

Item 1. Cover Page



MPM Asset Management LLC

**450 Kendall Street
Cambridge, Massachusetts**

(617) 425-9200

www.mpmcapital.com

**Part 2A of Form ADV: Firm Brochure
March 30, 2020**

This brochure provides information about the qualifications and business practices of MPM Asset Management LLC. If you have any questions about the contents of this brochure, please contact us at (617) 425-9200. 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.

Additional information about MPM Asset Management LLC also is available on the SEC’s website at www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

This brochure, dated as of March 30, 2020, contains several material changes from the last firm brochure dated as of July 16, 2019, including, but not limited to: (1) updates to fee and expense disclosure, (2) new risk factors, and (3) enhanced conflicts of interest. In addition, MPM Asset Management LLC routinely makes updates throughout the brochure to improve and clarify the description of its business practices, compliance policies, and procedures, as well as to respond to evolving industry best practices.

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Item 4. Advisory Business

For purposes of this brochure, “**MPM**” or the “**Adviser**” means MPM Asset Management LLC, a Delaware limited liability company, together (where the context permits) with its affiliated general partners of the Funds (as defined below) and other affiliates that provide advisory services to and/or receive advisory fees from the Funds. Such affiliates may or may not be under common control with MPM Asset Management LLC, but possess a substantial identity of personnel and/or equity owners with MPM Asset Management LLC. These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of the Funds, or may serve as general partners of the Funds.

The Adviser provides investment supervisory services to investment vehicles (the “**Funds**”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “**1940 Act**”) and whose securities are not registered under the Securities Act of 1933, as amended (the “**Securities Act**”). Certain of the Funds have one strategic investor (each, a “**Strategic Fund**” and collectively, the “**Strategic Funds**”) that co-invest alongside other Funds.

The Funds make primarily long-term venture capital and equity-related investments. In accordance with the Funds’ respective investment objectives, investments are generally made in companies doing business in the life-sciences industry, including within the oncology and pharmaceutical sectors. The Adviser’s advisory services consist of investigating, identifying, and evaluating investment opportunities, structuring, negotiating, and making investments on behalf of the Funds, managing and monitoring the performance of such investments, and disposing of such investments. The Adviser may serve as the investment adviser or general partner to the Funds in order to provide such services.

The Adviser provides investment supervisory services to each Fund in accordance with the limited partnership agreement (or analogous organizational document) of such Fund or separate investment and advisory, investment management or portfolio management agreements (each, an “**Advisory Agreement**”).

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable general partner, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund, Advisory Agreements and/or side letter agreements negotiated with investors in the applicable Fund (such documents collectively, a Fund’s “**Organizational Documents**”).

The co-founders and principal owners of MPM Asset Management LLC are Ansbert Gadicke and Luke Evnin. The Adviser has been in business since 1997. As of December 31, 2019, the Adviser manages a total of \$1,441,108,631 of client assets, all of which is managed on a discretionary basis.

Item 5. Fees and Compensation

The Adviser or its affiliates generally receive Advisory Fees and Carried Interest (each as defined below) or similar performance-based remuneration from a Fund. A Fund, and/or its portfolio companies may also make other payments to the Adviser or its affiliates for services provided to the portfolio companies which, in certain circumstances, may reduce the Advisory Fees payable to the Adviser. Additionally, consistent with the Organizational Documents of a Fund, the Fund typically bears certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to the Fund and/or the portfolio companies. Further details about certain common fees and expenses are set forth below.

Advisory Fees

As compensation for investment supervisory services rendered to the Funds, the Adviser receives from each such Fund an advisory fee (each, an “**Advisory Fee**”) typically calculated based on committed capital or the prior year’s Advisory Fee with respect to such Fund. Advisory Fees may be reduced during the life of a Fund. The precise amount of, and the manner and calculation of, the Advisory Fees for each Fund are established by the Adviser and are set forth in such Fund’s Organizational Documents. The Advisory Fees and other fees and distributions described herein are generally subject to modification, waiver or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letter and other arrangements, which may not be disclosed to other investors in the same Fund. The fee structures described herein may be modified from time to time. Fees may differ from one Fund to another, as well as among investors in the same Fund.

The Advisory Fees paid by a Fund will generally be reduced by a percentage of (1) the amount of fees paid by such Fund to persons acting as a placement agent in connection with the offer and sale of interests in such Fund to certain potential investors, (2) the fees incurred by the Adviser in connection with the organization of such Fund that exceed a limit specified in such Fund’s Organizational Documents, and/or (3) certain Other Fees (as defined and described in more detail below) received by the Adviser or its affiliates. The amount and manner of such reduction, if any, is set forth in the Organizational Documents of the applicable Fund.

Advisory Fees vary Fund by Fund and are payable quarterly in advance.

Certain investors in the Funds that are employees, business associates and other “friends and family” of the Adviser, its affiliates or their personnel (“**Adviser Investors**”) will not typically pay Advisory Fees in connection with their investment in a Fund. Furthermore, Adviser Investors do not generally bear any expenses incurred in making an investment and, as a result, such expenses are generally borne by the Funds. Adviser Investors will only bear those expenses specifically allocated solely to an Adviser Investor vehicle (for instance, formation expenses, administrative fees, tax preparation fees, state filing fees and similar fees). The Adviser may from time to time in the future establish certain investment vehicles through which certain Adviser Investors, other “friends of the firm,” or other persons may invest alongside one or more Funds in one or more investment opportunities. Such co-investment vehicles generally will not pay Advisory Fees or Carried Interest.

In addition, the Adviser and its affiliates, with respect to certain Funds, utilize a “cashless commitment” satisfy any obligation of the Adviser and certain employees and affiliates of the Adviser to invest in and alongside such Fund and will only be paid in cash if such Fund does not return capital contributed by the limited partners. This “cashless commitment” could result in acceleration of investor capital contributions.

Upon termination of an Advisory Agreement, Advisory Fees that have been prepaid are generally returned on a prorated basis.

Other Fees and Expense Reimbursement

Other Fees

In addition to the Advisory Fees and Carried Interest, the Adviser and its affiliates receive a variety of other cash, equity, and other non-cash fees relating to the investment activities of a Fund, its portfolio companies, and prospective portfolio companies, including consulting fees, director fees, operational fees, and/or other similar fees received from portfolio companies and/or prospective portfolio companies (collectively, with the other fees described in this section, “**Other Fees**”). The amount and timing of Other Fees received by the Adviser or its affiliates are generally specified in the agreement or other documentation governing the applicable transaction.

In addition, the Adviser or its personnel, on behalf of the Adviser, from time to time, receive stock of a portfolio company as an Other Fee due to the service of such personnel on the board of such portfolio company or as compensation for other services provided to such portfolio company. In such event, the recipient will generally act in their own interest with respect to the stock received as an Other Fee (including, for instance, determining to sell the distributed securities, or hold on to the distributed securities for such time as such recipient shall determine in its sole discretion). The ability of such recipients, to act in their own interest with respect to the stock received as an Other Fee, creates a conflict of interest between the Adviser, as an adviser to the Funds, and its personnel, on the one hand, and the Funds, on the other hand, because the recipient’s interests may not be aligned with those of the Funds and the recipient may determine to sell the stock received at a different time, or on different terms, then the Fund would sell its interest.

In many cases, with respect to the implementation of the arrangements described above, there is not an independent third-party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio company.

The payment of Other Fees and reimbursements by portfolio companies and prospective portfolio companies will, in some, but not all, circumstances create a conflict of interest between the Adviser and its affiliates, and the Funds and their investors because the Funds and their investors generally do not have a direct interest in these fees and reimbursements. Generally, the Adviser or its personnel determines the amount and timing of these Other Fees for the services provided and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions, and the amount of such fees and reimbursements often will not (except in connection with the reductions described herein) be disclosed to investors in the Funds.

Advisory Fee Reduction

Other Fees are often substantial and may be paid in cash, in securities of the portfolio companies, prospective portfolio companies, or investment vehicles (or rights thereto), or otherwise. Although Other Fees are in addition to the Advisory Fees, the Adviser will in some instances reduce the amount of Advisory Fees paid by the applicable Fund in connection with the receipt of such Other Fees in accordance with the Advisory Agreement and/or Organizational Documents of the applicable Fund. Generally, under the terms of the applicable Organizational Documents, for purposes of calculating any Advisory Fee offset, Other Fees are net of out-of-pocket costs and expenses incurred by the Adviser in connection with consummated or unconsummated transactions or in connection with generating any such fees.

To the extent an Other Fee relates to more than one Fund, generally, the portion of Other Fees allocable to capital invested by a Fund, co-investment vehicle, or third-party investor that does not pay Advisory Fees will be retained by the Adviser and such amounts will not offset any Advisory Fee.

Certain Fees and Reimbursements Excluded from Other Fees

Certain fees and reimbursements are excluded from the definition of “Other Fees” and do not reduce the Advisory Fee.

A portfolio company will typically reimburse the Adviser for expenses, including, without limitation, travel and travel-related expenses (which include, without limitation, commercial and non-commercial transportation costs (including business class travel and private car travel), lodging and accommodations), meals and entertainment expenses (including, as applicable, closing dinners and mementos, cars and meals, social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers), meetings or other events (to the extent such programs, meetings, or events are attended by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting, and relocation expenses), indemnification expenses, certain legal expenses, and similar out-of-pocket expenses, as well as consulting fees and other cash and non-cash compensation and expenses, incurred by the Adviser in connection with its performance of services for such portfolio company. Such reimbursed expenses are generally not included in the definition of “Other Fees” under the terms of the applicable Organizational Documents, and such reimbursements do not reduce the Advisory Fee. Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by the Adviser, are reimbursed by a Fund and/or its portfolio companies, the Adviser may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

From time to time, the Adviser (in its sole discretion) agrees to pay a portion of an Other Fee received from an actual or prospective portfolio company to a third party, such as a consultant, advisor, Operations Support Provider (as defined below in Item 11), and/or co-investor. The Adviser is not required to share the portion of the Other Fee paid to a third-party with the Funds (or their investors) and, therefore, the portion of an Other Fee paid to such third-party will not reduce the Advisory Fee.

From time to time, the Adviser, its affiliates, and its employees or members perform services to portfolio companies and receive compensation (in cash, equity, or otherwise) from the portfolio company for such services. In addition, the Adviser and its affiliates provide certain services and industry knowledge to portfolio companies that are organized, founded, or incubated by the Adviser, its affiliates, and/or its personnel and receive compensation (in cash, equity or otherwise) from such portfolio companies as “founders’ equity.” The recipient is permitted to retain 100% of cash fees and 50% of any non-cash compensation paid by a portfolio company that is organized, founded, or incubated by the Adviser or its affiliates as reimbursement for providing office space or in exchange for finance, reporting, IT support, administration, accounting, back office or other similar services provided by the Adviser or an affiliate. Such fees and other compensation will not reduce the Advisory Fee and are not otherwise shared with the Funds or their investors. The amount of any “founders’ equity” that is retained by the recipient will not offset the Advisory Fees payable by a Fund, and will not otherwise benefit the Fund or its investors. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see Item 11 below.

The Adviser and its affiliates also engage and retain Operations Support Providers. Certain of these Operations Support Providers from time to time receive payments from, or allocations with respect to, portfolio companies and/or other entities. In such circumstances, the amounts of such fees, reimbursements, or other compensation received by such persons are generally retained by such persons and such amounts are not considered “Other Fees,” will not offset the Advisory Fees payable by a Fund, and will not otherwise benefit the Fund or its investors. For a discussion of material conflicts of interest created by the engagement of such persons, please see Item 11 below.

Furthermore, for the avoidance of doubt, any amounts paid by a former portfolio company, such as directors’ fees a former portfolio company pays an Adviser professional, or Operations Support Providers who remains on the company’s board of directors following the Fund’s disposition of its investment in the company, is not considered to be an “Other Fee” and does not reduce the Advisory Fee payable by a Fund.

