

FORM ADV PART 2A: FIRM BROCHURE

ITEM 1. COVER PAGE

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Important Disclosure:

This brochure dated April 21, 2017 provides information about the qualifications and business practices of Aisling Capital Management LP (“Aisling” or the “Firm”) and its affiliates. If you have any questions about the contents of this brochure (“Brochure”), please contact us at (212) 651-6380 or our Chief Compliance Officer at rwenzel@aislingcapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

ITEM 2. MATERIAL CHANGES

Since the Annual Updating Amendment filed on March 22, 2017 the Firm has named Robert Wenzel as Chief Compliance Officer.

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ITEM 4. ADVISORY BUSINESS

- A. Aisling, a Delaware limited partnership formed on August 25, 2015, is an investment adviser located in New York, NY. Aisling's general partner is Aisling Capital Partners IV LLC, a Delaware limited liability company (the "General Partner"). Aisling is owned by its two co-presidents, Andrew N. Schiff and Steven A. Elms.
- B. As an investment adviser, Aisling provides investment advisory services to a pooled investment vehicle Aisling Capital IV, LP (the "Fund"), as well as co-investment vehicles formed in connection therewith. The Fund is exempt from registration under the Investment Company Act of 1940, as amended (the "Investment Company Act"), pursuant to Section 3(c)(7) of the Investment Company Act.

Aisling provides discretionary investment management services to the Fund pursuant to the Fund's respective investment management agreements with Aisling. Aisling manages the assets of the Fund in accordance with the limited partnership agreement of the Fund ("Partnership Agreement"), the Confidential Private Placement Memorandum of the Fund ("PPM") and related agreements (together the Partnership Agreement and PPM, are referred to herein as the "Offering Documents").

The Firm's investment objective is to make investments in companies developing and commercializing important and innovative healthcare products, services and technologies, across a range of financial instruments. The Firm pursues a multi-strategy investment approach, and may invest in private companies, public companies, equity, debt and other structured securities. The Firm generally seeks to make non-control investments.

Information about Aisling's advisory services is included in this Brochure and is qualified in its entirety by information contained in the Offering Documents. The General Partner is deemed registered under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), pursuant to the registration of Aisling, in accordance with SEC guidance. The information set forth herein regarding the investment advisory services provided by Aisling shall also apply with respect to the General Partner.

- C. Aisling does not tailor its advisory services to the individual or particular needs of investors in the Fund. Such investors will accept the terms of advisory services as set forth in the Offering Documents. The Firm has broad investment authority with respect to the Fund and, as such, investors should consider whether the investment objectives of the Fund will be in line with their respective individual objectives and risk tolerance prior to investment.
- D. Aisling does not participate in wrap fee programs.
- E. As of the date of this Brochure, Aisling has assets under discretionary management of approximately \$172,339,028

ITEM 5. FEES AND COMPENSATION

- A. Detailed information regarding the fees that are charged to the Fund is provided in the Offering Documents. Aisling is entitled to a management fee as compensation for its services. Aisling also receives carried interest, calculated based on 20% of realized gains generated by the Fund, less any unrealized losses deemed permanent and less expenses allocated to the investments realized, after investors have earned a preferred return of 8%.
- B. From the initial closing of the Fund until the earlier of (i) the period ending on the fifth anniversary of the final closing date of the Funds (subject to two one-year extensions with the consent of the Fund's advisory board (the "Advisory Board")) and (ii) the first date a successor fund to the Fund accrues management fees, the management fees paid to Aisling will be 2% per annum of the aggregate capital committed by investors. Thereafter, the management fee will be 2% per annum of actively invested capital. Management fees are payable by the Fund to Aisling quarterly in advance. The Fund's general partner ("Fund GP"), in its sole discretion, may call capital for management fees and other expenses or pay such fees and expenses out of the Fund's current income and from disposition of investments.
- C. A description of the other types of fees or expenses the Fund may pay is set forth in detail in the Offering Documents. These fees or expenses include, but are not limited to: (i) any and all out-of-pocket costs and expenses incurred in connection with the discovery, evaluation, acquisition, holding, management, monitoring or disposition of investments (whether or not consummated), including, without limitation, private placement fees, sales commissions, appraisal fees, taxes (excluding any income taxes, or franchise taxes imposed in lieu of income taxes, imposed on the general partner of the Fund GP, Aisling or any of their direct or indirect owners), brokerage fees, underwriting commissions and discounts, travel expenses, the costs of attending medical conferences, and legal, accounting, investment banking, advisory, consulting, information services and professional fees (which, for the avoidance of doubt, may include, without limitation, (x) reimbursement of expenses of affiliates of the Fund GP or Aisling, to the extent that fees, costs and expenses payable to such affiliates do not exceed the amount customarily charged by third parties otherwise utilized by the Fund or Aisling for services similar to those actually provided; and (y) expenses of dedicated operating consultants, ESG consultants and insurance consultants); (ii) any and all costs and expenses incurred in connection with the carrying or management of investments, including, without limitation, custodial, trustee, record keeping and other administration fees and expenses incurred; (iii) any and all expenses incurred in connection with the preparation of the Fund's financial statements, tax returns, Schedules K-1, and any related communications with the limited partners (including, without limitation, the tax matters partners' representation of the Fund or the limited partners, as well as responses to questions and inquiries regarding investments and operations of the Fund); (iv) any and all out-of-pocket fees and disbursements of attorneys and accountants relating to Fund matters; (v) any and all taxes and other governmental charges levied against the Fund; (vi) any and all insurance premiums or expenses incurred by the Fund in connection with the activities of the Fund (including, without limitation, errors, omissions, fidelity, crime, general partner liability, directors' and officers' liability and similar coverage for any protected person, Aisling, their affiliates and related entities,

