

## **Lynx1 Capital Management LP**

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This brochure (this “Brochure”) provides information about the qualifications and business practices of Lynx1 Capital Management LP. If you have any questions about the contents of this Brochure, please contact Lynx1 Capital Management LP by e-mail at [weston@lynx1bio.com](mailto:weston@lynx1bio.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.

Registration as an investment adviser does not imply that Lynx1 Capital Management LP or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

Additional information about Lynx1 Capital Management LP is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2. Material Changes**

There are no material changes to report since Lynx1 Capital Management LP filed its initial Form ADV (including its initial Brochure) on March 3, 2023. Nonetheless, Lynx1 Capital Management LP encourages all recipients to read this document in its entirety.

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**Item 4. Advisory Business**

Lynx1 Capital Management LP ("LCM") is a Delaware limited partnership that was formed in May 2020. Lynx1 Capital Advisors LLC ("LCA"), its relying adviser, is a Puerto Rico limited liability company that was formed in August 2020. LCM and LCA are jointly referred to herein as the "Firm." The Firm is principally owned and controlled by Weston Nichols, the Firm's Chief Investment Officer (the "CIO").

LCM provides discretionary investment advice to the following private funds (together, the "Flagship Funds"): (i) Lynx1 Onshore Fund LP (the "Onshore Fund") and (ii) Lynx1 Master Fund LP (the "Master Fund"). The Onshore Fund is a feeder fund that invests through the Master Fund. The Firm also provides discretionary investment advice to Lynx1 Opportunity Fund I LP (the "Opportunity Fund") and collectively with the Flagship Funds, the "Funds"). The Firm also sub-advises a fund through a separately managed account (the "SMA"). LCA serves as the sub-adviser to the Funds. The Firm may also provide investment advice to additional private funds and expects to provide investment advice to SMAs primarily for institutional, non-retail investors. References throughout this document to "clients" refer to the Funds and any other private funds and SMAs that the Firm may advise in the future.

Client accounts are managed in accordance with their own investment and trading objectives, as described in their respective offering documents, governing agreements or advisory agreements (collectively, the "Governing Documents"), as applicable. The Firm does not permit investors in the Funds to impose limitations on the investment activities described in the Funds' Governing Documents. Under certain circumstances, the Firm may contract with a client to adhere to limited risk and/or operating guidelines imposed by that client. The Firm would negotiate such arrangements on a case-by-case basis. (See *Item 16 - Investment Discretion.*)

Lynx1 Fund GP LLC, one of the Firm's related persons (the "Lynx1 GP"), serves as the general partner to certain Funds.

The Firm does not participate in wrap fee programs.

As of December 31, 2023, the Firm managed \$268,343,489 of regulatory assets under management on a discretionary basis. The Firm does not manage any assets on a non-discretionary basis.

**Item 5. Fees and Compensation**

The Firm's fees and compensation are described in its clients' Governing Documents. All of the Firm's clients are "qualified purchasers" (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended).

The Firm is paid management fees from the Flagship Funds quarterly in advance. Once paid, such management fees are non-refundable. The Firm deducts management fees from the Flagship Funds. The Firm may reduce or waive management fees with respect to any investor (including any affiliates of the Firm). The Firm does not expect that management fees will be paid with respect to shares or interests of the Flagship Funds held (directly or indirectly) by or for the benefit of the CIO, the Firm's employees or their respective affiliates, or immediate family members of such parties.

The Opportunity Fund and the SMA are not subject to management fees.

The Lynx1 GP will be entitled receive performance-based allocations or carried interest from the Funds, as further described in *Item 6 – Performance-Based Fees and Side-By-Side Management*.

The Firm's compensation schedule with respect to any future client account will be contained in the Governing Documents relating to such account.

The Flagship Funds will bear all of their operating expenses (collectively, the "Flagship Fund Expenses"), which expenses will include, without limitation: (i) organizational and offering expenses, (ii) expenses associated with all investments and transactions considered, evaluated and/or consummated by the Flagship Funds, as well as overall consideration and evaluation of the Flagship Funds' portfolio, including, without limitation, those expenses incurred before the initial closing of the Flagship Funds, including, without limitation, expenses associated with sourcing, negotiating, investigating, researching, financing and structuring of investments and potential investments, whether or not consummated, including, without limitation, data and research onboarding, ingestion, aggregation, and analysis, third-party research, data, analytics, modeling, risk, structuring, pricing, execution and other third-party information systems, including, without limitation, installation and maintenance, software and service fees (including, without limitation, the expenses with respect to data, data feeds, subscriptions, expert networks, political intelligence providers and reports), (iii) the costs of research-related computer hardware and software expenses, including, without limitation, Bloomberg terminals and subscriptions and other market information systems, as well as the costs of research management systems and corporate access tracking systems, (iv) the costs of the Firm's portfolio management system and any other software used for accounting and/or monitoring of the portfolio, including, without limitation, subscriptions relating to, among other things, trading and order management systems and services, (v) expenses associated with holding, financing, monitoring, hedging, maintaining and disposing of all investments of the Flagship Funds and all transaction and other costs associated therewith, including, without limitation, expenses associated with proxy research and voting services, (vi) travel (first-class or equivalent) and related expenses associated with investments and potential investments, (vii) professional fees associated with investments and potential investments, including, without limitation, consulting, due diligence, accounting, valuation, financial, legal and other advisory fees and expenses, (viii) transaction fees, brokerage commissions, custodial fees, clearing and settlement charges and similar fees and expenses associated with the acquisition, disposition and settling of investments and potential investments, including, without limitation, in connection with outsourced trading, (ix) expenses associated with legal and regulatory filings of the Flagship Funds in the United States, the Cayman Islands or in any other jurisdiction (including, without limitation, pursuant to Sections 13 and 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as well as the expenses associated with preparation and filing of the Firm's Form 13F, Form 13H and Form PF, if applicable, and any other similar filing in any other U.S. or non-U.S. jurisdiction, (x) administrative, custodial, appraisal, valuation, legal, regulatory, compliance, consulting, advisory and similar fees and expenses associated with the Flagship Funds' operations, investments and transactions, including, without limitation, fees and expenses of the Flagship Funds' administrator and the costs of client relationship management systems, (xi) expenses incurred in connection with responding to requests or inquiries from any U.S. federal, state, local or non-U.S. governmental entity or authority, regulatory body or self-regulatory organization with respect to the Flagship Funds, (xii) broken-deal, failed transaction, break-up and similar fees, costs and expenses (if any), (xiii) costs and expenses of leverage or any other borrowings of the Flagship Funds, including, without limitation, interest charges and fees, (xiv) expenses incurred in the collection of monies owed to the Funds, (xv) auditing and accounting expenses of the Flagship Funds, including, without limitation, expenses associated with the preparation of financial statements, tax returns and Schedules K-1 and the fees and expenses of the auditor, (xvi) any entity-level taxes, fees or other governmental charges on the

