rata share of the investment management fee and other fees of such money market mutual funds, ETFs or other registered investment companies, which are in addition to the investment Management Fee paid to the Adviser. Please refer to Item 12 below for a discussion of the Adviser's brokerage practices.

Each of our Clients bear various costs, fees, and expenses in addition to the compensation payable to the Adviser or an affiliate of the Adviser. Although we set forth enumerated lists below, all investors in our Clients and prospective investors should review the private placement memorandum of their respective fund (including any relevant supplements) and other governing documents for each applicable client, which may discuss additional costs, fees and expenses not discussed below.

Clients (either directly or through the other Client entities) will pay (or reimburse the Adviser or its affiliates for), subject to certain offsets as applicable, all out-of-pocket fees and expenses payable to third parties that are incurred by or on behalf of the Clients in connection with the offering interests in the Funds, and the organization of the Clients and general partner entities, including legal and accounting fees, travel and other expenses (such expenses, "**Organizational Expenses**"). To the extent a Fund serves as a feeder fund to a master fund, investors will indirectly bear a pro rata share of the master fund's Organizational Expenses.

The below expenses may not be applicable to all Clients. To the extent permitted under the applicable offering documents and/or governing documents, each Client generally incurs the following operating expenses: (i) Management Fees; (ii) expenses of administering its own business, including, without limitation, auditing; accounting; ongoing legal and bookkeeping expenses; expenses related to the research, due diligence expenses such as background checks and other such costs, financing (including all amounts borrowed pursuant to a credit facility or credit extension), monitoring and disposition of actual and prospective portfolio investments whether or not such portfolio investment is consummated, including the following: third-party investment sourcing fees, including fees to introducers, intermediaries and brokers (in each case including performance-based fees); fees and expenses related to obtaining, processing and analyzing research; due diligence expenses including consulting and appraisal fees; trade order management; reconciliation tools for the benefit of such Client; travel expenses (including transportation, lodging and meals); brokerage fees, commissions and expenses, and other securities transaction costs (including research related expenses); custodial fees and expenses; bank service fees; interest expenses and fees related to financings or refinancings; financing costs related to a credit facility or credit extension; fees and expenses of proxy research and class action related services; margin interest or interest on other borrowings; (iii) any compensation payable in connection with the management of any portfolio investment by an unaffiliated third party or management team, which may include both asset-based fees and performance-based compensation; (iv) fees and expenses relating to information technology services, hardware, software or other technology (including costs of software licensing, implementation, data management and recovery services and custom development) used to research portfolio investments,

evaluate and manage risk, facilitate valuations and/or facilitate compliance with the rules of any self-regulatory organization or applicable law (including reporting obligations), and accounting technology; (v) fees and expenses of third-party professionals, including consultants, valuation service providers, attorneys, accountants, third-party administrative fees (including of any “shadow” administrator or middle/back office services) and expenses, and the fees and expenses of any service provider to the Adviser that provides outsourced middle and back office functions; (vi) the costs of any litigation or investigation involving activities of the Clients; (vii) preparation costs of financial statements, tax returns (including estimated and final Schedules K-1) and of financial, tax and other reports to partners; (viii) insurance expenses, including premiums for directors and officers, errors and omissions, cybersecurity and indemnification insurance covering the general partner, the Adviser and the members, partners, officers, employees and agents of any of them, and any member of an advisory committee; (ix) costs of preparing and distributing reports and notices (including all costs incurred to audit such reports, provide access to a database or other internet forum and any other operational, legal, secretarial or postage expenses associated with distribution of the same); (x) expenses incurred in connection with negotiating and complying with provisions of any side letter, and expenses incurred in connection with any transfers of interests or a limited partner’s or shareholders admission or withdrawal, unless otherwise charged to or borne by the applicable transferee, limited partner or shareholder; (xi) legal fees and any other fees and expenses related to compliance with the rules of any self-regulatory organization or applicable law in connection with the activities of the Clients, including any governmental, regulatory, licensing, filing or registration fees, or taxes (including fees and expenses incurred in connection with the preparation and filing of Form PF, Section 13 filings, Section 16 filings, and/or AIFMD-related filings and other similar regulatory filings); compliance cost including costs relating to anti-money laundering compliance and the expenses of offering and selling the interests or shares of the Clients, as the case may be; (xii) expenses incurred in connection with the offering and sale of the interests and other similar expenses related to the Clients (excluding fees payable to any placement agent not engaged pursuant to local legal or regulatory requirements in connection with the offering of Interests outside the United States), including expenses of preparing marketing materials; (xiii) expenses incurred in connection with any amendments, modifications, revisions or restatements to the constituent documents of the Clients; (xiv) expenses incurred in connection with meetings with limited partners or shareholders and prospective limited partners or shareholders in the Clients, and meetings of the advisory committees; (xv) extraordinary expenses, including indemnification expenses; (xvi) tax preparation fees and expenses including, but without limitation, any fees and expenses (including legal and accounting costs) incurred in connection with any tax audit, examination or review by any tax authority, including any related administrative settlement and judicial review, and any and all taxes (including any interest, penalties, or additional amounts imposed with respect thereto), other than those specifically allocated to, or actually borne by, a partner or former partner, as determined by the Adviser or its affiliates in its sole discretion; (xvii) fees and expenses incurred in connection with the reorganization and/or recapitalization, dissolution, winding-up or termination of the Fund; and other similar expenses related to the Fund.

Each Client also indirectly bears its pro rata share of the expenses of investment entities in which it invests. Additionally, each Fund will be responsible for its pro rata share of the expenses of the applicable master fund, as applicable. The Adviser or its affiliates may, in their sole discretion, pay or reimburse Clients for any or all of the foregoing expenses. The fees and expenses enumerated above may not contemplate every type of fee or expense Clients may incur. Furthermore, the Adviser may in the future provide investment management services to other/additional clients.

D. Prepayment of Fees

If a Client or investor prepays fees to the Adviser in advance, upon the termination of such Client’s account during the relevant fee period (except for the LS Funds), the Management Fee will be prorated for the days

remaining in that fee period and any prepaid, unearned fees will be refunded to the relevant Client or investor.

E. Additional Compensation and Conflicts of Interest

Neither Blue Water nor any of its supervised persons accept compensation (*e.g.*, brokerage commissions) for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

The Adviser and its investment personnel provide investment management services to multiple Clients. The Adviser is entitled to be paid performance-based compensation by Client accounts. Please refer to Item 5 for a discussion of performance-based compensation paid to the Adviser. The Adviser and its investment personnel manage Client accounts that are charged performance-based compensation. In addition, certain Client accounts may have higher asset-based fees or more favorable performance-based compensation arrangements than other accounts. Because the Adviser and its investment personnel manage more than one Client account, a potential exists for one Client account to be favored over another Client account. The Adviser and its investment personnel at times will have a greater incentive to favor Client accounts that pay the Adviser (and indirectly the investment personnel) performance-based compensation or higher fees.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. These areas are monitored by the Adviser's Chief Compliance Officer. The performance of similarly managed accounts is also regularly compared to determine whether there are any unexplained significant discrepancies. Additional information regarding the allocation of investment opportunities is provided in Item 11.

Item 7 Types of Clients

The Adviser provides investment advice to pooled investment vehicles (i.e., the Funds) as described above. The Adviser, however, is not precluded from advising types of clients that are not listed in this Brochure.

This Brochure is not an offer to invest in any of our Clients.

With respect to any Client that is a pooled investment vehicle, any initial and additional subscription minimums are disclosed in the offering memorandum for the pooled investment vehicle.

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

The descriptions set forth in this Brochure of specific advisory services that the Adviser offers to Clients, and investment strategies pursued and investments made by the Adviser on behalf of its Clients, should not be understood to limit in any way its investment activities. The Adviser may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each client's investment objectives and guidelines. The investment strategies we pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. These methods entail an evaluation of investment opportunities using fundamental, technical, quantitative, and qualitative analyses to determine the intrinsic value of securities and other types of instruments.