Expenses

Adviser Expenses

To the extent provided in the Organizational Documents of the Funds, and except as described below as a “Fund Expense”, the Adviser generally bears certain expenses and costs associated with the performance of its services, including, but not limited to, expenses on account of rent, utilities, office supplies, office equipment, the compensation and expenses of certain of its partners, officers, and employees (other than Carried Interest described in Item 6 below) and other normal and routine administrative expenses relating to the services and facilities provided by the Adviser to the Funds.

Fund Expenses

Consistent with the Organizational Documents of the Funds, each Fund will bear all other expenses relating to it to the extent not borne by its portfolio companies, including (1) expenses incurred in the organization of the Fund and its general partner and the offering of interests in the Fund

(including costs and expenses related to marketing, advertising, printing, wholesaling, and other investor-related services); (2) all expenses of legal, accounting, auditing, investment banking, consulting (including, but not limited to, consulting fees incurred by the applicable Fund for the benefit of its portfolio company and fees of affiliated consultants), advisory, appraisal, valuations, pricing services, and other professional services in connection with the administration and operation of the Fund (including maintaining the books and records of a Fund, including any related internal costs that the Adviser may incur to produce any such books and records or external costs for a third-party administrator to maintain and oversee a Fund's books and records), including, without limitation, unreimbursed expenses involved in any transaction in which the Fund is involved; (3) all custody, transfer, registration, and similar expenses incurred by the Fund; (4) all premiums for any key person life insurance policies payable to the Fund or for any insurance covering any person entitled to indemnity under the Fund's limited partnership or operating agreement, and including insurance of which the Adviser and its affiliates are beneficiaries; (5) all expenses (including, without limitation, indemnification costs, compensation, and expense reimbursement) associated with the establishment and maintenance of the Fund's Investor Committee, as applicable (including set-up costs, speaker fees, honorarium, dining, entertainment, travel and travel-related expenses); (6) all expenses incurred in the preparation and distribution of reports and information about the Fund to its limited partner or member investors, including, without limitation, tax information, quarterly and annual reports, and financial information and financial statements (and the calculation of any data included therein), and in connection with any other communications with its investors, and in holding meetings of the investors (including set-up costs, speaker fees, honorarium, dining, entertainment, travel and travel-related and other expenses) (and such expenses may include a pro rata share of payments due to independent contractors and employees of the Adviser for work performed in connection with the foregoing activities); (7) all brokerage fees and commissions and discounts incurred in connection with the purchase or sale of securities; (8) fifty percent (50%) of all finders' fees incurred in connection with the purchase or sale of securities; (9) taxes and other governmental charges, if any, filing fees, and the costs of preparing and filing tax returns and other reports; (10) all expenses associated with the formation and organization of any alternative investment vehicles; (11) travel and travel-related and entertainment expenses incurred in connection with the Fund's fundraising and investment activities, premium meals, social and entertainment events (with portfolio company management, customers, clients, borrowers, brokers and service providers); (12) organizational expenses of a Fund's general partner; (13) research and other information (including research costs allocated by the Adviser's internal research team and third-party groups, and including systems and services from data providers and data management software) (including any research or other service that may be deemed to be bundled for the benefit of such Fund), as well as third-party diligence software and service providers, subject and industry-matter research and experts; (14) certain fund administration and legal expenses pertaining to a Fund; (15) expenses associated with a Fund's compliance with applicable laws and regulations, including regulatory filings as they relate to the Fund's activities, out-of-pocket costs and expenses, if any, associated with any third-party examination or audits (including similar services) of a Fund or the Adviser that are attributable to the operation of such Fund or requested by one or more investors in a Fund; (16) expenses incurred in connection with complying with provisions in investor side letter agreements, including "most favored nation" provisions, the costs associated with any amendments, modification, revisions or restatements to the Organizational Documents of a Fund; (17) a Fund's allocable share of expenses and fees generated in the course of sourcing, evaluating, investigating,

developing, and researching potential investments, including investments which are not consummated, including legal expenses incurred in connection with claims or disputes related to unconsummated investments; (18) a Fund's allocable share of expenses and fees incurred in the course of making investments; (19) expenses incurred in connection with any litigation involving the Fund (including, without limitation, investigation and preparation costs) and the amount of any judgment or settlement paid in connection therewith; (20) any liquidation expenses of the Fund; and (21) expenses associated with a Fund, and other similar fees and expenses, as well as any other fees or expenses incurred by the Adviser or such Fund in connection with such Fund's operations that are not specifically set forth above as being paid by the Adviser.

In addition, the Adviser, from time to time, engages one or more fund administrators or similar service providers to perform certain functions in relation to the Funds, which services may include coordination of the Funds' legal entity management function, execution and recordkeeping associated with applicable tax elections and filings, support for the valuation process and investor correspondence, investor data management and reporting requests as well as data collection required for various regulatory reporting with which the Funds are required to comply. In certain instances, employees of such service providers dedicate substantially all of their time to the Funds or spend all or a significant majority of their business time at the Adviser's offices. These expenses related to such service provider employees are borne by the Funds.

Co-Investment Vehicle Fees and Expenses

In addition, a Strategic Fund co-investing alongside another Fund, or another co-investment vehicle will generally bear its pro rata portion of expenses incurred in connection with the making of an investment (including "dead deal costs" incurred in connection with investments that are not consummated); provided, however, in some instances the Fund may also bear some or all of the expenses incurred in connection with the making of an investment (and not by the investors in such co-investment vehicle.)

In addition, the Adviser and its affiliates have discretion to (1) receive performance-based compensation, Advisory Fees, or similar fees from co-investors, and (2) collect customary fees in connection with actual or contemplated investments that are the subject to co-investment arrangements.

Allocation of Expenses

From time to time the Adviser will be required to decide whether certain fees, costs, and expenses should be borne by the Adviser, a Fund (or Funds), a portfolio company, co-investors, and/or a third-party (each, an "**Allocable Party**") and if so, how such fees, costs, and expenses should be allocated among the relevant Allocable Parties. Certain fees, costs, and expenses may be the obligation of one particular Allocable Party and may be borne by such Allocable Party or, fees, costs, and expenses may be allocated among multiple Allocable Parties. The Adviser allocates fees, costs, and expenses in accordance with a Fund's Organizational Documents. To the extent not addressed in the Organizational Documents of a Fund, the Adviser will make allocation determinations among Allocable Parties on a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation (which such methodologies may include pro rata allocation based on the respective capital commitments of a Fund, pro rata allocation based on the respective investment (or anticipated investment) of an Allocable Party in

an investment, relative benefit received by an Allocable Party, or such other equitable method as determined by the Adviser in its sole discretion). Notwithstanding the foregoing, Adviser Investors do not generally bear any expenses incurred in making an investment, and such investment expenses are generally borne by the Funds. The Adviser will make any corrective allocations and take any mitigating steps if it determines in its sole discretion, that such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service may not reflect the relative benefit derived by such Fund from that service in any particular instance.

There may be occasions when one Allocable Party (the “**Payor Allocable Party**”) pays an expense common to multiple Allocable Parties (e.g., legal expenses for a transaction in which multiple funds and/or co-investors participate). On such occasions, each Allocable Party will reimburse the Payor Allocable Party for its share of such expense, generally without interest, promptly after the payment is made by the Payor Allocable Party. In addition, there may be occasions where a Fund procures borrowing through a subscription line or credit facility in order to make an investment, syndicating out a portion of the investment to another Allocable Party. Subject to the Organizational Documents, the borrowing Fund will bear the entire cost of interest from the borrowing, even though the investment may ultimately be made by other Allocable Parties. Furthermore, while highly unlikely, it is possible that one of the Allocable Parties could default on its obligation to reimburse the Payor Allocated Party.

As noted above, certain Funds and/or portfolio companies also bear their allocable portion of the compensation (including, without limitation, salary, bonus, payroll taxes, and benefits), expenses and overhead (including, without limitation, rent, property taxes, and utilities allocable to the workspaces) attributable to certain employees, partners, members, or officers of the Adviser and its affiliates, including, without limitation, human resources, information technology, administrators, legal, tax, compliance, intellectual property, leveraged purchasing, ESG (environmental, social and governance) and other professionals whose functions may also include the preparation of financial statements, investor reports (including the costs associated with providing access to a database or other internet forum for distribution of such reports), tax returns, the administration of assets and expenses of the Funds (including with respect to co-investment vehicles and feeder funds) and legal and regulatory compliance with applicable laws and regulations. The allocation of such compensation and expenses between the Adviser, the Funds, and/or the portfolio companies require judgments as to methodology that the Adviser makes in good faith, but in its sole discretion. These allocation methodologies may include: requiring personnel to periodically record and allocate their time with respect to the Funds and/or the portfolio companies; the Adviser approximating the portion of time a person has spent with respect to a particular Fund and/or portfolio company; the assessment of an overall dollar amount (for instance, based on a fixed fee) that the Adviser believes represents a fair recoupment of expenses and a market rate for such services; and any other methodology determined by the Adviser to be appropriate under the circumstances. While the Adviser may (in its sole discretion) obtain benchmarking data regarding third party rates for similar services, relevant comparisons may not be available for a variety of reasons, including as a result of lack of a substantial market of providers or users for such service, confidentiality reasons, and the bespoke nature of certain services. As a result, market comparisons may not (and often do not) result in precise comparable data for certain services.

The Adviser, from time to time, enters into arrangements with third-party advisers and consultants who provide services relating to deal-sourcing and investment opportunities, for which such advisers and consultants are paid compensation or other fees and/or are reimbursed for certain expenses. Any fees and expenses associated with such investment opportunities may be allocated to the applicable Fund(s), consistent with the allocation process described above.

Carried Interest Payments

Please see Item 6 below regarding Carried Interest that Funds may pay.

Brokerage Fees

Although the Adviser does not generally utilize the services of broker-dealers to effect portfolio transactions for the Funds, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

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

With respect to certain Funds, a portion of the profits of each such Fund is distributed to its general partner, if any, as “carried interest” (the “**Carried Interest**”). Each general partner of a Fund is a related person of the Adviser. Carried Interest paid by a Fund is indirectly borne by investors in such Fund. Certain Funds and investors in such Funds (including Adviser Investors) may incur lower or no Carried Interest.

The payment by some, but not all, Funds of Carried Interest creates an incentive for the Adviser to disproportionately allocate time, services, or functions to Funds paying Carried Interest, or to allocate investment opportunities to such Funds. Generally, and except as may be otherwise set forth in the Organizational Documents of the Funds, this conflict is mitigated, at least in part, by (1) certain limitations on the ability of the Adviser to establish new investment funds, (2) contractual provisions requiring certain Funds to purchase and sell investments contemporaneously, and/or (3) contractual provisions and procedures setting forth investment allocation requirements. See also Item 11 below regarding allocation for additional information relating to how conflicts of interests are generally addressed by the Adviser.

Item 7. Types of Clients

The Adviser currently provides investment supervisory services to the Funds. Investment advice is provided directly to the Funds (subject to the direction and control of the general partner of each such Fund, if applicable) and not individually to investors in such Fund.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally “qualified purchasers” as defined in the 1940 Act, and may include, among others, public pension plans, corporate pension plans, endowments, private pension plans, foundations, insurance companies, fund-of-funds, family offices, Operations Support Providers, other institutional investors, and high-net worth individuals.

The Adviser does not have a minimum size for a Fund, but minimum investment commitments may be established for investors in the Funds. The general partner of each Fund may, in its sole discretion, permit investments below the minimum amounts set forth in the Organizational Documents of such Fund.