Flagship Funds, including, without limitation, any withholding taxes not due to the status or noncompliance of a particular investor, (xvii) costs and expenses associated with investor communications and reports and the delivery thereof to investors, (xviii) the costs of service providers or software to measure or monitor risk metrics, to aggregate positions and/or to provide reporting with respect to risk metrics and/or positions, (xix) costs and expenses associated with meetings of the investors, including, without limitation, the reasonable costs of the Firm's travel (first-class or equivalent) to such meetings, (xx) insurance expenses, including, without limitation, general partner liability insurance and other policies, if any, as well as the Flagship Funds' share of expenses with respect to directors' and officers' liability insurance and errors and omissions insurance, (xxi) costs and expenses (including, without limitation, entity-level taxes, fees or other governmental charges) associated with the formation, organization and operation of any subsidiary, special purpose vehicle, alternative investment vehicle, holding company or similar entity formed with respect to investments, credit facilities or other transactions entered into for the benefit of the Flagship Funds, (xxii) wind-up, liquidation, termination and dissolution expenses, (xxiii) costs, fees and expenses related to registration, qualification and/or exemption under any applicable U.S. federal, state, local or non-U.S. laws, rules or regulations, including, without limitation, blue sky fees, Form D, Form 8.3, Commodity Futures Trading Commission filings and notices and other securities and/or investment-related filing expenses, (xxiii) costs related to any transfers of Interests, unless otherwise charged to or borne by the applicable transferor and/or transferee, (xxiv) expenses incurred in connection with the preparation of any amendment to the Flagship Funds' operating agreements or offering memoranda, as well as the preparation or amendment of any side letter, (xxv) expenses incurred in connection with pursuing, defending or participating in any litigation, arbitration, mediation or similar proceeding by the Flagship Funds, (xxvi) any extraordinary expenses (including, without limitation, all litigation-related and indemnification and contribution expenses, including, without limitation, the amount of any judgment or settlement paid in connection therewith), (xxvi) management fees, (xxvii) fees of the independent members of a Flagship Fund's Advisory Board if and when formed, and (xxvii) all other fees, costs, charges and expenses associated with the business, affairs and/or operations of the Flagship Funds, including, without limitation, any other cost that may otherwise be paid by the Flagship Funds with soft dollars pursuant to Section 28(e) of the Exchange Act.

In general, each Flagship Fund investor will bear its proportionate share of the Flagship Fund Expenses on a *pro rata* basis with respect to the size of its investment in the Flagship Funds. The Firm may, however, allocate expenses on another basis, including by allocating certain expenses to certain (but not all) investor or capital accounts, if it determines that such an allocation is more equitable.

The Opportunity Fund bears many of the same expenses as the Flagship Fund. Investors in such Fund are encouraged to carefully read its Governing Documents for more information about such expenses.

The SMA shall bear all trading commissions, margin interest, exchange fees, data fees and regulatory fees incurred by, and related to, the Investment Portfolio ("IMA Expenses"); provided, to the extent that any IMA Expenses relate to services that are shared by one or more of the Firm's Clients, the Client's account shall bear no more than its pro rata share of such IMA Expenses. In no event shall IMA Expenses include costs or expenses of the Firm or its affiliates (such as costs associated with preparation and filing of Form ADV, Form PF, etc.). Such IMA Expenses are subject to an expense cap as described in the investment management agreement (the "IMA").

To the extent that a client benefits from an item that is chargeable to other clients, but is not permitted to incur such expense under its Governing Documents, the Firm will bear such client's *pro rata* portion of the expense.

The expenses that would be charged to any future client account would be determined on a case-by-case basis.

From time to time, the Firm may offer certain investors and other parties opportunities to co-invest in certain investments alongside its clients. The Firm or its affiliates may receive fees and/or performance-based allocation from third-party co-investors, which may differ as among such co-investors and also likely will differ from (and may be more favorable than) the fees and/or performance-based compensation borne by the Firm's clients. Where a co-investment vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. Investors are encouraged to carefully read each Fund's Governing Documents for more information about expenses related to co-investment opportunities.

For a more detailed discussion of brokerage and transaction costs, see *Item 12 - Brokerage Practices*.

#### **Item 6. Performance-Based Fees and Side-By-Side Management**

The Lynx1 GP will be entitled to receive a performance allocation from the Flagship Funds on an annual basis and upon withdrawals by investors. Such performance allocation will be based on the net capital appreciation of the Flagship Funds' assets and is subject to a loss-carryforward mechanism.

The Lynx1 GP will also be entitled to receive carried interest from the Opportunity Fund. Carried interest is a performance-based form of compensation in which the Lynx1 GP is entitled to receive a specific share of the profits earned by the Opportunity Fund after its investors have realized a preferred rate of return on their investments in the Opportunity Fund.

The Firm is also entitled to a performance fee from the SMA. More information about the performance fee the firm is entitled to can be found in the IMA between the firm and the SMA.

The Firm or its affiliates may reduce or waive performance-based allocations or carried interest with respect to any investor (including any affiliates of the Firm). The Firm does not expect that performance-based allocations or carried interest will be allocated or charged with respect to shares or interests of the Funds held (directly or indirectly) by or for the benefit of the CIO, the Firm's employees or their respective affiliates, or immediate family members of such parties.

#### *Side-by-Side Management*

Performance-based compensation arrangements create an incentive for the Firm to recommend investments that may be riskier or more speculative than those that would be recommended under a different compensation arrangement. Performance-based compensation arrangements could also create an incentive for the Firm to favor accounts with higher compensation rates over other accounts when allocating investments.

Currently, the Flagship Funds operate through a mini-master-feeder structure and the Opportunity Fund previously pursued an investment in a single issuer. Nonetheless, the Firm has adopted procedures designed and implemented to seek to ensure that all clients are treated fairly and equitably, and to prevent such conflict from influencing the allocation of investment opportunities among the Firm's clients. When participation in a specific investment is deemed to be appropriate for more than one client account, the Firm will seek to allocate such investment opportunities between such accounts on a fair and equitable basis under the circumstances existing at such time based upon a number of factors, which may include

one or more of the following: (i) its clients' investment programs and investment objectives, investment capacity, amount of deployed and undeployed capital, fixed investment periods (if any), available leverage, desired leverage or available cash, tax, legal and regulatory considerations, overall portfolio composition, tolerance for volatility and risk, desired concentration, exposure and diversification targets, liquidity needs, different terms governing the client accounts, risk profile, investment guidelines and restrictions, to avoid odd-lots, the desire to avoid *de minimis* allocations, and/ such other factors that the Firm determines are consistent with fair and equitable treatment of its clients over time.

In addition, because clients' management fees and performance-based allocations (in the case of the Flagship Funds) are generally based on the net asset values of their accounts, the Firm will have a conflict of interest in valuing assets held by such accounts. To mitigate this conflict, the Firm has implemented and follow documented valuation policies and expects to periodically consult with auditors and the administrator to each Fund.