The LS Funds: The LS Funds intend to achieve their investment objective by investing in well-researched life science companies with a technical focus on precision medicine and genomics. In addition, they may opportunistically establish short sale positions, deploy portfolio hedges, and decide to pursue investments in the biopharma or emerging pharmaceutical sector. Prior to investing in a portfolio company, the Adviser will generally analyze the company's historical financials and conduct a qualitative assessment of the company's long-term competitive advantages.

The LS Funds seek to invest in publicly traded life science companies that promise to disrupt current practices and improve diagnoses, research and clinical outcomes. The emphasis will be on precision medicine and related technologies with transformative growth opportunities. The Adviser will look for opportunities with asymmetric return profiles, where potential growth prospects do not reflect current valuations. The Adviser will also evaluate investments in emerging pharmaceutical companies. The LS Funds will seek to invest in publicly traded opportunities with clear paths to profitability and value creation, or companies that are approaching an inflection point in revenue or earnings growth. It will not be uncommon for the LS Funds to have twenty or fewer concentrated positions or, if market conditions warrant, a sizeable cash position. The LS Funds do not intend to invest an amount greater than twenty percent (20%) of their gross asset value in any single portfolio company (measured at the time of investment in such portfolio company), but the LS Funds may engage in margin or leveraged transactions. Specifically, the LS Funds may leverage up to 50% of their capital, including the use of shorts and option trading.

Blue Water Ventures Fund, LP: The Ventures Fund's investment objective will be to seek long-term capital appreciation by making portfolio investments in early-stage portfolio companies in the life sciences sector with a focus on precision medicine and genomics. The Adviser will look for portfolio investments with asymmetric return profiles, where potential growth prospects do not reflect current valuations. The Ventures Fund will seek to invest in portfolio companies with clear paths to profitability and value creation, or portfolio companies that are approaching an inflection point in revenue or earnings growth.

Ultimately, through fundamental research, the Adviser will seek to develop a conviction in a business's future prospects and estimate what it believes to be the portfolio company's investment merits, resulting in target entry and exit prices. If new developments warrant it, price targets will be altered, either higher or lower, or positions added to or eliminated based on the risk/reward trade-off and assumptions as to future expectations. Given the Adviser's strict criteria for deploying capital, the Ventures Fund will deploy capital on a selective basis. It will not be uncommon for the Ventures Fund to have a small number of concentrated

positions or, if market conditions warrant, a sizeable cash position. The Ventures Fund will borrow and otherwise incur leverage pursuant to the Ventures Funds governing documents.

Blue Water Special Opportunities, LP: The Fund is a co-investment vehicle that generally invests in securities issued by a limited number of portfolio companies.

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the Clients advised by the Adviser and each risk factor may not be applicable to every Client. These risk factors include only those risks the Adviser believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by the Adviser. Investors in co-investment vehicles we advise should also review the disclosures in this item, although not all risk factors may be applicable to a particular co-investment vehicle's investment strategy. Prospective investors should carefully consider the following risk factors before investing in the Funds.

General Investment and Market Risks. All securities investments risk the loss of capital. The nature of the investments to be purchased and traded by the Clients, and the investment techniques and strategies to be employed by the Adviser, may increase this risk. While the Adviser will use its best efforts in the management of the investments, there can be no assurance that the Clients will not incur losses. Many unforeseeable events, including changing supply and demand, interest rates, merger activities, governmental laws, regulations and enforcement activities, trade, fiscal and monetary programs and policies, and national and international political and economic developments, may cause sharp issuer-specific and market fluctuations which could adversely affect the Clients' portfolio and performance. The effect of such factors on the prices and liquidity of investments in general, or of a particular investment, is difficult to predict. The Clients are also exposed to the risk of failure of any exchanges on which investments trade or of clearinghouses that settle trades. The Adviser and the Clients cannot control any of these conditions.

Issuer-Specific Changes. Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

Short Selling Risk. The Adviser's investment program may include a significant amount of short selling. Short selling transactions expose the Adviser to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Adviser in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Adviser might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Relative Value Risk. In the event that the perceived mis-pricings underlying the Adviser's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by the Adviser, client accounts may incur a loss.

Risks Related to Custodians and Brokers. The bankruptcy of a broker or custodian could cause excessive costs or loss of investor funds. If a broker with which the Advisor has an account becomes insolvent or

bankrupt, the Advisor may be unable to recover all or even a portion of the assets maintained by clients with that broker. Similarly, if a custodian housing a client's securities or other assets becomes bankrupt or insolvent, the client may be unable to recover all or even a portion of the assets held by the custodian.

Force Majeure or other Risks. Portfolio investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). For example, beginning in late 2019, the media has reported a public health epidemic originating in China, prompting precautionary government-imposed closures of certain travel and business. It is unknown whether and how global supply chains may be affected if such an epidemic persists for an extended period of time. Some force majeure events may adversely affect the ability of a party (including a portfolio company or a counterparty to an Insight Equity Fund or a portfolio company) to perform its obligations until it is able to remedy the force majeure event. In addition, forced events, such as the cessation of the operation of machinery for repair or upgrade, could similarly lead to the unavailability of essential machinery and technologies. These risks could, among other effects, adversely impact the cash flows available from a portfolio company, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a portfolio company or a Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on a portfolio company. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which Funds may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to Funds, including if the investment in such portfolio companies is canceled, unwound or acquired (which could be without adequate compensation). Prolonged changes in climatic conditions may have significant impact on the revenues, expenses and conditions of certain Fund investments. While the precise future effects of climate change are unknown, it is possible that climate change could affect precipitation levels, droughts, wind levels, annual sunshine, sea levels and the severity and frequency of storms and other severe weather events. Reductions in precipitation levels, wind or sunlight could materially adversely affect the revenues and cash flows of renewable energy related assets that depend on the capture of waterflow, wind or sunlight to derive revenues. If such reductions are significant, any such assets may be rendered inoperable. Conversely, significant increases in precipitation or wind velocity could cause damage to such assets or create periods when such assets are not able to function. In the event that climate change causes sea levels to rise, certain portfolio companies may be forced to incur expenses to prevent assets from being damaged or rendered unusable by such rising sea levels. Any of the foregoing may therefore adversely affect the performance of Funds and their investments.

Limited Diversification. Client accounts will not be diversified among a wide range of types of securities, countries or industry sectors. As a consequence, the aggregate return of the Clients may be materially and adversely affected by the unfavorable performance of even a single portfolio investment. Clients will be focused on investments in the life sciences sector, and, therefore, will involve more risk and will be subject to greater market fluctuations than a portfolio of investments that is not concentrated in a particular industry or industry sector. If the overall state of the industry or the specific sectors and companies in which the Clients invests perform poorly, the Fund will be adversely affected.

Macroeconomic Factors. The performance of the Clients' investments could be adversely affected by macroeconomic factors, including general economic conditions affecting capital markets and participants therein (such as the obligations on or issuers of the Clients' investments). Such macroeconomic factors include the economic downturn and continuing uncertainties affecting economies and capital markets worldwide due to the COVID-19 pandemic. It is unknown for how long the global supply chains will be affected. Other macroeconomic factors that may adversely affect the Clients' investments include war, incidents of terrorism, political or social unrest and similar events; concerns about financial performance, accounting and other issues relating to various companies; and recent and proposed changes to laws and regulations affecting the financial industry, including banking, credit default swaps and other derivatives, mortgage lending, accounting and reporting standards.

Market Volatility. The profitability of the Clients substantially depend upon the Adviser correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and assets and the movements of interest rates. The Clients cannot guarantee that the Adviser will be successful in accurately predicting price and interest rate movements.