and any other persons acting on behalf of the Fund; (vii) any and all expenses (including legal fees and expenses) incurred to comply with any law or regulation related to the activities of the Fund (including, without limitation, regulatory expenses of the Fund GP and Aisling) or incurred in connection with any litigation or governmental inquiry, investigation or proceeding involving the Fund and expenses related to the preparation of Form PF and other similar regulatory filings, any compliance or filings related to the European Alternative Investment Fund Managers Directive and expenses related to complying with the reporting requirements of the FATCA Obligations, including the amount of any judgments, settlements or fines paid in connection therewith; (viii) any and all reasonable expenses incurred in connection with the ongoing offering of interests in the Fund, including the legal expenses associated with side letters or other similar agreements; (ix) any and all expenses incurred in connection with any amendments, modifications, revisions or restatements to the constituent documents of the Fund or its related entities; (x) any and all expenses incurred in connection with any valuation of the assets of the Fund; (xi) any and all expenses incurred in connection with distributions to the partners of the Fund; (xii) any and all expenses incurred in connection with any meeting of the partners or the Advisory Board held pursuant to the Partnership Agreement (including, without limitation, reasonable travel, meal and lodging expenses of Aisling and its representatives, meal and lodging expenses of the investors in the Fund, in each case, incurred in connection with attending such meetings, the cost of the venue, the cost of printing materials and the cost of audio visual equipment); (xiii) any and all out-of-pocket expenses incurred by members of the Advisory Board and their designees in connection with the fulfillment of their duties pursuant to the Partnership Agreement, including, without limitation, travel expenses incurred in connection with attending Advisory Board meetings (including, without limitation, transportation, meal, entertainment and lodging expenses); (xiv) any and all expenses related to the Fund's indemnification obligations pursuant to the Partnership Agreement; (xv) the management fees payable pursuant to the Partnership Agreement; (xvi) any interest on, and fees and expenses arising out of, the Fund's borrowings and indebtedness (including, without limitation, the fees, costs and expenses incurred in obtaining lines of credit, loan commitments and letters of credit for the account of the Fund) and in guaranteeing the obligations of any portfolio companies or their affiliates; (xvii) any and all expenses incurred in connection with the dissolution, winding up, liquidation or termination of the Fund; (xviii) any and all expenses relating to defaults by partners in the payment of any capital contributions; (xix) any and all expenses incurred in connection with the formation and maintenance of alternative investment vehicles, management vehicles or vehicles for co-investment to the extent permitted under the Partnership Agreement (including, for the avoidance of doubt, expenses in connection with raising and putting in place co-investment vehicles where desirable for accomplishing an investment to the extent not borne by the applicable co-investors); and (xx) any and all reasonable fees and expenses of a third party professional engaged by a member of the Advisory Board with the approval of at least 75% in interest of the members of the Advisory Board.

Additional disclosure relating to potential brokerage costs can be found in Item 12 of this Brochure.

- D. As described above, the Fund will pay management fees in advance on a quarterly basis. In the unlikely event that Aisling does not provide services for a full period or the investment management agreement of the Fund is terminated according to the terms set out in the Offering Documents before the end of the relevant quarter, a pro-rated fee will be returned to the Fund.
- E. Neither Aisling nor any of its supervised persons accepts or will accept compensation for the sale of securities or other investment products.

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

As described in Item 5(A) of this Brochure, Aisling is generally entitled to both a management fee and performance-based compensation in the form of “carried interest” from the Fund, as specified in the Offering Documents. Certain investors, in particular Firm employees or other related persons, may pay Aisling reduced fees or may pay Aisling no fees. Managing assets for investors with different fee structures could create a conflict of interest for Aisling, especially where certain fee structures are performance-based, as performance-based fee arrangement creates an incentive to favor investors from whom Aisling has the ability to earn carried interest. Carried interest will be calculated based on 20% of realized gains generated by the Fund, less any unrealized losses deemed permanent and less expenses allocated to the investments realized, after investors have earned a preferred return of 8%. Following the sixth anniversary of the initial closing of the Fund and the eighth anniversary of the initial closing of the Fund (if escrowed carry is insufficient to satisfy a general partner giveback obligation as of the sixth anniversary of the initial closing of the Fund) and upon the final liquidation of the Fund, if carried interest previously paid to the Fund GP exceeds the aggregate amount of carried interest due to the Fund GP as of the date of determination, then the difference will be refunded to investors (but in the case of the interim giveback as of the sixth anniversary of the initial closing date, the amount repaid to investors will be limited to the carry amount held in escrow).

Although the carried interest generally is used to align Aisling’s interests with the interests of the investors in the Fund, the carried interest receivable by Aisling may create an incentive for Aisling to make investments on behalf of the Fund that are riskier or more speculative than would be the case in the absence of such compensation. Carried interest may also incentivize Aisling to make different decisions regarding the timing and manner of the realization of the Fund’s portfolio investments than would be the case if carried interest did not exist. However, Aisling seeks to address conflicts that may arise by employing policies and procedures governing the identification, assessment and monitoring of conflicts of interest. Aisling undertakes a thorough and careful vetting of investment opportunities by its investment professionals and disclosure of investments to investors. Aisling is committed to acting at all times in the best interests of the Fund, and, to this end, Aisling has implemented internal controls to address the potential conflicts associated with performance-based fees, as more fully described in the Offering Documents.

