

**PART 2A OF FORM ADV
FIRM BROCHURE**

**VISIUM ASSET MANAGEMENT, LP
888 SEVENTH AVENUE, 22nd FLOOR
NEW YORK, NY 10019**

**CONTACT: RICHARD GRUBER (212-474-8800)
WWW.VISIUMFUNDS.COM
JUNE 22, 2016**

This Brochure provides information about the qualifications and business practices of Visium Asset Management, LP (“Visium”) and its affiliates. If you have any questions about the contents of this Brochure, please contact Richard Gruber at 212-474-8800 or by email at compliance@visiumfunds.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority, and references in this Brochure to Visium as a “registered investment adviser” are not intended to imply a certain level of skill or training.

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

ITEM 2 – MATERIAL CHANGES

This is the eleventh version of Visium's Brochure. The last annual update of the Brochure was issued on March 30, 2016. Included in this Brochure are the following material changes since the annual update on March 31, 2015:

1. Visium has provided additional information about its Advisory Clients including discretionary advisory services to private equity funds and a UCITS vehicle.
2. Visium has provided additional information regarding its fees and expenses.
3. Visium further clarified its investment approach and strategy and provided risks for the private equity funds.
4. Visium updated its disciplinary section.
5. Visium provided information regarding changes to its registrations and list of affiliates.
6. Visium further clarified its conflicts of interest section and added disclosures for the private equity funds.
7. Visium provided information regarding placement agents and third party distributions platforms.
8. Visium updated its disciplinary section to include charges by the United States Department of Justice and Securities and Exchange Commission against Sanjay Valvani and two former employees of Visium.
9. On June 17, 2016, Visium announced that it has signed a letter of intent with AllianceBernstein L.P. ("AB") to enter into an agreement pursuant to which AB would become the general partner and advisor to three Visium Advisory Clients and assume all investment management responsibilities for those three Advisory Clients. In addition, Visium announced that it would be winding down certain Advisory Clients.

ITEM 3 - TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| ITEM 2 – MATERIAL CHANGES | II |
| ITEM 3 - TABLE OF CONTENTS..... | III |
| ITEM 4 – ADVISORY BUSINESS | 1 |
| ITEM 5 – FEES AND COMPENSATION | 3 |
| ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .. | 5 |
| ITEM 7 – TYPES OF CLIENTS | 6 |
| ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS..... | 7 |
| ITEM 9 – DISCIPLINARY INFORMATION | 25 |
| ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS. | 25 |
| ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING..... | 28 |
| ITEM 12 – BROKERAGE PRACTICES..... | 35 |
| ITEM 13 – REVIEW OF ACCOUNTS..... | 37 |
| ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION..... | 37 |
| ITEM 15 – CUSTODY | 38 |
| ITEM 16 – INVESTMENT DISCRETION | 38 |
| ITEM 17 – VOTING CLIENT SECURITIES..... | 39 |
| ITEM 18 – FINANCIAL INFORMATION | 40 |

ITEM 4 – ADVISORY BUSINESS

Structure, History And Ownership

Visium Asset Management, LP (“Visium” or the “firm”), a Delaware limited partnership, was founded in November 2005 by Jacob Gottlieb. The firm provides discretionary and non-discretionary investment advisory and sub-advisory services, managing and directing the investment and reinvestment of assets for various long/short equity and multi-strategy funds exempt from registration as investment companies under Section 3(c)(7) of the Investment Company Act of 1940, as amended (collectively the “Hedge Funds”), a registered investment company (the “RIC”), an undertaking for collective investment in transferable securities organized under European Union Directives (“UCITS”), and separately managed accounts (the “Managed Accounts”). Visium Fund Management, LP, an affiliate of Visium, also provides discretionary advisory services to three private equity funds (“VHP”) and non-discretionary sub-advisory services to eight private equity investment vehicles (“Paul Capital Funds”) (together with VHP, the “PE Funds” and, collectively with the Hedge Funds, the “Private Funds”). The Private Funds, the RIC, UCITS, and the Managed Accounts are the firm’s “Advisory Clients”.

Visium has offices in New York, London and San Francisco. Visium’s principal place of business is 888 Seventh Avenue, 22nd Floor, New York, New York 10019. As of the date of this Brochure, the New York office has a staff of approximately 139 employees, seventy of whom are investment professionals. The San Francisco office has a staff of ten, eight of whom are investment professionals. Visium Asset UK LLP, which is a Visium affiliate, is based in London, England with a staff of 28 individuals, eighteen of whom are investment professionals.

Visium is privately owned. The general partner of Visium is JG Asset, LLC, a Delaware limited liability company. The managing member and principal owner of JG Asset, LLC is Jacob Gottlieb (the “CIO”).

All information in this Brochure is as of March 30, 2016, unless otherwise noted.

On June 17, 2016, Visium announced that it signed a letter of intent with AllianceBernstein L.P. (“AB”) to enter into an agreement pursuant to which AB would become the general partner and advisor to the Visium Global Fund Master Fund, Ltd., Visium Global Fund, LP and Visium Global Fund Offshore Fund, Ltd. (collectively, the “Visium Global Fund”) and assume all investment management responsibilities for the Visium Global Fund. The transaction is subject to completing due diligence, agreement on transaction documentation and customary closing conditions, including any required investor approvals. Visium expects to consummate the transaction with AB within 30 days and anticipates that the transition of all operations relating to the Visium Global Fund will be completed thereafter within 90 days.

Also on June 17, 2016, Visium announced that it was winding down the following Advisory Clients:

- Visium Balanced Fund, LP
- Visium Balanced Offshore Fund, Ltd.
- Visium Balanced Master Fund, Ltd.
- Visium Institutional Partners, LP
- Visium Institutional Partners, Ltd.
- Visium Institutional Partners Master Fund, Ltd.
- Visium Equity Alpha Fund, LP

- Visium UCITS Funds ICAV
- Visium UCITS Funds ICAV – Visium US Equity Alpha

Types Of Advisory Services

Visium performs the following investment advisory services on behalf of the Advisory Clients: (i) formulation of a continuing program for the investment of assets of each Advisory Client in a manner consistent with such Advisory Client's investment objectives, policies and restrictions; (ii) collection and evaluation of such information relating to the economy, industries, businesses, securities markets and securities as it may deem necessary or useful in discharging its responsibilities to manage such investment programs; (iii) determination of the securities and investments to be purchased, sold, retained, borrowed or lent by the Advisory Clients, and the implementation of those decisions, including the selection of entities with or through which such purchases, sales or loans are to be effected; and (iv) researching prospective investments, negotiating terms and conditions for such investments, as well as ongoing monitoring, managing, supervising and disposing of such investments.

Visium generally has broad and flexible investment authority with respect to the Advisory Clients, subject to investment objectives, policies and restrictions set forth in governing documents ("Governing Documents"): a confidential private offering memorandum, confidential explanatory memorandum provided to each investor or private placement memorandum (in the case of the Private Funds); investment management or sub-advisory agreement, prospectus and statement of additional information (in the case of the RIC and UCITS); or trading advisory agreement or similar agreement (in the case of the Managed Accounts).

The Advisory Clients have broad investment programs and invest in various sectors and strategies. Advisory Clients' investments may include a wide range of financial instruments, including long or short positions in U.S. or non-U.S. publicly traded or privately issued common stocks, preferred stocks, stock options, warrants and rights, corporate or sovereign debt, bonds, notes or other debentures or debt participations, partnership interests, royalty streams, revenue interests, structured debt and combinations thereof, interests in investment companies, convertible securities, swaps, options (purchased or written), swaptions, futures, forwards and other derivative instruments.

When deemed appropriate for a large or strategic investor, Visium has established, and may in the future establish, separately managed accounts, which (i) tailor their investment objectives, guidelines, and restrictions to specific Private Funds and/or (ii) are subject to objectives, guidelines, restrictions, terms and/or fees different from those of the Private Funds. Such investment objectives, fee arrangements and terms have been and will be individually negotiated, and it should be noted that such separately managed account relationships are and generally would be subject to significant account minimums.

Visium has entered into side letter agreements with certain large and strategic investors that provide such investors with additional notification and disclosure rights, transfer rights, and accelerated redemption rights triggered by certain events. In the future, Visium may enter into additional side letter agreements.

Visium does not participate in wrap fee programs.

Assets Under Management

As of June 1, 2016, Visium managed or sub-advised approximately \$6,736,600,000 of Advisory Client assets on a discretionary basis and approximately \$97,000,000 of Advisory Client assets on a non-discretionary basis.

ITEM 5 – FEES AND COMPENSATION

Management Fees

Management fees payable to Visium vary by Private Fund and are established pursuant to each Private Fund's Governing Documents. Management fees charged to the Hedge Funds are calculated as a percentage of capital under management, range from 1.5% to 2.0% per annum, and typically are payable and deducted from the assets of each such Hedge Fund monthly in advance. Because redemptions from the Hedge Funds are permitted no more frequently than monthly, refunds of prepaid management fees in the event of withdrawals or redemptions are not necessary.

Management fees charged to VHP are typically calculated based on a percentage of the capital investors have committed to VHP, charged at 1.75% per annum, and typically payable quarterly in advance. The percentage fee rate will decline following a specified investment period and will be based on the aggregate cost basis of investments made. Refunds of prepaid management fees will be processed according to the Governing Documents of VHP. Visium's management fees are not directly deducted from VHP's assets by Visium, but Visium bills VHP for management fees on a quarterly basis. VHP may reduce or waive management fees for certain investors pursuant to side letter arrangements.

Management fees payable to Visium by the RIC and UCITS are established pursuant to the Governing Documents as a percentage of average daily net assets (the percentage may range from 1% to 2% per annum), and typically are payable monthly, but in some cases may be payable quarterly. Visium's management fees are not directly deducted from the RIC's or UCITS' assets by Visium, but are deducted by the investment manager, trust or umbrella investment trust or company, respectively.

Paul Capital Advisors, L.L.C., the investment manager of the Paul Capital Funds, pays Visium a sub-advisory fee in consideration for the non-discretionary sub-advisory services provided by Visium to the Paul Capital Funds.

Management fee arrangements with Managed Accounts are individually negotiated and established pursuant to each Managed Account's investment management agreement.

Visium in its discretion may waive or reduce management fees for certain large or strategic investors or for certain classes of investors, including employees and affiliates of Visium.

Incentive Fees And Allocations

Incentive fees payable to Visium or incentive allocations allocable to Visium or its affiliates vary by Private Fund and are established pursuant to each Private Fund's Governing Documents. Incentive fees and allocations generally are charged at year end at a rate of 20% of net annual profits to each Private Fund, or to capital accounts maintained by each Private Fund for its investors. Net profits include both realized gains and losses and unrealized appreciation and depreciation of securities held in the Private

Funds' portfolios. Incentive fees and incentive allocations are generally subject to the following additional terms:

- Incentive fees and allocations are reduced by a loss carry forward limitation, which requires that prior unrecouped net losses be made up before incentive fees are paid or incentive allocations are made.
- If an investor withdraws or redeems from a Private Fund on a date other than a date on which the incentive fee or allocation is due, the incentive fee or allocation applicable to the withdrawal or redemption will be calculated and accrued on that date.

Affiliates of Visium (that is, general partners of VHP) are entitled to receive an allocation of carried interest from VHP. In general, the formula for the allocation of carried interest to the general partners of VHP is $I = 20\% * (P - (C + R))$ where: I = carried interest; P = aggregate amount of proceeds generated by all investments; C = aggregate amount of capital contributions by all limited partners, and R = a preferred return of 8% per annum, non-compounded on C.

Visium does not receive incentive fees or incentive allocations from the RIC. The incentive fee or incentive allocation payable by the UCITS is set forth in its Governing Documents.

Incentive fee arrangements with Managed Accounts are individually negotiated and established pursuant to each Managed Account's investment management agreement.

Visium in its discretion may waive or reduce incentive fees, carried interest and allocations for certain large or strategic investors or for certain classes of investors, including employees and affiliates of Visium.

Expenses

Expenses paid by the Hedge Funds include: management fees; legal, compliance, audit and accounting expenses (including third party accounting services); administrative fees and expenses; organizational expenses; investment expenses such as commissions, research fees and expenses (including research-related travel expenses and consulting expenses); interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; Hedge Fund-related insurance costs; Hedge Fund-related technology costs; a Hedge Fund's pro rata share of the expenses of the relevant master fund; directors' fees and expenses, including the cost of directors' insurance (for non-U.S. domiciled funds); and any other expenses related to the purchase, sale or transmittal of Hedge Fund assets. Please refer to Item 12 of this Brochure for a description of Visium's brokerage practices.

Each U.S. domiciled and non-U.S. domiciled Hedge Fund that is a feeder fund invests substantially all of its assets in a master fund through a "master-feeder" structure. Each feeder fund to a master fund will indirectly bear the administrative and other expenses of such master fund pro rata based on its ownership interest in such master fund.