Availability of and Ability to Acquire Suitable Investments. While the Adviser believes that many attractive investments of the type in which the Clients may invest are currently available and can be identified, there can be no assurance that such investments will be available at any given time, or that available investments will meet the Clients' investment criteria. In such event, the Clients may be unable to find a sufficient number of attractive investment opportunities to meet its investment objective.

Limited Liquidity of Client Investments. To the extent that a Client invests its assets in securities that are illiquid (e.g., special investments) because they are restricted, thinly-traded, or otherwise, the Client may not be able to liquidate those investments if the need should arise, and its ability to realize gains, or to avoid losses in periods of rapid market activity, may therefore be affected. In addition, the value assigned to such securities for purposes of determining investors' capital account balances and determining net profits and net losses may differ substantially from the value the Client is ultimately able to realize. Valuation of such securities may be difficult or uncertain, and the Clients may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher selling expenses than does the sale of publicly-traded securities. Even if such securities are publicly-traded, the Clients may be contractually prohibited from disposing of such investments for a specified period of time. As a result, a Client may be required to hold such securities despite adverse price movements. Markets which the Adviser expects to be liquid can experience periods, possibly extended periods, of illiquidity. Occasions have arisen in the past where previously liquid investments have rapidly become illiquid.

Restricted Securities. The Clients are expected to hold investments in restricted securities from time to time. Restricted securities cannot be sold to the public without registration under the Securities Act. Unless registered for sale, restricted securities can be sold only in privately negotiated transactions or pursuant to an exemption from registration (e.g., under Rule 144A of the Securities Act). Although these securities may be resold in privately negotiated transactions, because there is often little liquidity for these securities, they may be difficult and take a substantial amount of time to sell, and the prices realized from these sales could be less than those originally paid by the Clients. Restricted securities may involve a high degree of business and financial risk which may result in substantial losses.

Investments in Public Companies. Clients may invest in public companies or take private companies public. Investments in public companies will subject the Clients to risks that differ in type or degree from those involved with investments in privately-held companies. Such risks include, without limitation, movements in the stock markets and trends in the overall economy, greater volatility in the valuation of such companies,

increased obligations to disclose information regarding such companies, limitations on the ability of the Clients to dispose of such securities at certain times (including due to the possession by the Adviser of material non-public information), increased likelihood of shareholder litigation against such companies' board members, which may include the Adviser's personnel, regulatory action by U.S. and non-U.S. regulators and increased costs associated with each of the aforementioned risks.

Control Position. Although a Client will not do so as a normal investment technique, it may obtain a control position or other substantial position in a public company. Should a Client obtain such a position, it may be required to make filings with the SEC and may become subject to other regulatory restrictions that could limit the ability of the Client to dispose of its holdings at the times and in the manner the Client would prefer. Violations of these regulatory requirements could subject the Client to significant liabilities.

Non-Controlling Positions. The Clients may take minority stakes in privately-held or public companies from time to time, including by purchasing directly on the open market passive stakes in public companies. Such minority holdings will have neither the control characteristics of majority stakes nor the valuation premiums oftentimes accorded to majority or controlling stakes, and such companies may be controlled by persons who have economic or business interests or goals that are inconsistent with those of the Clients or that may be in a position to take action contrary to the Clients' business interests. Where the Clients holds a non-controlling interest in a portfolio company, it may have a limited ability to limit or otherwise protect its position in such company.

Private Investments Generally. The Clients expect to make private investments in early-stage companies, which are exposed to a high degree of business and financial risk. Such risks may adversely affect the performance of any such investments and result in substantial losses to the Clients. While the targeted returns should reflect the perceived level of risk in any investment situation, there can be no assurance that the Clients will be adequately compensated for risks taken. A loss of principal is possible. The timing of profit realization is highly uncertain. Losses are likely to occur early, while successes often require a long maturation.

Clients may acquire control positions in addition to advisory roles with respect to portfolio companies, along with certain contractual rights to protect its investments (including shareholder agreements, redemption rights and/or the right to place a designee of the Adviser on the board of directors or as a board observer). However, the Clients may not acquire control over their portfolio companies. Management or shareholders of portfolio companies may refuse to adopt the recommendations of the Adviser and disagreements with existing management may otherwise arise. Investment losses may result from such refusals or disagreements. Furthermore, in certain circumstances in which a Client does not own 100% of the equity of a portfolio company, but has a controlling interest, the Adviser's actions may be limited by fiduciary obligations to minority owners.

Private investments in highly leveraged companies involve a high degree of risk. Some of a Client's portfolio companies may be leveraged, which will increase the exposure of such companies to adverse economic factors such as downturns in the economy or deterioration in the conditions of such companies or their industry sectors. In the event any portfolio company cannot generate adequate cash flow to meet debt service, the Clients may suffer a partial or total loss of their invested capital, which would adversely affect the return on capital invested in the Clients.

The Clients may be called upon to make follow-on investments in portfolio companies or have the opportunity to increase its investment in portfolio companies. There can be no assurance that the Clients will make any such investment or that it will have sufficient funds to do so should the Adviser wish to do so. Any decision by the Adviser not to make such an investment, or any inability to do so, may have a

substantial negative impact on the relevant portfolio company, may diminish the Clients' ability to influence the portfolio company's future development, may result in dilution of the Clients' prior investment, and could impair the value of such underlying company and, in turn, the investment of the Clients therein. In the event the Clients make a follow-on investment, there is also the risk that the follow-on investment will not preserve, protect or enhance the existing investment, and the Clients may lose both its initial investment and the follow-on investment.

PIPE Transactions. Private investments in public companies whose stocks are quoted on stock exchanges or which trade in the over-the-counter securities market, a type of investment commonly referred to as a "PIPE" transaction, may be entered into with smaller capitalization public companies, which will entail business and financial risks comparable to those of investments in the publicly-issued securities of smaller capitalization companies, which may be less likely to be able to weather business or cyclical downturns than larger companies and are more likely to be substantially hurt by the loss of a few key personnel. In addition, PIPE transactions will generally result in the Clients acquiring either restricted stock or an instrument convertible into restricted stock. As with investments in other types of restricted securities, such an investment may be illiquid. The Clients' ability to dispose of securities acquired in PIPE transactions may depend on the registration of such securities for resale. Any number of factors may prevent or delay a proposed registration. Alternatively, it may be possible for securities acquired in a PIPE transaction to be resold in transactions exempt from registration in accordance with Rule 144 under the Securities Act, or otherwise under the U.S. federal securities laws. There can be no guarantee that there will be an active or liquid market for the stock of any small capitalization company due to the possible small number of stockholders. As a result, even if the Clients are able to have securities acquired in a PIPE transaction registered or sell such securities through an exempt transaction, the Clients may not be able to sell all the securities on short notice, and the sale of the securities could lower the market price of the securities. There is no guarantee that an active trading market for the securities will exist at the time of disposition of the securities, and the lack of such a market could hurt the market value of the Clients' investments.

Portfolio Company Management. While a Client may expect to seek to monitor the performance of each portfolio investment through participation on boards of directors and/or by maintaining an ongoing dialogue with each a portfolio company's management team, generally, each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although the Adviser will be responsible for monitoring the performance of each portfolio investment and intends to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor management team, will be able to operate a portfolio company in accordance with the Clients' plans or expectations.

Commodities and Futures. Clients may invest in commodities and futures contracts. Trading in commodities and futures contracts are highly specialized activities that may entail greater than ordinary investment risks. Commodity futures markets (including financial futures) are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin of deposit normally required in commodity futures trading, a high degree of leverage is typical of a commodity futures trading account. Consequently, a relatively small price movement in a commodity futures contract may result in substantial losses to the trader. Commodity futures trading may also be illiquid. Certain commodity exchanges do not permit trading in a particular type of future beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits – which conditions have in the past sometimes lasted for several days in certain contracts – Clients could be prevented from promptly liquidating unfavorable positions and thus be subject to substantial losses to the extent it invests in commodities and futures.