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

Methods of Analysis and Investment Strategies

The Adviser's investment strategy in managing the Funds relies on (1) the life sciences industry focus, experience, and expertise of its personnel, (2) proactive deal generation, including where possible, assembling assets to build companies from the ground up with the Adviser's direction and assistance, and (3) the active engagement of one or more of its managing directors or other Adviser Personnel in the Funds' portfolio companies. The Adviser seeks to identify companies and opportunities through its broad network of academic and entrepreneur relationships. Once an investment has been made, they assist the portfolio company to navigate through its pre-clinical, clinical, regulatory, financial, and commercial milestones, as applicable. The Funds generally will take minority positions in the equity of portfolio companies, however, in some instances the Funds may take majority and/or wholly own a portfolio company for a period of time. Each Fund's respective general partner generally will seek to place a person on the boards of the portfolio companies in which such Fund invests.

Certain Funds invest primarily in early-stage companies that are seeking their initial Series A financing, where key value inflection points will likely be "proof of mechanism" ("PoM") and clinical "proof of concept" ("PoC"). PoM is the preclinical demonstration that a drug affects the intended cellular pathway and molecular target in the manner as anticipated. Clinical PoC trials are small, fast, and relatively inexpensive, but can provide robust signs of effectiveness and safety in patients.

Another Fund focuses both on specific classes of oncology therapeutics and investment timing (i.e., incubation and early stage). With respect to cancer drug classes, this Fund focuses on targeted therapies for cancer and largely avoid improvements to established therapies, such as chemotherapeutics, by focusing investments in: (1) next-generation immuno-oncology opportunities, including (a) therapeutic vaccines and oncolytic viruses, (b) new checkpoint inhibitors and immune system amplifiers, (c) modifiers/disruptors of the tumor microenvironment (e.g., restoring killing power of macrophages, inhibition of Tregs), (d) engineered cell therapies, such as CAR-T cells, and (e) therapeutic antibodies, including bi-specific antibodies, and antibody-drug conjugates; (2) synthetic lethal strategies that exploit cancer "escape" mechanisms; (3) drugs which inhibit cancer "driver" mutations; and (4) strategies to kill cancer stem cells.

The Adviser applies a due diligence process to each potential investment. The scientific and business risk and reward potential of each investment is analyzed in an effort to determine the value represented by the opportunity and whether an investment is warranted. Each investment has a senior investment team member who acts as that investment's sponsor. Twice a year, the Adviser reviews its entire portfolio of investments.

Risks

Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its investments, and investors in the Funds must be prepared to bear the risk of a complete loss of their investments.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the Funds, include the following:

Business Risk

The Funds will invest substantially all of their available capital (other than capital the Adviser determines in its sole discretion to retain in cash or cash equivalents or capital applied toward expenses and liabilities) in securities of portfolio companies. The types of investments that the Funds anticipate making involve a high degree of risk. In general, financial and operating risks confronting portfolio companies can be significant. While targeted returns should reflect the perceived level of risk in any investment situation, there can be no assurance that the Funds will be adequately compensated for risks taken. The timing of profit realization is highly uncertain. Losses are likely to occur early in the Funds' lives, while successes often require a long maturation.

No Assurance of Investment Return

The Adviser's task of identifying investment opportunities in portfolio companies and managing such investments is difficult. There is no assurance that the Funds will be able to invest their capital on attractive terms or generate returns for their investors. There is no assurance that the investments by the Funds will be profitable and there is a risk that the losses and expenses of the Funds will exceed income and gains. Any return on investment to limited partners will depend upon successful investments made on behalf of the Funds by the Adviser. As such, there is no assurance of any distribution to limited partners prior to or upon liquidation of the Funds. Limited partners should be prepared and able to absorb a loss of some or all of the capital invested in the Funds and bear the economic risk of an investment in the Funds for a substantial period of time.

No Assurance of Additional Capital for Investments

After a Fund has financed an investment in a portfolio company, continued development and marketing of products may require that additional financing be provided. In particular, life science companies 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 products or technologies to existing companies. No assurance can be made that buyers for such products or technologies can be located or that the terms of any such sale will be advantageous.

No Assurance of Investment Opportunities

Although the Funds expect to have significant access to private investment opportunities through the Adviser's network of relationships, there can be no assurance that investment opportunities for the Funds will materialize. Similarly, the Funds may be unable to identify or consummate investments in companies that meet its criteria.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies

Before making investments in any particular company, the Funds will typically conduct due

diligence that the Adviser deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks, and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to the Funds' reduced control of the functions that are outsourced. In addition, if the Funds are unable to timely engage third-party providers, their ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding a potential investment, the Funds will rely on the resources available to them, including information provided by the target of the investment and, in some circumstances, third-party investigations, and/or consumer surveys. The due diligence investigation that the Funds carry out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Instances of fraud and other deceptive practices committed by management of companies in which the Funds may invest may undermine the Funds' due diligence efforts with respect to such companies, and may negatively affect the value of the Funds' investment in the portfolio company.

Investment in Companies Dependent upon New Scientific Developments and Technologies

The Funds plan to focus their investing in life science companies. The value of the Funds' assets may be susceptible to factors affecting the life science industry and to greater risk and market fluctuation than an investment in funds that invest in a broader range of securities. The specific risks faced by life sciences companies include:

- rapidly changing science and technologies;
- new competing products and improvements in existing products which may quickly render existing products or technologies obsolete;
- exposure, in certain circumstances, 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 rights; and
- rapidly changing investor sentiments and preferences with regard to life sciences sector investments (which are generally perceived as risky).

Risks Associated with the Life Sciences / Healthcare Industry

The life science and healthcare industry is dominated by large multi-national corporations with substantially greater financing and technical resources than generally will be available to most of the portfolio companies. Such large corporations may be better able to adapt to the challenges presented by continuing rapid and major scientific, regulatory and technological changes as well as related changes in governmental and third-party reimbursement policies. Many of the portfolio companies will be at least partially dependent for their success upon governmental and third-party

reimbursement policies that are under constant review and are subject to change at any time. Any such change could adversely affect the viability of one or more portfolio companies. Within the life science, healthcare, medical device and biotechnology industry, the development of products generally is a costly and time-consuming process. Many highly promising products ultimately fail to prove safe and effective. Products under development and pre-clinical testing generally will require extensive clinical testing prior to application for commercial use. There can be no assurance that the research or product development efforts of the portfolio companies or those of their collaborative partners will be successfully completed, that specific products can be manufactured in adequate quantities at an acceptable cost and with appropriate quality, or that such products can be successfully marketed or achieve customer acceptance. Many of the portfolio companies will depend heavily upon intellectual property for their competitive position. There can be no assurance that the portfolio companies will be able to obtain patents for key inventions. Moreover, within the life sciences/health care industry, patent challenges are frequent. Even if patents held by the portfolio companies are upheld, any challenges thereto may be costly and distracting to the portfolio companies' management.

Health Research and Innovation

The healthcare industry spends heavily on research and development. Research findings (e.g., regarding side effects or comparative benefits of one or more particular treatments, services or products) and technological innovation (together with patent expirations) may make any particular treatment, service or product less attractive if previously unknown or underappreciated risks are revealed, or if a more effective, less costly or less risky solution is or becomes available. Any such development could have a material adverse effect on the portfolio companies.

Partnering Risk

Over the last few years, pharmaceutical companies have had an increasing appetite for oncology assets de-risked with positive clinical proof-of-concept data. In some cases, pharmaceutical companies have been willing to pay very high valuations for projects even prior to clinical data. Increasing price pressure could negatively affect the magnitude of M&A transactions. Innovation in other areas of unmet clinical need, such as neurodegeneration (e.g., Alzheimer's disease), may change the M&A priorities of the industry as a whole.

Impact of Competition

While the Adviser believes that the Funds' target market is undercapitalized, the business of identifying and structuring transactions of the nature contemplated by the Funds is highly competitive and involves a high degree of uncertainty. Intermediation by financial third parties has increased, substantial amounts of funds have been dedicated to making investments in the private sector and the competition for investment opportunities in certain subsectors is particularly intense. The Funds will compete with other venture capital funds, as well as with other investors, the private equity arms of investment banks and corporate buyers for investments that the Funds will make. Some of these potential competitors may have greater financial and personnel resources than the Funds or the Adviser. As a result of this competition, there may be fewer attractively priced investment opportunities than anticipated and the Adviser may not be able to identify and successfully close a sufficient number of high-quality investments to utilize all of the Funds'

capital. Such competition may adversely impact the length of time required to fully invest the Funds' capital and may adversely impact the returns to the Funds. There can be no assurance that the Funds will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve its targeted rate of return, or fully invest their available committed capital.

Equity Securities

The Funds will generally hold investments in equity securities. Equity securities may include common and preferred stocks and warrants, rights and equivalents. As with other investments that the Funds may make, the value of equity securities held by the Funds may be adversely affected by actual or perceived negative events relating to the issuer of such securities, the industry or geographic areas in which such issuer operates or the financial markets generally. However, equity securities may be even more susceptible to such events given their subordinate position in the issuer's capital structure. As such, equity securities generally have greater price volatility than fixed income securities or debt instruments. Dividends paid to equity holders may be suspended or cancelled at any time, and minority owners may have limited protections. In addition, if an issuer of equity securities in which the Funds have invested sells additional shares of its equity securities and the Funds do not participate in such subsequent offering, the Funds' interest in the issuer will be diluted and the value of the Funds' investment may decrease.

Non-U.S. Investments

The Funds have made and intend to consider making in the future a certain number of investments outside of the United States or the operations of which are primarily outside of the United States. 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 limited partners which may not be as comprehensive or well developed as those in the United States and the procedures for the judicial or other enforcement of such rights which may not be as effective as in the United States; risks related to the fact that some investments or portfolio company operations 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. The profits or losses of the Funds on any investment, as measured in United States 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.

Currency Risks

The functional currency of the Funds will be U.S. dollars (“USD”). Capital commitments, capital contributions and distributions of cash generally will be stated, made or payable in USD. A limited partner whose functional currency is not USD will bear substantial risks associated with fluctuating currency exchange rates, particularly with regard to capital contributions that may not become due for several years. Moreover, the Funds’ investments may be denominated in, and generate income or gain in, non-USD currency. However, the books of the Funds will be maintained, and contributions to and distributions from the Funds will be made, in USD. Accordingly, changes in currency exchange rates may adversely affect the USD value (or other currency value) of the investments and the amounts of distribution, if any, to be made by such investments to the Funds.

Financial Market Fluctuations; Political Measures

The Funds’ investment programs are intended to extend over a period of years, during which the business, economic, political, regulatory, and technology environment within which the Funds operates may undergo substantial changes. General fluctuations in the market prices of securities may affect the value of the Funds’ investments and instability in the securities markets will also likely increase the risks inherent in the Funds’ investments. There can be no assurance that such economic and market conditions will be favorable in respect of both the investment and disposition activities of the Funds. In addition, the availability, unavailability, or hindered operation of external credit markets, equity markets and other economic systems which the Funds may depend upon to achieve their objectives may have a significant negative impact on the Funds’ operations and profitability. There can be no assurance that such markets and economic systems will be available or will be available as anticipated or needed for the Funds to operate successfully.

The Funds’ ability to realize investments depends not only on their portfolio companies and those companies’ historical results and prospects, but also on political, market and economic conditions at the time of such realizations. In the past, many private investment funds have looked to the public securities markets as a potential exit strategy and there can be no assurance that the Funds will be able to exit from investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable the Funds to sell these securities when the Adviser believes it is most advantageous to do so. Renewed volatility in the financial sector may have a material adverse effect on the ability of the Funds to buy, sell and partially dispose of its investments. The Funds may be adversely affected to the extent that they seek to dispose of any of their investments into an illiquid or volatile market, and the Funds may find themselves unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise. The Funds’ portfolio companies may depend on the availability of capital financed from third parties and to the extent such capital is not available on reasonable terms or at all, those of the Funds’ portfolio companies that rely on such capital may be adversely impacted in a manner that they would not have been had they been able to access such capital. In addition, political measures taken in response to market practices or renewed economic instability in the United States or abroad may have an adverse impact on the Funds’ investments.