#### **Item 7. Types of Clients**

Investors in the Funds are generally institutional investors, funds of funds and high net worth individuals that qualify as "accredited investors" (as defined in Rule 501 under the Securities Act of 1933, as amended) and qualified purchasers. The minimum initial investment for the Flagship Funds is \$5,000,000. The Firm has waived such minimum may, in its discretion, do so in the future under certain circumstances.

If the Firm determines to require a minimum investment for any future client accounts, it will make that determination on a case-by-case basis.

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

##### *Methods of Analysis and Investment Strategies Generally*

##### *The Flagship Funds*

The investment objective of the Flagship Funds is to generate attractive, risk-adjusted returns over the long term, powered by major technological breakthroughs and advances in human health, by employing a long-only equity strategy focused on biotechnology, with ability to enter into certain hedging transactions. The Firm intends to rely on deep fundamental research, scientific expertise and extensive experience to identify long investments for the Flagship Funds' portfolio, and will seek attractive commercial rewards and technical risks with respect to positions in such investments.

The investment strategies described herein are those that the Firm expects to employ on behalf of the Flagship Funds. However, except as expressly set forth in the Flagship Funds' Governing Documents, there are no limitations on the investment strategies that the Flagship Funds may employ in order to opportunistically respond to, or to take advantage of, changing market conditions and new investment opportunities. Further, the Firm may invest opportunistically in securities or transactions that vary from the core strategy of the Flagship Funds.

##### *The Opportunity Fund*

The investment objective of the Opportunity Fund is to invest its assets in one or more private companies.

##### *Future Client Accounts*



The Firm expects that future client accounts would pursue various strategies, some of which could be the same or similar strategies as the Flagship Funds, as set forth above.

The above description of the Firm's investment strategies, techniques, methods and processes is intended only as a general overview, and is subject to the specific terms of the written agreements with clients.

**Investing in securities involves risk of loss that clients and investors should be prepared to bear.**

#### *Risk Factors*

The Firm's investment strategy involves significant risks. A discussion of the material risks is provided below. Prospective clients and investors are strongly urged to review the applicable Governing Documents carefully and consult with their own financial, legal and tax advisers before investing with the Firm.

#### *Risk Factors Applicable to the Funds and SMA Generally*

*General Investment and Trading Risks.* All securities investments present a risk of loss of capital. Volatile financial markets increase that risk. If the Firm's evaluation of an investment opportunity should prove incorrect, the Funds could experience losses as a result of a decline in the market value of securities in which the Funds holds a long position. The risk management techniques that may be used by the Firm do not provide any assurance that the Funds will not be exposed to a risk of significant investment losses. No guarantee or representation is made that the Funds' investment program will be successful, that the Funds will achieve their targeted returns or that there will be any return of capital to investors. In addition, investment results may vary substantially over time.

*Investment Judgment.* The profitability of a significant portion of the Funds' investment program depends to a great extent upon correctly assessing the future profitability of companies and future price movements of securities and other investments. There can be no assurance that the Firm will be able to accurately predict the long-term results of any security or other investment.

*General Economic Conditions.* The success of the Funds' activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Funds' investments), tax considerations and tax treatment, trade barriers, currency exchange controls and national and international political circumstances (including wars, terrorist acts and security operations). These factors may affect the level and volatility of the prices and liquidity of the Funds' investments and could impair the Funds' profitability or result in losses. The Firm may consider some or all of these factors when making trading decisions. The Funds could incur material losses even if the Firm reacts quickly to difficult market conditions, and there can be no assurance that the Funds will not suffer material losses and other adverse effects from broad and rapid changes in market conditions in the future. Investors should realize that markets for the financial instruments in which the Funds will seek to invest can correlate strongly with each other at times or in ways that are difficult for the Firm to predict. Even a well-analyzed approach may not protect the Funds from significant losses under certain market conditions.

*Available Information.* The Firm may select investments, in part, on the basis of information and data filed by the issuers of securities with various government regulators or made directly available to the Firm by such issuers, or through sources other than the issuers. Although the Firm evaluates all such

information and data, and seeks independent corroboration when the Firm considers it appropriate and when it is reasonably available, the Firm is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not readily available.

*Institutional Risks.* Institutions will have custody of the assets of the Funds. Certain assets of the Funds will be exposed to the credit risk of the dealers, brokers and exchanges through which the Firm deals, whether the Firm engages in exchange-traded or off-exchange transactions. These firms and/or financial institutions, regardless of how large or well-capitalized, may encounter financial difficulties that impair the operating capabilities or the capital position of the Funds. If any broker-dealer or other financial institution holding the Funds' assets were to become bankrupt or insolvent, it is possible that the Funds would be able to recover only a portion, or in certain circumstances, none of its assets held by such bankrupt or insolvent entity.

*Financial Crises and Effects on Global Financial Markets.* World financial markets have in the past experienced and may in the future experience extraordinary market conditions, including, among other things, extreme losses and volatility in securities markets and the failure of credit markets to function. In reaction to these events, regulators in the U.S. and several other countries previously have taken and may in the future take regulatory actions. However, global financial markets may remain volatile, and it is uncertain whether regulatory actions will be able to prevent losses and volatility in securities markets. It is possible that regulatory actions might increase the possibility of future volatility. Regulations may increase market fragmentation and decrease the global flow of capital as it may be too difficult for the Funds and other market participants to comply with multiple regulatory regimes. There may be significant new regulations that could limit the Funds' activities and investment opportunities or change the functioning of capital markets, and there is the possibility of regional and/or worldwide economic downturn. Consequently, the Funds may not be capable of, or successful at, preserving the value of its assets, generating positive investment returns or effectively managing its risks.

*Novel Coronavirus and Public Health Emergency.* In March 2020, the World Health Organization declared a global pandemic in connection with an outbreak of a novel and highly contagious form of coronavirus ("COVID-19"). The outbreak of COVID-19 caused a worldwide public health emergency with a substantial number of hospitalizations and deaths, and has, among other things, adversely impacted global commercial activity and disrupted nearly every aspect of business and personal life, including, without limitation, government-imposed and other quarantine requirements, restrictions on travel, and the closures or reductions of offices, businesses, schools, retail stores, restaurants, other commercial establishments and other public venues (including, without limitation, temporary or permanent reductions in work force, remote working arrangements and emergency contingency plans). Although as of the date of this Memorandum such adverse effects and restrictions have lessened to some degree, the effects of COVID-19 are difficult to assess, continue to impose substantial uncertainty, and may still adversely affect many economies, global financial markets, the business and operations of the Funds, the Firm, or its portfolio companies and/or their respective affiliates.

The extent of the impact of any public health emergency, including COVID-19, on the Lynx1 Funds and their portfolio companies' operational and financial performance will depend on many factors, including the duration and scope of the resulting public health emergency, the extent of any related restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are

highly uncertain and cannot be predicted. The effects of any public health emergency, including COVID-19, may materially and adversely impact the value, performance and liquidity of the Lynx1 Funds or their portfolio companies, leverage availability and terms, the Firm's ability to source, manage and divest investments and the Firm's ability to achieve its investment objectives, all of which could result in significant losses to the Funds and its investors.