Special Investments. Clients will invest in securities which are subject to legal or other restrictions on transfer or for which no liquid market exists (e.g., special investments). The market prices, if any, for such securities tend to be volatile and may not be readily ascertainable and Clients may not be able to sell them when they desire to do so or to realize what they perceive to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

Liquidity of Special Investments. Capital invested in special investments generally is not available for withdrawal or distribution until there is a realization event with respect to the respective special investment. An investor may be required to continue to participate in special investments irrespective of whether such investor has otherwise withdrawn from a Fund or managed account, and the Clients may be required to hold special investments for several years, if not longer. Additionally, the Adviser or its affiliates may designate a new special investment after an investor has submitted a withdrawal request, but before a withdrawal date relating to such withdrawal request, which may reduce such withdrawing investor's withdrawal proceeds if there is insufficient cash available to pay such withdrawal proceeds.

Valuation of Special Investments. Each special investment generally will be carried on the books of the Clients at fair value (which may be cost). There is no guarantee that fair value will represent the value that will be realized by a Client on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment.

Hedging Transactions. The Clients' hedging program, if any, may focus mainly on short equity positions as a means to hedge long exposure but may also utilize equity options and ETFs. Investments in shorts, options and ETFs are utilized by investment funds to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Clients to hedge against a fluctuation at a price sufficient to protect the Clients' assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations. For example, the cost of options is related, in part, to the degree of volatility of the underlying instruments or assets. Accordingly, options on highly volatile, thinly-traded small capitalization stocks may be more expensive than options on other instruments or assets and of limited utility in hedging against fluctuations in their prices. The Adviser is not obligated to establish hedges for portfolio positions and may not do so. To the extent that hedging transactions are effected, their success is dependent on the Adviser's ability to correctly predict movements in the direction of currency and interest rates and the equity markets or sectors thereof.

Investments in Non-U.S. Investments. The Clients may invest and trade, from time to time, a portion of their assets in non-U.S. securities and other assets (through ADRs and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and non-U.S. issuers and markets are subject. Such risks may include, but are not limited to:

Political or social instability, the seizure by non-U.S. governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.

Enforcing legal rights in some non-U.S. countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against non-U.S. governments.

Non-U.S. securities and other assets often trade in currencies other than the U.S. dollar, and Clients may directly hold non-U.S. currencies and purchase and sell non-U.S. currencies through forward exchange contracts. Changes in currency exchange rates will affect the Clients' net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of the Clients' investments to decline. Some non-U.S. currencies are particularly volatile. Non-U.S. governments may intervene in the currency markets, causing a decline in value or liquidity of the Clients' non-U.S. currency holdings. If a Client enters into forward non-U.S. currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if a Client enters forward contracts for the purpose of increasing return, it may sustain losses.

Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the U.S. Non-U.S. countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

Investments with Third Parties. The Clients may engage in transactions in securities, commodities, other financial instruments and other assets that involve counterparties. Under certain conditions, a Client could suffer losses if a counterparty to a transaction were to default or if the market for certain securities, commodities, other financial instruments and/or other assets were to become illiquid. In addition, the Clients could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Clients do business, or to which securities, commodities, other financial instruments and/or other assets have been entrusted for custodial purposes. For example, if a Client's prime broker and custodian were to become insolvent or file for bankruptcy, the Client could suffer significant losses with respect to any securities held by such firm. Third parties may have economic or business interests or goals which are inconsistent with those of the Clients, or may be in a position to take (or block) action in a manner contrary to the Clients' investment objectives. In addition, the Clients may in certain circumstances be liable for the actions of its third-party co-venturers. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

Investments in Securities and Other Assets Believed to be Undervalued. The Adviser's investment program contemplates that a portion of a Client's portfolio may be invested in securities and other assets that the Adviser believes to be undervalued. The identification of such investment opportunities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While such investments offer the opportunities for above-average capital appreciation, they also involve a high degree of financial risk and can result in substantial losses. Returns generated from a Client's investments may not adequately compensate for the business and financial risks assumed. The current severe economic conditions and any future major economic recession can severely disrupt the market for such investments and significantly impact their value. In addition, such economic downturn can have a significant adverse effect on the ability of issuers of such obligations to make timely payment of principal and interest thereon and can increase the incidence of default for such securities. Additionally, there can be no assurance that other investors will ever come to realize the value of some of these investments, and that they will ever increase in price. Furthermore, the Clients may be forced to hold such investments for a substantial period of time before realizing their anticipated value. During this period, a portion of the Clients' funds would be

committed to the investments made, thus possibly preventing the Clients from investing in other opportunities.

Concentration of Investments. The Adviser's investment program contemplates a concentrated investment portfolio which, in light of investment considerations, market risks and other factors, it believes will provide the best opportunity for attractive risk-adjusted returns in the value of the Clients' assets. Although the Adviser intends to target certain position limits and other investment limits as described above, the Clients' governing documents and agreements do not formally limit the amount of the Clients' assets that may be invested in a single company, security, country, region, industry, sector or asset class, and the Adviser does not subject the portfolio to any formal policies regarding diversification. The concentration of the Clients' portfolio in any manner described above would subject the Clients to a greater degree of risk with respect to the failure of one or a few investments, or with respect to economic downturns in relation to an individual country, region, industry or sector.

Use of Leverage. When deemed appropriate by the Adviser and subject to applicable regulations, a Client may incur leverage in its investment program, whether directly through the use of borrowed funds, or indirectly through investment in certain types of financial instruments with inherent leverage, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent a Client purchases securities with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of the Client. If the interest expense on this leverage were to exceed the net return on the investments made with borrowed funds, the Client's use of leverage would result in a lower rate of return than if the Client were not leveraged.

If the amount of leverage which a Client may have outstanding at any one time is large in relation to its capital, fluctuations in the market value of the Client's portfolio will have disproportionately large effects in relation to the Client's capital and the possibilities for profit and the risk of loss will therefore be increased. Any investment gains made with the additional leverage will generally cause the net asset value of the Client to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the leveraged capital fails to cover its cost to the Client, the net asset value of the Client will generally decline faster than would otherwise be the case.

Certain of a Client's trading and investment activities may be subject to Federal Reserve Bank ("FRB") margin requirements, which are computed each day. At present, the FRB's Regulation T permits a broker to lend no more than 50% of the purchase price of "margin stock" bought by a customer. When the market value of a particular open position changes to a point where the margin on deposit does not satisfy maintenance margin requirements, a "margin call" on the customer is made. If the customer does not deposit additional funds with the broker to meet the margin call within a reasonable time, the customer's position may be closed out. In the event of a precipitous drop in the value of the assets held by a Client, the Adviser might not be able to liquidate assets quickly enough to pay off the margin debt and the Client might suffer mandatory liquidation of positions in a declining market at relatively low prices, incurring substantial losses. With respect to the Clients' trading activities, the Clients, and not its shareholders personally, will be subject to margin calls.

Overall, the use of leverage, while providing the opportunity for a higher return on investments, also increases the volatility of such investments and the risk of loss. Investors should be aware that an investment

program utilizing leverage is inherently more speculative, with a greater potential for losses, than a program that does not utilize leverage.

Securities Lending and Borrowing Involve Insolvency and Credit Risks. The Clients may lend securities to securities brokers and other institutions or borrow securities from securities brokers or other institutions to effect short sales. If the other party becomes insolvent or bankrupt, the Clients could experience delays and costs in recovering payment or the securities. If, in the meantime, the value of securities changes, the Clients could suffer more losses.

Changing Conditions Could Cause the Clients to Suffer Losses. There are innumerable external factors that could impact the Clients including changes in economic conditions (such as interest rates and inflation rates), industry conditions, governmental regulation, competition, technological developments, political and diplomatic events and trends, the outbreak of war or terrorist acts, changes in tax laws and other factors. Neither the Investment Manager nor the Master Fund can control any of these conditions.