VHP will reimburse its general partners for up to \$1.75 million of VHP's organizational and startup expenses, including legal, travel, accounting, filing, capital raising and other organizational expenses. In addition to this share of organizational and startup expenses, VHP will pay all other costs and expenses of VHP that are not reimbursed or borne by portfolio companies or other persons, including management fees; legal, auditing, consulting, financing, accounting, and custodian fees and expenses;

expenses associated with VHP's financial statements, tax returns and Schedule K-1s; expenses incurred in connection with the sourcing, evaluation, acquisition, holding and disposition of investments (including investments that are not consummated), including private placement fees, sales commissions, appraisal fees, entity-level taxes, brokerage fees, underwriting commissions and discounts, travel expenses, and legal, accounting, investment banking, consulting, information services, and professional fees; expenses of the Advisory Committee and annual meetings of the limited partners; insurance; expenses for establishing and maintaining VHP debt facilities; and extraordinary expenses (such as litigation, if any); and any taxes, fees or other governmental charges levied against VHP.

Visium Healthcare Partners (Cayman Feeder) Fund, LP is a non-U.S. domiciled parallel fund to VHP. As its name implies, it is a feeder fund that invests substantially all of its assets in a master fund through a "master-feeder" structure. Each feeder fund to a master fund will indirectly bear the administrative and other expenses of such master fund pro rata based on its ownership interest in such master fund.

In general, Visium is responsible for all expenses incurred by it on its own behalf in connection with its investment advisory services to the RIC and UCITS. The RIC and UCITS are responsible for brokerage commissions and similar fees and charges for the acquisition, disposition, lending or borrowing of securities; custodian fees and expenses; all taxes, including issuance and transfer taxes, and reserves for taxes payable; and interest payable on borrowings. The RIC bears additional expenses, outlined in its Governing Documents, in connection with its status as a registered investment company.

Expenses borne by the Managed Accounts are set forth in trading advisory or similar agreements between Visium and the respective Managed Account. These expenses generally include all custodial fees, brokerage commissions, clearing fees, interest and withholding or transfer taxes incurred in connection with trading for the Managed Account.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described in Item 5 above, Visium (or an affiliate) receives performance-based compensation from the Private Funds, UCITS and Managed Accounts.

The possibility that Visium (or an affiliate) may receive performance-based compensation creates a potential conflict of interest in that Visium (or an affiliate) may have an incentive to make investments that are riskier or more speculative than those which might have been made in the absence of such a performance-based fee. Prior to making an investment, investors in the Private Funds, UCITS and Managed Accounts are provided with information clearly disclosing how Visium (or an affiliate) charges performance-based compensation and how performance-based compensation may increase investment risk.

Because Visium receives performance-based compensation from some Advisory Clients and not others (such as the RIC), the possibility of a conflict of interest exists in that Visium may have a financial incentive to allocate more profitable investments to Advisory Clients that pay performance-based fees, to trade their portfolios first, or potentially take short positions in securities held in large amounts by those Advisory Clients with non-performance-based fees.

In addition, the possibility of a conflict of interest exists in that Visium's principal owners, officers, employees and their related persons may also invest directly in one or more of the Private Funds. They may have an incentive to allocate more profitable investments to Advisory Clients in which they and

their related persons have investments, to trade the portfolios of those Advisory Clients first, or potentially cause these Advisory Clients to take short positions in securities held in large amounts by those Advisory Clients in which they do not have investments.

To attempt to address these conflicts of interest, Visium has adopted policies and procedures on equitable trade allocation and trade aggregation. To the extent a particular investment is suitable for more than one Advisory Client, such investments will be allocated among such Advisory Clients pro rata based on assets under management or capital commitments or in some other manner that Visium determines is fair and equitable under the circumstances to all affected Advisory Clients.

In managing Advisory Client portfolios, Visium will generally seek to aggregate trades, subject to best execution. Aggregation opportunities for Visium generally arise when more than one Advisory Client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. Visium may but not always aggregate Advisory Client orders when doing so will result in a better overall price for Advisory Client trades. Visium may aggregate orders unless aggregation is not consistent with Visium's duty to obtain best execution or with the terms of the investment guidelines and restrictions of each Advisory Client for which trades are being aggregated. Trades will not be aggregated when portfolio managers send trade orders directly to Visium's execution traders and the execution traders are unaware of other orders in the same security. No Advisory Client will be favored over any other Advisory Client; each Advisory Client that participates in an aggregated order will participate at the average price for all of Visium's aggregated transactions in that security on a given business day, with transaction costs shared pro rata based on each Advisory Client's participation in the transaction. Please see Item 12 for more information on Visium's trade aggregation policies.

ITEM 7 – TYPES OF CLIENTS

Visium provides investment management and sub-advisory services to pooled investment vehicles operating as private investment funds, registered investment companies, UCITS and separately managed accounts. Visium has entered into separately managed account arrangements with foreign investment funds.

The Private Funds offer interests/shares only to certain qualified investors and admission to the Private Funds is not open to the general public. Limited partnership interests of the U.S. domiciled Private Funds and shares of the non-U.S. domiciled Private Funds are sold only to qualified investors who are "accredited investors" under Rule 501 of Regulation D of the Securities Act of 1933, as amended, and "qualified purchasers" as such term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended. These investors include corporate and public employee benefit plans, endowments, foundations, sovereign wealth funds, financial institutions, family offices and high net worth individuals. The Governing Documents for each Private Fund set minimum amounts for initial capital contributions/subscriptions (ranging from \$1,500,000 to \$50,000,000) and subsequent capital contributions/subscriptions (ranging from \$100,000 to \$5,000,000). Visium has waived, and reserves the right to modify or waive, such minimum amounts to the extent permissible under applicable law.

Minimum initial and subsequent investment amounts for the RIC are set forth in their respective Governing Documents and can range from \$2,500 to \$1,000,000 for minimum initial investment amounts to \$0 to \$250 for minimum subsequent investment amounts.

Minimum initial and subsequent investment amounts for the UCITS are set forth in its Governing Documents.

Minimum investment amounts for Managed Accounts are determined on a case-by-case basis.

The non-discretionary PE Funds are closed to new investments.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Visium has a variety of investment strategies and has broad discretion in making investments for Advisory Clients. Each Advisory Client's investment strategy is set forth in its Governing Documents, which describe the investment strategy, methods of analysis and risk of loss in more detail.

Investment Approach

All Advisory Clients except PE Funds:

Visium's investment approach depends on fundamental analysis, which is a method of evaluating a security that attempts to measure its intrinsic value by examining everything that can affect the value of that security, including macroeconomic factors (such as the overall economy and industry conditions) and company-specific factors (such as financial condition and management). The goal of fundamental analysis is to produce an intrinsic value that can be compared with the current price of the security in order to determine whether the security is currently overvalued or undervalued.

As part of this investment approach based on fundamental analysis, companies are evaluated with a view to determining accurate risk-reward profiles and high conviction levels. Visium tracks catalysts, presentations, meetings, conferences, corporate actions, earnings calendars and development schedules. Visium's portfolio managers and analysts also attend trade shows and Wall Street investor conferences.

PE Funds:

VHP's investment approach seeks to target inefficiencies within the healthcare products sector with flexible capital solutions that meet the requirements of healthcare companies or other counterparties. VHP focuses on structured investments in growth-stage healthcare companies that have innovative, commercially-validated products and technologies.

The investment periods of the other PE Funds have expired.

Investment Strategies

The investment strategy most commonly employed by Visium on behalf of its Advisory Clients is equity long/short, whereby Visium will take long positions in securities that are expected to increase in value and short positions in securities that are expected to decrease in value. Portfolios are managed within established limits to net short and net long exposures. Depending on the investment mandate, the portfolios of some Advisory Clients may be industry sector-specific (e.g., healthcare) whereas others may be broadly diversified across industry sectors and geographies.

Another investment strategy employed by Visium on behalf of some of its Advisory Clients is event-driven, whereby portfolio managers seek to take advantage of announced or anticipated corporate events such as mergers and restructurings to profit from the mispricing of securities.

The Visium Global Master Fund, Ltd. is a multi-strategy fund, which, as the term implies, employs a number of different investment strategies, each run by a different portfolio manager who follows an investment mandate subject to customized risk parameters. The investment strategies employed by Visium Global Master Fund, Ltd. include equity long/short, event driven, global macro, emerging markets and relative value. The Governing Documents of the feeder funds to Visium Global Master Fund, Ltd. describe these investment strategies and their associated risks in greater detail.

VHP is a private equity fund that VHP focuses on structured investments in growth-stage healthcare companies that have innovative, commercially-validated products and technologies. The Governing Documents of VHP describe this investment strategy and its associated risks in greater detail.

In pursuing these investment strategies, Visium invests in a wide range of financial instruments, including, but not limited to, long or short positions in U.S. or non-U.S. publicly traded or privately issued or negotiated common stocks, preferred stocks, stock warrants and rights, corporate or sovereign debt, bonds, notes or other debentures or debt participations, commodities, partnership interests, royalty streams, revenue interests, structured debt and combinations thereof, interests in investment companies, convertible securities, swaps, options (purchased or written), swaptions, futures contracts and other derivative instruments.

Risks

An investment in an Advisory Client may be deemed speculative and is not intended as a complete investment program. Investing in the securities markets in general and in the Private Funds in particular involves significant risk. These investments are appropriate for only experienced and sophisticated persons who meet certain eligibility criteria, are able to bear the risk of loss of some or all of an investment, and have a limited need for liquidity.

Investors are advised to review the applicable Governing Documents for additional information on the risks of investing in an Advisory Client.

Short Sales

Visium utilizes short sales of common stocks, bonds, and options as part of its investment program. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on an Advisory Client's portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase. There is also the risk that the securities borrowed by an Advisory Client in connection with a short sale must be returned to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and the Advisory Client may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short. The Advisory Client's inability to continue to borrow securities

previously sold short may also force the Advisory Client to unwind other elements of an investment position, possibly at a loss.

Use of Leverage

Visium utilizes leverage. This may result in an Advisory Client controlling substantially more assets than the Advisory Client has equity. Leverage increases returns if the Advisory Client's return on investments purchased with borrowed funds is greater than the cost of borrowing such funds. However, the use of leverage exposes an Advisory Client to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case if the Advisory Client had not borrowed to make such investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses where the investment fails to generate a return that equals or exceeds the Advisory Client's cost of borrowing. In the event of a sudden, precipitous drop in value of the Advisory Client's assets, the Advisory Client might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

Healthcare Companies

Healthcare companies are generally subject to greater governmental regulation than other industries at both the state and federal level. Changes in governmental policies may have a material effect on the demand for or costs of certain products and services. A healthcare company must receive government approval before introducing new drugs and medical devices or procedures. This process may delay the introduction of these products and services to the marketplace, resulting in increased development costs, delayed cost-recovery and loss of competitive advantage to the extent that rival companies have developed competing products or procedures, adversely affecting the company's revenues and profitability. Expansion of facilities by healthcare providers is subject to "determinations of need" by the appropriate government authorities. This process not only increases the time and cost involved in these expansions, but also makes expansion plans uncertain, limiting the revenue and profitability growth potential of healthcare facilities operators and negatively affecting the price of their securities. Certain healthcare companies depend on exclusive rights or patents for the products they develop and distribute. Patents have a limited duration; upon expiration of a patent, competitors may market substantially similar "generic" products which cost less to develop and may cause the original developer of the product to lose market share and/or reduce the price charged for the product, resulting in lower profits for the original developer. Finally, because the products and services of healthcare companies affect the health and well-being of many individuals, these companies are especially susceptible to product liability lawsuits. The share price of a healthcare company can drop dramatically not only as a reaction to an adverse judicial ruling, but also from the adverse publicity accompanying threatened litigation.

Special Situations

Certain Advisory Clients 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, will 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 an Advisory Client 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, an Advisory Client may be required to sell its investment

at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which an Advisory Client may invest, there is a potential risk of loss by an Advisory Client of its entire investment in such companies.

Technology Sector

Companies in the rapidly changing technology field face special risks. For example, these companies spend heavily on research and development and their products or services may not prove commercially successful or may become obsolete quickly. The value of an Advisory Client's investments may be susceptible to factors affecting the technology and science areas. As such, an Advisory Client may not be an appropriate investment for individuals who are not long-term investors and who, as their primary investment objective, require safety of principal or stable income from their investments. The technology field may be subject to greater governmental regulation, intervention and scrutiny than many other areas, and changes in governmental policies and the need for regulatory approvals may have a material adverse effect on these areas. Additionally, companies in these areas may be subject to risks of developing technologies, competitive pressures and other factors and are dependent upon consumer and business acceptance as new technologies evolve.

Media/Telecommunications Companies

In addition to the risks associated with making investments in companies with a technology focus, these companies may be subject to other risks including, without limitation, government intervention and scrutiny and increased competition from both the private and public sectors.