The United Kingdom's Exit from European Union

On January 31, 2020, the United Kingdom formally withdrew from the European Union (commonly known as “**Brexit**”), and an 11-month transition period commenced during which most European Union law will continue to apply in the United Kingdom while it negotiates its future relationship with the European Union. The consequences of Brexit remain uncertain. Brexit has already caused significant volatility in European and global financial markets and uncertainty about the integrity and functioning of the European Union, both of which may persist for an extended period of time. Although the Adviser cannot predict the full effect of Brexit, it could have a significant adverse impact on United Kingdom, European and global macroeconomic conditions and could lead to prolonged political, legal, regulatory, tax and economic uncertainty, greater market volatility and illiquidity, disruptions to world securities markets, currency fluctuations, deterioration in economic activity, a decrease in business confidence, and an increased likelihood of a recession in the United Kingdom. These factors are likely to continue to impact the global economic climate and may impact opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the United Kingdom or the European Union, including companies or assets held or considered for prospective investment by the Funds.

The future application of European Union-based legislation to the private fund industry in the United Kingdom and the European Union will ultimately depend on how the United Kingdom renegotiates its relationship with the European Union. There can be no assurance that any renegotiated terms or regulations will not have an adverse impact on the Funds and their investments, including the ability of the Funds to achieve their investment objectives. Brexit may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management due in part to redenomination of financial assets and liabilities, an adverse effect on the ability of the Adviser to manage, operate and invest the Funds and increased legal, regulatory or compliance burden for the Adviser or the Funds, each of which may have a negative impact on the operations, financial condition, returns or prospects of the Funds.

Political parties in several other member states of the European Union have proposed that a similar referendum be held on their country's membership in the European Union. It is unclear whether any other member states of the European Union will hold such referendums, but if they do, further disruption can be expected.

Areas where the uncertainty created by the United Kingdom's withdrawal from the European Union is relevant include, but are not limited to, trade within Europe, foreign direct investment in Europe, the scope and functioning of European regulatory frameworks (including with respect to the regulation of alternative investment fund managers and the distribution and marketing of alternative investment funds), industrial policy pursued within European countries, immigration policy pursued within European Union countries, the regulation of the provision of financial services within and to persons in Europe and trade policy within European countries and internationally. The volatility and uncertainty caused by the referendum may adversely affect the value of the Funds' investments and the ability to achieve the investment objectives of the Funds.

Nature of Direct Investments

Many of the Funds' investments will be highly illiquid. As such, there will be no public markets for the securities held by the Funds and there can be no assurance that the Funds will be able to realize such investments in a timely manner. In addition, the realization of value for any investments will not be possible or known with any certainty until the Adviser elects, in its sole discretion, to sell the Funds' investments and subsequently distribute the proceeds or to distribute securities to limited partners in lieu of cash. Also, since the Funds may only make a limited number of investments and since many of the Funds' investments may involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to limited partners.

Illiquidity of Portfolio Investments

It is anticipated that all or a substantial portion of the Funds' investments will consist of securities that are subject to restrictions on sale by the Funds because they were acquired from the issuer in "private placement" transactions or because the Funds will be deemed to be an affiliate of the issuer. Generally, the Funds will not be able to sell these securities publicly in the United States without the expense, time and other burdens required to register the securities under the Securities Act, or will be able to sell the securities only under Rule 144 or other rules under the Securities Act which permit limited sales under specified conditions. When restricted securities are sold to the public, the Funds may be deemed an "underwriter", or possibly a controlling person, with respect thereto for the purpose of the Securities Act and be subject to liability as such under the Securities Act.

In addition, practical limitations may inhibit the Funds' ability to liquidate certain of its investments in portfolio companies since the issuer will be privately held and the Funds may own a relatively large percentage of the issuer's equity securities. Sales may also be limited by market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. The above limitations on liquidity of the Funds' investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

Limitations on Ability to Exit Investments

The Adviser expects to exit from the Funds' privately-held investments in two principal ways: (1) private sales (including acquisitions of its portfolio companies), and (2) 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. 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 securities of such portfolio company due to poor market conditions in the market for publicly traded securities. As such, the ability to exit from and liquidate portfolio holdings may be constrained at any particular time.

Failure to Make Follow-On Investments

Following an initial investment in a portfolio company, a Fund may make additional investments in that portfolio company as "follow-on" investments, in seeking to preserve or enhance the value

of that Fund's investment. The Funds have discretion to make follow-on investments, subject to the availability of capital resources, relating to portfolio companies in which a Fund holds an existing investment as of the date of such proposed follow-on investment. Failure to make follow-on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and a Fund's initial investment, or may result in a missed opportunity for a Fund to increase its participation in a successful operation. Even if a Fund has sufficient capital to make a desired follow-on investment, the Adviser may elect not to make a follow-on investment because the Adviser may not want to increase such Fund's level of risk or because the Adviser prefers other opportunities for that Fund.

Bridge Financing

The Funds may 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 Adviser'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 Funds.

Leverage

To the extent any portfolio company borrows or enters into other financing transactions requiring periodic payments, such investment will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such portfolio company or its industry. If such a portfolio company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of any equity investment by the Funds in such portfolio company could be significantly reduced or even eliminated.

Improvement in Portfolio Company Operations Critical to Investment Success

The success of the Funds' investment strategy depends on the effectiveness of efforts to improve the operating performance of portfolio companies following investment. Initiatives that may need to be taken in an effort to achieve improvements in operating performance include, among others, introductions of new products, changes in sales, marketing and distribution methods, implementation of new sourcing arrangements, reductions in overhead and other costs, enhancements and changes in the management team and identification, consummation and integration of add-on acquisitions. The proper identification and implementation of initiatives important to the achievement of improved operating performance is difficult and often requires substantial resources. The capabilities and resources of a portfolio company, even with the assistance of the Adviser, may be insufficient to effect such proper identification and implementation, and there can be no assurance that portfolio companies will be successful in achieving improvements in operating performance. The failure to achieve improved operating results following investment is likely to lead to losses or poor returns on investments.

Investments in Early-Stage and New Companies

The Funds invest a significant portion of their assets in the securities of early-stage companies or

entirely new companies. Investments in such early-stage or newly formed companies may involve greater risks than generally are associated with investments in more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. Start-up enterprises may not have significant or any operating revenues, and any such investment should be considered highly speculative and may result in the loss of a Fund's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on a Fund's other investments. Early-stage and development-stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing which may not be available through institutional private placements or the public markets. The percentage of companies that survive and prosper can be small.

Service on Boards of Directors, Material, Non-Public Information, Etc.

The Adviser, its affiliates, and its employees or members may serve as officers or directors of portfolio companies or other companies or provide services or work at other organizations. While acting in such a capacity (or even simply by virtue of a Fund's status as a significant shareholder of a portfolio company), such persons may become subject to fiduciary or other duties which adversely affect the Funds. For example, the Funds may be unable to sell or otherwise dispose of portfolio securities if a member of the Adviser is in possession of material, non-public information relating to the issuer thereof or subject to other trading restrictions. Nevertheless, the Advisory Agreement and Organizational Documents will not preclude members of the Adviser from serving as officers or directors of portfolio companies or otherwise acquiring material, non-public information regarding portfolio companies or other companies. Conversely, the Advisory Agreement and Organizational Documents will not require that members of the Adviser serve as officers or directors of portfolio companies, and there can be no assurance that the Adviser will have a legal right to influence the management of any portfolio company.

Investment in Publicly Traded Securities

Subject to the terms of the Organizational Documents, the Funds may from time to time invest in publicly traded securities, usually through an initial public offering. Investments in public securities can entail certain risks. For example, the Funds and the Adviser may obtain less information and disclosure about a company whose securities are publicly traded than from a privately-held company. Further, the market for publicly traded securities is extremely volatile due to economic conditions, political events, and for many other reasons. Such volatility may adversely affect the ability of the Funds to dispose of investments or affect the value of investment securities on the date of sale by the Funds. Furthermore, notwithstanding the existence of a public market for the securities of a particular portfolio company, publicly traded securities held by the Funds may be thinly traded or may cease to be traded after the Funds invest in them. Any securities that the Funds hold that are thinly traded may be subject to wider price fluctuations than other companies whose securities are more actively traded, and the spreads between the bid and ask prices of thinly traded securities of these companies may be larger than the spreads for more actively traded securities. There can be no assurance that the Funds' investments in publicly traded

securities will be profitable, and there is a material risk that the Funds could incur losses from their investments in publicly traded securities.

Lower Priced Securities

The Funds may invest in securities with relatively low prices, which may be subject to greater percentage price fluctuations than higher priced securities.

Non-Diversified Investments

The portfolio companies will be concentrated in the healthcare industry, particularly in the oncology and cancer treatment industry, which concentration may involve risks greater than those generally associated with diversified investment funds. The Funds may also invest their assets in a limited number of portfolio companies. A consequence of a limited number of investments and of investments in the same few industries is that the aggregate returns realized by limited partners may be adversely affected by the unfavorable performance of a small number of these investments or in the industries. In particular, the healthcare industry is challenged by factors such as rapidly changing market conditions and participants, new competing products and technologies, improvements in existing products and technologies and pervasive regulatory requirements of federal and state governments. There is no assurance that products sold or technologies developed by portfolio companies will not be rendered obsolete or adversely affected by competing products, technologies or other challenges. Instability, fluctuation or an overall decline within the healthcare industry will not be balanced by investments in other industries not so affected.

Controlling Investments

The Funds may take a controlling stake in certain privately-held companies from time to time. The exercise of control over a company through a control position, or the service of an affiliate, employee, or member of the Adviser as an officer or director of such company, could (1) expose the assets of the Funds to claims by such company, its security holders, and creditors, or (2) impose additional risks of liability for failure to supervise management, violation of governmental regulations, and other types of liability in which general limited liability protections are ignored. If these liabilities were to occur, the Funds would likely suffer losses with respect to its investments.

Minority Investments

Investments made by the Funds may be minority stakes in public or privately-held companies. In addition, during the process of exiting investments in privately-held companies via a public offering, the Funds are highly likely to hold minority equity stakes. As is the case with minority holdings in general, such minority stakes that the Funds may hold will have neither the control characteristics of majority stakes nor the valuation premiums attributable to majority or controlling stakes. The Funds may also invest in portfolio companies for which the Funds have no right to appoint a director or otherwise exert significant influence. In such cases, the Funds will be reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds.

Legal, Tax, and Regulatory Risks

Legal, tax and regulatory changes could occur during the term of the Funds that may adversely affect the Funds. The products of portfolio companies and some assets of the Funds may be subject to extensive and rigorous regulation by United States local, state and federal regulatory authorities and by foreign regulatory bodies. There can be no assurance that products developed by the portfolio companies will ever be approved by such governmental authorities. Prior to the grant of marketing approvals by the U.S. Food and Drug Administration (the “**FDA**”) and corresponding regulatory authorities outside of the U.S., many of the products of portfolio companies may have to undergo extensive investigation and clinical trials to meet stringent safety and efficacy requirements. There have been instances when the discovery of previously unknown problems with a product, manufacturer or facility have resulted in restrictions on the use or the manufacture of such product, including costly recalls or even withdrawal of the product from the market. Such events, whether voluntarily or mandated by a regulatory authority, typically result in an immediate reduction or discontinuation of revenues from the product worldwide. If such an event were to occur, it would likely have a significant and adverse effect on the performance of a particular product or associated royalty interest and could have a material adverse effect on the aggregate performance of a Fund.

Additionally, the financial services industry generally, and the activities of private investment funds and their managers in particular, have recently been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase the Funds’ exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may also impose additional administrative burdens on the Adviser, including, without limitation, responding to investigations, and implementing new policies, procedures and reporting requirements. Such burdens may divert the Adviser’s time, attention and resources from its activities on behalf of the Funds. This brochure cannot address or anticipate every possible current or future regulation that may affect the Funds, the Adviser, or their respective businesses. Such regulations may have a significant impact on the Funds, the Adviser or the operations thereof.

