

Item 1- Cover Page**VR ADVISER, LLC**530 FIFTH AVENUE, 22ND FLOOR

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This brochure provides information about the qualifications and business practices of VR Adviser, LLC. If you have any questions about the contents of this brochure, please contact us at (212) 444-4100. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

VR Adviser, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information with which you can determine to hire or retain such an adviser.

Copies of this Brochure may be requested by contacting Investor Relations at 650-561-9580 or InvestorRelations@venrock.com. Additional information about VR Adviser, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes: Item 2 discusses material changes to the brochure since the initial version of the brochure dated March 2015. There have been no material changes since the initial brochure.

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Item 4 – Advisory Business

- A. VR Adviser, LLC (“VRA” or the “Registrant”), a Delaware limited liability company, is a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”) pursuant to the Investment Advisers Act of 1940 (the “Adviser Act”). It was established in 2013 and is located in New York and California. VRA serves as an investment adviser to pooled investment vehicles (each, a “Fund” or a “Client”)¹, and an affiliate of VRA serves as the general partner (or similar managing body) of each Fund.

VR Management, LLC (“VRM”), a Delaware limited liability company, is the sole owner of VRA. Anders D. Hove, Brian D. Ascher, Bryan E. Roberts and Michael F. Tyrell own VRM.

- B. VRA provides discretionary investment advisory services solely to Funds, which focus on long-only, unleveraged, long-term investment opportunities in small capitalization public companies and late-stage private companies across all sectors in the healthcare and life sciences industry, with a current emphasis on biopharmaceuticals. The Firm seeks to apply a value-driven approach to identify investment opportunities and to apply a primary-sourced, bottom-up, venture capital-like approach in analyzing company specific opportunities for the Funds.

VRA is affiliated with entities that serve as the general partners to each of the Funds (each, a “General Partner” and, collectively, the “General Partners”, and together with VRA, the “Firm”), and each of the Funds is controlled by its respective General Partner. The following is a list of each of the General Partners, each of which is an affiliated investment adviser of VRA:

General Partners:

- VHCP Management, LLC
 - VHCP Management II, LLC
- C. The investment focus and risks of the Funds are more particularly described in each Fund’s offering and governing documents. The governing documents of the applicable Fund and its offering documents set forth the Fund’s specific guidelines. These guidelines may provide for limits on the size, concentration, geography, type of security and/or terms of the Fund’s investments. The Firm does not tailor its advisory services to individual investors in its Funds.
- D. The Registrant does not participate in wrap fee programs.
- E. As of December 31, 2015, the Registrant (together with the General Partners) manages \$493,998,273 in Client assets on a discretionary basis (including the net asset value of portfolio

¹ “Fund” or “Client” means a private investment fund to which VRA provides investment advice and/or invests on a discretionary or nondiscretionary basis. The individuals and other persons that invest in the VRA private investment funds are generally referred to herein as “investors.” Unless otherwise expressly stated herein, the terms “Fund” and “Client” do not include “investors.”

securities valued as of December 31, 2015 plus uncalled capital commitments as of December 31, 2015) and no Client assets on a non-discretionary basis.

Item 5 – Fees and Compensation

- A. The Funds are “qualified purchasers” as defined in the Investment Company Act (and interests in the Funds are only offered to qualified purchasers). Investors and prospective investors should refer to the Funds’ governing and offering documents for a detailed description of the fees associated with investments in the Funds.
- B. The Firm deducts management fees (the “Management Fee”) directly from the Funds’ assets, quarterly in advance. The Firm is also entitled to a performance fee (the “Carried Interest Distributions”), based on cumulative net profits from investments. Carried Interest Distributions, if applicable, are deducted directly from Funds’ assets and not on a pre-determined schedule.
- C. The Funds will generally bear their own expenses, such as investment expenses (e.g., custodial fees, interest expense, consulting and other professional fees relating to particular investments, research related investments and travel expenses incurred in connection with due diligence and monitoring), legal expenses, systems and technology, audit and tax preparation expenses, organizational expenses, expenses relating to the offer and sale of interests in the Funds and extraordinary expenses, and expenses related to services performed by the administrator. Investors and prospective investors should refer to the Funds’ governing and offering documents for a detailed description of the expenses borne by the Funds.
- D. Clients are generally required to pay Management Fees quarterly in advance, as specified in each Fund’s governing and offering documents. In the event VRA or its affiliates do not provide services for the full quarterly period, the Management Fee is typically prorated for the partial period. In general, the proration of fees is calculated based on the number of days remaining in the applicable period.
- E. Neither VRA nor any of its supervised persons anticipate receiving, directly or indirectly, any compensation from the sale of securities or other investment products.