Energy Sector and Utility Industry Related Risks

Advisory Clients may invest in the global energy markets, including utility companies. Accordingly, an Advisory Client could face the risk that earnings and dividends of energy companies will be greatly affected by changes in the prices and supplies of oil, natural gas and other energy fuels. Prices and supplies can fluctuate significantly over short periods due to a variety of factors, including but not limited to changes in international politics, policies of the Organization of the Petroleum Exporting Countries (OPEC), relationships among OPEC members and between OPEC and oil-importing nations, energy conservation, the regulatory environment, government tax policies, and the economic growth and stability of key energy-consuming countries.

The risks associated with certain energy and utility companies include those involving the construction, operation and licensing of nuclear power plants, including the risk of nuclear accident. The market value of the stock of utility companies also may be adversely affected by inadequate rate increases from regulatory agencies. Other risks of electric and gas utilities include their sensitivity to changes in interest rates, their continuing requirements for raising additional capital and their obligation to comply with environmental and other governmental mandates.

Industrials, Energy and Power

Energy and basic materials are impacted by global factors including supply and demand, governmental regulation, interest rates, and taxation. Investors in the industrials, energy, power and gas sectors may be subject to greater levels of volatility as a result of these factors. To the extent that Visium is unable to properly predict the direction of these fluctuations, investors may incur a loss.

High Growth Industry Related Risks

Advisory Clients may invest in high growth companies, which may allocate, or may have allocated, greater than usual amounts to research and product development. The securities of such companies may experience above-average price movements associated with the perceived prospects of success of the research and development programs. In addition, companies in which Advisory Clients invest could be adversely affected by lack of commercial acceptance of a new product or products or by technological change and obsolescence. Some of these companies may have limited operating histories. As a result, these companies may face undeveloped or limited markets, have limited products, rely on proprietary technology which may be difficult to protect from competitors, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses.

Financial Services Sector Investments

Advisory Clients may invest in financial services companies and may be subject to the risks associated with investments in financial services companies, in addition to the general risks of the stock and bond markets. Among the factors that the financial services industry is vulnerable to are: extensive government regulation, rapid business changes, general economic conditions, significant competition and value fluctuations. This extensive governmental regulation, which may change frequently, can, among other things, increase costs for new services or products and make it difficult to pass increased costs on to consumers. Investment in the financial institutions sector may expose investors to systemic risk in the financial system. Moreover, the prices of stocks and bonds issued by many financial services companies have historically been more closely correlated with changes in interest rates than other stocks. When interest rates go up, the price for fixed-income assets generally declines. Moreover, this relationship between interest rates and fixed-income asset prices is more complex for financial institutions, which may benefit from a rising interest rate environment. However, there is no guarantee that in the future financial institutions will benefit from an increasing or a decreasing rate environment, and the historical relationship between interest rates and fixed-income asset prices may not continue in the future. There is no guarantee that Visium will be able to adequately anticipate or react to these various risks and vulnerabilities.

Arbitrage Transaction Risks

Arbitrage strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments, on different markets or in different forms. Examples of arbitrage strategies include event-driven arbitrage, merger arbitrage, capital structure arbitrage, convertible arbitrage, fixed income or interest rate arbitrage, statistical arbitrage, debt spread arbitrage and index arbitrage. Visium may employ any one or more of these arbitrage strategies. If the requisite elements of an arbitrage strategy are not properly analyzed, or unexpected events or price movements intervene, losses can occur which can be magnified to the extent an Advisory Client is employing leverage. Moreover, arbitrage strategies often depend upon identifying favorable "spreads", which can also be identified, reduced or eliminated by other market participants.

Use of Quantitative Methodology

In making investment decisions, Visium will utilize quantitative models. Quantitative models rely on patterns inferred from historical financial data in evaluating prospective investments. However, financial

and economic patterns, relationships and trends tend to change over time, sometimes suddenly and drastically. As market dynamics shift, a previously successful model may become outdated, perhaps without Visium noticing that fact before substantial losses have been incurred. While Visium will seek to control the risks associated with market changes and will attempt to identify such changes as they occur, there can be no assurance that Visium will be able to successfully adjust its quantitative models to reflect the changing economic environment, and therefore changes in underlying market conditions can significantly impact performance.

Statistical Measurement Error

Trading strategies employed by Visium may rely on patterns inferred from historical series of prices and other financial data. Even if all the assumptions underlying the models were met exactly, the models can only make a prediction, not afford certainty. There can be no assurance that future performance will match the prediction. Further, most statistical procedures cannot fully match the complexity of the financial markets and as such, results of their application are uncertain. In addition, changes in underlying market conditions can adversely affect the performance of a statistical model.

Reliance on Technology

Models used in the investment strategy may be highly reliant on technology, including hardware, software and telecommunications systems. Forecasting, trade execution, data gathering, risk management and accounting systems all integrally require a high degree of automation and computerization. The incidence of software errors should be reduced by internal testing and the impact of such errors should be reduced by independent safeguards in the applicable software code. However, software errors may result in the execution of unanticipated trades, either through direct automated execution or because Visium followed such unanticipated trades and created unintended results. Errors that creep into the code may be very hard to detect and can potentially degrade or impact results over a long period of time. In addition, if a third party claimed superior rights or infringement on a program created or utilized by such third party, investors could be adversely affected.

Significant parts of the technology used in the management of investment strategies may be provided by third parties and are therefore beyond Visium's direct control. Visium seeks, on an ongoing basis, to ensure adequate backups of software and hardware where possible. Further, to the extent that an unforeseeable software or hardware malfunction or problem is caused by a defect, virus or other outside force, investors may be materially adversely affected.

Equities

Advisory Clients' investment portfolios include positions in common stocks, preferred stocks, and convertible securities of U.S. issuers and non-U.S. issuers. Advisory Clients also invest in depository receipts relating to non-U.S. securities. 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 and industry market conditions and general economic environments.

Non-U.S. Securities

Visium invests in non-U.S. securities. Investing in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies and utilizing options on non-U.S. securities may be riskier than investing in securities (or derivatives thereof) of the United States Government or United

States companies. These greater risks include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign governmental restrictions, less governmental supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Options

Visium utilizes options strategies. The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Derivatives

Visium utilizes derivatives strategies. To the extent that an Advisory Client invests in swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, such Advisory Client may take on credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets (directly or indirectly) of the Advisory Client, and hence the Advisory Client should not be exposed to credit risk with regard to such parties. However, it may not always be possible to achieve this segregation, and there may be practical or time problems associated with enforcing rights to its assets in the case of an insolvency of any such party.

Forward Trading

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which Visium would otherwise recommend, to the possible detriment of the Advisory Client. Market illiquidity or disruption could result in major losses to Advisory Clients.

Real Estate Industry and REITs

Certain of the Advisory Clients invest in companies in the real estate industry and, therefore, may be subject to risks associated with the direct ownership of real estate, such as decreases in real estate values, overbuilding, increased competition and other risks related to local or general economic conditions, increases in operating costs and property taxes, changes in zoning laws, casualty or condemnation losses, possible environmental liabilities, regulatory limitations on rent and fluctuations in rental income. Equity REITs generally experience these risks directly through fee or leasehold interests, whereas mortgage REITs generally experience these risks indirectly through mortgage interests, unless the mortgage REIT forecloses on the underlying real estate.

Sovereign Debt Securities

Certain of the Advisory Clients may trade sovereign debt securities which may be rated below investment grade or unrated by a recognized credit-rating agency and which are subject to greater risk of loss of principal and interest than higher-rated debt securities. Such debt securities, which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. Certain Advisory Clients also may trade derivatives on any or all sovereign debt securities.

Corporate Debt Obligations

Certain Advisory Clients invest in corporate debt obligations, including commercial paper. Corporate debt obligations are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations (credit risk). Visium may intend to actively expose certain Advisory Clients to credit risk. However, there can be no guarantee that Visium will be successful in making the right selections and thus fully mitigate the impact of credit risk changes on the Advisory Clients.

Exchange Traded Funds

Because exchange-traded funds ("ETFs") are, by definition, portfolios of securities, Visium 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.

Distressed Securities

Visium may invest in "distressed securities" -- securities, private claims and obligations of companies that are experiencing significant financial or business difficulties. Investments may include loans, commercial paper, loan participations, trade claims held by trade or other creditors, stocks, partnership interests and similar financial instruments, executory contracts and options or participations therein not publicly traded. Distressed securities may result in significant returns to an Advisory Client, but also involve substantial risk. An Advisory Client may lose a substantial portion or all of its investment in a distressed environment or may be required to accept cash or securities with a value less than that of the original investment. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the dearth of accurate and reliable information about such issuers.

Distressed investments also may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of such instruments are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such instruments may be greater than normally experienced. In trading distressed securities, litigation sometimes arises. Such litigation can be time-consuming and expensive, and can frequently lead to unpredicted delays or losses.

Commodity-Related Securities

The production and marketing of commodities may be affected by actions and changes in governments. In addition, commodity-related securities may be cyclical in nature. During periods of economic or financial instability, commodity-related securities may be subject to broad price fluctuations, reflecting volatility of energy and basic materials prices and possible instability of supply of various commodities. Commodity-related securities may also experience greater price fluctuations than the relevant commodity. In periods of rising commodity prices, such securities may rise at a faster rate, and conversely, in time of falling commodity prices, such securities may suffer a greater price decline.

Currency Markets

By trading in foreign exchange and investing in international securities and derivative instruments relating to such securities, Advisory Clients will have exposure to fluctuations in currency exchange rates. Visium may, in part, seek to offset the risks associated with such exposure or to increase returns through foreign exchange transactions. Such transactions involve a significant degree of risk and the markets in which foreign exchange transactions are effected are volatile, specialized and technical. Significant changes, including changes in liquidity and prices, can occur in such markets within very short periods of time, often within minutes. Foreign exchange trading risks include, but are not limited to, exchange rate risk, maturity gaps, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment or particular transactions in foreign currency. The foreign exchange transactions can result in returns being substantially better or worse than what returns would have been had Visium not entered into the transactions.

Trading in Futures Contracts

Visium may invest or trade in futures contracts and options thereon and may in the future establish one or more sub-portfolios dedicated to investing in futures contracts. Trading in futures contracts and options thereon is a highly specialized activity which may entail greater than ordinary investment risks.

Futures positions (including financial futures) may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Daily limits could prevent Visium from promptly liquidating unfavorable positions and subject an Advisory Client to substantial losses. In addition, Visium may not be able to execute futures contract trades at favorable prices if little trading in the contracts involved is taking place. It also is possible that an exchange or the Commodity Futures Trading Commission may suspend trading in a particular contract, order immediate

liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

Cybersecurity

The computer systems, networks and devices used by Visium and its service providers to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. As a result, Advisory Clients and investors could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to an Advisory Client; impediments to trading; the inability of Visium and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Additional Specific Risks for PE Funds:

Business Risks

VHP's portfolio will consist primarily of investments secured by senior claims on healthcare company assets or cash flows, including investments in royalty streams, revenue interests, structured debt, and hybrid investments combining elements of the foregoing predominantly for commercial pharmaceutical and other healthcare products, and other interests in companies concentrated in the healthcare sector, and operating results will be difficult to predict. Such investments involve business and financial risk that can result in substantial losses.

Future and Past Performance

The performance of past investments by the VHP team is not necessarily indicative of VHP's future results. Although VHP intends to make investments that will have returns commensurate with the risks undertaken, there can be no assurances that the targeted returns will be achieved. On any given investment, loss of the entire principal is possible.

Concentration of Investments

VHP will participate in a limited number of investments and intends to make the majority of its investments in the pharmaceutical/medical device industry, and, as a result, VHP's investment portfolio will be concentrated in one general industry. As such, the performance of a few holdings and the industry generally may substantially affect VHP's aggregate returns. Furthermore, to the extent that the amount of capital raised by VHP is less than the targeted amount, or because of other factors, VHP may invest in fewer investments and thus be less diversified than was otherwise intended.

Lack of Sufficient Investment Opportunities

The nature of sourcing, negotiating, and completing healthcare structured finance investments involves a high degree of uncertainty. VHP may compete for these investments with other investment firms, investment affiliates of large financial services organizations and occasionally the licensees themselves. There can be no assurance that VHP will be able to identify and close on a sufficient amount of transactions that meet its investment objectives, and therefore there can be no assurance that it will successfully deploy all of its committed capital during the investment period. However, investors will be required to pay annual management fees during the investment period based on the entire amount of their commitments.