The legal, tax and/or regulatory regime rules or their interpretation in relation to an investment by the Funds or an investment in the Funds may be subject to differing interpretations and may change during its life and any tax or regulatory summary contained in this brochure may become out of date. Any such changes may have an adverse effect on the Funds or such investment.

Recent Financial Market Fluctuations

In recent years, U.S. and global financial markets and the broader current financial environment have been, and continue to be, characterized by uncertainty, volatility and instability. These financial market fluctuations have the tendency to reduce the availability of attractive investment opportunities for the Funds and may affect the Funds’ ability to make investments and the value of the investments held by the Funds. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Funds’ investments. The public securities markets have seen increased volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by the tightening of the credit markets and the ongoing financial turmoil. It is unclear what the repercussions of this market turmoil may be. Moreover, it remains unknown whether governmental measures undertaken in response to such

turmoil (whether regulatory or financial in nature) will have a positive or negative effect on market conditions. There can be no assurance that the market will, in the future, become more liquid than it is at present and it may well continue to be volatile for the foreseeable future. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. In the past, many private equity funds have looked to the public securities markets as a potential exit strategy and there can be no assurance, particularly given the recent volatility in the financial markets and a potential lack of investor appetite for new issues in the public securities markets, that Funds will be able to exit from their investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable a Fund to sell these securities when the Adviser believes it is most advantageous to do so, or without adversely affecting the stock price. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of the Funds to buy, sell and partially dispose of their portfolio company investments. The Funds may be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid or volatile market, and a Fund may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted and there can be no assurances that conditions in the financial markets will not worsen or adversely affect one or more a Fund's portfolio companies. The ability of portfolio companies to refinance debt securities depends on their ability to sell new securities in the public high yield debt market or otherwise.

Valuation of Assets

There is no actively traded market for most of the securities owned by the Funds. When estimating fair value, the Adviser will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Valuations are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of the Adviser. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and differs from the prices at which such securities may ultimately be sold. Third-party pricing information may not be used by the Adviser or available regarding certain of a Fund's assets. With respect to the Funds, the exercise of discretion in valuation by the Adviser gives rise to conflicts of interest, valuations impact the Adviser's track record and the performance allocation in certain Funds is calculated based, in part, on these valuations and such valuations affect the amount and timing of performance fees and calculation of Advisory Fees.

Cybersecurity Risk

The Adviser, the Funds' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and their investors, despite the efforts of the Adviser and the Funds' service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the

confidentiality, integrity and availability of information belonging to the Fund and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Adviser, the Funds' service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Adviser's systems to disclose sensitive information in order to gain access to the Adviser's data or that of the Funds' investors. A successful penetration or circumvention of the security of the Adviser's systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds, the Adviser or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. In addition, the Adviser may incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, adverse investor reaction or litigation.

Similar types of operational and technology risks are also present for the companies in which the Funds invest, which could have material adverse consequences for such companies, and may cause the Funds' investments to lose value.

Tax Reform Risks

President Trump signed into law a broad-based reform of the Internal Revenue Code of 1986, as amended (the "**Code**") on December 22, 2017 (the "**Tax Act**"). There are significant uncertainties regarding the interpretation and application of the Tax Act. While additional guidance on the Tax Act is expected, the timing, scope and content of such guidance are not known. Changes to the Code made by the Tax Act and any further changes in tax laws or interpretation of such laws may be adverse to the Funds and their limited partners. In addition, although not free from doubt, the Tax Act subjects allocations of income and gain in respect of entitlements to carried interest and gain on the sales of profits interests in certain partnerships realized in taxable years beginning after December 31, 2017 to higher rates of U.S. federal income tax than under prior law in certain circumstances. Significant uncertainties remain regarding the application of the provisions of the Tax Act that affect the taxation of carried interest. Enactment of this legislation could cause the Adviser's investment professionals to incur a material increase in their tax liability with respect to their entitlement to carried interest. This might make it more difficult for the Adviser to incentivize, attract and retain these professionals, which may have an adverse effect on the Adviser's ability to achieve the investment objectives of the Funds. In addition, this can create a conflict of interest as the tax position of the Adviser may differ from the tax positions of the Funds and/or the investors and therefore, these rules may have an additional impact on the investment decisions made by the Funds, including with respect to decisions on the timing and structure of dispositions and whether to pursue other realization events during the holding period of an investment such as non-liquidating distributions. For example, the tax law gives the Adviser an incentive to cause a Fund to hold an investment for longer than 3 years in order to obtain lower tax rates on carried interest gains even if there are attractive realization opportunities earlier than 3 years.

Environmental, Social, and Governance Matters

While environmental, social, or governance (“**ESG**”) is only one of the many factors the Adviser will consider in making an investment, there is no guarantee that the Adviser will successfully implement and make investments in companies that creates a positive ESG impact while enhancing long-term shareholder value and achieving financial returns. To the extent that the Adviser engages with companies on ESG-related practices and potential enhancements thereto, such engagements may not achieve the desired financial and social results, or the market or society may not view any such changes as desirable. Successful engagement efforts on the part of the Adviser will depend on the Adviser’s skill in properly identifying and analyzing material ESG and other factors and their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful. Considering ESG qualities when evaluating an investment may result in the selection or exclusion of certain investments based on the Adviser’s view of certain ESG-related and other factors, carries the risk that the Adviser may underperform funds that do not take ESG-related factors into account because the market may ultimately have a different view of a particular company’s performance than that anticipated by the Adviser.

Consideration of ESG factors may affect the Adviser’s exposure to certain companies, sectors, regions, countries or types of investments, which could negatively impact the Adviser’s performance depending on whether such investments are in or out of favor. Applying impact investing goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by the Adviser or any judgment exercised by the Adviser will reflect the beliefs or values of any particular investor. In evaluating a company, the Adviser is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause the Adviser to incorrectly assess a company’s ESG practices and/or related risks and opportunities. ESG-related practices differ by region, industry and issue and are evolving accordingly, and a company’s ESG-related practices or the Adviser’s assessment of such practices may change over time.

Market Disruption, Health Crises, Terrorism, and Geopolitical Risk

A Fund is subject to the risk that war, terrorism, global health crises or similar pandemics, and other related geopolitical events may lead to increased short-term market volatility and have adverse long-term effects on world economies and markets generally, as well as adverse effects on issuers of securities and the value of a Fund’s investments. War, terrorism, and related geopolitical events, as well as global health crises and similar pandemics have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events as well as other changes in world economic, political and health conditions also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of a Fund’s investments. At such times, a Fund’s exposure to a number of other risks described elsewhere in this section can increase.

Possibility of Fraud and Other Misconduct of Employees and Service Providers

Misconduct by employees of the Adviser, service providers to the Adviser or the Funds, and/or their respective affiliates could cause significant losses to such Funds. Misconduct may include

entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Funds, the improper use or disclosure of confidential or material, non-public information, which could result in litigation, regulatory enforcement, or serious financial harm, including limiting the business prospects or future marketing activities of such Funds and non-compliance with applicable laws or regulations, and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption, and/or financial losses to such Funds. The Adviser has controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that the Adviser will be able to identify or prevent such misconduct.

Coronavirus Outbreak Risks

The recent global outbreak of the 2019 novel coronavirus (“**COVID-19**”), together with resulting voluntary and U.S. federal and state and non-U.S. governmental actions, including, without limitation, mandatory business closures, public gathering limitations, restrictions on travel, and quarantines, has meaningfully disrupted the global economy and markets. Although the long-term economic fallout of COVID-19 is difficult to predict, it has, and is expected to continue to have, ongoing material adverse effects across many, if not all, aspects of the regional, national, and global economy. The spread of COVID-19 among the Adviser’s personnel and its service providers could significantly affect the Adviser’s ability to properly oversee the affairs of the Funds (particularly to the extent such impacted personnel include key investment professionals or other members of senior management), which could result in a temporary or permanent suspension of a Fund’s investment activities or operations.

Item 9. Disciplinary Information

Item 9 is not applicable to the Adviser.

Item 10. Other Financial Industry Activities and Affiliations

Related General Partner

Various entities (the “**General Partners**”) serve as general partners of the Funds and are related persons of the Adviser. For a description of material conflicts of interest created by the relationship among the Adviser and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

Affiliated Adviser

The Adviser currently has one affiliated adviser, MPM Oncology Impact Management, L.P. (“**OIM**”) that provides investment advisory services to certain pooled investment vehicles (the “**OIM Funds**”), which invest in both public and private equity securities. OIM is registered as an investment adviser with the SEC.

The Funds may from time to time participate in transactions alongside clients of an affiliated adviser. For a description of material conflicts of interest created by the relationship among the Adviser and its affiliate advisers, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

Code of Ethics

The Adviser has adopted a written Code of Ethics that is applicable to all of its members, officers, and employees, as well as officers and employees of its affiliates and certain independent contractors (collectively, “**Adviser Personnel**”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the “**Advisers Act**”), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Fund, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports with the Adviser’s Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest.

Adviser Personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension, or dismissal. Adviser Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware. Adviser Personnel are required to annually certify compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client or prospective client upon written request to: **Nicholas McGrath, General Counsel & Chief Compliance Officer at (617) 425-9200.**

Participation or Interest in Client Transactions

The Adviser and certain employees and affiliates of the Adviser may invest in and alongside the Funds, either through the General Partners, as direct investors in the Funds, or otherwise. A Fund or its General Partner, as applicable, may reduce all or a portion of the Advisory Fee and Carried Interest related to investments held by such persons. In addition, as noted in Item 5 above, the Adviser and its affiliates provide certain services and industry knowledge to portfolio companies that are organized, founded, or incubated by the Adviser, its affiliates, and/or its personnel and receive compensation (in cash, equity or otherwise) from such portfolio companies as “founders’ equity”. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

Due in part to the fact that potential investors in a Fund (including purchasers of a limited partner’s interests in a secondary transaction) or a co-investment opportunity (see below) may ask different questions and request different information, the Adviser may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

Conflicts of Interest

Note that for purposes of this “*Conflicts of Interest*” section, where the context permits and is appropriate, “Adviser” shall also be deemed to include OIM and the “Funds” shall be deemed to include the OIM Funds.

The Adviser and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management, and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Fund will, from time to time conflict with the interests of the Adviser, other Funds, or their respective affiliates. Certain of these conflicts of interest, as well a description of how the Adviser addresses such conflicts of interest, can be found below.

The material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Fund. Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

Resolution of Conflicts

In the case of all conflicts of interest, the Adviser’s determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser’s best judgment, but in its sole discretion. In resolving conflicts, the Adviser considers various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer-term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors generally mitigate, but will not eliminate, conflicts of interest:

- (1) The Adviser will consider the appropriateness of an investment from the viewpoint of a Fund;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions, or other provisions contained in the Organizational Documents for the Funds;
- (3) Some Funds establish investor committees, consisting of representatives of investors not affiliated with the Adviser. In such event, the investor committees meet to consult with the Adviser as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, the Adviser will be guided by its good faith discretion;
- (4) Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price;
- (5) The Adviser has adopted and implemented certain policies and procedures designed to reduce certain conflicts of interest; and

- (6) Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

Allocation of Investment Opportunities Among Clients

In connection with its investment activities, the Adviser may encounter situations in which it must determine how to allocate investment opportunities among various clients and other persons, which may include, but are not limited to, the following:

- The Funds;
- Any co-investors or co-investment vehicles that have been formed to invest side-by-side with one or more Funds in all or particular transactions entered into by such Fund(s) (the co-investors or investors in such co-investment vehicles which may include Adviser Investors and/or individuals and entities that are not investors in any Funds (“**Third Parties**”));
- Adviser Investors and/or Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Fund(s); and
- Adviser Investors and/or Third Parties acting as “co-sponsors” with the Adviser with respect to a particular transaction.