ITEM 7. TYPES OF CLIENTS

As further described in Item 4 of this Brochure, Aisling provides investment advisory services to a pooled investment vehicle that operate as an exempt investment company pursuant to Section 3(c)(7) of the Investment Company Act. The Fund will be limited to individuals and entities that meet the criteria of “qualified purchasers” as defined in Section 2(a)(51)(A) under the Investment Company Act.

Prospective investors should refer to the Offering Documents for complete information on the minimum investment requirements for participation in the Fund. Aisling generally requires a minimum capital commitment of \$5 million, although the Firm maintains discretion to individually waive, increase or reduce the minimum investment required.

Aisling does not currently manage individual investment accounts but may to the extent the Fund GP believes, in its discretion, that it is appropriate to do so, offer co-investment opportunities to investors in the Fund and/or to third parties. The Fund GP may first offer the opportunity to invest in any transaction in which the Fund has made or will make an investment to any person or entity, if the General Partner believes that the participation of such person or entity in such investment would be beneficial to the consummation or success of the investment. The Fund GP may also offer a co-investment opportunity if any portion of the investment opportunity remains following an offer to the investors of the Fund. Except as approved by the Advisory Board or expressly permitted by the Offering Documents, the Fund GP, the Firm, the senior managers and their respective affiliates shall not, in their individual capacities, invest in any transaction in which the Fund has made an investment, other than through the Fund GP or as an investor of the Fund.

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

- A. Aisling pursues a multi-strategy investment approach, and may invest in private companies, public companies, equity, debt or other structured securities. Overall, Aisling's investment strategy is to identify differentiated healthcare products, services and technologies that deliver value, capitalize on market inefficiencies, manage investment risk, build valuable and sustainable companies and invest across a range of structures and stages of development to access the highest quality assets.

In order to achieve this investment strategy, the Firm maintains consistent and rigorous procedures for managing the investment process. Each prospective investment that reaches the level of serious interest by the Firm is subjected to intensive due diligence and reviewed by the Aisling investment team. The complexity of healthcare investments requires not only legal and financial reviews but also detailed assessments of science and technology, operations, target markets and management. The Aisling investment team conducts in-depth research to assess regulatory and commercial issues and will evaluate the strengths and weaknesses of products' intellectual property positions to guide investment decisions. Aisling taps into its extensive network of relationships with healthcare industry leaders to ensure rapid and detailed assessments of specific issues at target companies. Aisling seeks to make investments in companies where an infusion of capital and strategic direction may allow the company to reach a valuation-determining event, thus enhancing the opportunities for success. In connection with such investments, Aisling determines an optimal time and structure to exit each investment in advance, so as to maximize returns to investors.

General Risk of Loss: An investment in the Fund will involve significant risk and potential conflicts of interest. 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.

- B. *Listed below are some of the risks that will be associated with an investment in the Fund. The following explanation of certain risks is not exhaustive, but rather highlights some of the more significant risks involved in the Fund's investment strategies. For a complete explanation of the Fund's relevant investment strategies and their associated risks, investors should review the Offering Documents, which contain additional explanations of strategies, risks and other related details not discussed below.*

General. A substantial portion of the Fund's investments is in equity or equity-related investments, which by their nature involve business, financial, market and/or legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that can result in partial or total losses and investors must be prepared to bear such capital losses that may result from investments. There can be no assurance that Aisling will correctly evaluate the nature and magnitude of the various factors that could affect the return on the Fund's investments. Prices and market movements of the Fund's investments may be volatile, and a variety of other factors that are inherently difficult to predict may significantly affect the results of the Fund's activities and the value

of the Fund's investments. As a result, the Fund's performance over a particular period may not necessarily be indicative of the results that may be expected in future periods.

Difficulty of Locating Suitable Investments; Competition for Investment Opportunities. The Fund's success depends upon the ability of the Fund GP and Aisling to identify suitable investments that are consistent with the Fund's investment objectives and policies, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of such investments. The identification, completion and realization of an attractive investment opportunity are highly difficult and involve a high degree of uncertainty. There can be no assurance that the Fund GP will be able to identify a sufficient number of suitable investment opportunities for the Fund to enable it to fully invest its committed capital in opportunities that satisfy the Fund's investment objectives, or that such investment opportunities will lead to completed investments by the Fund.

The Fund competes for the acquisition of investments with many other investors, some of which will have greater resources than the Fund. Such competitors may include, without limitation, other private investment funds as well as individuals, strategic buyers, financial institutions and other institutional investors. A significant number of new private equity funds have been formed and many hedge funds increasingly have sought private equity investments, resulting in an unprecedented amount of capital available for private equity investment. Some of these competitors may have more relevant experience, greater financial, technical, marketing and other resources, more personnel, higher risk tolerances, different risk assessments, lower return thresholds, lower cost of capital and access to funding sources unavailable to the Fund and a greater ability to achieve synergistic cost savings in respect of an investment in the target company than the Fund, Aisling or the Fund GP. Competition for appropriate investment opportunities may increase and thus may reduce the number of opportunities available to the Fund, adversely affect the terms upon which portfolio investments can be made and decrease the returns to investors.