Originated Investments

VHP's success will depend, in part, on the ability of Visium to originate investments on advantageous terms. In originating and purchasing investments, VHP competes with a broad spectrum of financial institutions, some of which may have greater financial resources than VHP. Increased competition for, or a diminishment in the available supply of, qualifying investments could result in lower investment returns, which could reduce returns to investors. VHP may originate certain investments and later syndicate a portion of one or more investments to other affiliated funds or third parties, including a parallel fund. Prior to such syndication, or if such syndication is not successful, VHP's exposure to the originated investment may exceed the exposure that VHP intends to have over the long-term or would have had if it had purchased such investment in the secondary market rather than originating it. This could result in VHP's suffering losses that it otherwise would not have incurred. The level of analytical sophistication, both financial and legal, necessary for successful investing in these investments is unusually high. There is no assurance that the Visium will be successful in identifying successful investments.

Illiquidity; Lack of Current Distributions

An investment in VHP should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, on equity investments generally will occur only upon the partial or complete disposition of such investments. The return of capital and the realization of gains, if any, on revenue, royalty or debt investments may occur earlier. While an equity investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Before such time, there may be no current return on such equity investment. Furthermore, the expenses of operating VHP (including the management fee) may exceed its cash flow, thereby requiring that the difference be paid from VHP's capital and drawn down from limited partners.

Uncertainty Of Target Returns

There can be no assurance that VHP's target return will be achieved. In considering the target return prospective investors should bear in mind that such targeted performance is not a guarantee, projection or prediction and is not indicative of future results of VHP. Actual gross returns in any given year and over time may be lower than the target return. Even if the target return is met, actual returns to investors will be lower due to expenses, taxes, structuring considerations and other factors. In addition, the target return may be adjusted without notice to investors in light of available investment opportunities and/or changing market conditions. Visium believes that the target return for VHP is reasonable based on a combination of factors, including VHP's investment team's general experience, its

assessment of prevailing market conditions and the availability of leverage and financing at expected costs and other terms. There are, however, numerous assumptions that factor into the target return that may not be consistent with future market conditions and that may significantly affect actual investment results. Such assumptions include (i) the ability to source and acquire attractively priced assets; (ii) the expected response of specific investments to market conditions; (iii) the availability of leverage at expected terms; and (iv) Visium's outlook for the healthcare industry as it relates to potential changes to the regulatory environment, interest rates, growth expectations, and industry fundamentals. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in calculating the target return have been stated or fully considered. Prospective investors reviewing the target return must make their own determination as to the reasonableness of the assumptions and the reliability of the target return. Actual results and events may differ significantly from the assumptions and estimates on which the target return is based.

Government Regulation; Risk of Drug Withdrawals

Products are subject to extensive and rigorous regulation by United States local, state, and federal regulatory authorities and by comparable foreign regulatory bodies. Regulatory clearance of a product is limited to those disease states and conditions for which the product is useful, as demonstrated through clinical studies and determined by the appropriate regulatory authorities. Marketing or promoting a drug for an unapproved indication is prohibited. Furthermore, clearance of a product for marketing for a specific indication may entail ongoing requirements or post-marketing studies.

Although VHP's focus will be on healthcare structured finance investments backed primarily by products that already have received regulatory approval, prior to the grant of such marketing approvals by the U.S. Food and Drug Administration or corresponding regulatory authorities outside of the U.S., most products must undergo extensive investigation and clinical trials to meet stringent safety and efficacy requirements. Also, the manufacturer of a product and its manufacturing facilities are subject to approval, continual review and periodic inspections by the regulatory authorities. As a result, the frequency of product withdrawals is low. Nevertheless, there have been instances when discovery of previously unknown problems with a product, manufacturer or facility has resulted in temporary restrictions on the use or the manufacture of such product, including costly recalls or even withdrawal of the product from the market. Such events, whether voluntary or mandated by a regulatory authority, typically result in an immediate reduction or discontinuation of revenues from the product worldwide. There can be no guarantee that the incidence of regulatory product removals will not increase, and if such an event were to occur, it would likely have a significant and adverse effect on the performance of a particular investment and could have a material adverse effect on the aggregate performance of VHP. Any regulation in force and effect at the date of any closing or at the time an investment is made is subject to change, which may materially and adversely impact the performance of VHP.

Risks Related to Structured Investments

Structured investments, including, but not limited to, royalty investments, revenue interests, structured debt, royalty bonds, equity, and combinations thereof, are highly complex investments. Their complexity gives rise to the risk that certain investors, parties involved in their creation and issuance, and/or other parties with an interest in them may not share the same understanding of how these investments behave, or the rights that the various interested parties have with respect to them. Furthermore, the documents governing these investments may contain ambiguities that are subject to differing interpretations. Even in the absence of such ambiguities, if a dispute were to arise concerning these instruments, there is a risk that a court or other tribunal might not fully understand all aspects of

these investments and might rule in a manner contrary to both the terms and the intent of the documents. Therefore, VHP cannot be fully assured that it will be able to enjoy all of the rights that it expects to have when it makes structured investments. In addition, due to their complex structure, structured investments may be difficult to value and may have reduced liquidity. Structured investments are also a relatively recent development in the financial markets. Consequently, there are certain tax and market uncertainties that present risks relating to investing in structured investments. Structured investments are subject to the risks of the underlying assets. These risks include the possibility of a default by, or bankruptcy of, the issuers of such assets or a claim that the pledging of collateral to secure any such asset constituted a fraudulent conveyance or preferential transfer that can be subordinated to the rights of other creditors of the issuer of such asset or nullified under applicable law. VHP will not own such assets directly and will therefore not benefit from general rights applicable to the holders of assets, such as the right to indemnity and the rights of setoff, or have voting rights with respect to such assets.

Structured investments are often leveraged, thereby increasing their risk. Utilization of leverage is a speculative investment technique and will generally magnify the opportunities for gain and risk of loss borne by an investor in the equity or subordinated debt securities issued by a structured investment. Many structured investments contain covenants designed to protect the providers of debt financing to such structured investments. A failure to satisfy those covenants could result in the untimely liquidation of the structured investment and a complete loss of VHP's investment therein.

Use of Leverage and Leveraged Investments by VHP

VHP may seek to enhance its total returns through the use of leverage. Although the use of leverage may create an opportunity for increased returns, it also results in additional risks and can magnify the effect of any losses and thus could negatively impact VHP's business and results of operation and have important adverse consequences to VHP's investments. VHP may borrow directly or may borrow indirectly, for example, by contributing assets to an entity which issues debt. It is likely that any debt VHP incurs will include covenants that may restrict VHP's operating flexibility, including covenants that, among others, limit VHP's ability to: (i) pay distributions in certain circumstances, (ii) incur additional debt, and (iii) engage in certain transactions. If VHP secures its leverage through the pledging of collateral, VHP may, if VHP is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, be subject to risk that a lender seizes its assets through margin calls or otherwise that could require liquidation of investments at inopportune times or at prices that are not favorable to VHP and cause significant losses. If a lender seizes and liquidates pledged collateral, such collateral will likely be sold at distressed price levels. VHP will fail to realize the full value of such assets in a distressed sale.

In addition, VHP may be required to maintain a portion of its assets in cash or high-grade securities as a reserve against interest or principal payments and expenses. VHP expects that any credit facility will have customary affirmative covenant, negative covenant, and default provisions. However, there can be no assurance that VHP will enter into an agreement for a credit facility on terms and conditions representative of the foregoing or that additional material terms will not apply. Furthermore, if entered into, any such credit facility may in the future be replaced or refinanced by one or more credit facilities having substantially different terms. VHP's compliance with its credit facility may impact its returns and ability to make distributions.

VHP may be required to pay commitment fees and other costs of borrowings under the terms of a credit facility. Moreover, interest on borrowings will be an expense of VHP. With the use of borrowings, there

is a risk that the interest rates paid by VHP on the amount it borrows will be higher than the return on VHP's investments. In addition, any leverage instruments that VHP may issue in the future will likely have rights, preferences, and privileges over and against VHP's assets in liquidation that are more favorable than those of the interests in VHP. Such additional costs and expenses may affect the operating results of VHP.

If VHP cannot generate sufficient cash flow from its investments, it may need to refinance all or a portion of its indebtedness on or before maturity. The U.S. capital markets have recently experienced historic dislocations and liquidity disruptions, which have caused financing to be unavailable in many cases and, even if available, have caused the cost of prospective financings to increase. These circumstances have materially impacted liquidity in the debt markets, making financing terms for borrowers able to find financing less attractive, and in many cases have resulted in the unavailability of certain types of debt financing. Continued uncertainty in the debt and equity markets may negatively impact VHP's ability to access financing on favorable terms or at all. The inability to obtain additional financing could have a material adverse effect on VHP's operations and on its ability to meet its debt obligations. If it is unable to refinance any of its indebtedness on commercially reasonable terms or at all, VHP's business and returns may be harmed.

VHP may make use of leverage by incurring subscription financing or other debt to finance a portion of its investment in a given investment. Leverage generally magnifies both VHP's opportunities for gain and its risk of loss from a particular investment. The use of leverage may also result in interest expense and other costs to VHP that may not be fully covered by distributions made to VHP. The leveraged capital structure of an investment will increase the exposure of leveraged VHP investments to any deterioration in the product's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of such investments. In the event any portfolio investment cannot generate adequate cash flow to meet debt service payments, VHP may suffer a loss of capital invested, which could adversely affect the returns of VHP. Furthermore, the investments in which VHP will invest generally will not be rated by a credit rating agency.

Market conditions may also unfavorably impact VHP's ability to secure leverage on terms as favorable as more established borrowers in the market, or to obtain any leverage on commercially feasible terms. To the extent VHP is able to secure financing for investments, increases in interest rates or in the risk spread demanded by financing sources would make the partial financing of investments with indebtedness more expensive and could limit VHP's ability to structure and consummate its investments.

Fixed Income Investments

As interest rates change, the price of most fixed income investments moves in the opposite direction. Consequently, if VHP has to sell a fixed income investment prior to its maturity date, an increase in interest rates may result in a loss to VHP; conversely, a decrease in interest rates may result in a gain to VHP.

Variability in Healthcare Structured Finance Investment Cash Flows

Distributions to investors from VHP's investments will be correlated to some extent to the revenue levels achieved by the products underlying investments. Although revenue projections have been developed, VHP's investment may contemplate additional markets to those for which the product(s)

underlying the investment are approved at the time of VHP's investment. Moreover, the time required for these approvals is uncertain and can take a number of years, depending on the type and complexity and novelty of the product. VHP may not have any influence or control over the amount and timing of revenues generated by each product. Such revenues typically vary from quarter to quarter, and although the variations are typically gradual and seasonal, in certain cases they could be material and adverse. This could be the result of many different factors including but not limited to adverse market conditions, unanticipated regulatory changes, business disruptions and other factors that may not be foreseen by VHP at the time of investment.

Restrictions on Transfer of Healthcare Structured Finance Investments

VHP investments are generally derived from long-term contracts, such as license agreements or other similar arrangements based on revenue generation. There may be provisions in such license agreements that restrict VHP's ability to transfer investments without the express written consent of the licensors or licensees. In addition, it is unlikely that there will ever be a formal public market to facilitate the exchange, barter or transfer of the investments held by VHP. VHP's general partner may pursue several exit strategies although such restrictions may impact the ability of the general partner to achieve the optimal exit for VHP.

Risks Associated with Patents and Proprietary Rights

Commercial success of any underlying products (and, in turn, the investment performance of the investments) depends in part on the ability of the developing and marketing companies or their collaborative partners to obtain patents and successfully defend issued patents against invalidity claims. The determination of the strength of the patent position involves complex legal and factual questions and, therefore, enforceability of a patent cannot be predicted with certainty. For example, patent applications may be maintained in secrecy until patents issue, and the publication of discoveries in the scientific or patent literature frequently occurs substantially later than the date on which the underlying discoveries were made. Also, issued patents may be challenged, invalidated or circumvented. Pending patent applications claiming a product may not result in patents being issued. Also, no assurances can be given that patents will provide protection from or afford competitive advantages against competitors with similar products that do not violate the patents of royalty products. Furthermore, others may independently develop similar technologies or duplicate certain technology underlying the royalty products. The laws of certain foreign countries do not protect intellectual property rights to the same extent as do the laws of the United States, the European Union, and Japan. Thus, any product patents and patent applications that exist at the time of investment may not provide sufficient protection against competing products.

In addition to patents, the protection of the proprietary position of products may rely on trade secrets and proprietary know-how that may be protected, in part, through confidentiality and proprietary information agreements. These agreements may not provide meaningful protection or adequate remedies in the event of unauthorized use or disclosure of trade secrets or confidential and proprietary information relating to a product, and VHP may not be able to obtain these protections in the future. Furthermore, trade secrets may otherwise become known to, or be independently developed by, competitors.

If a product infringes the patents or violates other proprietary rights of third parties, litigation, interference or other administrative proceedings may ensue, which may result in an adverse determination of an infringement claim that may subject the company marketing the product to

significant liabilities and restrict or prevent it from the manufacture and sale of products. If the infringement claim is resolved by obtaining a license from the third parties whose intellectual property rights are infringed, such a license may include ongoing royalties which may be offset against the royalties due VHP. These outcomes may materially adversely affect the investments held by VHP and, in turn, may adversely affect the performance of VHP.