The Adviser makes allocation determinations consistent with the Funds’ Organizational Documents and in accordance with its written policies and procedures.

The Funds are generally subject to investment allocation requirements (collectively, “**Investment Allocation Requirements**”). Investment Allocation Requirements are generally set forth in the Fund’s Organizational Documents. To the extent the Investment Allocation Requirements of a Fund do not include specific allocation procedures and/or allow the Adviser discretion in making allocation decisions among the Funds, the Adviser will follow the process set forth below.

The Adviser must first determine which Funds and/or other parties are eligible to participate in an investment opportunity. The Adviser assesses whether an investment opportunity is appropriate for a particular Fund(s), based on the Fund’s investment objectives, strategies, and structure, which are typically reflected in such Fund’s Organizational Documents. Prior to making any allocation to a Fund of an investment opportunity, the Adviser determines what additional factors may restrict or limit the offering of an investment opportunity to the Fund. Possible restrictions include, but are not limited to:

- Obligation to Offer: The Adviser may be required to offer an investment opportunity to one or more Funds.
- Related Investments: The Adviser may offer an investment opportunity related to an investment previously made by a Fund(s) to such Fund(s) to the exclusion of, or resulting in a limited offering to, other Funds.

- Legal and Regulatory Exclusions: The Adviser may determine that certain Funds, or investors in such Funds, should be excluded from an allocation due to specific legal, regulatory, and contractual restrictions placed on the participation of such persons in certain types of investment opportunities.

Once the Adviser identifies the Funds and other parties that are eligible to participate in a particular investment, the Adviser, in its discretion, decides how to allocate such investment opportunity among the identified Funds. In allocating such investment opportunity, the Adviser may consider some or all of a wide range of factors, which include, but are not necessarily limited to, one or more of the following:

- Each Fund's investment objectives and investment focus;
- Transaction sourcing (and with respect to an investment opportunity originated by a third-party, the relationship of a particular Fund to or with such third-party);
- Each Fund's liquidity and reserves (including whether a Fund is able to commit to invest all capital required to consummate a particular investment opportunity);
- Structural and operational differences between the Funds;
- Each Fund's diversification (including the actual, relative, or potential exposure of a Fund to the type of investment opportunity in terms of its existing portfolio);
- Any "ramp-up" period of a newly established Fund;
- Amount of capital available for investment by each Fund as well as each Fund's projected future capacity for investment;
- Each Fund's targeted rate of return;
- Stage of development of the prospective portfolio company or other investment and anticipated holding period of the portfolio company;
- Composition of each Fund's portfolio and each Fund's investment concentration parameters (including, without limitation, parameters such as geography, industry, issuer, volatility, leverage, or other similar risk metrics);
- The suitability as a follow-on investment for a current portfolio company of a Fund;
- The availability of other suitable investments for each Fund;
- Supply or demand of an investment opportunity at a given price level;
- Risk considerations;
- Cash flow considerations;

- The centrality of an investment to a Fund's strategy;
- Asset class restrictions;
- The seniority of an investment and other capital structuring criteria;
- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax implications;
- Whether an investment opportunity requires additional consents or authorizations from the Fund, investors or Third Parties;
- Legal, contractual, or regulatory constraints; and
- Any other relevant limitations imposed by or conditions set forth in the Organizational Documents of each Fund.

The application of the Investment Allocation Requirements and factors set forth above will often result in allocation on a non-pro rata basis and there can be no assurance that a Fund will participate in all investment opportunities that fall within its investment objectives. Allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process. For example, Adviser Personnel may have differing economic interests with respect to different Funds. In allocating an investment opportunity among Funds with differing fee, expense, and compensation structures, the Adviser has an incentive to allocate investment opportunities to the Funds from which the Adviser or its related persons derive, directly or indirectly, higher fees, compensation or other benefits. Notwithstanding the foregoing, the Adviser will not allocate investment opportunities among the Funds based, in whole or in part, on (1) the relative fee structure or amount of fees paid by any Fund, or (2) the profitability of any Fund.

In addition, directors, officers, members, Operations Support Providers, employees, and other personnel of the Adviser invest indirectly in, and may be permitted to invest directly in, Funds and, therefore, participate indirectly in investments made by the Funds in which they invest. While investments by the Adviser's related persons are intended to align interests of the related persons with those of the Funds, such investments may create conflicts. For instance, such interests will vary Fund by Fund and may create an incentive to allocate particularly attractive investment opportunities to the Fund in which such personnel hold a greater interest. The existence of these varying circumstances presents conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund.

Allocation of Co-Investment Opportunities and Secondary Transactions

The Adviser will determine if the amount of an investment opportunity exceeds the amount the Adviser determines would be appropriate for the Funds (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-

sponsors, consultants, and advisers to the Adviser and/or the Funds or management teams of the applicable portfolio company, certain strategic investors who can add important business development relationships or other value to portfolio companies, venture capital and other investment firms, and individuals from the Adviser's ecosystem, including (without limitation), domain experts, founders, entrepreneurs, strategic advisors, and other investors whose allocation is determined by the Adviser to be in the best interest of the applicable Fund), and any such excess may be offered to one or more co-investors pursuant to the procedures included in such Funds' Organizational Documents or, to the extent not addressed in such Funds' Organizational Documents, in accordance with the following paragraphs. There may be circumstances where an amount that could have otherwise been invested by a particular Fund is instead allocated to one or more co-investors.

In addition, Strategic Funds may make investments alongside a Fund. In such cases, the Strategic Fund and/or co-investment vehicle, as applicable, will have a priority right to make co-investments in some of all of the investments made by such Fund. The existence of such a priority right will significantly reduce or eliminate co-investment opportunities available to the investors.

Subject to any Investment Allocation Requirements, in general, (1) no investor in a Fund has a right to participate in any co-investment opportunity and investing in a Fund does not give an investor any contractual rights, entitlements, or priority to co-investment opportunities, (2) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of the Adviser or its related persons or other participants in the applicable transactions, such as co-sponsors, (3) co-investment opportunities typically will be offered to some and not other investors in the Funds, in the sole discretion of the Adviser or its related persons, and investors may be offered a smaller amount of co-investment opportunities than originally requested, and an investor may be offered fewer co-investment opportunities than other investors in the same Fund, with the same, larger, or smaller capital commitments to such Fund, (4) certain persons other than investors in the Funds (e.g., consultants, joint venture partners, persons associated with a portfolio company and other Third Parties), rather than one or more investors in a Fund, will, from time to time be offered co-investment opportunities, in the sole discretion of the Adviser or its related persons, and (5) co-investors may purchase their interests in a portfolio company at the same time as the Funds or may purchase their interests from the applicable Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer). Each co-investment opportunity (should any exist) is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation (e.g., timing, industry, size, geography, asset class, projected holding period, exit strategy, and counterparty). Additionally, non-binding acknowledgements of interest in co-investment opportunities are not Investment Allocation Requirements and do not require the Adviser to notify the recipients of such acknowledgements if there is a co-investment opportunity. However, the Adviser from time to time agrees to give particular investors, Funds, or other third parties priority access to co-investment opportunities. The existence of such priority co-investment access rights could affect the Adviser's decision to offer certain opportunities for co-investment and could limit the ability of Funds or their investors to be offered certain co-investment opportunities.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among the Funds (including Strategic Funds) and other potential co-investors, the

Adviser may consider some or all of a wide range of factors, which include, but are not limited to, its own interests and/or one or more of the following:

- The Adviser's evaluation of the size and financial resources of the potential co-investment party and the Adviser's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise, and other resources or similar synergies) to efficiently and expeditiously participate in the investment opportunity with the relevant Fund(s) without harming or otherwise prejudicing such Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case (including whether the potential co-investment party has a complicated tax structure that would require particular structuring implementation or covenants that would not otherwise be required);
- Any confidentiality concerns the Adviser has that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- Whether a potential co-investment party has a history of participating in opportunities and the Adviser's perception of its past experiences and relationships with that potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser and the expected amount of negotiations required in connection with a potential co-investment party's commitment;
- The character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics, and relevant industry);
- Level of demand for participation in such co-investment opportunity;
- The ability of a potential co-investment party to aid in operating or monitoring a portfolio company or the possession of certain expertise by a potential co-investment party and the potential co-investment party's relationship with the management team of the potential portfolio company and whether the potential co-investment party has any existing positions in the portfolio company;
- Any interests a potential co-investment party has in any competitors of the portfolio company;
- The Adviser's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, competitive, confidentiality, reporting, public relations, media, or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- The Adviser's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment

opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity); and

- Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits (including strategic, sourcing or similar benefits) to current or future Funds and/or the Adviser and whether the potential co-investment party has demonstrated a long-term and/or continuing commitment to the potential success of the current or future Funds and/or the Adviser.

The factors above are not listed in order of importance or priority and the Adviser is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances. The Adviser's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Funds, potential co-investors, Adviser Investors, and Third Parties, and in the manner discussed above, often will not result in proportional allocations among such persons, and such allocations often will be more or less advantageous to some such persons relative to other such persons. For example, the Adviser may be incentivized to offer a co-investment opportunity to certain persons over others based on its economic arrangement with such persons (including, for example, whether the Adviser and/or the applicable general partners are entitled, under arrangements made with certain potential co-investment parties, to additional Advisory Fees and/or Carried Interest based on the availability of co-investment opportunities offered to such parties). While the Adviser determines how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser is subject, discussed herein, did not exist.

Without limiting the generality of the foregoing, Operations Support Providers often invest relatively small amounts in companies (including portfolio companies) with respect to which they, or another Operations Support Provider, is actively involved and may co-invest in other companies as well.

In the event the Adviser determines to offer an investment opportunity co-investors, there can be no assurance that the Adviser will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Fund, or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial. As a consequence, the Fund may bear the entire portion of any fees, costs, and expenses related to such investment including, but not limited to, break-up fees and hold a larger than expected portion of such investment. An investment that is not syndicated to co-investors as originally anticipated could significantly reduce a Fund's overall investment returns. Further, it is possible that a potential co-investment

party may experience financial, legal, or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual, or other business interests or goals that are inconsistent with those of a Fund and as a result, may take a different view from the Adviser as to appropriate strategy for an investment or may be in a position to take a contrary action to a Fund's investment objective. In the event that the Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund may consequently hold a greater concentration and have exposure in the related investment opportunity than was initially intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto.

In addition, to the extent the Adviser has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's Organizational Documents, or is asked to identify potential purchasers in a secondary transfer, the Adviser will do so in its sole discretion, generally taking into account the following factors:

- The Adviser's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- The Adviser's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds and/or the Adviser and the expected amount of negotiations required in connection with a potential purchaser's investment;
- Whether the potential purchaser would subject the Adviser, the applicable Fund, or their affiliates to legal, regulatory, reporting, public relations, media, or other burdens;
- A potential purchaser's investment into another Fund (including any commitment into a future fund);
- Requirements in such Fund's Organizational Documents; and
- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

Conflicts Related to Purchases and Sales

Funds from time to time invest in conjunction with an investment being made by other Funds, or in a transaction where another Fund has already made an investment. Conflicts may arise in connection with such investments. Investment opportunities are, from time to time, appropriate for more than one Fund at the same, different, or overlapping levels of a portfolio company's capital structure. Conflicts arise in determining the terms of investments, particularly where these clients may invest in different types of securities in a single portfolio company. Questions arise as to whether payment obligations and covenants should be enforced, modified, or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or

restructuring raise conflicts of interest. In the event that one Fund has a controlling or significantly influential position in a portfolio company, it will have the ability to elect some or all of the board of directors of such a portfolio company, thereby controlling the policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt, and entering into extraordinary transactions. In addition, a controlling Fund is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of such a company. Such management and operational decisions may, at times, be in direct conflict with other Funds that have invested in the same portfolio company that do not have the same level of control or influence over the portfolio company.