Any public health emergency, including COVID-19, may also adversely impact one or more individual investor's financial condition, which could result in withdrawal requests by such investors as a result of their individual liquidity situations and irrespective of Funds performance. Such investor withdrawal requests could also adversely affect the Funds.

*Other Catastrophic Risks.* In addition to the potential risks associated with COVID-19 as outlined above, the Funds may be subject to the risk of loss arising from direct or indirect exposure to a number of types of other catastrophic events, including without limitation (i) other public health crises, including any outbreak of SARS, H1N1/09 influenza, Zika avian influenza, other coronaviruses, Ebola or other existing or new epidemic diseases, or the threat or fear thereof; or (ii) other major events or disruptions, such as hurricanes, earthquakes, tornadoes, fires, flooding and other natural disasters; acts of war, military conflicts, social unrest or terrorism, including cyberterrorism; or major or prolonged power outages or network interruptions. Such events could exacerbate political, social and economic risks previously mentioned and result in significant breakdowns, delays and other disruptions on a local, regional and global scale, which may have adverse effects on the operating performance of the and its portfolio companies. The extent of the impact of any such catastrophe or other emergency on the Funds and its portfolio companies' operational and financial performance will depend on many factors, including the duration and scope of such emergency, the extent of any related travel advisories and restrictions, the impact on overall supply and demand for goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. In particular, to the extent that any such event occurs and has a material effect on global financial markets or specific markets in which the Funds participates (or has a material effect on any Fund portfolio companies or locations in which such portfolio companies or the Firm operates or on any of their respective personnel) the risks of loss could be substantial and could have a material adverse effect on the Funds or the ability of the Firm to fulfill its investment objectives.

*Cyber Security Breaches and Identity Theft.* The information and technology systems of Lynx1 GP, the Firm, their affiliates, the Funds and their service providers and their portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, other security breaches and/or usage errors by their respective professionals. The techniques used to obtain unauthorized access to data, disable or degrade service or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security.

Although Lynx1 GP, the Firm and/or their affiliates have implemented, or expect to implement, measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Lynx1 GP, the Firm, their affiliates, one or more Lynx1 Funds, their service providers and/or their portfolio companies may have to make a significant investment to fix or replace them. The failure of these systems for any reason could cause significant interruptions in such parties' operations and/or a failure to maintain the security, confidentiality or

privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the reputation of Lynx1 GP, the Firm, their affiliates, the Lynx1 Funds and/or their portfolio companies, subject any such entity and their respective affiliates to legal claims and/or otherwise affect their business and financial performance. Specifically, cyberattacks and the failure of such systems may interfere with the processing of investor subscriptions or withdrawals, impact the Funds' ability to value its assets, cause the release of confidential information and/or subject the Funds to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. The Funds also may incur substantial costs for cyber-security risk management to prevent any cyber incidents in the future. The Funds and the investors could be negatively impacted as a result.

*Debt Securities.* Although the Funds will trade primarily in equities, the Funds also may invest in debt or other fixed income securities, including non-investment grade securities, sovereign debt and/or similar obligations and instruments. Particularly with respect to non-investment grade securities, there is a risk that the issuer will default on its payments obligations. The market values of debt instruments may be more volatile than the values of other investments and, during periods of economic uncertainty and change, the market price of these investments may decrease significantly. Debt instruments may also be less liquid than equities, particularly during periods of market dislocation. The lack of a liquid secondary market may have an adverse effect on the market price and the Funds' ability to sell particular securities.

*Leverage.* The Funds may employ leverage in connection with its investment strategies and/or for any other purpose deemed necessary, desirable or appropriate at such times, in such amounts and subject to such terms and conditions as Lynx1 GP and/or the Firm may determine in its sole and absolute discretion; *provided*, that any indebtedness incurred by the Funds will not exceed five percent (5%) of the net asset value of the Funds; *provided, however*, that should such indebtedness exceed five percent (5%) of the net asset value of the Funds, the Firm will have five (5) Business Days to cure such excess. Such leverage may take a variety of forms, including, but not limited to, margin borrowing from securities brokers and dealers, loans, repurchase agreements, derivative instruments that are inherently leveraged, and other financing arrangements, as determined by Lynx1 GP in its sole and absolute discretion. The use of leverage increases both the possibility for gain and the risk of loss. Leverage employed by the Funds may be secured by the securities holdings and other assets of the Funds and/or the Funds, as applicable. Under certain circumstances, a lender may demand an increase in the collateral that secures such obligations, and if the Funds or the Funds is unable to provide additional collateral, the lender could liquidate assets held in the account to satisfy such obligations. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the Funds' borrowing and the interest rates on that borrowing, both of which will fluctuate, may have an effect on the Funds' profitability. Additionally, leverage typically will cause the Funds' net asset value to increase or decrease at a greater rate than if leverage were not used. In addition, the use of leverage may cause a U.S. tax-exempt investor to realize UBTI.

*Co-Investment Opportunities and Co-Investments with Third Parties.* The Funds may, in connection with any investment, offer the opportunity to co-invest to various parties. Such investments will involve risks, including the possibility that a co-investor may have financial difficulties resulting in a negative impact on such investment; may have economic or business interests or goals that are inconsistent with those of the Funds; may have direct participation or control of such investment; and/or may be in a position to take (or block) action in a manner contrary to the Funds' investment objective. Investors and/or third parties may enter into compensation arrangements relating to such investments that likely will differ from those compensation arrangements otherwise applicable to other investors, including management fee and

incentive compensation arrangements. Such differing compensation arrangements likely will create potential conflicts of interest between such parties and the Funds.

*Interest Rates.* Lynx1 GP and/or the Firm may borrow funds from brokerage firms and banks on behalf of the Funds to be able to increase the amount of capital available for marketable securities investments. The rates at which the Funds can borrow, in particular, will affect the operating results of the Funds. Even if the Funds makes a profit on a trade, the interest expense incurred in carrying the position may exceed the profit generated by the trade.

*Risk Factors Applicable to the Flagship Funds and SMA Generally*

*Availability of Suitable Investments.* The success of the Funds' investment and trading activities depend on the ability of the Firm to identify overvalued and undervalued investment opportunities and to manage market risk. Identification and exploitation of the investment strategies to be pursued by the Funds involve a high degree of uncertainty. No assurance can be given that the Firm will be able to identify suitable investment opportunities in which to deploy all of the Funds' capital. A reduction in overall market volatility and liquidity, as well as other market factors, may reduce the pool of profitable investments for the Funds. Certain of the investment strategies employed by the Funds may be based on historical relationships among securities prices, exchange rates, interest rates and bond prices. There can be no assurance that these historical relationships will continue. No representation is made by the Firm as to what results the Funds and/or the Funds will or is likely to achieve based on these trends and relationships.