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

The General Partners are entitled to receive Carried Interest Distributions under certain circumstances, which are based on cumulative net profits from investments specified in each Fund’s governing and offering documents.

The Carried Interest Distributions may create an incentive for the Firm to recommend to the Funds investments that are riskier or more speculative than those that would be made under a different fee arrangement. However, the Firm is committed to acting at all times in the best interests of the Funds. To this end, the Firm has implemented internal controls to address the potential conflicts associated with performance based fees, as more fully described in each Fund’s governing and offering documents.

Item 7 – Types of Clients

VR Adviser provides investment advice to the Funds, which are private investment vehicles that are exempt from registration under the Investment Company Act. The Funds' investors are limited to individuals and entities that meet certain suitability criteria including "accredited investors", "qualified clients" and "qualified purchasers." The Funds are marketed exclusively to institutional investors and high net worth individuals that meet these criteria.

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

- A. In the public markets, the Firm seeks to apply a value-centric approach to identify opportunities to invest in undervalued companies that the Firm believes have potential for substantial appreciation. The Firm believes that this opportunity is made possible by the market's inefficiency in evaluating companies as they navigate through a complicated process for developing innovative medical products or services. These challenges include the effects of significant FDA and other regulatory hurdles, interpretation of detailed scientific and clinical data and results, manufacturing and quality assurance issues, commercial and financial milestones, intellectual property matters, and managerial issues, among others. Because of the complexities created by these challenges and risks, the Firm believes that the markets often overreact to reversible setbacks driving valuations down significantly, only to then climb upon turnaround and success. The Firm hopes to exploit this dynamic for the benefit of the Funds and believes that the healthcare area is one of the few sectors that offers a plethora of such opportunities. The Firm believes that this group of undiscovered and/or under-appreciated public healthcare companies generally lacks sufficient coverage by Wall Street analysts (so-called "orphaned companies"), suffers from low market liquidity and further lacks a stable supportive institutional shareholder base.

In addition to public market investing via open market purchases and structured transactions, the Funds in some instances will also invest opportunistically in mezzanine financings of private companies, generally anticipated to be in companies with IPO or liquidity prospects soon after the investment and/or which have a predominantly public investor syndicate. The Funds are expected to build upon and leverage existing healthcare deal flow and reputation in the public and venture capital markets to secure proprietary investments in attractive later stage private companies and small capitalization public companies.

In the effort to achieve the Funds' objectives, the Firm plans to apply its extensive industry network and scientific and medical expertise together with rigorous financial analysis of the companies in its target investment universe. The Firm intends to utilize a primary-sourced, bottom-up venture capital-like approach in analyzing company-specific opportunities. The Firm believes that a fundamental research-driven process is a preferred approach to delivering superior long-term returns in the healthcare sector.

The Firm expects to provide some of the Funds' portfolio companies with support in a variety of areas, such as recruiting, strategy, clinical development, regulatory matters, business development, financial discipline, and capital markets, among others. The Funds will generally seek to act as lead or co-lead investor in structured investment transactions when multiple investors are involved, which the Firm believes will give the Funds access to more extensive due diligence information and

the ability to negotiate valuation and terms on a more favorable basis. The Firm intends, in general, to seek to preserve the ability to buy or sell the Funds' stock positions and realize the Funds' investments without the limitations presented by participation on the portfolio companies' Board of Directors. However, there are expected to be circumstances where, in the judgment of the Firm, it will be in the best interest of the Funds to seek one or more Board member positions.