Initial Public Offerings. As permitted by the FINRA's Conduct Rules, to allow Clients to participate in certain initial public offerings, the Clients may establish "new issue accounts" in which persons who are restricted from participating will not share or may only share in a limited extent. New issues may experience substantial price fluctuations and the availability thereof may be limited. The Clients may modify the way in which it handles the participation in new issues to conform to amendments in the applicable rules, regulations and interpretations.

Small- and Mid-Capitalization Companies. Small- and mid-cap companies in which the Clients may invest are often more vulnerable than larger companies to adverse business or market developments and have limited markets and financial resources. These companies may lack experienced management, may have a limited operating history, may be operating at a loss or with substantial variations in operating results from period to period and may require substantial additional capital to support expansion or to achieve or maintain a competitive position. These investments may include venture capital, special situations and private investments. Although these investments may offer opportunities for significant gains, they generally involve a very high degree of business and financial risk and can result in substantial losses. The securities of small-cap companies tend to be less seasoned than, and more susceptible to volatility in valuation and performance, than larger and more seasoned companies. In addition, small- and medium-sized companies often are not as well known to the investing public, in part, because relatively few of them are followed by traditional Wall Street security analysts, and information about them may be more difficult to obtain and may be less reliable and more subjective than information about larger public companies.

Operating and Financial Risks of Portfolio Companies. The value or performance of the a Clients' portfolio companies could deteriorate as a result of, among other factors, adverse business developments, a change in the competitive environment or an economic downturn. As a result, portfolio companies that the Adviser may have expected to be stable may operate at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive positions, or may otherwise be in a weak financial condition or experience financial distress from time to time. In some cases, the success of the Clients' investment strategy and approach may depend in part on the ability of the Adviser to effect improvements in the operations of a portfolio company and/or recapitalize its balance sheet. The activity of identifying and implementing operating improvements and/or recapitalization programs entails a high degree of uncertainty. There can be no assurance that the Clients will be able to successfully identify or implement such improvements or programs.

Life Science and Healthcare Technology. The Clients' focus on companies in the life science sector means that the Clients' performance will be closely tied to and affected by events occurring in the life science

sector, including potential changes in government policies or regulatory requirements. Certain factors affecting companies in the life science sector may include, but are not limited to: certain companies that manufacture and/or market life science products may have limited operating histories, making it difficult to assess the likelihood of such products' commercial success; certain companies in the life science sector may not have sufficient management or marketing personnel with appropriate scientific or medical training in order to adequately product or market their products, which may slow or impede the revenue stream generated by such products; and the prices at which securities in a life science company are acquired by Clients will often be based, in part, on sales projections with respect to the underlying products, which projections may prove to be inaccurate. Certain life science companies in which the Clients have invested may also experience adverse impacts from: unanticipated delays in research and development efforts; previous preclinical testing or clinical trial results that ultimately are not indicative of future clinical trial results; errors in the conduct of clinical trials; adverse safety findings regarding drugs; clinical trial results that do not support submission of a marketing approval application for drug product candidates; intellectual property considerations; reliance on third-party manufacturers, collaborators, and clinical research organizations who may fail to perform according to agreed specifications; inability to control the development of out-licensed drug compounds or drug candidates; inability of collaborators to develop and commercialize product candidates; inability to maintain or obtain adequate product liability and other insurance coverage; adverse impact of technological advances and competition; inability to compete against third parties with greater resources; changes in pricing and reimbursements in the markets in which they compete; excessive leverage; limitations on their ability to incur additional indebtedness and incur liens on their assets restricting their ability to obtain additional capital when needed; cost of goods sold remaining high enough that it is difficult to achieve profitability; third-party payors for drugs or diagnostics rescinding or modifying their contracts or reimbursement policies or delaying payments; inability to expand as expected outside the United States; failure to receive reimbursement for a drug or diagnostic under changing Medicare rules; failure of physicians to prescribe a drug or diagnostic to the extent anticipated; inability to obtain inputs necessary to the manufacture of a drug or diagnostic at the anticipated cost; failure of information technology and telecommunications systems that are critical to their business; failure to appropriately handle or dispose of biological and hazardous materials; misplaced reliance on third-party distributors; difficulties in integrating legacy companies from a merger or acquisition; inability to recruit talented personnel, including scientists; and changes in government policies or regulatory requirements of various federal and state agencies.

Investment and Trading Out of Sector. The Client's may trade in sectors other than life science, including for hedging purposes and/or on an opportunistic basis. Although out-of-sector positions are not expected to represent core positions, the profit or loss from those positions could have a material impact on the Clients' performance.

Regulatory Approvals. Companies in the life sciences sector generally are often subject to governmental regulation and approval of their products, which can have a significant effect on their value. Usually, such companies require the approval of agencies such as the FDA prior to marketing their products to the public. Of particular significance are the FDA requirements covering research and development, testing, manufacturing, quality control, labeling and promotion of drugs for human use. The approval process is very lengthy and very costly, and there can be no guarantee that a portfolio company will obtain the necessary approvals for its products. If a portfolio company is unable to obtain these approvals in a timely fashion, the portfolio company may experience significant adverse effects, which in turn could negatively affect the performance of the Clients. Moreover, the current regulatory framework may change or additional regulations may arise at any stage during the product development phase, which may affect a portfolio company's ability to obtain approval of its products. Even if all applicable governmental and/or regulatory approvals are obtained with respect to such product, previously unknown or undisclosed side-effects or complications relating to the product may be disclosed, resulting in a loss of market acceptance or a

withdrawal of previously granted approvals, thereby reducing or eliminating the revenue stream derived from such products. Moreover, to the extent the Clients hold securities in public companies, stock prices of life sciences companies are very volatile, particularly when their products are up for regulatory approval and/or under regulatory scrutiny.

Intellectual Property Considerations. The Clients may invest in the securities of companies that will need to obtain patents for their products, both in the United States and in other countries. The patent protection of the intellectual property of life sciences companies in many countries is highly uncertain and involves complex legal, scientific and factual issues. Companies in which the Clients invests may face costs associated with prosecuting, maintaining, defending and enforcing patent claims and other intellectual property rights, be unable to obtain patent protection for discoveries or to in-license potential drug compounds or drug candidates or other technology. The policy regarding allowable claim matter of life sciences-related technology patents varies from jurisdiction to jurisdiction.

Product Liability. The potential liability of life sciences companies for products that are later alleged to be harmful or unsafe may be substantial, and any claim, whether or not meritorious, may have a significant impact on a life sciences company's value. Certain of these companies may become involved in lawsuits with respect to their products, or with respect to intellectual property rights or other rights relating to them, which lawsuits may result in an inability to market these products or may otherwise impair the related revenue stream expected to be derived from such product.

Therapeutics Development Risk. The Clients are expected to invest in early-stage companies, which investments involve greater risk than are customarily associated with investing in established companies with commercialized product lines, as the value of their securities is often significantly attributed to the prospects of their development programs, and clinical setbacks, unanticipated safety risks or lack of therapeutic efficacy, among other factors, can result in significant value destruction. The Clients may hold investments in public companies during periods when critical data is released by the company. Where possible given the nature of the investment (e.g., if the investment is in a publicly tradeable security), the Adviser will attempt to manage the exposure to levels consistent with the risk parameters of the Clients. There can, however, be no assurance that this will be successfully accomplished in all instances, or that negative news flow at unanticipated points in time will not negatively impact Clients performance beyond the targeted risk parameters.