If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and, if provided, each Fund will supply such additional capital in such amounts, if any, as determined by the Adviser. In addition, a conflict arises in allocating an investment opportunity if the potential investment target could be acquired by either a Fund or a portfolio company of another Fund. Investments by more than one Fund of the Adviser in a portfolio company also raises the risk of using assets of a Fund of the Adviser to support positions taken by other Funds of the Adviser, or that a Fund may remain passive in a situation in which it is entitled to vote. In addition, there may be differences in timing of entry into, or exit from, a portfolio company for reasons such as differences in strategy, existing portfolio, or liquidity needs. In addition, where more than one Fund of the Adviser (or its affiliates) invest in the same portfolio company, there can be no assurance that such parties will dispose of investments at the same time and on the same terms. For example, because the Adviser may have an incentive to show realized returns in connection with other fundraising activities (including fundraising for a successor fund) and because one Fund's term may expire before the end of another Fund's term, such Funds may dispose of the investment at different times. Investments disposed of at different times will likely be disposed of at different valuations and, as a result, each Fund may realize different returns as compared to the same investment held by another Fund. These variations in timing may be detrimental to a Fund. At the same time, if the Adviser determines it is advisable for a Fund to exit an investment at the same time as another Fund of the Adviser or its affiliates, the term of which may expire sooner than the former Fund's, such Fund may dispose of its interest earlier than it ordinarily would have and may, as a result, experience lower returns than it otherwise may have earned on such investments.

The application of a Fund's Organizational Documents and the Adviser's policies and procedures are expected to vary based on the particular facts and circumstances surrounding each investment by two or more Funds in different classes of an issuer's capital structure (as well as across multiple issuers or borrowers within the same overall capital structure) and, as such, there may be a degree of variation and potential inconsistencies, in the manner in which potential or actual conflicts are addressed.

The Funds, from time to time, co-invest with Third-Parties through partnerships, joint ventures or other similar entities or arrangements. These investments may involve risks that would not otherwise be present in investments where a Third-Party is not involved. Such risks include, among other things, the possibility that the Third-Party may have differing economic or business goals than those of the Fund, or that the Third-Party may be in a position to take actions that are inconsistent with the investment objectives of the Funds. There may also be instances where the

Funds will be liable for the actions of such Third-Party co-investors. There can be no assurance that the return of a Fund participating in a transaction with a Third-Party would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Cross-Transactions

While uncommon, the Adviser may, from time to time, cause a Fund to purchase investments from another Fund, or it will cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or the Adviser might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. Additionally, in connection with such transactions, the Adviser, its affiliates and/or their professionals (1) will, from time to time have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment, or (2) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). The Adviser and its affiliates generally receive management or other fees in connection with their management of the relevant Funds involved in such a transaction, and generally are entitled to share in the investment profits of the relevant Funds. To address these conflicts of interest, in connection with effecting such transactions, the Adviser will follow the Investment Allocation Requirements of the relevant Funds (e.g., the Organizational Documents of certain Funds may provide for the rebalancing of investments at certain times and at a cost set forth in those Organizational Documents so that these Funds' resulting ownership of investments is generally proportionate to the relative capital commitments of the Fund). To the extent such matters are not addressed in the Investment Allocation Requirements, the Adviser's Chief Compliance Officer will be responsible for confirming that the Adviser (1) considers its respective duties to each Fund, (2) determines whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm's length transaction with a third party on commercially reasonable terms, and (3) obtains any required approvals of the transaction's terms and conditions.

Principal Transactions

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with the Adviser's management of the Funds, the Adviser and its affiliates may engage in principal transactions. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received.

Management of the Funds

The Adviser manages a number of Funds that have investment objectives similar to each other. The Adviser expects that it, or its personnel, will in the future establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Funds. The Adviser may give advice or take actions with respect to, the investments of one or more Fund that may not be given or taken with respect to other Funds with similar investment programs, objectives, or strategies. As a result, Funds with similar strategies will not hold the same securities or achieve the same performance. In addition, a Fund generally may not be able to invest through the same investment vehicles or have access to similar credit or utilize similar investment strategies as another Fund. These differences will result in variations with respect to price, leverage, and associated costs of a particular investment opportunity.

In addition, it is expected that officers and employees of the Adviser responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by the Adviser, including funds raised in the future or to proprietary investments made by the Adviser and/or its principals of the type made by a Fund. Conflicts of interest arise in allocating time, services, or functions of these officers and employees.

The Adviser will, from time to time, consider, and reject an investment opportunity on behalf of one Fund and, the Adviser or an affiliate of the Adviser may subsequently determine to have another Fund make an investment in the same company. A conflict of interest arises because one Fund will, in such circumstances, benefit from the initial evaluation, investigation, and due diligence undertaken by the Adviser on behalf of the original Fund considering the investment. In such circumstances, the benefitting Fund or Funds will not be required to reimburse the original Fund for expenses incurred in connection with researching such investment.

An Operations Support Provider, partner, or a manager, member, officer, employee, or other representative of the Adviser or its affiliates may serve as a director, officer, employee, or consultant of each of the Fund's portfolio companies. As a result, the Funds (through their representatives or otherwise) may receive, or be deemed to receive, information that would restrict their ability to cause the Funds to buy or sell securities of a company for substantial periods of time when profit could otherwise be realized or loss avoided, which may adversely affect the Funds' flexibility in buying or selling securities. In addition, the ability of the Funds to execute trades in securities of these companies may also be restricted by securities laws as a result of the board participation, services provided to the company as an officer, employee, or consultant, or due to the extent of ownership of the Funds and affiliated persons.

Information received by the Adviser, its affiliates and their employees, as well as by Operations Support Providers with respect to certain investments and potential investments could restrict the Funds' ability to engage in certain trading activities. In addition, certain Adviser Personnel are also employees, members, officers, and/or advisors or consultants of, Burrage Capital Management LLC ("**Burrage Capital**") and provide services (including investment advisory services) to clients advised by Burrage Capital (the "**Burrage Capital Clients**"). Adviser Personnel that make investment decisions with respect to public securities on behalf of certain OIM Funds also make investment decisions with respect to public securities on behalf of the Burrage Capital Clients. As a result, certain information received by Burrage Capital with respect

to certain investments and potential investments could restrict the Funds' ability to engage in certain trading activities. These restrictions on the ability of the Funds to make or unwind their investments because of the receipt of material, non-public information could have material adverse consequences for the Funds.

In addition, the Adviser receives and generates various kinds of portfolio company data and other information, including related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors, and other metrics. This information may, in certain instances, include material, non-public information received or generated in connection with efforts on behalf of one Fund's investment (or prospective investment) in a portfolio company. As a result, the Adviser is better able to anticipate macroeconomic and other trends, and otherwise develop investment strategies. The Adviser may, from time to time, enter into information sharing and confidentiality arrangements with portfolio companies and other sources of information that may limit the internal distribution and use of such data. The Adviser has already, and is likely in the future in certain instances, used this information in a manner that may provide a material benefit to the Adviser, its affiliates, or to certain other Funds, without compensating or otherwise benefitting the Fund or Funds from which such information was obtained. In addition, the Adviser may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. The Adviser has in the past and is likely in the future to utilize such information to benefit the Adviser, its Affiliates, or certain Funds in a manner that may otherwise present a conflict of interest but does not intend to specifically disclose such conflicts to the relevant Funds.

The Adviser and its affiliates may also enter into formal or informal arrangements with portfolio investments to facilitate the sharing of data and/or data analytics. Subject to applicable legal, regulatory, and contractual requirements, these information sharing arrangements are designed to allow the Adviser, the Funds, and the Funds' portfolio companies to better discern economic or other trends and developments. The Adviser believes that all Funds benefit from these arrangements in ways that would be impossible without the ability to aggregate data from across the Adviser's businesses and the Funds' portfolio companies. However, information sharing may involve conflicts of interest between the Funds and/or between the Funds and the Adviser. For example, data analytics based on inputs from one portfolio company may inform business decisions by other portfolio investments, or investment decisions by the Adviser and its affiliates, without the source of the data being directly compensated. The Adviser and its affiliates may utilize such data outside of Fund activities in a manner that may provide a material benefit to the Adviser, without directly compensating or otherwise benefitting the Funds. As a result, the Adviser may have an incentive to pursue investments (on its own behalf or on behalf of the Funds) based on the data that may be accessible as a result of owning such investments, and/or to utilize such data in a manner that benefits the Adviser and/or investments held by other Funds.

Follow-on Investments

Investments to finance follow-on acquisitions may present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Fund in a portfolio company in which another Fund has previously invested. In addition, a Fund will from time to time participate in recapitalization transactions involving portfolio companies in which

another Fund has already invested or will invest. Conflicts of interest arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Conflicts Relating to the General Partner and the Adviser

The Adviser may compete against, or engage in business with (i.e., through co-investments and joint ventures) Burrage Capital or another investment adviser with which the Adviser, or its affiliates or a member of their personnel, has a relationship, or from which the Adviser, or its affiliates or their personnel, otherwise derives financial or other benefit.

Officers, directors, employees, Operations Support Providers and other related persons of the Adviser and its affiliates have made, and may make, capital investments in or alongside certain Funds, and, therefore, have additional conflicting interests in connection with these investments. In addition, Funds, from time to time, invest in securities of companies in which officers, directors, employees, Operations Support Providers, and other related persons of the Adviser and its affiliates have previously invested for their own accounts. While the significant interests of the officers and employees of the Adviser generally align the interest of such persons with the Funds, such persons may have differing interests from the Fund with respect to such investments (for example, with respect to the availability and timing of liquidity). Further, conflicts of interest arise as a result of a Fund's partners or members (including the General Partner) or their affiliates having investments in existing Fund portfolio companies, on the one hand, and personal investments in other public and private companies, on the other hand. There can be no assurance that the return of a Fund participating in a transaction would be equal to, and not less than, another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflicts not existed.

The Adviser, its affiliates, and their officers, directors, employees, and Operations Support Providers may buy or sell securities or other instruments that the Adviser has recommended to Funds. Officers, directors, employees, and Operations Support Providers of the Adviser may also buy securities in transactions offered to but rejected by Funds. A conflict of interest may arise because such investing Adviser Personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by the Adviser on behalf of the Fund. In such circumstances, the investing Adviser Personnel will not share or reimburse the relevant Fund(s) and/or the Adviser for any expenses incurred in connection with the investment opportunity.

The Adviser, and/or its personnel, provide certain services and industry knowledge to portfolio companies that are organized, founded, or incubated by the Adviser, its affiliates, and/or its personnel and receive compensation (in cash, equity or otherwise) from such portfolio companies as "founders' equity". The Adviser, and/or its personnel, will generally act in its own interest with respect to its "founders' equity" and may determine to sell its securities, or hold on to the securities for such time as the Adviser shall determine. The ability of the Adviser, and/or its personnel, to act in its own interest with respect to such "founders' equity" creates a conflict of interest between the General Partner or affiliates, as an adviser to the Fund, and the Fund(s). In addition, Adviser Personnel may have different economic interests in MPM and OIM. As a result, Adviser Personnel

have an incentive to allocate investment opportunities to the Funds from which the Adviser Personnel derive, directly or indirectly, higher economic or other benefits.

In addition, officers, directors, employees, and Operations Support Providers may also buy securities in other investment vehicles (including private equity funds, hedge funds, real estate funds, and other similar investment vehicles) which may include potential competitors of the Funds. The investment policies, fee arrangements, and other circumstances of these investments may vary from those of the Funds.

The transactions described above are subject to the policies and procedures set forth in the Adviser's Code of Ethics and investors will not benefit from any such investments.