Technological Change; Competition

Products that are the subject of investments by VHP are likely to face competition from other products based on product efficacy and/or safety profiles, the timing and scope of regulatory approvals, availability of supply, marketing and sales capability, reimbursement coverage, price, and patent position. Others may develop technologies, which are, or in the future may be, the basis for products that will directly compete with or reduce the commercial market opportunity for a product. Competition, including from larger and better capitalized pharmaceutical companies and more established biotechnology companies, may be intense and may increase over time. Smaller companies may also prove to be significant competitors, particularly through collaborative arrangements with larger pharmaceutical and established biotechnology companies. Academic institutions, governmental agencies and other public and private research organizations also conduct research, seek patent protection and establish collaborative arrangements for clinical development and marketing, which can result in such competing products. These factors may materially adversely affect the investments held by VHP.

Dependence on Third Parties to Market Royalty Generating Products

Revenues from investments will directly or indirectly depend upon the marketing efforts of third parties, including pharmaceutical companies and biotechnology companies that license the right to manufacture and sell products in exchange for royalty payments. In many cases, a license agreement with a marketing partner may not have specific minimum sales requirements and the marketing partner may have exclusive or substantial discretion in determining its marketing plans and efforts. A licensee marketing partner may not be restricted from abandoning a licensed product or from developing or selling a competitive product. In the event that a collaborative partner elects to discontinue marketing a licensed product in which VHP has made an investment, VHP would be dependent upon the licensor to find another marketing partner. There can be no assurance that another partner could be found on favorable terms, or at all, or that the licensor will be able to assume marketing, sales, and distribution responsibility for its own account. These factors may materially adversely affect the investments held by VHP.

Pharmaceutical Pricing and Reimbursement

The business and financial condition of pharmaceutical and biotechnology companies will continue to be affected by the efforts of governmental and third-party payers to contain or reduce the cost of healthcare. In certain markets outside of the United States pricing of prescription pharmaceuticals is subject to governmental control. In the United States there have been, and Visium expects that there will continue to be, a number of federal and state proposals to implement similar government price controls. In addition, managed care in the United States has increased and will continue to exert pressure on pharmaceutical pricing. Although price reductions can lead to increases in overall product revenues due to increases in unit volume sales, prices imposed by government also may reduce royalties due on sales of products and materially adversely affect the investments held by VHP.

Dependence on Enforceable License Agreement

VHP investments that are passive royalties are created by a license agreement between the licensor of the product and another entity, such as a biotechnology or pharmaceutical company. The seller of the investments may have continuing obligations under the license agreement, such as maintenance and defense of patents, or support in connection with regulatory matters that are outside the control of VHP. Depending on the structure of the investment between VHP and the seller and the terms of the underlying license agreement, the investments may not survive the termination of the license agreement (e.g., in connection with a material breach of the license agreement, etc.). As a result, there can be no assurance that payments will be made under the license agreements as expected or that VHP will have adequate remedies if such payments are not made.

Terms of Agreements with Universities and Research Institutions

Certain sellers of royalties and revenue interests (e.g., inventors, universities, and research institutions) that underlie some investments have limited business experience and little or no familiarity with the customary representations and warranties obtained in sales of assets such as royalties or revenue interests. Such representations and warranties can involve confirmations regarding the existence, validity, and scope of patent coverage pertaining to the investments. Others concern title and ownership and whether other claimants or potential claimants to the investments may exist. In some cases, the seller's sponsoring university or research institution may have had responsibility for processing patent applications and documenting royalty agreements. As a result, the seller may not be in a position to make certain representations with respect to the investment. In addition, there is often little or no incentive for sponsoring institutions to provide any assurances to VHP or the seller regarding the royalties or revenue interests being sold. There can be no assurance that Visium will be able to obtain customary representations and warranties or to otherwise manage risks associated with investments completed with its transaction counterparties.

Projections

Visium anticipates that projected revenues for a product in which VHP invests normally will be based primarily on financial projections prepared by VHP and its consultants. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Limited Transferability of Partnership Interests

There will be no public market for VHP's partnership interests, and none is expected to develop. There are substantial restrictions upon the ability of investors to transfer their limited partner interests in VHP under the terms of its Governing Documents and applicable securities laws. In general, withdrawals of limited partners are not permitted. In addition, VHP's partnership interests are not redeemable.

Reliance on the Principals, General Partner and Portfolio Company Management

Control over the operation of VHP will be vested entirely with Visium, and VHP's future profitability will depend largely upon the business and investment acumen of certain Visium principals. The loss of service of one or more of principals could have an adverse effect on VHP's ability to realize its

investment objectives. Investors generally have no right or power to take part in the management of VHP, and as a result, the investment performance of VHP will depend entirely on the actions of Visium. Although Visium will monitor the performance of each VHP investment, it will primarily be the responsibility of each portfolio company's management team to manage its licensees, or in the case of revenue interests, the revenues generated by products on a day-to-day basis. Although VHP generally intends to invest in companies with strong management, there can be no assurance that the existing management of such companies will continue to operate a company successfully.

Lack of Operating History

VHP began operations upon its initial closing and has no operating history. Investors must rely on the ability of Visium to identify, structure, and implement investments consistent with VHP's investment objectives.

Need for Follow-On Investments

Following its initial investment in a given royalty interest or portfolio company, VHP may decide to provide additional funds to such investment or may have the opportunity to increase its investment in a successful investment. There is no assurance that VHP will make follow-on investments or that VHP will have sufficient funds to make all or any of such investments. Any decision by VHP not to make follow-on investments or its inability to make such investments may have a substantial negative effect on an investment in need of additional capital or may result in a lost opportunity for VHP to increase its participation in a successful operation.

Non-U.S. Investments

VHP may invest in non-U.S. investments. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of VHP), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. withholding and other taxes on VHP and/or investors with respect to VHP's income, and possible non-U.S. tax return filing requirements for VHP and/or investors.

Significant Default Penalties

The Governing Documents provide for significant penalties and other adverse consequences in the event an investor defaults on its commitment or other payment obligations. In addition to losing its right to potential distributions from VHP, a defaulting investor may be forced to transfer its interest in VHP for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest.

General Partner's Carried Interest

VHP's general partner's carried interest is based on a percentage of net profits, which may create an incentive for Visium to cause VHP to make riskier or more speculative investments than would otherwise be the case.

Parallel Funds

Visium may create one or more parallel investment entities that would invest proportionately in all transactions on effectively the same terms and conditions as VHP. VHP and such parallel investment entities may not acquire certain portfolio investments at the same time and VHP may make certain investments and later syndicate a portion of such investment to the parallel investment entities. Prior to such syndication, or if such syndication is not successful, VHP's exposure to an investment may exceed the exposure that VHP intends to have over the longer term. There is no assurance that VHP will correctly value an investment if a portion of such investment is syndicated to a parallel investment entity and there will be no contractual assurance of such syndication.

Other Tax Considerations

An investment in VHP may involve complex U.S. federal income tax considerations that will differ for each investor. Prospective investors are urged to consult their own tax advisors regarding U.S. federal tax considerations relating to an investment in VHP, as well as non-U.S. state and local tax consequences.

ITEM 9 – DISCIPLINARY INFORMATION

On March 7, 2016, Visium announced that the U.S. Department of Justice (the "DOJ") and the Securities and Exchange Commission (the "SEC") had requested information from Visium regarding the valuation of certain securities in a long/short credit strategy, which was discontinued in 2013. In addition, the SEC and the DOJ requested information regarding the trading of certain securities, including in connection with the use of a consultant who stopped providing services to Visium in 2011. Visium is providing the requested information to the SEC and the DOJ.

On June 15, 2016, the DOJ and SEC announced charges against Sanjay Valvani, a portfolio manager employed by Visium and on paid leave since April 2016. Mr. Valvani was charged with participating in a scheme, from in or about 2005 through in or about January 2011, to convert United States property, to defraud the United States, and to commit securities fraud and wire fraud relating to unlawfully obtaining highly confidential and material non-public information from the Food and Drug Administration. Mr. Valvani has pleaded not guilty to all charges. Similar charges were unsealed by the DOJ against a former employee for insider trading. Separately, additional charges were unsealed against a former employee and filed against a separate former employee by the DOJ and SEC for engaging in a fraudulent scheme to falsely inflate the value of securities held by an Advisory Client. The charges allege that sham broker quotes were used to mismark various securities per month, which caused a Visium Advisory Client to report artificially inflated returns and monthly net asset values. One of the former employees has pleaded guilty with respect to valuation and insider trading charges. The SEC indicated that its investigation is continuing.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Visium is registered as a commodity pool operator with the United States Commodity Futures Trading Commission. Visium Asset UK LLP, an affiliate of Visium, is authorized by the Financial Conduct Authority of the United Kingdom to perform certain investment sub-advisory services on behalf of the UCITS and certain Private Funds and Managed Accounts.

Visium is registered as an Alternative Investment Fund Manager (“AIFM”) in the United Kingdom, Netherlands and Finland. In addition, the Visium Global Offshore Fund, Ltd. is registered as an Alternative Investment Fund (“AIF”) in the same jurisdictions. Visium Fund Management, LP, an affiliate of Visium, is registered as an AIFM in the United Kingdom and the Netherlands. In addition, Visium Healthcare Partners (Cayman Feeder) Fund, LP is registered as an AIF in the same jurisdictions.

Visium serves as the investment manager to the Private Funds. Visium, its employees or their related persons may also invest directly in any one, some or all of the Hedge Funds and PE Funds. Investments in the Private Funds made by such parties are not subject to management fees or incentive fees or allocations.

One or both of Jacob Gottlieb and Steven Ku serve without remuneration as directors of certain non-U.S. domiciled Private Funds.

Brad Levie serves without remuneration as a director of Visium Catalyst Offshore Fund, Ltd. and Visium Catalyst Master Fund, Ltd., both of which are currently in liquidation.

Visium controls, is controlled by, or is under common control with each of the following entities. Entities marked with an asterisk are general partners of U.S. domiciled Private Funds.

- JG Asset, LLC
- JG Asset II, LLC
- Visium Capital Management, LLC*
- Visium Global Advisors, LLC*
- Visium Alpha Advisors, LLC*
- Visium Credit Advisors, LLC*
- Visium Institutional Advisors, LLC*
- Catalyst Investment Management Co., L.L.C.
- Catalyst Capital Management, L.L.C.*
- Visium Catalyst Credit GP, LLC
- Visium Catalyst Credit IM, LLC
- Visium Catalyst Event GP, LLC
- Visium Catalyst Event IM, LLC
- Visium Asset UK LLP
- Visium UK Limited
- Visium Fund Management, LP
- Visium Healthcare Advisors, LP*
- Visium Healthcare Partners Cayman GP Limited*

Visium serves as investment manager or sub-adviser to the following Hedge Funds and special purpose vehicles (“SPVs”):

- Visium Balanced Fund, LP
- Visium Balanced Offshore Fund, Ltd.
- Visium Balanced Master Fund, Ltd.
- Visium Global Fund, LP

- Visium Global Offshore Fund, Ltd.
- Visium Global Master Fund, Ltd.
- Visium Institutional Partners, LP
- Visium Institutional Partners, Ltd.
- Visium Institutional Partners Master Fund, Ltd.
- Visium Equity Alpha Fund, LP
- Visium UCITS Funds ICAV
- Visium UCITS Funds ICAV – Visium US Equity Alpha
- Visium Credit Master Fund, Ltd.
- Visium Credit Opportunities Fund, LP
- Visium Credit Opportunities Offshore Fund, Ltd.
- Visium Catalyst Event Driven Offshore Fund, Ltd.
- Visium Catalyst Event Driven Master Fund, Ltd.
- Visium Catalyst Fund, LP
- Visium Catalyst Offshore Fund, Ltd.
- Visium Catalyst Master Fund, Ltd.
- VC Special Holdings, LLC
- VC Bioholdings, LLC
- Catalyst Senior Income Fund, LLC

Visium is the investment adviser or sub-adviser to the following RIC:

- Altegris Equity Long Short Fund

Visium provides investment management services to the following Managed Accounts:

- Compass Offshore TPM LP
- Compass TPM LLC
- Lyxor/Visium Institutional Partners Fund

Visium Fund Management, LP, a Visium affiliate, serves as investment manager to the following PE Funds:

- Visium Healthcare Partners, LP
- Visium Healthcare Partners (Cayman Feeder) Fund, LP
- Visium Healthcare Partners (Cayman Master) Fund, LP

Visium Fund Management, LP, a Visium affiliate, serves as a non-discretionary investment sub-adviser to the following Paul Capital Funds

- Paul Royalty Fund, LP
- Paul Royalty Fund II, LP
- Paul Royalty Associates I, LP
- Paul Capital Healthcare III, LP
- Paul Capital Healthcare III-A, L.P.