Legal and Regulatory Environment for Private Investment Funds and their Managers. The legal and regulatory environment worldwide for private investment funds (such as the Clients) and their managers (such as the Adviser) is evolving. Changes in the regulation of private investment funds, their managers, and their trading and investing activities may have a material adverse effect on the ability of the Clients to pursue its investment program and the value of investments held by the Clients. There has been an increase in scrutiny of the private investment fund industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the Clients to pursue its investment program or employ brokers and other counterparties could have a material adverse effect on the Clients and the investor's investments therein. In addition, the Adviser may, in its sole discretion, cause the Clients to be subject to certain laws and regulations if it believes that an investment or business activity is in the Clients' interest, even if such laws and regulations may have a detrimental effect on one or more investors.

Governmental Interventions. Extreme volatility and illiquidity in markets has in the past led to, and may in the future lead to, extensive governmental interventions in equity, credit and currency markets. Generally, such interventions are intended to reduce volatility and precipitous drops in value. In certain cases, governments have intervened on an "emergency" basis, suddenly and substantially eliminating market

participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in uncertainty. It is impossible to predict when these restrictions will be imposed, what the interim or permanent restrictions will be and/or the effect of such restrictions on the Clients.

Inflation Risk. Inflation results from the variation in the value of cash flows from an investment of the Clients due to inflation, as measured in terms of purchasing power. The United States and other economies have recently experienced historically high inflation rate levels and there is uncertainty in connection with changing expectations relating to inflation and deflation. Changes in inflation rates may adversely impact the Clients and its return on investments. For example, returns on investments of the Clients which have fixed interest rates may suffer as a result of inflation.

Potential Interest Rate Increases. The United States has experienced a sustained period of historically low interest rate levels. However, the uncertainty of the U.S. and global economy, changes in U.S. government policy and changes in the federal funds rate could cause interest rates to increase or be volatile in the future. Sustained future interest rate volatility could adversely affect the value of any securities held by the Clients.

Assumption of Catastrophe Risks. The Clients may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters (which may be caused, or enhanced in frequency and severity, by climate change factors); war, terrorism and other armed conflicts; cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks, epidemics and pandemics. To the extent that any such event occurs and has a material effect on global financial markets or specific markets or issuers in which the Clients invests (or has a material negative impact on the operations of any service provider), the risk of loss could be substantial and could have a material adverse effect on the Clients and the investor's investments therein.

Coronavirus Risks. In December 2019, the virus SARS-CoV-2, which causes the coronavirus disease known as COVID-19, was first identified in the human population. The disease spread around the world, resulting in the temporary closure of many corporate offices, retail stores, and manufacturing facilities across the globe, as well as the implementation of travel restrictions and remote working and "shelter-in-place" or similar policies by numerous companies and national and local governments. These actions caused the disruption of manufacturing supply chains and consumer demand in certain economic sectors, resulting in significant disruptions in local and global economies. Such disruptions continue to be felt, as many countries and U.S. states struggle to contain the virus and its variants. The short-term and long-term impact of COVID-19 on the operations of the Adviser and the performance of the Clients is difficult to predict. Any potential impact on such operations and performance will depend to a large extent on future developments and actions taken by authorities and other entities to contain COVID-19 and its economic impact. These potential impacts, while uncertain, could adversely affect the performance of the Clients.

Discontinuation of LIBOR. In the event that the Clients are a party to a financial contract that uses the London Interbank Offered Rate ("LIBOR") as a reference rate (any such rate, a "**Reference Rate**"), which will not be published after June 30, 2023 (the one-week and two-month tenors of U.S. Dollar LIBOR ceased to be published after December 31, 2021), then any such financial contract may need to be renegotiated due to the expected discontinuation of LIBOR. In anticipation of the end of LIBOR, the United States and other countries are replacing LIBOR with alternative Reference Rates. Generally, the transition to alternative Reference Rates may (i) cause the value of a Reference Rate to be uncertain or to be lower or more volatile than it would otherwise be; (ii) result in uncertainty as to the functioning, liquidity or value of certain financial contracts; (iii) involve actions of regulators or rate administrators that adversely affect certain markets or specific financial contracts and (iv) impact the strategy, products, processes, legal positions and

information systems of market participants, including the Fund and its counterparties. With respect to financial contracts to which the Clients are a party (if any), any such contract that has a maturity that extends beyond June 2023 and uses LIBOR as a Reference Rate (other than contracts that include curative fallback language or which have other curative mechanisms available, such as safe harbor legislation adopted in the State of New York to permit the replacement of LIBOR with the rates recommend by ARRC in contracts governed by New York law and the Adjustable Interest Rate (LIBOR) Act included in the Consolidated Appropriations Act, 2022) may need to be renegotiated, the process of which will consume resources of the Fund and may result in disputes among counterparties, the result of which may be adverse to the Fund. Regulators have encouraged market participants to cease (and in the case of entities that they regulate, have required such entities to cease) entering into new contracts that use U.S. Dollar LIBOR as a reference rate. As a result, U.S. Dollar LIBOR's liquidity and usefulness is expected to diminish as new use comes to an end; and investors should expect that the Clients will (to the extent it is party to financial contracts) be a party to SOFR-based contracts, or contracts utilizing different Reference Rates. Considered in their entirety, the impacts of the discontinuation of LIBOR on financial markets generally and on the specific financial contracts to which the Clients are a party may adversely affect the performance of the Clients.

Equity Securities. The purchaser of an equity security typically receives an ownership interest in the company as well as certain voting rights. The owner of an equity security may participate in a company's success through the receipt of dividends, which are distributions of earnings by the company to its owners. Equity security owners may also participate in a company's success or lack of success through increases or decreases in the value of the company's shares as traded in the public trading market for such shares. Equity securities generally take the form of common stock or preferred stock. Preferred stockholders typically receive greater dividends but may receive less appreciation than common stockholders and may have lesser or greater voting rights as well. Equity securities may also include convertible securities, warrants, or rights. Convertible securities typically are debt securities or preferred stocks which are convertible into common stock after certain time periods or under certain circumstances. Warrants or rights give the holder the right to purchase a common stock at a given time for a specified price. Equities may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. In particular, equity prices are directly affected by issuer-specific events, as well as general market conditions. In addition, in many countries investing in common stocks is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments.

Preferred Stock. The Clients are expected to hold preferred stock investments from time to time. Investments in such securities involve risks related to priority in the event of bankruptcy, insolvency or liquidation of the issuing company and how dividends are declared. Preferred stock ranks junior to debt securities in an issuer's capital structure and, accordingly, is subordinate to all debt in bankruptcy. Preferred stock generally has a preference as to dividends. Such dividends are generally paid in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

Exchange Traded Funds. Because ETFs are, by definition, portfolios of securities, the Adviser believes that the unsystematic risk associated with investments in ETFs is generally very low relative to investments in ordinary securities of individual issuers. However, there are events that can trigger sharp and sometimes adverse price movements in ETFs that are not related to movements of the market in general. Not limited to, but among these, are surprise dividends, changes to regular dividend amounts, announcements of rights

offerings and possible surprise revisions to net asset values of the ETF. In addition, the Investment Company Act places certain restrictions on the percentage of ownership that a private investment fund, such as the Partnership, may have in an ETF. The Adviser may invest in small and/or unseasoned ETFs with small market capitalization. While smaller ETFs generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification, and competitive strength of larger ETFs. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger ETFs. As a result, the securities of smaller ETFs may be subject to wider price fluctuations.

Options. The Clients may invest, from time to time, in options, including buying and writing puts and calls on some of the securities held by the Clients in an attempt to supplement income derived from those securities. The prices of many options are highly volatile. The value of options depends primarily upon the price of the securities underlying them. Price movements of options contracts are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Clients are also subject to the risk of the failure of any of the exchanges on which its positions trade or of clearinghouses or counterparties. The cost of options are related, in part, to the degree of volatility of the underlying securities. Accordingly, options on highly volatile securities may be more expensive than options on other investments.

Put options and call options typically have similar structural characteristics and operational mechanics regardless of the underlying instruments or assets on which they are purchased or sold. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the writer the obligation to buy, the underlying instrument at the exercise price. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller the obligation to sell, the underlying instrument at the exercise price.