*Concentration of Investments; Limited Diversification and Sector Investing.* The Funds' portfolio of investments is expected to be concentrated in the biotechnology industry. Accordingly, the Funds is exposed to the risk of adverse developments in or affecting this industries to a greater extent than if its investments were diversified over a larger number of issuers and industries. In addition, companies in the Funds' target industry are subject to rapid technological advances and a high risk of product obsolescence. The Funds intends to hold a limited amount of positions at any given time and the Funds may hold relatively large positions in few securities. As a result of the Funds' possible lack of diversification, a significant loss in any one position may have a material adverse effect on the net asset value of the Funds and the Funds' rate of return. Therefore, any fluctuation in the overall value of securities in specific industries or sectors likely will have a material effect on the performance of the Funds. The Firm's specialized investment strategy and potential lack of diversification may be more vulnerable to changes in the economy or those industries or other factors than a broad-based portfolio, and, as a result, performance results may be highly volatile and may result in the Funds significantly outperforming, or under-performing, the market as a whole.

*Equity Securities.* The Funds may invest in equity and equity-related securities, including, without limitation, equity investments acquired in connection with restructured debt securities or instruments, or in connection with reorganizations and/or restructurings of debt securities, equity securities or other obligations and assets of undervalued, operationally challenged and/or financially troubled companies or institutions. A risk of investing in the Funds is that equity securities held by the Funds may decline in value. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments. In addition, equity securities that the Firm believes are undervalued or incorrectly valued may not ultimately be valued by the markets in the manner that the Firm anticipates.

*Hedging.* The Funds may engage in certain hedging transactions, including derivatives, options and swaps. Hedges can be more difficult to implement than many other types of transactions, and the possibilities for errors may be greater than for other transactions. Additionally, there is no guarantee that these hedging transactions will prevent losses to the Funds and/or the Funds. The success of the Funds' hedging strategy will be subject to the Firm's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Funds' hedging strategy will also be subject to the Firm's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. In addition, hedging transactions may result in poorer overall performance for the Funds and the Funds than if no such hedging transactions were executed. Moreover, the Firm may determine not to hedge against, or may not anticipate, certain risks. Finally, the Funds and the Funds may be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular investments and counterparties).

*Options.* The Funds may engage in the trading of options when appropriate. Specific market movements of the securities underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the security underlying the option which the writer must purchase or deliver upon exercise of the option.

*Derivatives.* The Funds may invest in derivative financial instruments. In addition, the Funds may, from time to time, utilize both exchange-traded and over-the-counter derivatives, including swaps, futures, options and contracts for differences, either to express an investment view or for hedging purposes. Regulatory restraints may restrict the instruments that the Funds may trade. Such derivative instruments are highly volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a gain or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further losses exceeding any margin deposited. Further, when used for hedging purposes, there may be an imperfect correlation between these instruments and the investments or market sectors being hedged.

*Currency Hedging.* The Funds may be exposed to foreign exchange risk, and may seek to mitigate this risk through the use of a variety of strategies and products, including, but not limited to, Forex forwards, currency futures and currency swaps. There is no guarantee that any of these currency hedging strategies will reduce or prevent losses to the Funds and/or the Funds. As part of its currency hedging strategy, the Funds may enter into currency transactions that are not traded on an exchange, and the funds the Funds invests in those transactions may not receive the same protections as funds used to margin or guarantee exchange-traded futures and options contracts. If the counterparty to an over-the-counter Forex transaction becomes insolvent and the Funds has a claim for amounts deposited or profits earned on transactions with the counterparty, the Funds' claim may not receive a priority. Without a priority, the Funds is a general creditor and its claim will be paid, along with the claims of other general creditors, from any monies still available after priority claims are paid. Even the Funds' funds that the counterparty keeps separate from its own operating funds may not be safe from the claims of other general and priority creditors. Forex trading can quickly lead to large losses as well as gains. Such trading losses can sharply reduce the net asset value of the Funds.



*Risks of Investments in the Biotechnology Sector.* Investments in companies in the biotechnology sector involve a high degree of business, financial, technological and regulatory risk which can result in substantial losses. These risks include, but are not limited to, the following:

- obtaining approval for new products from governmental agencies can often be a lengthy and expensive process, the outcome of which can be uncertain;
- certain of these companies may become involved in lawsuits related to their patents or products;
- products produced by certain of these companies may become obsolete;
- government policies and regulations applicable to certain of these companies may change in ways that adversely affect them;
- investor sentiments and preferences with regard to biotechnology investments (some of which are generally perceived as risky) may change, which may have an adverse effect on the price of underlying securities; and
- stock markets may become more volatile, which may affect the prices of biotechnology company securities and, in turn, may cause the performance of the Funds to experience substantial volatility.

The Funds may invest in the securities of biotechnology companies engaged in the development of products or technologies or that are conducting clinical trials on products. Obtaining product approval often requires the submission of extensive preclinical and clinical data, information about product manufacturing processes, and inspection of facilities and supporting information for each therapeutic indication to establish a product candidate's safety and efficacy. Varying interpretations of the data obtained from preclinical and clinical testing could delay, limit or prevent regulatory approval of a product candidate. The process of obtaining and maintaining regulatory approvals may vary and involves substantial regulatory discretion, is expensive and often takes many years, if approval is obtained at all. Failure to obtain and maintain regulatory approval for a product candidate following a business combination would have an adverse effect on value of the underlying securities of a biotechnology company.

Intellectual property rights in the biotechnology field are highly uncertain and may involve complex legal and scientific questions. Biotechnology companies may not be able to obtain additional issued patents relating to their products, methods, processes, services or other technologies. Even if issued, patents may be challenged, narrowed, invalidated or circumvented, or others may obtain patents claiming aspects similar to those covered by such patents and patent applications, which factors could limit a company's ability to stop competitors from marketing similar products or services, limit the length of term of patent protection they may have for their products or services, and expose them to substantial costs and risks in litigation and administrative proceedings and drain resources. Changes in either patent laws or in interpretations of patent laws in the United States and other countries may diminish the value of a company's intellectual property or narrow the scope of its patent protection.

The testing and marketing of biotechnology products and technologies entail an inherent risk of product liability. Accordingly, companies in the biotechnology sector of the healthcare industry may be exposed to potential liability risks inherent in the testing, manufacturing, marketing and sale of healthcare

products and/or the provision of healthcare services. A liability claim or the imposition of liability may have an adverse effect on the market prices of a company's securities.

*Securities Lending.* The Funds may lend securities to securities brokers and other institutions as a means of earning additional income. If the other party to such transaction becomes insolvent or bankrupt, the Funds could experience delays and extra costs in recovering payment or the securities. To the extent that, in the meantime, the value of securities changes, the Funds could experience further losses. Security loans must be fully collateralized, and the Firm must be satisfied with the creditworthiness of the other party to the transaction.

*Margin.* Lynx1 GP and/or the Firm may make use of short-term borrowing or repurchase agreements on behalf of the Funds and/or the Funds, and any such use will result in certain additional risks to the Funds. For example, should the securities pledged or charged to brokers to secure the Funds' margin accounts or repurchase obligation decline in value, the Funds could be subject to a "margin call," pursuant to which the Funds must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged or charged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Funds' assets, the Funds might not be able to liquidate assets quickly enough to pay off its margin debt.