- Cardiovascular Holdings, LLC
- KGH International Holding III – P3D SCS
- KGH International Holdings III – Bibeca SCS

Additionally, Visium provides administration services to the above mentioned Paul Capital Funds as well as other Paul Capital related entities.

Catalyst Investment Management Co., L.L.C., Visium Fund Management, LP, and Visium Asset UK LLP each manages (and/or makes investment recommendations with respect to) certain assets of the Advisory Clients, subject to the direction of, and policies established by, Visium Asset Management, LP.

Because Visium receives performance-based compensation from some Advisory Clients and not others (such as the RIC), the possibility of a conflict of interest exists in that Visium may have a financial incentive to allocate more profitable investments to Advisory Clients that pay performance-based fees, to trade their portfolios first, or potentially take short positions in securities held in large amounts by those Advisory Clients with non-performance-based fees.

In addition, the possibility of a conflict of interest exists in that Visium's principal owners, officers, employees and their related persons may also invest directly in one or more of the Private Funds. They may have an incentive to allocate more profitable investments to Advisory Clients in which they and their related persons have investments, to trade the portfolios of these Advisory Clients first, or potentially cause these Advisory Clients to take short positions in securities held in large amounts by those Advisory Clients in which they do not have investments.

To attempt to address these conflicts of interest, Visium has adopted policies and procedures on equitable trade allocation and trade aggregation. To the extent a particular investment is suitable for more than one Advisory Client, such investments will be allocated among such Advisory Clients pro rata based on assets under management or in some other manner that Visium determines is fair and equitable under the circumstances to all affected Advisory Clients.

In managing Advisory Client portfolios, Visium will generally seek to aggregate trades, subject to best execution. Aggregation opportunities for Visium generally arise when more than one Advisory Client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. Visium may aggregate Advisory Client orders when doing so will result in a better overall price for Advisory Client trades. Visium may aggregate orders unless aggregation is not consistent with Visium's duty to obtain best execution or the terms of the investment guidelines and restrictions of each Advisory Client for which trades are being aggregated. Trades will not be aggregated when portfolio managers send trade orders directly to Visium's execution traders and the execution traders are unaware of other orders in the same security. No Advisory Client will be favored over any other Advisory Client; each Advisory Client that participates in an aggregated order will participate at the average price for all of Visium's aggregated transactions in that security on a given business day, with transaction costs shared pro rata based on each Advisory Client's participation in the transaction. For further details please see the trade aggregation section in Item 12.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics; Personal Trading

Visium's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940, as amended ("Advisers Act"). The Code applies to Visium's "Access Persons" (which term includes all Visium employees) and sets forth a standard of business conduct that takes into account Visium's status as a fiduciary and requires Access Persons to place the interests of Advisory Clients and investors above their own interests. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of Visium's Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code periodically.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Visium's Access Persons must provide Visium's Compliance Department with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, Visium's Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1. Except in limited circumstances, including, but not limited to Visium employees with non-discretionary accounts, Visium employees are not permitted to hold or make personal securities transactions in stocks and bonds (or derivatives thereof) issued by public companies. Visium employees may invest in registered investment companies (including ETFs) and private funds. Transactions in limited offerings, such as private funds, and initial public offerings present the potential for a conflict of interest in that an employee could appropriate for himself or herself an investment opportunity available to an Advisory Client. Transactions in limited offerings and initial public offerings must be pre-cleared with Visium's Chief Compliance Officer or designee. The Chief Compliance Officer or designee also reviews Access Persons' personal transaction and holdings reports to make sure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code.

In addition, the Code seeks to ensure the protection of nonpublic information about the activities of the Advisory Clients. Investors or prospective investors may obtain a copy of Visium's Code by contacting the Compliance Department at compliance@visiumfunds.com.

Conflicts of Interest

Conflicts between Visium's Interests and Advisory Clients' Interests

Visium's affiliated and related parties may have conflicts of interest in allocating their time between management of the Advisory Clients and other activities, in allocating investments among the Advisory Clients, and in effecting transactions for the Advisory Clients, including ones in which the affiliated and related parties may have a greater financial interest.

Visium, its affiliates, and each of their respective directors, members, partners, shareholders, officers and employees are not categorically prohibited from conducting other business, including other business within the securities industry, whether or not such business is in competition with the Advisory Clients. For example, subject to the Code and applicable securities laws, Visium and such affiliated and related parties may act (and do act) as general partner, investment adviser or investment manager for more than one Advisory Client, may have, make and maintain investments in their own name or through other entities and may serve (and do serve) as an officer, director, consultant, partner or stockholder of one or more investment funds, securities firms or advisory firms. Such other entities or accounts may have investment objectives or may implement investment strategies similar to or different from those of the Advisory Clients. In addition, affiliated and related parties may, through other investments, have

interests in securities in which the Advisory Clients invest as well as interests in securities in which the Advisory Clients do not invest. The affiliated and related parties may give advice or take action with respect to such other entities that differs from the advice given or action taken with respect to one or more Advisory Clients.

Although investments by Visium, its affiliates and their related persons alongside investors in the Advisory Clients can strengthen the alignment of interests between Visium and its Advisory Clients, any significant ownership interest by Visium, its affiliates, and their related persons in an Advisory Client could motivate Visium to make different investment decisions from those that would have been made otherwise. For example, Visium portfolio managers may have an incentive to allocate more profitable investments to Advisory Clients in which they and their related persons have investments, to trade the portfolios of those Advisory Clients first, or potentially cause these Advisory Clients to take short positions in securities held in large amounts by those Advisory Clients in which they do not have investments.

A related form of this conflict of interest involves the compensation paid to Visium (or its affiliates) by the various Advisory Clients. Management fees are payable without regard to the overall success or income earned by an Advisory Client and therefore may create an incentive on the part of Visium to raise or otherwise increase assets under management to a higher level than would be the case if Visium were receiving a lower or no management fee. Performance-based compensation may create an incentive for Visium to make investments that are riskier or more speculative than investments which might have been made in the absence of such a performance-based fee. Moreover, because Visium receives performance-based compensation from some Advisory Clients and not others (such as the RIC), the possibility of a conflict of interest exists in that Visium may have a financial incentive to allocate more profitable investments to Advisory Clients that pay performance-based fees, to trade their portfolios first, or potentially take short positions in securities held in large amounts by those Advisory Clients with non-performance-based fees.

To address any incentives Visium may have to allocate more profitable trades to a subset of all Advisory Clients pursuing the same investment strategy, Visium has adopted policies and procedures for the allocation of trades among Advisory Clients. When Visium encounters investment opportunities that are appropriate for more than one Advisory Client or when an aggregated order is only partially filled, Visium will allocate the investment opportunity or a partially filled order on a fair and equitable basis. In such a situation, orders will generally be allocated *pro rata* based on the size of the Advisory Client. However, allocations may be made on a basis other than *pro rata* for a number of reasons, including, but not limited to, an Advisory Client's investment guidelines and restrictions, available cash, liquidity requirements, tax or legal reasons, to avoid odd lots, or in cases in which such an allocation would result in a *de minimis* allocation to an Advisory Client. In certain limited circumstances, Visium may not be able to allocate a portion of the order to a particular Advisory Client because of minimum investment restrictions or excessive costs.

Certain of the Private Funds maintain investments (in some cases significant investments) in other Advisory Clients. In some cases direct investment by one Advisory Client in another Advisory Client may benefit both Advisory Clients, giving the investing Advisory Client exposure to certain assets or investment strategies at lower transaction costs while spreading expenses over a broader investor base. In other cases, direct investment by one Advisory Client in another Advisory Client may not benefit both Advisory Clients. For example, an investment manager may have an incentive to use the funds of one Advisory Client to seed or support another Advisory Client. Consistent with their fiduciary duties, Visium and its affiliates will invest the assets of one Advisory Client in another Advisory Client only after forming

a reasonable belief that such an investment is in the best interest of the investing Advisory Client. Such investments are structured so that investors in the investing Advisory Client do not pay a double level of management fees or performance fees or allocations.

Conflicts of Interest between Advisory Clients in General

Even if an investment manager has no incentive to favor one Advisory Client over another, the interests of one Advisory Client may conflict with those of another Advisory Client. A limited investment opportunity, for example, might be suitable to one or more Advisory Clients. In that case, Visium will allocate the investment opportunity among relevant Advisory Clients pro rata based on assets under management or in some other manner that is fair and equitable under the circumstances to relevant Advisory Clients.

Trade aggregation may also produce conflicts between the interests of Advisory Clients. Simultaneous identical portfolio transactions for more than one Advisory Client may tend to decrease the prices received, and increase the prices required to be paid, by such Advisory Clients for their portfolio sales and purchases. Where less than the maximum desired number of shares of a security to be purchased or sold is available at a favorable price, Visium will allocate the shares purchased or sold among interested Advisory Clients in an equitable manner. Further, it may not always be possible or consistent with the investment objectives of various Advisory Clients for the same investment positions to be taken or liquidated at the same time or at the same price. However, all transactions on behalf of Advisory Clients will be made by Visium on a “best execution” basis.

Under certain circumstances, one of Visium's Advisory Clients may invest in a transaction in which one or more other Advisory Clients are expected to participate, or already have made or will seek to make, an investment. The Advisory Clients may have conflicting interests and objectives in connection with such investments, including with respect to views on the operations or activities of the issuer, the targeted returns from the investment and the timeframe for, and method of, exiting the investment. Conflicts will also arise in cases where different Advisory Clients invest in different parts of an issuer's capital structure, including circumstances in which one Advisory Client may own private securities or obligations of an issuer and one or more other Advisory Clients may own public securities of the same issuer. Alternatively, one Advisory Client may own public securities or obligations of an issuer and one or more other Advisory Clients may own private securities of the same issuer. For example, one Advisory Client may acquire a loan, loan participation or a loan assignment of a particular borrower in which another Advisory Client has an equity investment. In negotiating the terms and conditions of any such investments, or any subsequent amendments or waivers, Visium may find that its own interests, the interests of an Advisory Client and/or the interests of other Advisory Clients could conflict. If an issuer in which different Advisory Clients hold different classes of securities (or other assets, instruments or obligations issued by such issuer) encounters financial problems, decisions over the terms of any workout will raise conflicts of interest (including, for example, conflicts over proposed waivers and amendments to debt covenants). For example, an Advisory Client holding a debt security of an issuer may be better served by a liquidation of the issuer in which such Advisory Client may be paid in full, whereas another Advisory Client, holding an equity security of the same issuer, might prefer a reorganization that may create increased value for equity holders. Any of the foregoing conflicts of interest will be addressed on a case-by-case basis by Visium. Visium will at all times take into consideration its fiduciary obligations to its various Advisory Clients, the circumstances giving rise to a particular conflict and applicable laws.

Conflicts of Interest between Trading Advisory Clients and Private Equity Private Clients

It is not anticipated that many investment opportunities will be suitable for both one or more of Visium's Hedge Funds (or the RIC, the UCITS and the Managed Accounts) and VHP. Visium's Hedge Funds (and the RIC, the UCITS and the Managed Accounts) are focused on more liquid securities, avoiding the less liquid, more long-term investments in royalty interests, revenue interests and structured debt that VHP targets. Conversely, it is not expected that VHP will invest in any meaningful way in equities issued by public companies. However, certain investments may be suitable for both VHP and Visium's Hedge Funds (and the RIC, the UCITS and the Managed Accounts). Such issues will be resolved according to an allocation policy that may result in VHP and/or Visium's Funds (and the RIC, the UCITS and the Managed Accounts) not receiving an allocation or receiving a lower allocation of a particular investment opportunity than might otherwise have been the case.

Another potential conflict exists between the interests of VHP investors and the interests of investors in Visium's Hedge Fund (or the RIC, the UCITS and the Managed Accounts) whenever VHP is considering an investment in royalty interests, revenue interests, debt, or equity (or equity linked securities) of a publicly traded company. If VHP acquires access to material non-public information in the context of conducting due diligence on a public company, Visium could be restricted from trading in such public company's securities. To reduce the chances of the transmission of material non-public information from Visium's investment personnel performing services on behalf of VHP to portfolio managers, execution traders and analysts working on behalf of Visium's Hedge Funds (and the RIC, the UCITS and the Managed Accounts), Visium has established and maintains policies and procedures setting up information barriers, or "Chinese Walls," between investment personnel working on behalf of VHP and investment personnel working on behalf of Visium's other pooled investment vehicles and separately managed accounts. Notwithstanding these procedures, there may be circumstances in which VHP and or Visium are prevented from purchasing or disposing of an investment because of restrictions imposed by applicable securities law or other regulatory restrictions.