If a put or call option purchased by the Clients were permitted to expire without being sold or exercised, the Clients would lose the entire premium it paid for the option. The risk involved in writing a put option is that there could be a decrease in the market value of the underlying instrument or asset caused by rising interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold to the Clients at a higher price than its current market value. The risk involved in writing a call option is that there could be an increase in the market value of the underlying instrument or asset caused by declining interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold by the Clients at a lower price than its current market value.

Purchasing and writing put and call options and, in particular, writing “uncovered” options are highly specialized activities and entail greater-than-ordinary investment risks. In particular, the writer of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying instrument or asset above the exercise price of the option. This risk is enhanced if the instrument or asset being sold short is highly volatile and there is a significant outstanding short interest. These conditions exist in the stocks of many companies. The instrument or asset necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing instruments or assets to satisfy the exercise of the call option can itself cause the price of the instruments or assets to rise further, sometimes by a significant amount, thereby exacerbating the loss. Accordingly, the sale of an uncovered call option could result in a loss by the Clients of all or a substantial portion of its assets.

Item 9 Disciplinary Information

There are no legal or disciplinary events to report that would be material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10 Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration Status

Neither the Adviser nor any management persons of Blue Water are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Commodities-Related Registration

Neither the Adviser nor any management persons of Blue Water are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

C. Material Relationships or Arrangements with Industry Participants

A Fund or the Adviser may enter into agreements, or “side letters,” with certain prospective or existing limited partners or shareholders whereby such limited partners or shareholders may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for such Fund. For example, such terms and conditions may provide for special rights to make future investments in the Fund; special redemption rights, relating to frequency or notice; a waiver or rebate in fees or redemption penalties to be paid by the limited partner or shareholder and/or other terms; rights to receive reports from the Fund on a more frequent basis or that include information not provided to other limited partners or shareholders (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the Fund and such limited partners or shareholders. The modifications are solely at the discretion of the Fund and/or the Adviser and may, among other things, be based on the size of the limited partner’s or shareholder’s investment in the Fund or affiliated investment entity, an agreement by a limited partner or shareholder to maintain such investment in the Fund for a significant period of time, or other similar commitment by a limited partner or shareholder to the Fund. As a result, the Fund, the general partner, and/or any of their affiliates may face potential conflicts of interest if they manage the assets of the Fund in accordance with such terms and conditions in order to preserve the investments of such Investors, however, the Adviser acts as a fiduciary and endeavors to manage a Fund consistent with its best interests.

D. Material Conflicts of Interest Relating to Other Investment Advisers

Blue Water does not recommend or select other investment advisers for their clients.

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

A. Code of Ethics

The Adviser has adopted a Code of Ethics (the “**Code**”) that obligates the Adviser and its related persons to put the interests of the Clients before their own interests and to act honestly and fairly in all respects in their dealings with Clients. See below for further provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by related persons. The Code incorporates the following general principles that all employees are expected to uphold:

- employees must at all times place the interests of clients first;
- all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of an employee’s position of trust and responsibility must be avoided;
- employees must not take any inappropriate advantage of their positions; and
- information concerning the identity of securities and financial circumstances of the Funds, including the Funds’ investors, must be kept confidential.

Clients or prospective clients may obtain a copy of the Code by contacting the Adviser’s Chief Compliance Officer by telephone at (415)-720-3006 or by e-mail at yolanda@bluewaterlifescienceadvisors.com.

B. Client Transactions in Securities where Adviser has a Material Financial Interest

The Adviser or its related persons may invest client assets in one or more investment companies (and offshore investment vehicles for non-U.S. Clients) for which the Adviser acts as a general partner and/or investment adviser (*e.g.*, a Fund). This practice creates a conflict of interest because the Adviser or related person has an incentive to recommend/buy securities from (or sell securities to) Clients based on its own financial interests, rather than solely the interests of a Client. In addition, this practice results in the Client’s account being charged its *pro rata* share of the investment management fee at both levels. The Adviser addresses this conflict of interest by waiving investment advisory fees at the principal level.

The Adviser at times determines that it would be in the best interests of certain Clients to transfer a security from one Client to another (each such transfer, a “Cross Trade”) for a variety of reasons, including, without limitation, tax purposes, liquidity purposes, to rebalance the portfolios of the clients, or to reduce transaction costs that may arise in an open market transaction. If the Adviser decides to engage in a Cross Trade, the Adviser will determine that the trade is in the best interests of each Client involved in it and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those Clients. In addition, cross transactions are not permitted for benefit plan or other similar accounts that are subject to ERISA.

The Adviser may execute Cross Trades with the assistance of a broker-dealer who executes and books the transaction at the close of the market on the day of the transaction. Alternatively, a Cross Trade between two Clients may occur as an “internal cross”, where the Adviser may instruct the custodian for the Clients to book the transaction at the price determined in accordance with the Adviser’s valuation policy. If the Adviser effects an internal cross, the Adviser will not receive any fee in connection with the completion of the transaction.

To the extent that Cross Trades may be viewed as principal transactions due to the ownership interest in a client by the Adviser or its personnel, the Adviser will comply with the requirements of Section 206(3) of the Advisers Act.

C. Investing in Securities Recommended to Clients

In recognition of the Adviser's fiduciary obligations to its Clients and desire to maintain its high ethical standards, the Adviser has adopted the personal trading restrictions and requirements described below to: (i) prevent improper personal trading by employees of the Adviser; (ii) prevent improper use of material, non-public information about securities recommendations made by the Adviser or securities holdings of Clients; (iii) identify conflicts of interest; and (iv) provide a means to resolve any actual or potential conflict in favor of the Client.

While it is impossible to define all situations that might pose such a risk, the Adviser's Code is designed to address those circumstances where such risks have been identified and may be likely to arise. The Adviser's Code adopts a set of procedures with respect to transactions effected by its employees for their "personal accounts."

The Adviser and its employees may purchase or sell specific securities for their personal accounts based on personal investment considerations without regard to whether the purchase or sale of such securities is appropriate for Clients. An employee must adhere to certain procedures when buying or selling a security for a personal account. These procedures will include, among other things: (i) the employee must confirm that he or she is not in receipt of material, non-public information; (ii) the employee must seek approval from the Chief Compliance Officer for all trades of reportable securities made for a personal account (generally pre-clearance is not required for transactions in ETFs unless they have predominant exposure in healthcare sector); and (iii) the employee must execute all approved trades on the day the approval for such trade is given. If the trade is not executed on such day, the employee must seek new approval.

From time to time, trading by the Adviser and its employees (and certain of their relatives) in particular securities may be restricted in recognition of impending investment decisions on behalf of Clients. If transaction orders for a Client and the Adviser (and/or its employees and certain of their relatives) are not aggregated, the transaction orders for the Adviser (and/or its employees and relatives) will be the last orders filled.

D. Conflicts of Interest Created by Contemporaneous Trading

The Adviser manages investments on behalf of a number of Clients. Certain clients have investment programs that are similar to or overlap and may, therefore, participate with each other in investments. It is the policy of the Adviser to allocate investment opportunities among all Clients fairly, to the extent practical and in accordance with each Client's applicable investment strategies, over a period of time. The Adviser will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to any client solely because the Adviser purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to any Client if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practical or desirable for the Client.

As a general matter, the Adviser will seek to cause investment opportunities to be allocated among the accounts on a fair and equitable basis and in a manner consistent with each Account's particular objectives, investment strategy, terms and restrictions. The Adviser will seek to cause investment opportunities generally to be allocated to the account or accounts for which participation in the respective opportunity is considered suitable, taking into account the nature of the opportunity, whether the risk-return profile and other characteristics of the investment are consistent with the account's objectives, investment strategy, terms and restrictions; the potential for the investment to create an imbalance in a portfolio or a breach of any specific issuer concentration, geographic, investment stage, involvement level-based, sector specific requirements or other parameters; the liquidity profile of the account; potentially adverse tax consequences;

applicable regulatory restrictions; the particular risk(s) in a portfolio; and relative amounts of capital available for investment.