*Price and Liquidity Fluctuations of Investments.* It is expected that the Funds' investments will be in public securities. However, the market value of the Funds' investments may fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of financial markets, developments or trends in the securities markets and the financial condition of the issuers of the securities in which the Funds invests. During periods of limited liquidity and higher price volatility, the Funds' ability to acquire or dispose of its investments at a price and time that the Funds deems advantageous may be impaired. As a result, in periods of rising market prices, the Funds may be unable to participate in price increases fully to the extent that it is unable to acquire the desired positions quickly; the Funds' inability to dispose fully and promptly of positions in declining markets will conversely cause its net asset value to decline as the value of unsold positions is marked to lower prices.

*Trade Error Risk.* Trade errors include, for example, keystroke errors that occur when entering trades into an electronic trading system or typographical or drafting errors related to derivatives contracts or similar agreements. Given the volume and complexity of transactions executed by the Firm on behalf of the Funds, trade errors are likely to occur, notwithstanding the execution of due care and special procedures designed to prevent such errors. If trading errors do occur, the Firm will not be responsible for gains or losses resulting from trade errors, except where such trade error is the result of the Firm's gross negligence, willful misconduct or fraud.

*Competition.* The securities industry is extremely competitive. The Firm will compete for investment opportunities against various other investors, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs. Competitive investment activity by other firms may reduce the Funds' opportunity for profit by reducing the availability of or increasing the price of what the Funds believes to be, based on its investment criteria, exceptional investment opportunities.

*Securities Market Volatility.* Securities markets are volatile and may decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Different parts of the market and different types of debt and equity securities may react differently to these developments. For example,



small cap stocks may react differently than large cap stocks. Issuer, political or economic developments may affect a single issuer, issuers within an industry, sector or geographic region or the market as a whole.

*Risk of Operations/Liquidity Risks.* Although the securities that the Funds may acquire generally will be traded on public exchanges, each exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it difficult or impossible for the Funds to liquidate its positions and would thereby expose it to losses. In addition, some of the securities in which the Funds may invest may be thinly traded, potentially making it difficult for the Funds to dispose of a position at the time or price desired. Moreover, in periods of extreme market volatility, the bid/ask spreads for some securities that ordinarily are liquid may widen, making it difficult or undesirable to sell the securities. There can be no assurance that the trading markets will remain liquid enough for management to close out existing positions at any time there is a need to do so. There may be a variety of other reasons why a security in which the Funds may invest may be illiquid, and, in such event, the Funds may have similar issues with realizing such security.

*Designated Investments.* Due to the illiquid nature of Designated Investments, the Firm is unable to predict the ultimate exit strategy for certain of its Designated Investments, or that one will definitely be available prior to the dissolution of the Funds. Exit strategies that appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political, regulatory or other factors. As a result, the Funds may be unable to dispose of certain illiquid investments in any particular timeframe or at a price that the Firm deems advantageous.

*Risks of Foreign Investments.* The Funds may invest in securities of foreign companies, governments and government agencies. Investing in such securities, which are generally denominated in foreign currencies, and the use of forward foreign currency exchange contracts, involves unusual risk not typically associated with investing in securities issued by U.S. companies or by the U.S. government or its agencies or instrumentalities. Investing in emerging markets poses greater risks and a greater potential for returns than investing in developed countries. Securities of companies in these emerging markets are generally more volatile and may be much more volatile than securities issued by companies located in developed countries. The Funds may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between such currencies and the U.S. dollar. Moreover, individual foreign economies may compare unfavorably with the U.S. economy in growth of gross national product, rate of inflation, rate of savings and capital reinvestment, resource self-sufficiency, balance-of-payment positions and in other respects. Some of the countries in which the Funds may invest have laws and regulations that currently preclude or severely restrict direct foreign investment in securities of their companies. Securities of some foreign companies are less liquid and their prices are more volatile than securities of comparable U.S. companies. Investing in foreign securities creates a greater risk of securities clearance and settlement problems. Further, some of the securities in which the Funds may invest may be thinly traded and relatively illiquid or may cease to be traded after the Funds invests in them. In addition to being illiquid, such securities may be issued by unseasoned companies and may be highly speculative. In addition, the Funds occasionally may acquire relatively large positions in a few securities. In such cases, and in the event of extreme market activity, the Funds may not be able to liquidate investments promptly, if the need should arise, which could materially and adversely affect the results of such investments.

*Company Capitalization.* The Funds may invest in securities of companies with various capitalizations where such companies meet the investment criteria described herein. While such companies may provide significant potential for appreciation, such investments, particularly small-capitalization securities, involve higher risks in some respects than do investments in securities of larger companies. The prices of small-

capitalization and even medium-capitalization securities are often more volatile than prices of large-capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to long investors) is higher than for larger, “blue-chip” companies. In addition, due to thin trading in some small- and medium-capitalization securities, an investment in those securities may be illiquid. The small- and medium-capitalization securities may, at times, significantly underperform the large-capitalization securities and may do so in the future.

*Securities of Sub-Investment Grade Companies.* Special risks may arise if the Funds invests in the securities of sub-investment grade and highly-leveraged companies. Although such investments may result in significant returns to the Funds, they involve a substantial degree of risk. If the Funds purchases distressed and/or non-performing debt securities, and subsequent to purchasing them finds that they are no longer readily traded by broker-dealers, these securities may not show any return for a considerable period of time. Many distressed and/or non-performing securities ordinarily remain unpaid while the company is in bankruptcy and may not ultimately be paid unless and until the company reorganizes and/or emerges from bankruptcy proceedings. As a result, if they are no longer readily traded by broker-dealers, such securities may have to be held for an extended period of time. There is no assurance that the Firm will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which the Funds invests, the Funds and the Funds may lose its entire investment. Under such circumstances, the returns generated from the Funds’ investments may not compensate the investors adequately for the risks assumed.

*Special Situation Investments.* The Funds may invest in companies involved in, or the target of, acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to the Funds of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Funds may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of the transactions involving financially troubled companies in which the Funds may invest, there is a potential risk of loss by the Funds of its entire investment in such companies.

*Counterparty Risk.* Brokers may trade with an exchange as principals on behalf of the Funds, in a “debtor-creditor” relationship, unlike other clearing broker relationships where the broker is merely a facilitator of the transaction. Such broker could, therefore, have title to all of the assets of the Funds (for example, the transactions that the broker has entered into on behalf of the Funds as principal as well as the margin payments that the Funds provides). In the event of such broker’s insolvency, the transactions into which the broker has entered as principal could default, and the Funds’ assets could become part of the insolvent broker’s estate, to the detriment of the Funds and the Funds. The Funds’ assets may be held in “street name,” in which case, a default by the broker could cause the Funds’ rights to be limited to that of an unsecured creditor.