Investments in Less Established Companies. The Fund focuses on early, mid and later stage companies in the life sciences and related industries. As such, the Fund may invest a portion of its assets in the securities of less established companies, such as start-ups or early stage companies in such industries. Investments in such early stage companies may involve greater risks than those generally associated with investments in more established companies. Such risks may include, without limitation, smaller capitalizations and fewer resources, shorter operating histories on which to judge future performance and negative cash flow. In the case of start-up enterprises, such companies may not have significant or any operating revenues. Early stage companies also often experience unexpected issues in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately resolved. There is no assurance that the development efforts of any such early stage company will be successful or, if successful, will be completed within budget or the time period originally estimated. Substantial amounts of financing may be necessary to complete such development and there is no assurance that such funds will be available from any particular source, including, without limitation, institutional private placements or the public markets. The percentage of early stage companies that survive and prosper tends to be small.

In addition to investing in less established or early stage companies, the Fund may actively engage in forming new businesses. Unlike investing in an existing company where start-up risks are generally shared with third parties who also have vested interests in such company (including, without limitation, the company's founders, existing managers or existing equity holders), in the case where the Fund forms a new business, all such risks are generally borne by the Fund. In addition, newly formed businesses face risks similar to those affecting less established or early stage companies as described above and may experience unexpected operational, developmental or financial issues that cannot be adequately resolved and there is no assurance that such new business ventures will become successful.

Some of the portfolio investments expected to be made by the Fund should be considered highly speculative and may result in the loss of the Fund's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on the Fund's other investments.

Investments in Middle Market Companies. The Fund may invest in middle market companies. Although investments in middle market companies may present greater opportunities for growth, such investments may also entail larger risks than are customarily associated with investments in larger companies. Middle market companies may have relatively limited product lines, markets, and financial and other resources. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of interests in smaller, private companies, which may make realizations of gains more difficult.

Investments in Public Companies. A portion of the Fund's investments will involve investments in public companies. Investments in public companies may subject the Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund to dispose of such securities at certain times (including, without limitation, due to the possession by the Fund of material non-public information, and lock-up period agreements to which the Fund may be subject), increased likelihood of shareholder litigation against such companies' board members, which may include, without limitation, Aisling personnel, and who may be indemnified by the Fund in connection with any such litigation, regulatory action by the SEC and increased costs associated with each of the aforementioned risks.

Contingent Liabilities. The Fund may assume, or acquire, a portfolio company subject to contingent liabilities. These liabilities may be material and may include, without limitation, liabilities associated with pending litigation, regulatory investigations or environmental actions, among other things. To the extent these liabilities are realized, they may materially adversely affect the value of a portfolio company. In addition, if the Fund has assumed or guaranteed these liabilities, the obligation would be payable from the assets of the Fund, including, without limitation, the unfunded capital commitments of investors.

Expedited Transactions. Investment analyses and decisions by the Fund GP and Aisling may be undertaken on an expedited basis in order for the Fund to take advantage of available investment opportunities. In such cases, the information available to the Fund GP and Aisling at the time of an investment decision may be limited and insufficient for a full evaluation of the investment opportunity. Further, the Fund may conduct its due diligence activities in a very brief period and may assume the risks of obtaining certain consents or waivers under contractual obligations. While the Fund GP expects to negotiate purchase price adjustments, termination rights and other protections, such rights may not be available or, if available, the Fund GP may elect not to exercise them.

Use and Availability of Leverage. The Fund's investments may involve leveraged acquisitions which would require portfolio companies to undertake a high ratio of fixed charges to available income. Additionally, the Fund itself can borrow subject to the terms of the Fund Agreement, which provides that, at any time, the total outstanding principal amount of all borrowing arrangements made by the Fund will not remain outstanding for a period longer than 90 days and will not, in the aggregate, exceed, without the approval of the Advisory Board, the lesser of aggregate unfunded capital commitments or 10% of the committed capital of the Fund.

Although the use of leverage may enhance returns and increase the number of investments that the Fund can make, such investments are inherently more sensitive to declines in revenues and to increases in expenses. The leverage provided to the Fund will result in interest expenses and other costs incurred in connection with such borrowings. While leverage may enhance total returns to the investors, if investment results fail to cover borrowing costs, then returns to the investors will be lower than if there had been no borrowings. Although the Fund GP and Aisling will seek to use leverage in a manner that they believe to be appropriate, the leveraged capital structure of a portfolio company may significantly increase its exposure to adverse economic factors which may impair such portfolio company's ability to finance its future operations and capital needs and may result in the imposition of restrictive financial and operating covenants. The investors will not be personally liable for the Fund's obligations under any borrowing arrangements.

Bridge Financing. From time to time, the Fund may provide bridge financing to facilitate an investment organized by the Fund. Bridge financings to a particular portfolio company must be at a level that, when added to the amount of the permanent investment by the Fund in the particular portfolio company, will not exceed 25% of the aggregate committed capital of the Fund. Such bridge financings, if not repaid, would typically be convertible into a more permanent, long-term security; however, for reasons not always in the Fund's control, such long-term securities may not be issued 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 Fund.

Minority Investments. The Fund may accumulate minority positions in the outstanding voting stock, or securities convertible into the voting stock, of portfolio companies, and, therefore, may have a limited ability to protect its position in such portfolio companies. Further, the Fund may have no right to appoint a director and, as a result, may have a limited ability to influence the management of such portfolio companies. The Fund may

also hold investments in debt instruments or other investments that do not entitle the Fund to voting rights and provide the Fund only a limited ability to protect such investments. In such cases, the Fund will be significantly reliant on the existing management and board of directors of such companies, which may include, without limitation, representation of other investors with whom the Fund is not affiliated and whose interests may conflict with the Fund's interests. Where practicable and appropriate, it is expected that shareholder rights generally will be sought to protect the Fund's interests. There can be no assurance, however, that such minority investor rights will be available, or that such rights will provide sufficient protection of the Fund's interests.