There can be no assurance that the Firm and the Funds will achieve their investment objectives or that investment strategies employed by the Firm will be successful. The Firm's investment program is speculative and entails substantial risks, including risk of loss of the entire investment, which the Funds and its investors should be prepared to bear.

As a general matter, the Firm utilizes the methods of analysis and investment strategies described in the governing and offering documents of the Funds. The information contained herein is a summary only. Investors and prospective investors should refer to those documents for a complete overview of the Firm's methods of analysis and investment strategies.

B/C.

There can be no assurance that the Firm's investment objectives will be achieved, and actual investment results may vary substantially from the investment objective. Investors should be prepared to bear these risks. The success of the Firm's investment activities will depend on its ability to identify investment opportunities that have the proper risk/reward balance.

An investment in the Funds involves a significant degree of risk. There can be no assurance that the Funds' targeted rate of return will be achieved or that there will be any return of capital. The environment is increasingly competitive, and an investor should only invest in the Funds if the investor can withstand a total loss of its investment.

No guarantee or representation is made that the Funds' investment program will be successful.

Investment in Companies that are Dependent upon New Scientific Developments and Technologies

The Funds plan to focus a substantial portion of its investing on healthcare companies. The specific risks faced by healthcare companies include:

- rapidly changing science and technologies;
- products or technologies that may quickly become obsolete;
- exposure to a high degree of government regulation, making these companies susceptible to changes in government policy and failures to secure, or unanticipated delays in securing, regulatory approvals;
- scarcity of management, technical, scientific, research and marketing personnel with appropriate training;
- the possibility of lawsuits related to patents and intellectual property; and
- changing investor sentiments and preferences with regard to technology sector investments (which are generally perceived as risky).

Volatility of Public Markets

The public market for healthcare companies is extremely volatile. Such volatility may adversely affect the development of portfolio companies, the ability of the Funds to dispose of investments, and the value of investment securities on the date of sale by the Funds. In particular, the receptiveness of the public market to the Funds' portfolio companies may vary dramatically from period to period, and an otherwise successful portfolio company may yield poor investment returns if the Funds are unable to dispose of such securities due to lack of liquidity or a protracted depression in the stock price of the company. There can be no assurance that the Funds' investments will be profitable, and there is a substantial risk that the Funds' losses and expenses during any period will exceed its income and gains. In addition, securities exchanges can suspend or limit trading in any instrument traded on the exchange. A suspension could render it impossible for the Firm to liquidate positions and expose the Funds to losses.

Risk Inherent in the Funds' Public Investments

Regardless of the existence of a public market for the securities of a particular portfolio company of the Funds, securities held by the Funds may be thinly traded or may cease to be traded after the Funds invests in them. In addition, such securities may be issued by unseasoned companies and may be highly speculative, or may be delisted from a stock exchange and become subject to trading solely in the over-the-counter market. The Funds expect to invest a substantial portion of its assets in companies with modest capitalization, which involves greater risk, potential price volatility and cost than investments in more mature public companies. This is because these companies lack the management experience, financial resources, product diversification, markets, distribution channels and competitive strengths of larger companies. In addition, the frequency and volume of their trading is often substantially less than is typical of larger companies. Therefore, the securities of smaller companies may be subject to wider price fluctuations. The spreads between the bid and ask prices of the securities of these companies in the over-the-counter market typically are larger than the spreads for more actively traded securities. The Funds may invest in securities with relatively low prices, which may be subject to greater percentage price fluctuations than higher priced securities. When making a large sale, the Funds may have to sell a portfolio holding at a discount from quoted prices or may have to make a series of small sales over an extended period of time because of the limited trading volume of smaller capitalization company securities.