To the extent that the Funds invests in swaps, derivative or synthetic instruments, or other over-the-counter transactions, including forward contracts, or, in certain circumstances, non-U.S. securities, the Funds may also take a credit risk with respect to the parties with whom it trades and may bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions,

which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

In addition, the Funds' prime broker and trading agreements may contain certain provisions that allow a counterparty to either terminate the relevant agreement or require additional levels of collateral, as applicable, for various reasons. The termination of the relevant agreement may result in immediate payment by the Funds of the mark-to-market amount, or net liability, due under the agreement, and, if not immediately replaced, a loss of the previously held investment and/or hedging exposure.

*Discretion and Changes in Investment Strategy.* The Firm has considerable discretion in choosing the securities that may be acquired, and, subject to its fiduciary duties, it has the right to modify the investment strategy, selection criteria or hedging techniques used by the Funds and the Funds without the consent of the investors.

*Outsourced Trading.* The Firm may delegate the authority to select brokers for the Funds' transactions to a third party. As a result, Funds Expenses could be higher as a result of paying such third party than if the Firm traded directly with such brokers.

*Use of Alternative Data.* The Firm will purchase and use in its investment process alternative data, consisting of datasets culled from a variety of sources (including, among others, credit card panels, satellite imagery, geolocation and mobility data, app usage, social media sentiment and posts, internet usage, medical meetings, posters, websites, transaction and payment records, and government and other public records databases), including through its incorporation in the Firm's research of target companies. The purchase, onboarding, analysis and interpretation of alternative data involves a high degree of uncertainty, and no assurance can be given that the use of alternative data by the Firm will prove beneficial to the Funds. The use of alternative data involves an inherent risk that the Firm may rely on data outputs that reflect faulty system logic or that are based on inaccurate or incomplete data inputs. Moreover, the use of alternative data for investment purposes has been subject to increased scrutiny from regulators, and its use or misuse under current or future laws and regulations, whether related to securities or privacy laws and regulations or otherwise, could create liability for the Firm and for the Funds in various jurisdictions. The Firm cannot predict what, if any, regulatory or other actions may be asserted with regard to alternative data, but any regulatory investigations or formal actions could cause reputational, financial, or other harm to the Firm and/or to the Funds. In addition, the use of alternative data may entail significant expense, which is expected to be borne, in whole or in part, by the Funds.

*Risk Factors Applicable to the Opportunity Fund Generally*

*Liquidity risk.* Liquidity risk represents the possibility that the Fund may not be able to rapidly adjust the size of its positions in times of high volatility and financial stress at a reasonable price.

*Diversification Risk.* The objective of the Opportunity Fund is to invest its assets in a single issuer (together with any successors thereof, the "Portfolio Company"). As a result of the Opportunity Fund's lack of diversification, a significant loss in the Portfolio Company will have a material adverse effect on the net asset value of the Opportunity Fund and the Opportunity Fund's rate of return. Diversification of the Opportunity Fund assets among different industries is not a goal of the Opportunity Fund.

*Litigation Risk.* Companies such as the Portfolio Company may be subject to litigation, including bankruptcy litigation, shareholder derivative suits, and creditor suits. The adverse impact of such litigation may reduce the profitability of the Portfolio Company and, as a result, may reduce returns to the Opportunity Fund.

**Item 9. Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the Firm's advisory business or its management.

**Item 10. Other Financial Industry Activities and Affiliations**

*Services by the Firm's Related Person*

As noted above, the Lynx1 GP serves as the general partner to certain Funds.

*Management of Multiple Client Accounts*

The management of multiple client accounts results in a potential conflict of interest when the Firm and its related persons allocate time and investment opportunities among such accounts. For example, the Firm's CIO and/or other related persons have more of their personal assets invested in certain client accounts than in others. In addition, the compensation the Firm earns from each client account differs from the compensation earned from other client accounts. In order to mitigate associated conflicts, the Firm follows documented procedures regarding the allocation of investment opportunities among its clients. (See *Item 6 – Performance-Based Fees and Side-By-Side Management*)

A cross-trade occurs when an investment adviser effects a trade between two or more of its advisory clients. If the Firm were to cause a cross-trade between two clients, it may result in a conflict of interest because the transaction may result in benefits to one client that may be greater than the benefits to the other client. The Firm does not generally expect to engage in cross trades. In the event that the Firm determines to make a cross-trade, it will only do so if it determines that it is in the best interests of, and is fair and equitable to, the participating clients. All cross-trades between clients require the prior approval of the Firm's Chief Compliance Officer (the "CCO"). Cross-trades, if any, would generally be made at the closing price for the applicable security on such day or, if no closing price is available, at a price for the relevant security that is determined in accordance with the Firm's valuation policies. No brokerage commission, transfer fee or other commission will be paid to the Firm or its affiliates in connection with any such transaction.

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

*Code of Ethics Overview*

The Firm has adopted a Code of Ethics, which is designed to help ensure that it conducts its business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, the Firm's Code of Ethics sets forth standards of conduct for its employees to ensure that they conduct their business on the Firm's behalf in a manner that enables the Firm to fulfill its fiduciary duty to its clients.

Among other things, the Firm's Code of Ethics: (i) governs personal trading by the Firm's employees, (ii) contains the Firm's policies with respect to gifts and entertainment, (iii) contains the Firm's policies regarding certain outside activities of its employees, (iv) sets forth the Firm's policies and procedures relating to insider trading, and (v) sets forth the manner in which employees may report violations of law or the Firm's policies and procedures. The Firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

#### *Personal Trading Policy*

Employees are generally prohibited from engaging in personal trading in: (i) securities of any issuers in the healthcare sector, including the biotechnology sub-sector, and (ii) other securities unless they have obtained prior approval from the Firm's CCO. Additionally, employees are required to provide the Firm's CCO with periodic reporting relating to their trading activity and personal accounts. The Firm's policies relating to personal trading also generally apply to an employee's spouse or minor child, or an immediate family member of an employee living in the same household as such employee.

#### *Participation or Interest in Client Transactions*

The Firm makes available to qualified prospective investors the opportunity to invest in the Funds. The CIO has a significant personal investment in the Funds. In addition, the Lynx1 GP, an affiliate of the Firm, is entitled to receive performance-based allocations or carried interest from the Funds.

The Firm will not engage in a principal transaction unless it has determined that the transaction is in the relevant clients' best interests and has obtained client consent in accordance with the Firm's written procedures and applicable law.

### **Item 12. Brokerage Practices**

#### *Selection of Brokers*

The Firm will have an obligation to seek to obtain "best execution" for clients with respect to their trading activity. While not defined by statute or regulation, best execution generally means the execution of client trades at the best net price considering all relevant circumstances. The Firm seeks best execution with respect to all types of client transactions, taking into account various factors. Such factors include, among others: (i) the ability to achieve prompt and reliable executions, (ii) the ability to obtain access to a security, (iii) the financial stability and reputation of the particular broker-dealer, (iv) the quality, comprehensiveness, frequency of available research and related services considered to be of value to the Funds, and (v) the competitiveness of commission rates in comparison with other broker-dealers.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. The Firm will not commit to provide any level of brokerage business to any broker, and actual brokerage business received by any broker may be less than the suggested allocations but can (and often does) exceed the suggestions, because total brokerage is allocated based on all the considerations described above.