Conflicts of Interest Peculiar to Private Equity

Conflicts may also arise in connection with, and to the extent there are, transactions between VHP and one or more parallel funds. For example, VHP may sell all or a portion of any loans or other assets originated by VHP to a parallel fund or other party; consequently, VHP's initial participation in such loans or other assets may be greater, and its available liquid capital less, than it would have been if VHP did not expect to ultimately sell part of such loans or other assets to a parallel fund. To the extent VHP purchases loans or other assets and intends to sell a portion to a parallel fund or other party, VHP will bear the risk of changes in the value of such loans or other assets during the period it holds such loans or other assets, and the amount of capital available to VHP to pursue other investment opportunities may be reduced. Furthermore, it may be difficult to determine the value of the loans or other assets transferred by VHP and hence the consideration due to VHP from a parallel fund. The valuation of loans or other assets to be transferred between VHP and the parallel funds is determined in accordance with Visium's private equity valuation policy and may involve inherent conflicts of interest; there is no guarantee that Visium will be able to resolve these conflicts in a manner that will not have an adverse effect on VHP and/or the parallel funds.

With respect to each portfolio investment for which VHP determines co-investment capacity is available (a "Co-Investment Opportunity"), including because the amount needed to complete the transaction exceeds the amount Visium determines, in its sole discretion, is appropriate for VHP, Visium may, in its sole discretion, offer any Co-Investment Opportunity or portion thereof to some but not all investors or to third parties, including, but not limited to, other funds or accounts managed by Visium. In addition,

VHP may offer Co-Investment Opportunities to its consultants, service providers, advisors, or others. An investor participating in a Co-Investment Opportunity may pay management fees and carried interest in connection with such Co-Investment Opportunity. Distributions of income and proceeds related to each co-investment will be made separately from, and not aggregated with, distributions of income and proceeds related to the corresponding portfolio investment by VHP, and separately from other Co-Investment Opportunities.

Visium is under no obligation to provide Co-Investment Opportunities to investors or to provide Co-Investment Opportunities to investors or others on substantially the same terms. Co-Investment Opportunities may be offered to some, but not other, VHP investors, investors in other funds sponsored, managed or advised by affiliates of Visium, and/or other persons as determined by Visium in its sole discretion (each, a “Co-Investor”) and any such allocations among investors may not correspond to their *pro rata* interests in VHP or the parallel funds. In determining such allocations, Visium may take into account any facts or circumstances it deems appropriate. Important factors are expected to include Visium’s evaluation of the financial resources, sophistication, experience, and expertise of the potential Co-Investor with respect to the execution of investments generally, the expertise of the potential Co-Investor with respect to royalty, revenue, structured debt, or equity investments specifically, and such Co-Investor’s ability to respond promptly to such Co-Investment Opportunities. Other factors that may be considered important include the size of the prospective Co-Investor’s investment in VHP or the parallel funds, the Paul Capital Funds, or other funds managed by Visium; an analysis of the legal, regulatory, reporting, public relations, competitive, confidentiality, or other issues that may arise with respect to any prospective Co-Investor; and any strategic value or other benefit to VHP or Visium resulting from offering such Co-Investment Opportunities.

Handling Private Equity Conflicts of Interest

When making investment decisions where a conflict of interest may arise, Visium will address the conflict on a case by case basis and will endeavor to act in a fair and equitable manner as between VHP and other Advisory Clients; however, in certain instances the resolution of the conflict may result in Visium’s acting on behalf of another Advisory Client in a manner that is not in the best interests, or is opposed to the interests, of VHP and/or the parallel funds.

On any issue involving potential or actual conflicts of interest, Visium will be guided by its good faith discretion exercised through a Conflicts Committee (composed of the Chief Financial Officer, General Counsel, and Chief Compliance Officer) that will consult, as necessary or appropriate, with external legal counsel. If the Conflicts Committee determines in its good faith judgment that an actual conflict of interest exists, the Conflicts Committee may take such actions as it deems necessary and/or appropriate in good faith to ameliorate the conflict. Upon taking such actions Visium will be relieved of any responsibility for the conflict of interest.

Visium believes that conflicts of interest among VHP and other Advisory Clients will be infrequent. Nevertheless, the Conflicts Committee may, in certain circumstances, direct that Visium, on behalf of VHP or other Advisory Clients, avoid making certain investments or avoid taking certain actions that could give rise to conflicts of interest and to that extent the investment universe of some or all of Visium’s Advisory Clients will be restricted. Alternatively, Visium may resolve conflict of interest by revising one or more Advisory Clients’ investment strategies.

Cross Transactions

Visium may in certain circumstances effect “cross” transactions between Advisory Clients. In a “cross” transaction, one Advisory Client purchases securities held by another Advisory Client. The purchase of securities may occur directly between Advisory Clients or may occur indirectly in the market, through the use of a broker-dealer intermediary. Most frequently, cross transactions seek to rebalance allocations of securities between Advisory Clients with portfolio or sub-portfolios running *pari passu* following a change in the ratio of the assets under management of each Advisory Client to the total assets of both Advisory Clients. From time to time, Visium may also effect a cross transaction for tax purposes, liquidity purposes or to reduce transaction costs that may arise in an open market transaction. Any cross transaction effected for any reason other than rebalancing allocations must be reviewed and approved in advance by the Chief Compliance Officer. Any cross transaction effected directly between Advisory Clients also must be reviewed and approved in advance by the Chief Compliance Officer. Whenever Visium engages in a cross transaction, it will determine that the transaction is in the best interests of both of the Advisory Clients involved and will price the transaction at the current market price or at the midpoint between the current national best bid and offer. Generally cross transactions will only occur with securities for which there is a readily available market price. To the extent that a cross transaction is proposed involving positions for which there is not a readily available market price, such transactions must be reviewed and approved in advance by the Chief Compliance Officer before the trade occurs (even if it is for the purposes of rebalancing). In addition, Visium will not receive any fees or other compensation if it effects a cross transaction (although if a cross trade is conducted through the market, then a fee or commission may be charged to the Advisory Clients by the relevant broker).

Insider Trading

Visium forbids any employee from trading, either personally or on behalf of others, including Advisory Clients, on material non-public information (“MNPI”) or communicating MNPI to others in violation of the law. This conduct is frequently referred to as “insider trading.” Visium’s policy applies to every employee and extends to activities within and outside his or her duties at Visium.

Visium’s Compliance Department maintains a list of issuers whose securities may not be traded by Visium or any of its employees on behalf of any personal, firm proprietary or Advisory Client account (the “Restricted List”). The basis for inclusion of an issuer on the Restricted List is that one or more employees have come into contact with MNPI concerning that issuer. The contents of the Restricted List, including the presence of an issuer’s name on the Restricted List, is highly confidential information and may not be communicated to anyone outside of Visium or to any Visium employee on the other side of formally established Chinese Walls. Issuers may only be added or removed from the Restricted List by a member of the Compliance Department.

Gifts and Entertainment

Visium employees are not permitted to accept excessive benefits or gifts in the context of their business activities. If an employee receives or is offered a benefit or gift from a third-party business contact and if the estimated value of that gift or benefit (or aggregate gifts or benefits received from one business contact over a one-year period) is in excess of \$300, then he or she is required to promptly notify the Compliance Department. The Compliance Department may require that any such gifts be returned or donated to a charitable organization or that the third party be compensated (by the employee) for the value of the benefit received.

Conversely, Visium employees are prohibited from giving gifts that may be deemed excessive, and must obtain pre-approval from the Compliance Department to give any gift with an estimated value in excess of \$300 to any investor, prospective investor or any individual or entity with which Visium is doing or seeking to do business.

Employees may treat (or be treated by) third-party business contacts to normal business meals or furnish them (or be furnished by them) with tickets to events (such as dinners, sporting events and concerts) provided that: (1) business matters are actually discussed during the meal or event; and (2) the third-party business contact is actually present during the meal or event. However, Employees are required to promptly notify the Compliance Department if any business entertainment meal or event (whether paid for by Visium or by the business or potential business counterparty) has a fair market value in excess of \$500.

ITEM 12 – BROKERAGE PRACTICES

Research and Other Soft-Dollar Benefits

In accordance with the “safe harbor” afforded by Section 28(e) of the Securities Exchange Act of 1934, as amended, the only products or services other than execution that Visium receives from broker-dealers in connection with securities transactions on behalf of Advisory Clients are research-related: proprietary research (created or developed by the broker-dealer), access to issuers' senior management or investment conferences arranged by such broker-dealers, and research created or developed by a third party.

Visium recognizes its duty to obtain “best execution” on behalf of its Advisory Clients. Accordingly, Visium is solely responsible for selecting the broker-dealer used in each transaction instituted by Visium for the Advisory Clients and for negotiating the fees to be paid to the broker-dealer in connection with such transactions. Although the primary consideration in allocating portfolio transactions to broker-dealers will be to obtain favorable prices and efficient executions, Visium does not have an obligation to, and does not always seek to, obtain the lowest priced execution regardless of qualitative considerations. These qualitative considerations may include, but are not be limited to, a broker-dealer's execution capabilities, willingness to execute related or unrelated difficult transactions, reputation, financial strength and stability, efficiency of error resolution, order of call, the availability of securities to borrow for short trades, the value of research provided, and overall customer service.

On at least a quarterly basis, Visium systematically compares the amount of commissions paid to broker-dealers with the quantity and quality of research-related services provided by each of them. These comparisons may result in Visium adjusting the number of trades directed to those broker-dealers whose ranking in terms of commission spend was incommensurate with the services they provided.

Selecting broker-dealers on the basis of considerations that are not limited to the applicable commission rates will likely result in higher transaction costs than would otherwise be obtainable. The use of brokerage commissions to obtain research does benefit Visium since Visium would otherwise be required to produce or pay for this research out of its own pocket.

Because many broker-dealers do not unbundle the cost of proprietary research from the cost of execution, the option of paying separately for execution and research does not always exist. Broker-dealers may sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker-dealer may be

less than the suggested allocations or may exceed the suggestions because total brokerage is allocated on the basis of all the considerations described above. A broker-dealer will not be excluded from receiving business simply because it has not been identified as providing research services.

Visium is a party to one or more commission sharing agreements with broker-dealers whereby the commissions charged, which are higher than those charged by other broker-dealers, generate soft dollar credits. Using these soft dollar credits, Visium instructs the broker-dealers to pay third parties for research intended to benefit one or more of Visium's Advisory Clients.

Although Visium will make a good faith determination that the amount of commissions paid by an Advisory Client is reasonable in relation to the value of the research and brokerage services received, the research and brokerage services received may be used in servicing any or all of Visium's Advisory Clients.

Brokerage for Client Referrals

Visium from time to time may participate in certain "capital introduction" programs organized or sponsored by certain prime or executing brokers to the Private Funds or affiliates of such prime or executing brokers, which programs may include the prime or executing brokers or their affiliates introducing Visium to potential investors with which the prime or executing broker or its affiliate has a pre-existing relationship. Currently, neither Visium nor the Private Funds compensate prime or executing brokers or their affiliates for organizing such programs or making such introductions or for any investments ultimately made by such prospective investors (although they may do so in the future). While such programs and introductions provided by a prime or executing broker or its affiliates may influence Visium in deciding whether to use such prime or executing broker in connection with brokerage, financing, trade execution and other activities of the Private Funds, Visium will not commit to allocate a particular amount of brokerage to a prime or executing broker in any such situation.

Trade Aggregation

In managing Advisory Client portfolios, Visium will generally seek to aggregate trades, subject to best execution. Aggregation opportunities for Visium generally arise when more than one Advisory Client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. Visium may aggregate Advisory Client orders when doing so will result in a better overall price for Advisory Client trades. No Advisory Client will be favored over any other Advisory Client; each Advisory Client that participates in an aggregated order will participate at the average price for all of Visium's aggregated transactions in that security on a given business day, with transaction costs shared pro rata based on each Advisory Client's participation in the transaction.

Visium will not aggregate orders when it is not consistent with its duty to obtain best execution and to comply with the terms of the investment guidelines and restrictions of each Advisory Client for which trades are being aggregated. In addition, trades may not be aggregated when portfolio managers send trade orders directly to Visium's execution traders and the execution traders are unaware of other orders in the same security.