While the Fund may seek to achieve such accumulation of minority positions through open market purchases, registered tender offers, negotiated transactions, or private placements, it may be unable to accumulate a sufficiently large position in a target company to execute its strategy. In such circumstances, the Fund may dispose of its position in the target company within a short time of acquiring it and there can be no assurance that the price at which the Fund can sell such stock will not have declined since the time of acquisition. This may be exacerbated by the fact that stock of the companies that the Fund may target may be thinly traded and that the Fund's position may nevertheless have been substantial and its disposal may depress the market price for such stock.

Control Position Risk. While the Fund generally seeks to make non-control investments, the Fund may make investments that, in some cases, allow the Fund to acquire control or exercise influence over management and the strategic direction of a portfolio investment as described in the Offering Documents. The exercise of control over a company imposes additional risks of liability for product defects, pension liabilities, failure to supervise management and other types of liability in which the limited liability characteristic of business operations may be ignored. The exercise of control over a portfolio investment could expose the assets of the Fund to claims by such portfolio companies underlying such investment, its security holders and its creditors. While the Fund GP intends to manage the Fund to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Reliance on Portfolio Company Management. The day-to-day operations of a portfolio company will be the responsibility of such company's management team. Although Aisling will be responsible for monitoring the performance of portfolio companies and generally seeks to invest in companies operated by capable management that may be existing or installed by Aisling, there can be no assurance that an existing management team, or any successor, will be able to successfully operate a portfolio company in accordance with Aisling's strategy for such company.

No Assurance of Investment Return. There can be no assurance that any indicated valuations for unrealized investments will ultimately be realized for such value or be profitable or that losses can be avoided. Nothing contained in the Offering Documents should be deemed to be a prediction or projection of the future performance of the Fund. With respect to certain information contained in the Offering Documents regarding unrealized investments, while Aisling's valuations of such investments are based on assumptions that Aisling believes are reasonable under the circumstances, whether on an

estimated fair market value basis or a public market basis, the actual realized returns on unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the time and manner of sale, many of which may be affected by factors beyond Aisling's control and all of which may differ materially from the assumptions on which the valuations used in the prior performance data contained in the Offering Documents are also based. In such event, the actual realized returns on these unrealized investments may differ materially from the (assumed) returns indicated in the Offering Documents.

The Fund will pay any fees, costs and expenses incurred in developing, investigating, negotiating or structuring any investment in which the Fund is authorized to invest under the Partnership Agreement but does not actually invest (including, without limitation, any such fees, costs and expenses not borne by co-investors). In addition, the Fund may enter into agreements to consummate transactions which involve payments, such as reverse break-up fees, by the Fund in certain circumstances if the Fund does not consummate the transaction. As a result, the Fund could incur a substantial cost with no opportunity for a return. Further, the Fund may make (or commit to make) an investment with a view to selling a portion of such investment to co-investors or other persons prior to or within a brief period after the closing of the acquisition. In such event, the Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms and that, as a consequence, the Fund may bear the entire portion of any break-up fee or other fees, costs and expenses related to such investment, hold a larger than expected investment in such portfolio company or may realize lower than expected returns from such investment. There can be no assurance that the Fund's investment objectives will be achieved or that the Fund will be able to dispose of investments at prices equal to or greater than the price at which the Fund purchased such investments.

An investment in the Fund requires a long-term commitment, with no certainty of return. Even if the Fund's investments are consummated successfully, they are not generally expected to produce a realized return to the investors for a number of years after the investment is made. There may be little or no near-term cash flow available to the limited partners from the Fund and there can be no assurance that any limited partner will receive any distribution from the Fund.

Dependence on Key Personnel. The success of the Fund is highly dependent on the financial and managerial expertise of the principals and the other individuals employed by the Firm or its affiliates. Aisling relies extensively on the experience, relationships and expertise of these persons. The loss of one or more of these individuals could have a material adverse effect on the performance of the Fund. The interests of these professionals in the Fund should tend to discourage them from withdrawing from participation in the Fund's investment activities. However, there can be no assurance that such principals will continue to be associated with Aisling or its affiliates throughout the life of the Fund, as the principals of the Firm are under no contractual obligation to remain with the Firm for all or any portion of the term of the Fund, or that the Firm will be able to attract and retain replacements or additional persons when needed.

Portfolio Concentration. Although generally no more than 20% of the committed capital of the Fund will be invested in any one portfolio company, diversification is not an objective of the Fund. The Fund's portfolio may include a small number of large positions. If the Fund's investments are concentrated in a few portfolio companies or industries, any adverse change in one or more of such portfolio companies or industries could have a material adverse effect on a Fund investment. Moreover, because it is not reasonable to expect all of the Fund's investments to perform well or even return capital, for the Fund to achieve above-average returns, one or a few of its investments must perform very well. Therefore, while this portfolio concentration may enhance total returns to investors, if any large position has a material loss, then returns to investors may be lower than if they had invested in a well-diversified portfolio.

In addition, because the Fund's investments will be focused on the healthcare and life sciences industries, such concentration will make the Fund's portfolio more susceptible to fluctuations in value resulting from adverse economic and business conditions in such industries.