Risk Inherent in the Funds' Private Investments

The Funds' investments in private companies are anticipated to focus on mature companies in expansion or profitable stages, but may still involve substantial risks. These companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire a business or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing and general management of these activities.

Foreign Investments

The Funds expect to invest in some companies that are based outside of the United States or the operations of which are primarily outside of the U.S. Any investment in a foreign country involves risks not found in the domestic securities market, including the following:

- the risk of economic and financial instability in the foreign country, which in some cases may include a collapse in credit markets, stock prices, currencies and/or consumer spending;
- the risk of adverse social and political developments, including nationalization, confiscation without fair compensation, political and social instability and war;
- the risk that the foreign country may impose restrictions on the repatriation of investment income or capital or on the ability of foreign persons to invest in certain types of companies, assets or securities;
- risks related to the possible lack of availability of sufficient financial information as a result of accounting, auditing, and financial disclosure standards that differ, in some cases significantly, from those in the United States;
- risks related to foreign laws and legal systems, which are likely to differ from those of the United States, including in particular the laws with respect to the rights of investors and the procedures for the judicial or other enforcement of such rights, which may not be as comprehensive or well developed as those in the United States;
- risks related to the fact that some investments may be denominated in foreign currencies and, therefore, will be subject to fluctuations in exchange rates; and
- risks related to applicable tax laws and regulations and tax treaties, which are likely to vary from country to country and may be less well developed than those in the United States, possibly resulting in retroactive taxation so that the Funds could become subject to an unanticipated local tax liability.

Foreign Exchange Risks

Contributions to, and distributions from, the Funds will be denominated in U.S. dollars while investments may be denominated in various other currencies. As a result, the profits or losses of the Funds on any investment, as measured in U.S. dollars, will be affected by fluctuations in currency exchange rates and exchange control regulations as well as by the success of the investment itself. In addition, the Funds may incur costs in connection with conversions between various currencies. The Funds do not presently intend to seek to reduce currency risks through “hedging” or other methods.

No Assurance of Returns

There can be no assurance that the investors will receive distributions from the Funds in an amount equal to their investment in the Funds. The timing of profit realization is highly uncertain.

Reliance on the Firm

The Firm will have sole discretion over the investment of the funds committed to the Funds as well as the ultimate realization of any profits. As such, the pool of funds in the Funds represents a blind pool of funds. Investors in the Funds will be relying on the Firm to conduct the business as contemplated by this document. The loss of any individual principal of the Firm could have a significant adverse impact on the business of the Funds. No assurances can be given that each of the principals will continue to be affiliated with the Funds throughout its term.

Competitive Marketplace

The marketplace for venture capital investing has become increasingly competitive. Involvement by financial intermediaries has increased, substantial amounts of funds have been dedicated to making

investments in the private sector and the competition for investment opportunities is at high levels. There can be no assurances that the Firm will locate an adequate number of attractive investment opportunities. To the extent that the Funds experience increased competition for investments, returns to investors may vary.

Changing Economic Conditions

The success of the Firm's investment strategy could be significantly impacted by changing external economic conditions in the United States and global economies. The stability and sustainability of growth in global economies may be impacted by terrorism or acts of war. Changing economic conditions could potentially adversely impact the valuation of portfolio holdings.

Minority Investments

The majority of the Funds' investments are expected to be minority stakes in public companies. Even if the Funds take more substantial positions in portfolio companies, during the process of exiting investments, the Funds may still hold minority equity stakes. As is the case with minority holdings in general, such minority stakes that the Funds expect to hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes.

No Assurance of Additional Capital for Investments

After the Funds have financed a company, continued development and marketing of products may require additional financing. In particular, healthcare companies – a sector in which the Funds expect to invest – have substantial capital needs that are typically funded over several stages of investment. No assurance can be made that such additional financing will be available and no assurance can be made as to the terms upon which such financing may be obtained. Alternatively, the Funds, either directly or through one of their portfolio companies, may elect to sell developed or undeveloped technology to existing companies. No assurance can be made that buyers for such technology can be located.