The Adviser and/or its affiliates has, from time to time, offered one or more investors in a fund or other third-party investors the opportunity to co-invest with a fund particular investments. The Adviser and its affiliates are not obligated to arrange co-investment opportunities and no investor will be obligated to participate in such an opportunity. The Adviser and its affiliates have sole discretion as to the amount (if any) of a co-investment opportunity that will be allocated to a particular investor and may allocate co-investment opportunities instead to third parties. The Adviser and/or its affiliates may receive fees and/or allocations from co-investors, which may differ as among co-investors and also may differ from the fees and/or allocations borne by a Fund.

With respect to co-investments, the Adviser will seek to fairly allocate expenses among Clients including any co-investors. Generally, Clients that own an investment will share in expenses related to such investment, including expenses originally charged solely a Client. However, it will not always be possible to allocated or re-allocate expenses to a co-investor, depending upon the circumstances surrounding the applicable investment (including the timing of the investment) and the financial and other terms governing the relationship of the co-investor to the Client accounts with respect to the investment, and, as a result, there may be occasions where co-investment vehicles do not bear a proportionate share of such expenses. In addition, where a potential investment is contemplated but ultimately not consummated, potential co-investors generally will not share in any expenses related to such potential investment, including expenses borne by any account with respect to such potential investment.

Item 12 Brokerage Practices

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

The Adviser has full discretionary authority to manage the Clients, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid. The Adviser's authority is limited by its own internal policies and procedures and each Clients' investment guidelines.

Portfolio transactions for the Clients will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to us and/or certain clients, but not beneficial to all clients. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services.

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution, offering to the Adviser on-line access to computerized data regarding a Client's accounts. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a Client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate.

1. Research and Other Soft Dollar Benefits

The Adviser receives research or other products or services other than execution from a broker-dealer and/or a third party in connection with client securities transactions. This is known as a "soft dollar" relationship. The Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended ("**Section 28(e)**"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

When the Adviser uses client commissions to obtain Section 28(e) eligible research and brokerage products and services, it receives a benefit because it does not have to produce or pay for the research, products or service. The Chief Compliance Officer will periodically review and evaluate the Adviser's soft dollar

practices and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or the Adviser's overall responsibilities to the accounts or portfolios over which the Adviser exercises investment discretion.

The use of client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services.

The Adviser may cause Clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for Clients.

Research and brokerage services obtained by the use of commissions arising from a Client's portfolio transactions may be used by the Adviser in its other investment activities, including, for the benefit of other client accounts. The Adviser does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

The Adviser may participate in "client commission arrangements" pursuant to which the Adviser may execute transactions through a broker-dealer and request that the broker-dealer allocate a portion of the commissions or commission credits to another firm that provides research and other products to the Adviser. The Adviser excludes from use under these arrangements those products and services that are not eligible under Section 28(e) and applicable regulatory interpretations.

Research products and services provided by brokers through which client transactions are executed, settled and cleared may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, access to management and other products and services providing lawful and appropriate assistance to the Adviser in the performance of its investment decision-making responsibilities.

2. Brokerage for Client Referrals

Neither the Adviser nor any related person receives Client referrals from any broker-dealer or third party.

3. Directed Brokerage

The Adviser does not recommend, request or require that a Client direct the Adviser to execute transactions through a specified broker-dealer.

B. Order Aggregation

The Adviser may aggregate sale and purchase orders of securities held by the Clients with similar orders being made simultaneously for other accounts managed by the Adviser if, in the Adviser's judgment, such aggregation is reasonably likely to result in an overall economic benefit to the Clients based on an evaluation that the Clients are benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. When it does, the Adviser will allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. The Adviser believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less

advantageous to the Clients than if the Clients had been the only account effecting the transaction or had completed its transaction before the other participants. To the extent that the Adviser has an interest in the Clients, there may be circumstances in which the Clients' transactions may not, under certain laws and regulations, be combined with those of some of the Adviser's and its affiliates' other Clients, and the Clients may obtain less advantageous execution than such other Clients.

Item 13 Review of Accounts

A. Frequency and Nature of Review

Each client account is reviewed by Mr. Cornell, the Adviser's Portfolio Manager or his designee on a daily basis to determine whether securities positions should be maintained in view of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of each client account.

B. Factors Prompting a Non-Periodic Review of Accounts.

Significant market events affecting the prices of one or more securities in client accounts, changes in the investment objectives or guidelines of a particular Client, or specific arrangements with particular Clients may trigger reviews of client accounts on other than a periodic basis.

C. Content and Frequency of Regular Account Report

A Fund's investors receive reports from such Fund pursuant to the terms of such Fund's offering memoranda or as otherwise described in the offering document of such Fund.

Item 14 Client Referrals and Other Compensation

A. Economic Benefits Received from Non-Clients for Providing Services to Clients

Generally, we do not receive economic benefits from non-clients for providing investment advice and other advisory services. However, the Adviser may receive certain research or other products or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser’s interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of its Clients. Please see Item 12 for further information on the Adviser’s “soft-dollar” practices, including the Adviser’s procedures for addressing conflicts of interest that arise from such practices.

B. Compensation to Non-Supervised Persons for Client Referrals

Neither we nor any of our related persons directly or indirectly compensates any person who is not a supervised person, including placement agents, for client referrals.

Item 15 Custody

The Adviser does not act as custodian with respect to Client funds or securities. An independent institution (a qualified custodian) holds all client funds and securities. The Adviser is deemed to have custody of client assets with respect to the Funds because the Adviser or an affiliate serves as the general partner (or the equivalent). To comply with Rule 206(4)-2 under the Advisers Act, each Fund will be subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements of each Fund will be prepared in accordance with generally accepted accounting principles and distributed to the Fund's investors within 120 days of the end of the Fund's fiscal year. Investors should carefully review the audited financial statements of the Fund upon receipt and should compare these statements to any account information provided by the Adviser.

Item 16 Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to its Clients. Please see Item 4 for a description of any limitations Clients may place on the Adviser's discretionary authority.

Prior to assuming full discretion in managing a Client's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

The Adviser has internal controls in place to seek to prevent trade errors from occurring. If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. Such errors may result in losses or gains. The Adviser will use reasonable efforts to detect such errors prior to settlement and promptly correct them. To the extent that an error is caused by a counterparty, such as a broker-dealer, the Adviser will use reasonable efforts to recover any losses associated with such error from the counterparty. The costs of a trade error in a Client's account will generally be borne in accordance with the governing documents for the Client's account and any applicable legal or regulatory requirements.

Item 17 Voting Client Securities

The Adviser generally votes proxies on behalf of its Clients. In that regard, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to client securities, such proxies are voted in the best interests of its Clients. In voting proxies, the Adviser votes in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated), selection of auditors and increases in or reclassification in common stock. In case of extraordinary circumstances, the Firm may vote against the company management's recommendations in order to act in the best interest of its Clients, and will document such proxy vote decision accordingly. If a material conflict of interest between the Adviser and a Client exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the Client. The Adviser does not make any qualitative judgment regarding its Clients' investments.

In limited circumstances, the Adviser may refrain from voting proxies where we believe that voting would be inappropriate, taking into consideration the cost of voting the proxies and the anticipated benefit to its clients. Generally, clients may not direct our vote in a particular solicitation.

Each Client may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted such Client's proxies by contacting Chief Compliance Officer by telephone at (415) - 720-3006 or by e-mail at [*@bluewaterlifescienceadvisors.com*](mailto:@bluewaterlifescienceadvisors.com).

Item 18 Financial Information

The Adviser is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.