Illiquidity of Investor Interests; Restrictions on Transfer. The interests will be issued in reliance upon certain exemptions from registration or qualification under applicable U.S. federal and state securities laws and may not be transferred unless registered under applicable U.S. federal and state securities laws or unless an exemption from such laws is available. The Fund has no plans, and is under no obligation, to register the interests under the Securities Act of 1933, as amended (the "Securities Act"). There will be no public market for the interests and none is expected to develop. In addition, investors will not be entitled to withdraw their contributed capital and the interests may not be assigned or transferred to non-affiliated entities without the prior written consent of the Fund GP, which consent may be granted or withheld in its sole discretion. Investors desiring to transfer their interests may be required to reimburse the Fund's expenses of such transfer which can, in certain circumstances, be substantial. Voluntary withdrawals from the Fund will not be permitted except in very limited circumstances generally involving situations where retaining a Fund interest would violate certain laws or regulations, as described in the Offering Documents. Accordingly, interests in the Fund constitute illiquid investments and only should be purchased by persons that are able to bear the risk of their investment for an indefinite period of time.

New and Rapidly Evolving Nature of Healthcare/Life Sciences Sector. The Fund intends to make investments across a broad spectrum of products, technologies and businesses that advance health, including, but not limited to, therapeutics, devices to improve medical diagnosis and treatment, contract service organizations and adaptation of technological advances to improve drug discovery, development and marketing. The market for most of these products and technologies is rapidly evolving and, for some, only beginning to develop. Several specific risks can be typical of a market characterized by rapid change and frequent new product and service introductions. First, the public market for healthcare companies continues to be volatile. The state of the market may adversely affect the development of portfolio companies, the ability of the Fund to dispose of investments, and the value of investment securities on the date of sale or distribution by the Fund. Second, products and technologies produced by certain of the companies in this

industry may become obsolete. This can be a function of the significant technological change that persists in the healthcare industry, the highly uncertain levels of demand and market acceptance for new products, or the intense competition. Third, the Fund's portfolio companies may have limited operating histories or histories of net losses and may expect net losses for the foreseeable future. As such, projections as to future performance of portfolio companies may have very little performance data to support such projections. Certain markets' growth and intense competition exacerbate these conditions. There are many competitors in the healthcare sector that have already been funded which will force the Fund's portfolio companies to compete with more established companies for financing.

If portfolio companies are unable to respond successfully to these developments or do not respond in a cost-effective manner, the Fund's business, financial condition and operating results will be adversely affected. To be successful, portfolio companies must adapt to their rapidly changing markets by continually improving the responsiveness, services and features of their products and services and by developing new features to meet the needs of their customers. There can be no assurance that portfolio companies will be able to meet these competitive requirements, and failure to adopt could result in a significantly adverse effect on the Fund's investments.

Limited History of Product Development. The Fund invests in companies that have no products approved for sale. The potential products of such a company could require significant additional development and preclinical and clinical testing, as well as regulatory approval. There can be no assurance that the management of such a portfolio company will be able to successfully manage the development process for a new product, especially, as may be the case, if the management of the portfolio company does not have significant experience in developing a product. In addition, there can be no assurance that any such potential products will prove to be safe and efficacious in clinical trials, meet applicable regulatory standards, be capable of being produced in commercial quantities at acceptable costs or be successfully marketed. The Fund's portfolio companies may rely on outsourced service providers for clinical development, manufacturing and other services, and failure of those service providers to perform may result in a significantly adverse effect on the Fund's investments.

Future Capital Needs and Commitments; Uncertainty of Additional Funding. An investment by the Fund will probably not satisfy the long-term funding needs of a company and, as a result, a portfolio company will most likely require substantial additional funds to conduct research and development activities, clinical trials, and apply for regulatory approvals for any potential products. However, there can be no assurance that such additional financing will be available on acceptable terms, if at all. If adequate funds are not available, a portfolio company may be required: (i) to delay, reduce the scope of or eliminate one or more of its development programs or forfeit its rights to licensed products or technologies; (ii) to obtain funds through arrangements with collaborative partners or others that may require the company to relinquish rights to certain of its technologies, product candidates or products that the company would otherwise seek to develop or commercialize itself; or (iii) to license the rights to such products on terms that are less favorable to the company than might otherwise be available.

Dependence on Single Products. Companies in which the Fund invests may only have one product under development. There can be no assurance that the product will be approved for marketing by the Food and Drug Administration or any foreign regulatory agency. Further, competition may develop from other new and existing products. In either case, if a company is dependent on that one product, the consequences of such failure could be devastating to the prospects of such company and could have a significant adverse impact on the Fund.

Regulated Industries. The Fund intends to make investments in the healthcare and life sciences industries, which are subject to regulatory controls at the national, local, and, in some instances, international levels. As a result, the operations of portfolio companies of the Fund may be subject to compliance with applicable healthcare industry regulations. The nature and scope of healthcare industry regulations are subject to political forces and market considerations. Thus, they have been historically uncertain, subject to periods of increase, during which regulators introduce new requirements, and periods of re-regulation of previously de-regulated markets. Because regulation governing the healthcare industry is so unpredictable, the Fund GP cannot predict whether new regulations will be enacted or what effect such regulations might have.

Recently, the U.S. government and other governments have shown significant interest in pursuing healthcare reform. In the U.S., the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (“ACA”), put into place a number of major changes to health care delivery and how it is paid for, including, among other things, a deductible excise tax on any entity that manufactures or imports certain medical devices offered for sale in the U.S. Emblematic of the unpredictability surrounding healthcare regulation, several challenges to provisions of the ACA have been brought by states and other parties. Although the U.S. Supreme Court upheld the ACA’s basic provisions, Congress is currently considering major changes to healthcare industry regulation.