Bridge Financing

The Funds expect to lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in the Funds' control, such long-term securities may not issue and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Funds.

Limitations on Ability to Exit Investments

The Firm expects to exit from the Funds' investments in two principal ways: (i) open market or private sales and (ii) initial and secondary public offerings. At any particular time, one or both of these avenues may not be open to the Funds, or timing with respect to these exit mechanisms may be inopportune. As such, the ability to exit from and liquidate portfolio holdings may be constrained. While the Funds intend to seek that the majority of their investments will be in publicly-traded companies, these companies are expected to initially have small market

capitalizations and low average trading volumes, which may render such investments significantly more illiquid than investments in public companies with larger market capitalizations.

Potential Liabilities

In connection with some of their investments, the Funds expect to negotiate the right to appoint one or more of the principals of the Firm as a member of the portfolio company's board of directors. Such membership can result in the Funds or the individual director being named as a defendant in litigation and may further reduce the liquidity of the Funds' investments in such portfolio company. Portfolio companies may not have insurance to protect directors and officers, or this insurance may be inadequate. The Funds will also indemnify the Firm and its principals, among others, for liabilities incurred in connection with operations of the Funds, including liabilities arising from such suits. Such indemnification obligations and other liabilities could be substantial.

Contingent Liabilities on Disposition of Investments

In connection with the disposition of an investment in a portfolio company, the Funds may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. The Funds may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in contingent liabilities for which the Firm may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires.

Absence of Liquidity and Public Markets for Private Investments

Some of the Funds' investments will be private, illiquid holdings. As such, there will be no public markets for these securities held by the Funds and no readily available liquidity mechanism at any particular time for these investments held by the Funds. In addition, the realization of value from any such investments will not be possible or known with any certainty until the Firm elects, in its sole discretion, to sell the Funds' investments and subsequently distribute the proceeds to the Funds' investors or to distribute securities to investors in lieu of cash.

No Market; Illiquidity of Partnership Interests

An investment in the Funds will be illiquid and involves a high degree of risk. There is no public market for limited partnership interests in the Funds, and it is not expected that a public market will develop. Consequently, investors will bear the economic risks of their investment for the term of the Funds. Prospective investors will be required to represent and agree that they are purchasing the limited partnership interests for their own account for investment only and not with a view to the resale or distribution thereof.

Limited Portfolio Diversification

The portfolio holdings of the Funds will not be broadly diversified. A downturn of the economy or in the business of any one company could impact the aggregate returns delivered to investors by the Funds.

Conflicts of Interest

Instances are expected to arise where the interest of the Firm (or its members) conflict with the interests of the Funds and their investors. For example, the existence of the General Partners' carried interests create an incentive for the Firm to make more speculative investments on behalf of the Funds than it would otherwise make in the absence of such performance-based arrangements. Further, conflicts of interest in some instances will arise as a result of the Funds' principals having investments in both the existing portfolio companies and the Funds as well as other public and private investments.

Investors and prospective investors will be provided with offering memoranda for each Fund that contain a detailed description of certain material risks related to an investment in such Fund. All such risk factors are applicable to the Funds generally. Investors and prospective investors are advised to carefully review all risk factors set forth in such offering memoranda, and current investors may contact VRA for a complete set of any additional risk factors.

Item 9 – Disciplinary Information

In the past ten years, there have been no legal or disciplinary events involving either VRA or any of its management persons that are material to VRA's advisory business.