Trade Errors

Pursuant to the various exculpation and indemnification provisions of each Hedge Fund's Governing Documents, Visium generally will not be liable to the Hedge Funds for any act or omission, absent bad faith, willful misconduct or gross negligence, and the Hedge Funds generally will be required to

indemnify such persons against any losses they may incur by reason of any act or omission related to the Hedge Funds, absent bad faith, willful misconduct or gross negligence. As a result of these provisions, the Hedge Fund (and not Visium) will be responsible for any losses resulting from trading errors and similar human errors, absent bad faith, willful misconduct or gross negligence. Trading errors might include, for example, (i) the placement of orders (either purchases or sales) in excess of the intended amount of securities or instruments; (ii) the sale of a security or instrument when it was intended to have been purchased; (iii) the purchase of a security or instrument when it was intended to have been sold; (iv) the purchase or sale of the wrong security or instrument; (v) the purchase or sale of a security or instrument contrary to regulatory restrictions, like Regulation S or private placement restrictions, or Advisory Client investment guidelines or restrictions; and (vi) the allocation of a security or instrument to an account for which it is not suitable. Given the large volume of transactions executed by Visium on behalf of the Hedge Funds, investors should assume that trading errors (and similar errors) will occur and that the Hedge Funds will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of Visium's personnel. Such trade errors could result in substantial losses to the Hedge Funds. In determining whether Visium's personnel have satisfied the standard of care such that the Hedge Funds are responsible for a loss resulting from a trade error, Visium will have a conflict of interest between its economic interest and the economic interest of the Hedge Funds. The determination of whether Visium's personnel have satisfied their standard of care will not be based solely on the conduct of the specific Visium personnel with respect to the specific trade error at issue, but rather in the overall context of the control and compliance environment of Visium as it relates to trading activity.

Investment management and sub-advisory agreements between Visium and the RIC, UCITS and Managed Accounts may provide for a different standard of liability for trade errors.

ITEM 13 – REVIEW OF ACCOUNTS

The Advisory Client portfolios are under continuous review by the portfolio manager or investment team responsible for such account and/or the CIO. Such reviews include a review of investment policy, the suitability of the investments used to meet policy objectives, cash availability, investment objectives, payment tracking, covenant monitoring, board responsibilities, restructurings and exit events. Portfolio managers or investment team members consider, among other things, investment performance, the portfolio's sensitivity to market changes, and any changes subsequent to an initial investment decision that impact the risk or potential return.

Further, Visium's Compliance Department and Risk Department periodically review trading and portfolio holdings to monitor compliance with investment restrictions established by Governing Documents and/or applicable law.

Generally, Hedge Fund investors will receive written monthly reports of performance and monthly statements from the administrator. Investors in the Private Funds will receive annual audited financial statements. VHP investors will receive written reports that include annual audited financial statements, quarterly unaudited financial statements, quarterly unaudited individual partners' capital account statements, quarterly update and review of each investment, capital call and distributions notices, annual U.S. tax information, investment press releases, firm announcements and agenda and other details for the annual investor meeting.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Visium and certain Hedge Funds participate in third party distribution platforms where the third party distributor solicits those of its clients paying a wrap fee to invest in a specially created feeder fund which the third party distributor sponsors and which invests substantially all of its assets into one or more Hedge Funds. Visium takes the position that in these circumstances the third party distributor is being compensated for its investment recommendations by the wrap fee and is not being compensated directly or indirectly by Visium for an investor referral.

Placement agents retained by Visium are paid a fee based upon a percentage of the investor's investment or capital commitment or of the applicable management fee. These fees are borne by Visium. If an investor that is placed with Visium by one of the placement agents Visium has retained has a brokerage or other relationship with that placement agent, that investor may pay additional fees to the placement agent if the terms of its relationship with the placement agent so provide. Fortress Group, Inc. is a placement agent for VHP.

Some Advisory Clients have entered and may in the future enter into agreements ("Side Letters") with certain prospective or existing investors whereby such investors may be subject to terms and conditions that are more advantageous than those to which other investors are subject. For example, such terms and conditions may provide for special rights to make future investments; special redemption rights relating to frequency, notice, or redemption penalties; and rights to receive reports on a more frequent basis or with more information than those provided other investors. Side letters may be given to investors who make particularly large investments, who agree to maintain those investments for a significant period of time, or other similar commitments.

ITEM 15 – CUSTODY

Visium and its affiliates are deemed to have custody by virtue of their status as investment manager or general partner, respectively, of the Private Funds. The qualified custodians for the Hedge Funds are State Street Bank and Trust Company (1 Lincoln Street, Floor 1, Boston, MA 02111), Credit Suisse Securities (USA) LLC (11 Madison Avenue, New York, NY 10010), Morgan Stanley & Co., Inc. (1221 Avenue of the Americas, 28th Floor, New York, NY 10020), Goldman, Sachs & Co. (200 West Street, 3rd Floor, New York, NY 10282), J.P. Morgan Clearing Corp. (383 Madison Avenue, New York, NY 10179), Citigroup Global Markets (390 Greenwich Street, 3rd Floor, New York, NY 10013), Deutsche Bank Securities Inc. (60 Wall Street, New York, NY 10005), and Bank of New York Mellon (1 Wall Street, 14th Floor, New York, NY 10286). The qualified custodian for VHP is Citibank, N.A. Advisory Clients receive monthly and in some cases more frequent account statements from qualified custodians. These account statements are carefully reviewed by Visium on behalf of its Advisory Clients.

In preparing monthly statements for investors, a Private Fund's administrator will seek to reconcile differences between its books and records and those of the relevant qualified custodians. Investors receive monthly account statements from the relevant administrator and should carefully review beginning and ending account balances, net asset values, and the record of subscriptions/contributions and redemptions/withdrawals.

Investors receive audited financial statements for their respective Private Funds within 90-120 days of the end of such Private Funds' fiscal year (i.e., by April 30).

Visium does not maintain custody of the cash and securities of the RIC, UCITS, or Managed Accounts.

ITEM 16 – INVESTMENT DISCRETION

As established by limited partnership agreements, investment management agreements, and trading advisory agreements or similar agreements (in the case of the RIC, UCITS and the Managed Accounts), Visium and its affiliates have discretionary authority to manage Advisory Clients' assets in accordance with the investment guidelines, policies and restrictions set forth in Governing Documents.

Prospective investors are provided with relevant Governing Documents prior to their investment and are encouraged to carefully review such materials to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective investors should also consult with their legal, tax, or other advisors prior to making any investment. Prospective investors must also execute a subscription agreement, in which they make various representations, including, in the case of the Private Funds, representations regarding the prospective investor's suitability to invest in a high-risk investment pool. Further, prospective investors in U.S. domiciled Private Funds must execute a limited partnership agreement.

As noted in Item 4 above, Visium has established, and may in the future establish, separately managed accounts for large or strategic investors. Managed Account agreements may place limitations on Visium's discretionary investment authority, including limitations on objectives, guidelines, and restrictions.

ITEM 17 – VOTING CLIENT SECURITIES

Visium understands and appreciates the importance of ensuring that its proxy voting procedures are clearly described to its Advisory Clients and investors.

Pursuant to a Master Services Agreement ("MSA"), Visium has engaged with Institutional Shareholder Services ("ISS"), an independent third party, to provide end-to-end proxy voting services. Under the MSA, Visium has given its implied consent to ISS to execute proxy ballots as the ISS research and vote recommendations are completed. Nevertheless, Visium retains the ability to override ISS's specific vote recommendations if Visium, in the exercise of its best judgment, concludes that such vote recommendations would not be in the best interest of one or more Advisory Clients.

The general policy is to vote proxy proposals, amendments, consents or resolutions relating to Advisory Client securities (collectively, "proxies"), in a manner that serves the best interests of the Advisory Clients, as determined by Visium in its discretion, and taking into account relevant factors, including, but not limited to:

- the impact on the value of the securities;
- the anticipated costs and benefits associated with the proposal;
- the effect on liquidity; and
- customary industry and business practices.

Visium may abstain from voting (which generally requires submission of a proxy voting card) or affirmatively decide not to vote if it determines that abstaining or not voting is in the best interests of the Advisory Client. In some foreign markets where proxy voting demands fee payment for agent services, Visium will balance the cost and benefit of proxy voting and may abstain from voting if the cost associated is greater than the benefits from voting.

At times, conflicts may arise between the interests of the Advisory Clients, on the one hand, and the interests of Visium or its affiliates, on the other hand. If Visium determines that it has, or may be

perceived to have, a conflict of interest when voting a proxy, it will address matters involving such conflicts of interest as follows:

- a. If Visium believes it is in the best interest of the Advisory Clients to depart from the specific policies provided for herein, it will be subject to the requirements of (b) or (c) below, as applicable;
- b. If there is a potential conflict of interest between Visium and one or more Advisory Clients, Visium may vote such proxy as it determines to be in the best interest of such Advisory Clients, without taking any action described in (c) below, provided that such vote would be against Visium's own interest in the matter (i.e., against the perceived or actual conflict); and
- c. If there is a potential conflict of interest between Visium and one or more Advisory Clients, and Visium believes it should vote in a way that may also benefit, or be perceived to benefit, its own interest, then it must take one of the following actions in voting such proxy: (1) delegate the voting decision for such proxy proposal to an independent third party; (2) delegate the voting decision to an independent committee of partners, members, directors or other representatives of the affected Advisory Clients; (3) inform the Advisory Clients of the conflict of interest and obtain consent to (majority consent of investors in the case of a Private Fund) vote the proxy as recommended by Visium; or (4) obtain approval of the decision from Visium's Chief Compliance Officer.

Investors interested in more detailed information about Visium's policies and procedures on voting Advisory Clients' securities should refer to Schedule A attached to this Brochure.

ISS has not been engaged to vote proxies on behalf of VHP because VHP invests primarily in non-public companies. Nevertheless, Visium's proxy voting policy for VHP would follow the general procedures described above.

If investors have any questions about Visium's proxy voting policies and procedures or how Visium has voted specific proxies, they should contact Visium's Compliance Department, at compliance@visiumfunds.com.

ITEM 18 – FINANCIAL INFORMATION

Visium is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its Advisory Clients.

SCHEDULE A - PROXY VOTING PROCEDURES

I. INTRODUCTION

Visium has adopted proxy voting policies and procedures as required by Rule 206(4)-6 of the Investment Advisers Act of 1940. These policies and procedures are effective as of September 5, 2012.

II. GLOSSARY OF TERMS

Non-Routine Proxy Proposals shall mean:

- 1) Proxy proposals that are to be considered on a case-by-case basis,
- 2) Proxy proposals that Visium generally abstains from voting on, and
- 3) Proxy proposals that are not addressed by the Principles and Guidelines section of the Proxy Voting Policy and Procedures.

Proxy Manager shall be Denis Martinez, Operations Associate.

Proxy Committee shall be comprised of the following person(s):

- 1) David Keily, General Counsel
- 2) Richard Gruber, Chief Compliance Officer
- 3) Alan Greenbaum, Director of Operations
- 4) Denis Martinez, Operations Associate

A quorum of the Proxy Committee shall be comprised of at least one member.

Routine Proxy Proposals shall mean proxy proposals that the Proxy Manager shall cast either yes or no votes in accordance with the Principles and Guidelines noted below.

III. PRINCIPLES AND GUIDELINES

A. **Principles**

Visium's primary purpose and fiduciary responsibility is to maximize shareholder value, which is defined as share price and dividend appreciation. Visium will vote proxies in the best interests of its Advisory Clients and will *generally* vote for, against, consider on a case-by-case basis, or abstain from voting as indicated below in accordance with the proxy voting guidelines developed by Institutional Shareholder Services ("ISS"). Because of extenuating circumstances associated with specific proxy issues, Visium's votes may differ from time to time from ISS's guidelines. Visium will also act, in its best judgment, on behalf of its Advisory Clients, on certain corporate actions that impact shareholder value, such as tender offers and bankruptcy proceedings.

B. **Voting Guidelines**

Investors may obtain a copy of ISS's 2016 U.S. Proxy Voting Concise Guidelines as well as ISS's 2016 U.S. Proxy Voting Summary Guidelines and voting guidelines for other jurisdictions online at <http://www.issgovernance.com/policy-gateway/2016-policy-information/>.

Visium serves as investment adviser to a RIC. The RIC may invest in other investment companies that are not affiliated (“Underlying Funds”) and is required by the Investment Company Act of 1940, as amended (the “1940 Act”) to handle proxies received from Underlying Funds in a certain manner. Notwithstanding the guidelines provided in these procedures, it is the policy of Visium to vote all proxies received from the Underlying Funds in the same proportion that all shares of the funds are voted, or in accordance with instructions received from fund shareholders, pursuant to Section 12(d)(1)(F) of the 1940 Act.

IV. PROCEDURES

Portfolio Managers will generally vote the routine proxies in accordance with the principles and guidelines described in Visium’s Proxy Voting Policy. For Non-Routine Proxy Proposals, Portfolio Managers will vote them on a case-by-case basis. The vote and the rationale will be noted as documentation for the vote.

The process of voting proxies and books and records relating to votes are handled by ISS. ISS maintains a proxy voting database which is accessible to Visium Operations and Compliance staff.

Should Visium receive any requests from Advisory Clients regarding proxy voting, Visium will maintain a record of the requests from the specific Advisory Clients, which will include:

- Name of the Advisory Client
- Date that the request was received
- Whether the request was for a complete or partial record of proxy votes
- The documents provided
- Date that the information was sent to the client

A copy of the information sent to the Advisory Client will be retained.