New laws, regulations and judicial decisions, or new interpretations of existing laws, regulations and decisions, that relate to healthcare availability, methods of delivery or payment for products and services, or sales, marketing or pricing, may increase costs of operations for portfolio companies in which the Fund invests, which could have a material negative impact on their overall performance.

Uncertainty Related to Clinical Trials. The research, development, preclinical and clinical trials, manufacturing, labeling, and marketing related to a healthcare company’s products are subject to an extensive regulatory approval process by the FDA and other regulatory agencies in the United States and abroad. The process of obtaining FDA and other required regulatory approvals for drug and biologic products and medical devices, including required preclinical and clinical testing, is lengthy, expensive and uncertain. There can be no assurance that, even after such time and expenditures, a company would be able to obtain necessary regulatory approvals for clinical testing or for the manufacturing or marketing of any products or that the approved labeling will be sufficient for favorable marketing and promotional activities. Failure to obtain and maintain

regulatory approval for a product candidate following a business combination would have an adverse effect on the value of the underlying securities of a healthcare company.

- C. Aisling will not primarily recommend a particular type of security to its investors, but rather, aims to recommend and invest in multiple investment instruments.

ITEM 9. DISCIPLINARY INFORMATION

Neither Aisling nor any of its management persons have been involved in any legal or disciplinary events that are material to a client's, investor's, prospective client's or prospective investor's evaluation of the Firm's advisory business or the integrity of the Firm's management.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

- A. Neither Aisling nor any of its management persons are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Aisling 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. Neither Aisling nor any of its management persons have any relationship with any of the following related persons (*i.e.*, entities controlling, controlled by or under common control with Aisling): broker-dealers; municipal securities dealers; government securities dealers; investment companies or other pooled investment vehicles; other investment advisers or financial planners; futures commission merchants; registered commodity pool operators; registered commodity trading advisors; banking or thrift institutions; accountants or accounting firms; lawyers; law firms; insurance agencies or companies; pension consultants; real estate brokers or dealers or other sponsors or syndicators of limited partnerships.
- D. Aisling will not otherwise recommend or select other investment advisers for the Fund.

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

- A. Aisling has adopted a written Code of Ethics (the “Code”), which describes the Firm’s duties and responsibilities to the Fund, requires that the Firm’s employees act in the best interests of the Fund to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with the Fund to the extent reasonably possible and identify and manage conflicts of interest to the extent that they arise. The Firm’s employees are required to comply with applicable provisions of the federal securities laws and make prompt reports to the Firm or other appropriate party of any actual or suspected violations of such laws by Aisling or its employees.

In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of the Firm’s employees. The Code requires employees to report all “reportable securities” transactions and provide a summary of securities holdings initially upon hire and on an annual basis thereafter. Reportable securities means any securities, including closed-end mutual funds but excluding: (1) direct obligations of the Government of the United States; (2) bankers’ acceptances, bank certificates of deposit, commercial paper and high-quality short-term debt instruments, including repurchase agreements; (3) shares issued by money market funds; (4) shares issues by open-end registered investment companies (*e.g.*, open-end mutual funds), other than funds advised or underwritten by the Firm of an affiliate; or (5) shares issued by unit investment trusts that are invested exclusively in one or more open-end registered investment companies, none of which are advised or underwritten by the Firm or an affiliate.

The Code also addresses outside activities of employees, conflicts of interest, policies and procedures concerning the prevention of insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and political contributions (which will not be permitted). Aisling will provide a complete copy of its Code to any investor or prospective investor, upon request sent to Robert Wenzel at rwenzel@aislingcapital.com.

- B. Neither Aisling nor any of its related persons will recommend to the Fund, or buy or sell for any Fund accounts, securities in which Aisling or its related persons have a material financial interest.
- C. In general, neither Aisling nor any of its related persons will invest in the same securities that Aisling or its related persons recommend to the Fund. However, in certain circumstances, Aisling may establish certain investment vehicles (such vehicles as discussed in Item 7) through which the Firm’s employees and other related persons may maintain the right to participate in co-investment opportunities. As of date of this Brochure, Aisling does not have any co-investment vehicles established.
- D. In general, neither Aisling nor any of its related persons will be permitted to recommend securities to the Fund, or to buy or sell securities for any Fund accounts, at or about the same time that Aisling or any of its related persons buys or sells the same securities for the Firm’s own account or any of its related persons’ accounts.

ITEM 12. BROKERAGE PRACTICES

- A. Aisling's business is to focus on making investments in private securities. Accordingly, the Firm's main focus is not trading in public securities, or making regular use of brokers for the purposes of purchasing or selling securities on behalf of the Fund. In the circumstances where Aisling purchases or sells securities on behalf of the Fund, such securities are generally acquired and/or disposed of in privately negotiated purchase and sale transactions, without the use of a broker-dealer. To the extent a broker-dealer is used for the purpose of purchasing or selling public securities, the Firm maintains discretion to select the broker or dealer to be used, as disclosed in Part 1A. Aisling seeks to select brokers that provide the best price and execution in the market, to ensure it is achieving best execution for the Clients.

If Aisling participates in transactions in public securities resulting from, or in connection with, portfolio investments, Aisling will use a broker to effect such transaction. In any such instance, Aisling generally follows applicable SEC guidelines to obtain best execution of such transactions.