Item 10 – Other Financial Industry Activities and Affiliations

- A. Neither VRA nor any of its management persons are registered, or have an application pending to register, as broker-dealers or registered representatives of a broker-dealer.
- B. Neither VRA nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. In order to avoid the appearance of potential conflicts of interest with venture capital funds advised by VRM or other affiliates of VRM ("VRM venture capital funds") in the allocation of investment opportunities, the Firm plans to allocate future initial investment opportunities in privately-traded healthcare companies to the VRM venture capital funds and future initial investment opportunities in publicly-traded healthcare companies to the Funds, unless the Firm first consults the Limited Partner Advisory Committee. The Firm believes that certain late-stage private company investments are more appropriately suited for the Funds and intends to consult the Limited Partner Advisory Committee from time to time regarding the allocation of these investment opportunities as they arise.

The General Partners serve as the general partners of the Funds and separately and independently make all decisions regarding investments, capital contributions, and distributions on behalf of the Funds. VRM has the right to designate the manager(s) of VRA and the principal owners of the General Partners from time to time. VRM is entitled to receive a portion of the management fees from the Funds, and VR Capital, LLC, an entity owned primarily by the owners of VRM, is entitled to

receive a portion of the Carried Interest Distributions from the Funds. The Firm does not believe that its relationship with VRM (or VR Capital, LLC) creates a material conflict of interest with its clients.

D. VRA does not recommend or select other investment advisers for the Funds.

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

A. VRA has adopted a Code of Ethics (the “Code”), which describes the Firm’s fiduciary duties and responsibilities to its Clients, requires that the Firm’s employees act in the best interests of Clients, act in good faith and in an ethical manner, avoid conflicts of interest with Clients to the extent reasonably possible, and identify and manage conflicts of interest to the extent that they arise. VRA’s employees are also required to comply with applicable provisions of the federal securities laws and to make prompt reports to the Firm or other appropriate parties of any actual or suspected violations of such laws by VRA or its employees. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of VRA’s employees. The Code prohibits employees from engaging in personal trading in the securities of issuers on the Firm’s restricted list; requires employees to provide duplicate brokerage accounts statements and trade confirmations to the Firm or to report all securities transactions on at least a quarterly basis; and requires employees to provide a summary of securities holdings on at least an annual basis. The Code also includes policies and procedures to prevent the misuse and disclosure of material nonpublic information (“insider trading”) and other confidential information and policies and procedures addressing conflicts of interest, outside activities of employees, gifts and business entertainment, including limitations and reporting requirements, and pre-clearance and reporting of political contributions. VRA will provide a complete copy of its Code to any Client or investor upon request to Investor Relations at (650) 561-9580 or InvestorRelations@venrock.com.

B/C/D.

Except as specifically provided in the Funds’ offering and governing documents, neither VRA nor any related person: (i) recommends to Clients, or buys or sells for Client accounts, securities in which the Firm or any related person has a material financial interest, (ii) invests in the same securities that the Firm or any related person recommends to Clients, or (iii) recommends securities to Clients, or buys or sells securities for Client accounts, at or about the same time that the Firm or any related person buys or sells the same securities for their own accounts. Such instances specifically provided in the offering and governing documents would include, for example (and without limitation): (i) the ability of the Funds to make investments in companies in which VRM venture capital funds hold existing investments, in each case following consultation regarding such investment with the Funds’ Limited Partner Advisory Committee (a committee composed of representatives of investors in the Funds and/or the VRM venture capital funds); (ii) the ability of the Funds to co-invest with other VRM venture capital funds in companies, in each case following consultation regarding such co-investment with the Funds’ Limited Partner Advisory Committee, and such co-investments are typically made on the same terms and timing; or (iii) the ability of the General Partners to participate in distributions in-kind of securities by the Funds as part of the General Partners’ rights to receive Carried Interest Distributions or returns on capital invested in

the Funds, and subsequently to sell such distributed securities (which sales in some instances will occur shortly following such distribution in-kind, at a time when investors in the Funds may also be selling such distributed securities for their own accounts, or during a period in which the Funds in some instances will continue to hold a portion of their original stock positions in the underlying company (in the case of a partial distribution of the Fund's stock position, for example due to market volume considerations)). The Funds in some instances will invest (whether initial investments or investments of additional capital) in portfolio companies for which an employee of VRA or VRM serves as a member of its board of directors and in companies from which VRA, VRM, or their employees or affiliated investment entities have received compensation (cash and/or equity), typically in connection with service on the board of directors. VRA (or its affiliated investment entities) provides a written disclosure to investors in each Fund and to the Fund's Limited Partner Advisory Committee annually disclosing all such compensation from portfolio companies and prospective portfolio companies of the Fund received by VRA, VRM, or their employees or affiliated investment entities.