The Firm's CIO on a quarterly basis will evaluate, among other things, the execution that it is receiving from brokers. In conducting its analysis, the CIO will consider the factors listed above, among others, and will review gifts and entertainment received, and any known conflicts of interests (e.g., directing commissions to a broker that employs a family member of one of the Firm's employees).

*Research and Other Soft Dollar Benefits*

The Firm does not currently have any formal soft dollar arrangements, but we may enter into such arrangements in the future. Nonetheless, the Firm executes transactions on behalf of the Firm's clients with brokers that may provide the Firm with access to bundled services, including access to proprietary research reports (such as standard investment research, economic and market information, and credit reports), corporate introductions, and invitations to attend conferences. These services are generally made available to institutional investors doing business with such brokers. If the Firm engages in soft dollar transactions in the future, the Firm intends to comply with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

During the Firm's last fiscal year, it acquired with client brokerage commissions (or markups or markdowns): (i) research, such as proprietary research from brokers and (ii) research services, such as consultation with industry consultants concerning specific companies, industries or sectors.

*Brokerage for Client Referrals*

Subject to applicable law, the Firm may direct client brokerage business to brokers that refer prospective investors to the Firm. Because such referrals, if any, are likely to benefit the Firm but may not provide a benefit to its clients, the Firm would have a conflict of interest with its clients when allocating brokerage business to such brokers. To mitigate this potential conflict, the Firm will not allocate brokerage business to a referring broker unless it determines that such allocation is consistent with the Firm's best execution duties.

*Trade Errors*

The Firm may on occasion experience errors with respect to trades made on behalf of client accounts. The Firm will reimburse each client account for losses resulting from trade errors in accordance with the terms of such client's Governing Documents or the exculpation provisions in such documents, where applicable.

*Aggregation of Orders*

Aggregation, or "bunching," describes a procedure whereby an investment adviser combines the orders of two or more clients into a single order for the purpose of obtaining better prices and lower execution costs. Aggregation opportunities for the Firm generally arise when more than one client account is capable of purchasing or selling a particular security.

To the extent that a security is purchased or sold for more than one client account, the Firm will generally aggregate orders for such security unless aggregation is not consistent with its duty to seek best execution or the terms of the investment guidelines and restrictions applicable to client accounts. Each client that participates in an aggregated order will participate at the average price for all of the Firm's transactions in that security on a given business day, with transaction costs shared *pro rata* based on each client's participation in the transaction. When an aggregated order is only partially filled, the Firm will allocate the investment opportunity *pro rata* in accordance with its intended allocation.

**Item 13. Review of Accounts***Review of Accounts*

Client portfolios are reviewed, and their performance analyzed, by the Firm's CIO on a regular basis. In addition, the Firm's CIO regularly reviews client portfolios to confirm that the securities held by them remain consistent with their investment strategies, objectives and guidelines.

### *Reporting*

In addition to the reporting below, the Firm's clients and investors may be provided with certain information about the Firm and the accounts that it manages in response to questions and requests, including in connection with due diligence meetings. This information may not be distributed to other clients, investors or prospective investors. Each client and investor is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by the Firm is sufficient for its needs.

### The Funds

The Firm will furnish investors in the Funds with periodic written unaudited performance reports as set forth in their Governing Documents. In addition, on an annual basis, the Firm will provide investors with a copy of the relevant Fund's annual audited financial statements and, if applicable, a statement of taxable income (Schedule K-1).

Pursuant to "side letter" or other agreements, the Firm may provide certain investors with access to more frequent and/or more detailed information regarding the Funds' securities positions, performance, finances, and management and/or other information about the Funds or the Firm (including notifications of redemptions from a Fund by the Firm and/or its personnel), possibly enabling such investors to better assess the prospects and performance of the Funds.

### SMA

The Firm provides the owners of the SMA with periodic reports at such times as have been agreed upon with such owners. In addition, any such owner would have full, real-time transparency as to all transactions and holdings in the relevant account, and will be better able to assess the future prospects of a portfolio that may be substantially similar to that of the Funds. [NOTE TO LYNX1: PLEASE CONFIRM]

## **Item 14. Client Referrals and Other Compensation**

Other than the products and services that the Firm receives from broker-dealers (described above in *Item 12*), the Firm does not receive any economic benefits from third parties in connection with the provision of investment advice to the Funds.

The Firm does not compensate any third-party marketers for introductions to potential investors or clients.

## **Item 15. Custody**

For purposes of Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), the Firm will be deemed to have custody over the Funds' assets. In accordance with the Custody Rule, a qualified custodian is not required to deliver quarterly account statements to the Funds or their respective investors as long as: (i) the Funds are audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the Funds' audited financial



statements are prepared in accordance with U.S. generally accepted accounting principles, and (iii) the Firm delivers such annual audited financial statements to investors within 120 days after the end of each Fund's fiscal year.

The owners or advisers of the SMAs should carefully review the account statements that they receive from the custodians to their accounts and are urged to compare these account statements to the reports provided by the Firm directly to them or to their financial advisors.

**Item 16. Investment Discretion**

The Firm has discretionary authority to manage securities and other investments on behalf of client accounts. The investors in the Funds generally will not be able to place any limits on the Firm's authority beyond the limitations set forth in their respective Governing Documents. Under certain circumstances, the Firm may contract with a client to adhere to limited risk and/or operating guidelines imposed by the client. The Firm would negotiate such arrangements on a case-by-case basis.

**Item 17. Voting Client Securities**

The Firm generally has voting discretion over client securities. Clients will generally not be able to direct their votes in a particular situation. The Firm has adopted proxy voting policies and procedures, which are summarized below.

In the absence of specific voting guidelines from the client or conflicts of interest, the Firm will vote all proxies in the best interests of each client, which may result in different voting results for proxies for the same issuer. In addition, the Firm may determine to abstain from voting a proxy if it believes that such action is in the best interests of a particular client. The Firm may take into account the following factors, among others, in determining if a specific proposal is in the best interests of a particular client: (i) management of the issuer's views and recommendations on such proposal, (ii) whether the proposal may have the effect of entrenching existing management and/or making management less responsive to shareholders' concerns (*e.g.*, instituting or removing a poison pill, classified board of directors and/or other anti-takeover measure), and (iii) whether the Firm believes that the proposal will fairly compensate management for its and/or the issuer's performance. If the Firm deems that the issue being voted upon is not material for the Firm and its clients or it determines that the cost of voting such a proxy would exceed the expected benefit to the Firm's clients, the Firm will not be obligated to vote on such matter.

Upon the request by a client, the Firm will disclose to such client how it voted proxies for securities owned by such client. The Firm will also provide a copy of its proxy voting policies and procedures to clients upon request.

**Item 18. Financial Information**

The Firm is not required to include its balance sheet for its most recent fiscal year with this Brochure.

**Item 19. Requirements for State-Registered Advisers**

The Firm is not a state-registered adviser.