1. Aisling does not engage in soft dollar arrangements by which it receives research or other services other than execution in exchange for commissions.
2. Aisling does not consider whether the Firm or related persons receive Fund referrals from a broker-dealer or third party when selecting or recommending a broker-dealer.
3. Aisling does not engage in directed brokerage as of the date of this Brochure.

Aisling does not receive research or other products or services other than execution from a broker-dealer or third party in connection with and Client securities transactions ("soft dollar benefits").

- B. Aisling currently advises one Fund. If Aisling advises additional private fund clients (as more fully discussed in Item 7), the Firm will, as appropriate, aggregate the purchase or sale of securities for such fund client accounts.

ITEM 13. REVIEW OF ACCOUNTS

- A. The Fund's portfolio is reviewed on a regular basis by Aisling's Investment Committee. The Investment Committee is comprised of two managing partners, and three of the Firm's other partners. The Investment Committee is responsible for, among other things, reviewing the Fund's portfolio and assessing portfolio risk, as well as for the review of each of the Fund's investments to ensure all investments are aligned with the Fund's stated investment strategy. The Firm's Valuation Committee, comprised of two managing partners, the Chief Financial Officer and Controller, is responsible for valuing each of the Fund's investments, and periodically reviews such valuations.
- B. Material changes in key variables that may affect the performance of the investments in the Fund's portfolio may trigger more frequent reviews of the underlying portfolio companies. Such material changes include, without limitation, changes in the financial markets, activity and trends in the political or economic environment, as well as specific circumstances affecting the Fund.
- C. Audited financial statements are provided to investors in the Fund, generally within 90 days of the end of the Fund's fiscal year, a shorter period than is required by Rule 206(4)-2 under the Advisers Act. Non-audited financial statements are provided to investors in the Fund on a quarterly basis.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

- A. Aisling does not receive an economic benefit from anyone, other than the Fund for providing investment advice or other advisory services to the Fund.
- B. Neither Aisling nor any related person, directly or indirectly, compensate any person who is not a supervised person for client referrals. However, Aisling has engaged Sagent Advisors, LLC (“Sagent”) and JPMorgan Securities, LLC (“JPM”) as unaffiliated third-party placement agents about the offering of interests in the Fund. As compensation for the services provided by Sagent, Aisling has agreed to payment of a retainer and a placement fee equal to a percentage of accepted capital commitments to the Fund from certain investors. As compensation for the services provided by JM, Aisling has agreed to pay an initial fee and an on-going servicing fee. JPM and Sagent also receive compensation in the form of reimbursement of certain out-of-pocket expenses.

ITEM 15. CUSTODY

Under Rule 206(4)-2 of the Advisers Act (the “Custody Rule”), an adviser has custody if it acts in any capacity that gives the adviser legal ownership of, or access to, client funds or securities. Aisling is deemed to have custody of the assets of the Fund, because it or one of its affiliates (the Fund GP) will either (i) act as general partner of the Fund, with the authority to dispose of funds and securities in the Fund’s accounts or (ii) be deemed to have custody because of its ability to withdraw its fees directly from the Fund. Therefore, Aisling is subject to the Custody Rule.

Aisling adheres to the applicable requirements of the Custody Rule with respect to the Fund’s assets that are deemed publicly traded securities. The CCO will ensure that all privately offered securities not held at a custodian do not violate the “Private Security Exemption” provided in the Custody Rule. In addition, the CCO is responsible for arranging for annual independent audits of the Fund by a major accounting firm generally within 90 days of the Fund’s fiscal year end, and for obtaining audited financial statements prepared in accordance with Generally Accepted Account Principals. Aisling will arrange for the delivery of such audited financial statements to investors of the Fund generally within 90 days of the fiscal year end.

ITEM 16. INVESTMENT DISCRETION

Aisling accepts discretionary authority to manage assets and securities on behalf of the Fund. Aisling accepts discretionary authority through the investment management agreement with the Fund.

ITEM 17. VOTING CLIENT SECURITIES

Aisling pursues a multi-strategy investment approach, which may include investments in private companies, which typically do not issue proxies, but also may involve the holding of publicly traded securities with voting authority. As such, the Fund may be placed in a position of proxy voting authority. If Aisling acquires a position in the latter type of entity and is called upon to vote on behalf of the Fund, Aisling has adopted a proxy voting policy, as required by the Advisers Act.

Aisling has determined that, if called upon to vote a proxy, it will generally vote in line with company management, as company management is best suited to make decisions that are essential to the on-going operations of the company. However, the Firm's policy, first and foremost, will be to vote in accordance with the best interests of the Fund, so, under circumstances in which the Firm believes that company management's proposals will not maximize value for the Fund, the Firm will vote against company management.

Employees of the Firm may be appointed to boards of directors of certain of the Fund's privately held portfolio companies. Where employees are serving dual roles, a conflict of interest may arise. In response to such a conflict, employees are expected to put the interests of the Fund ahead of the interests of the respective board of directors.

The Firm has established controls, including policies and procedures to review and maintain its proxy voting records to address such conflicts of interest. The Firm's proxy voting policy includes guidelines for voting against company proposals, as well as guidance for situations where a proxy may present a conflict of interest, to ensure that such conflict is resolved in the best interests of the Fund. Investors may obtain information about how proxies were voted or a copy of the Firm's proxy voting policies by contacting Robert Wenzel at rwenzel@aislingcapital.com.

ITEM 18. FINANCIAL INFORMATION

Aisling has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

ITEM 19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS

This item is not applicable to Aisling.