Item 12 – Brokerage Practices

- A. The Firm's clients do not execute a high volume of public market transactions, due to their long-only, unleveraged, long-term investment focus. When the Firm does select brokers on behalf of its clients to execute public market transactions, the Firm typically does so based on the Firm's assessment of the brokers that will provide the best execution on behalf of the Funds. The Firm periodically reviews the quality of execution by such brokers.

VRA does not typically engage in soft dollar arrangements with broker-dealers.

VRA does not typically consider Client referrals when selecting or recommending a broker-dealer.

VRA does not typically engage in directed brokerage.

- B. The Firm typically aggregates purchases and sales of securities for its clients when more than one client is purchasing or selling securities in a single issuer. In most cases, the clients purchase or sell such securities in a predetermined ratio in all such similar transactions.

Item 13 – Review of Accounts

- A. The portfolio management team typically meets three times a week to consider each Fund's holdings and potential transactions
- B. This is not applicable to VRA

Within 90 days after each Fund's fiscal year-end, audited financial statements are distributed to Investors in the Fund. The Firm also provides unaudited performance information for the Funds to its investors after each calendar quarter-end.

Item 14 – Client Referrals and Other Compensation

- A. Certain employees of VRA have been granted indirect economic interests in or are investors in VRM venture capital funds. Anders D. Hove is a member of VRM. The Firm's Chief Compliance Officer monitors these activities. The Firm does not believe that these interests or investments create a material conflict of interest for the Funds.
- B. This is not applicable to VRA.

Item 15 – Custody

VRA does not maintain physical custody of its Clients' assets. However, VRA believes that it would generally be viewed by regulators as having custody of the assets of each Fund for which it or a General Partner serves as general partner under Rule 206(4)-2 of the Advisers Act (the "Custody Rule"). Accordingly, VRA and the General Partners intend to adhere to the applicable requirements of the Custody Rule with respect to each Fund for which VRA or a General Partner serves as general partner or managing member. The Chief Financial Officer of VRA will be responsible for arranging for the annual independent audits of the Funds by an independent auditor in accordance with generally accepted accounting principles and for delivery of the Funds' audited financial statements to investors within 120 days of the Funds' fiscal year end.

Item 16 – Investment Discretion

Typically, VRA provides investment advice directly to the Funds on a discretionary basis and not individually to the investors in the Funds. An affiliate of VRA, usually the General Partner, accepts discretionary investment authority for each Fund. Generally, this discretion is subject only to the investment guidelines set forth in the Fund's governing agreements.

Item 17 – Voting Client Securities

- A. In the event that the Firm is presented with an opportunity to vote a proxy, the Firm's general policy is to vote proxies in accordance with the best interest of the Funds. The Firm believes company management generally is best suited to make the decisions that are essential to the ongoing operation of the company. Therefore, the Firm generally intends to vote proxies in line with company management. However, under circumstances when the Firm believes that company management's proposal will not maximize value for the Funds, the Firm intends to vote against company management's recommendations.
- B. This is not applicable to VRA.

Item 18 – Financial Information

- A. This is not applicable to VRA.
- B. The Firm does not believe that any such reasonably likely financial conditions exist, however investors should carefully review the risks factors disclosed in Item 8 of this document and

contained in the offering documents of the Funds for a discussion of potential financial conditions and other risks that could negatively impact the Funds, the Firm, or the Firm's ability to meet its or the Funds' contractual commitments.

C. VRA has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 – Requirements for State Registered Advisers

This item is not applicable.