Fee Structure

Additionally, as discussed above in Item 6, the General Partners of many Funds are entitled to Carried Interest under the terms of the Organizational Documents of such Funds. Such General Partners are affiliates of the Adviser. The existence of the General Partners' Carried Interest creates an incentive for the General Partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation. However, the investment made by the Adviser, or its affiliates, in a Fund, the clawback obligation of the General Partner (as described below), and the fact that the preferred return is calculated on an aggregate basis reduces the incentive to make speculative investments or otherwise time the sale of an investment in a manner motivated by the personal benefit of the Adviser's Personnel.

Pursuant to the Organizational Documents, the General Partner may be required to return excess amounts of Carried Interest as a "clawback". This clawback obligation may create an incentive for the General Partner to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation for the General Partner.

In addition, the General Partner is incentivized to hold on to investments that have poor prospective for improvement in order to receive ongoing Advisory Fees in the interim and, potentially, a more likely or larger Carried Interest distribution if such asset's value appreciates in the future. This incentive is increased by the presence of the clawback obligation of the General Partner.

The Organizational Documents of certain Funds permit the General Partner of each such Fund to cause such Fund to distribute such General Partner's share of securities resulting from an investment disposition by such Fund to such General Partner or its affiliates (including managing directors and employees) in kind, while disposing of limited partners' share of such securities and distributing the net cash proceeds of such sale of securities to the limited partners. This ability creates conflicts of interest between the General Partners and the limited partners of the applicable Fund. The General Partners are particularly incentivized to receive distributions in-kind of securities that it expects to increase in value, and in cases where the increase occurs, if the limited partners received cash distributions instead of in-kind distributions, the limited partners will be denied the benefits of that increase had the Fund retained the securities and the General Partner will receive more value from the securities than it would have had its carried interest been paid in cash. Furthermore, the General Partner, or its affiliates, may receive distributions in kind from an

investment disposition. In the event the General Partner, or its affiliates, receive such a distribution, the General Partner will generally act in its own interest with respect to its share of securities and may determine to sell the distributed securities (which may include selling its securities prior to the time at which the investor sells its distributed securities), or hold on to the distributed securities for such time as the General Partner shall determine. The ability of the General Partner to act in its own interest with respect to such distributed shares creates a conflict of interest between the General Partner or affiliate, as an adviser to the Fund, and the Fund.

Pursuant to the Organizational Documents, the General Partner may elect to receive its Carried Interest in the form of an in-kind distribution of securities of a portfolio company, including for purposes of permitting one or more General Partner personnel to donate such securities to charity (which may include private foundations, fund or other charities so chosen by such personnel). Any tax efficiencies to such General Partner personnel associated with this form of charitable giving may have the effect of reinforcing or enhancing the General Partner's incentives otherwise resulting from the existence of its Carried Interest and therefore, the General Partner may have a conflict of interest in making decisions on behalf of the Funds (including, for instance, the timing of disposition of investments).

Fund Level Borrowing

The Funds from time-to-time borrow funds or enter into other financing arrangements for various reasons, including to fulfill its capital commitments to affiliate Funds (including borrowings pending receipt of capital contributions from investors).

To the extent the Fund uses borrowed funds in advance or in lieu of capital contributions, the Fund's investors generally make correspondingly later capital contributions, but the Fund will bear the expense of interest on such borrowed funds.

Borrowing by the Fund will generally be secured by capital commitments made by the Limited Partners to the Fund and/or by the Fund's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the investors may be subordinated to such Fund-level borrowing.

Providers of Operations Support

The Adviser, the Funds, and/or the portfolio companies will, from time to time, retain other companies and individuals ("**Operations Support Providers**"), which includes employees and former employees of the Adviser, affiliates of the Adviser, employees of such affiliates, portfolio companies of the Funds, Executive Partners, third party consultants (including specialized consultants, advisers, industry specialists, external executives, industry advisory roundtable members, and similar professionals), "operating partners," or "senior advisors".

The Operations Support Providers are engaged to provide operational support, due diligence, research, specialized operations and consulting services, and similar or related services to the Funds, or in connection with, one or more portfolio companies or prospective portfolio companies in relation to the identification, acquisition, holding, improvement, and disposition of such portfolio companies and also provide "front office" functions with respect to a Fund, such as sourcing or other investment-related functions (such services collectively, "**Operations Support**").

Services”). These Operation Support Services may be high level insight or extensive day-to-day roles, and may include support to the general partner on behalf of the Funds, or portfolio companies regarding, among other things, the company’s management (including serving in officer or management positions or participating in determining corporate strategy), the company’s supply chain, revenue and margin management (including determining sales/marketing strategy and retail strategy), data intelligence, finance (including generating metrics and reporting and business restructuring), human capital management (including recruiting personnel and determining executive/incentive compensation), information technology, corporate communications, customer service, sustainability (including, strategy, policy and reporting development), and similar operational matters. With respect to this role at portfolio companies, this role may be temporary until a permanent replacement is found, but may also be more permanent, until the company is sold. Operations Support Providers may also be allocated to more than one portfolio company, in either a consulting capacity or as a member of the Board of Directors.

The nature of the relationship with each such Operations Support Provider, and the time devotion requirements of each such Operations Support Provider, may vary significantly. Certain Operations Support Providers may be subject to contractual obligations to exclusively provide certain services to the Funds and/or the portfolio companies. These arrangements may be memorialized in a formal written agreement or may be informal and are negotiated individually, depending upon the anticipated Operations Support Services to be provided. Operations Support Providers will, under certain circumstances, be offered the ability (or will under certain circumstances have a preferred right) to co-invest alongside Funds or will, under certain circumstances, be offered the opportunity directly by the portfolio company to invest in the company, including in investments in which such Operations Support Provider is involved or participates in the management thereof. In addition, Operations Support Providers may receive cash compensation and/or equity from a portfolio company in exchange for providing such services to a portfolio and Carried Interest in a Fund of the Adviser for providing services for the relevant Fund.

Pursuant to the Organizational Documents of the Funds, certain fees, expenses, and any attributable overhead associated with Operations Support Services (collectively, “**Operations Expenses**”) are paid and/or reimbursed by the Adviser, portfolio companies, and/or the Funds, as applicable. Operations Expenses (including Operations Expenses incurred in connection with an Operations Support Provider that is an affiliate or employee of the Adviser or its affiliates) will be determined at the discretion of the General Partner taking into account the particular Operations Support Services, may include reimbursement of an allocable portion of an affiliated Operations Support Provider’s compensation (including, without limitation, salary, bonus, payroll taxes and benefits) and overhead (including, without limitation, rent, property taxes and utilities allocable to the workspaces), an annual fee or retainer, a discretionary bonus, a success fee (in the form of cash or equity) based on pre-determined targets or milestones, a profits or equity interest in the Funds and/or portfolio company or other incentive-based compensation to the Operations Support Provider, and will generally be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Operations Support Provider, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such companies. The determination of whether a service is an Operations Support Service will be made by the general partner, in its sole discretion.

Operations Expenses may also be incurred in respect of portfolio companies prior to the closing of the investment. To the extent services are provided for the benefit of a Fund, without reference to a particular portfolio company, Operations Expenses incurred in connection with such services are borne by the Fund and, indirectly, the investors in such Fund. In the event one or more Operations Support Providers (directly or indirectly) is providing services with respect to the Funds, such Operations Expenses will be allocated among the Funds as determined by the General Partner or Adviser, consistent with the Organizational Documents of the applicable Funds and as described above (see “*Allocation of Expenses*”). To the extent any such Operations Expenses are payable to any affiliated Operations Support Provider by the Funds or a portfolio company, such Operations Expenses will be retained by such Operations Support Provider and will not reduce the Advisory Fee or any other fees otherwise payable to the Adviser or its affiliates and will not benefit the Fund or its investors, even if the Operations Expenses paid by a Fund or a portfolio company have the effect of reducing any retainers or minimum amounts otherwise payable by the Adviser. The determination of whether an Operations Expense is paid by a portfolio company, a Fund, or the Adviser will be made by the Adviser in its sole discretion. The General Partner’s good faith determination as to whether a service is an Operations Support Service, the categorization of any fees and expenses (e.g., as Operations Expenses), and the allocation of such fees and expenses shall be binding on the Fund and its investors. Over time, certain existing and former employees of the Adviser (including senior personnel) may transition to an Operations Support Provider role, which may shift the burden of compensating such persons from the Adviser to the applicable Fund and/or its portfolio companies and any fees received by such persons will not reduce the Advisory Fee.

Diverse Membership

The investors in the Funds are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors often have conflicting investment, tax, and other interests with respect to their investments in a Fund. The conflicting interests among the investors generally relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments, and the timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by the Adviser or its affiliates, including with respect to the nature or structuring of investments, that are more beneficial for one investor than for another investor, especially with respect to investors’ individual tax situations. In selecting and structuring investments appropriate for a Fund, the Adviser and its affiliates will consider the investment and tax objectives of the applicable Fund, not the investment, tax or other objectives of any investor individually.

Business with, and Among, Portfolio Companies and Investors and Prospective Investors

Given the collaborative nature of the Adviser’s business and the portfolio companies in which the Funds have invested, there are situations where the Adviser is in the position of recommending the services of a portfolio company to other portfolio companies of the Funds or, which may involve fees, commissions, servicing payments, and/or discounts to the Adviser, an affiliate, or a portfolio company. The Adviser will generally have a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds. The benefits

received by a portfolio company providing a service may be greater than those received by the Fund(s) and its portfolio companies receiving the service.

Portfolio companies controlled by a Fund may, from time to time in the future, provide services to certain Fund investors or prospective investors. The Adviser has an incentive to cause the portfolio company to favor those investors or prospective investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Fund. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Fund.

In certain instances, a Fund's portfolio company competes with, is a customer of, or is a service provider to, another Fund's portfolio company. In addition, Adviser Personnel may have roles at multiple portfolio companies (including director, officer, employee, or consultant roles) that directly compete with one another. In providing advice to a portfolio company's business, the Adviser may consider the interests of one portfolio company or Fund and is not obligated to, and need not, take into consideration the interests of other relevant portfolio companies or Funds. As a result, a conflict of interest may arise in these instances because advice and recommendations provided by the Adviser to a portfolio company may have adverse consequences to a separate portfolio company owned by another Fund. For instance, a portfolio company may seek to expand its market share at the expense of another portfolio company, withdraw business from another portfolio company in favor of another company offering the same product or service at a lower price, increase its own prices, purchase assets from, or sell assets to, another portfolio company, commence litigation against another portfolio company, or prevent one portfolio company from commencing litigation against another portfolio company.

In addition, certain portfolio companies controlled by a Fund have in the past, and may, from time to time in the future, engage in activities that could adversely affect another Fund and/or its portfolio company, including, for instance, as a result of laws and regulations or certain jurisdictions (such as bankruptcy, environmental, consumer protection and/or labor or union laws) that may not recognize or permit the segregation of assets and liabilities between separate entities. Such jurisdictions may also allow for recourse against assets that are under common control with, or part of the same economic group as the entity that has incurred the liability. This may result in the assets of a Fund and/or a portfolio company being used to satisfy the obligations or liabilities of another Fund or its portfolio company.

The Adviser, and/or its affiliates, may engage in business opportunities arising from a Fund's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company). This creates a conflict of interest, as such interests are a benefit arising from the Fund's investment and may vary from the applicable Fund's interest (e.g., whether to make a follow-on investment and, if so, how much should be allocated to the Fund).

A Fund's portfolio companies may be counterparties or participants in agreements, transactions, or other arrangements with portfolio companies of other Funds managed by the Adviser that, although the Adviser determines to be consistent with the requirements of such Funds' Organizational Documents, may not have otherwise been entered into but for the affiliation with the Adviser, and which may provide economic or other benefits to affiliates of the Adviser that are

not subject to the Advisory Fee offset provisions described herein. For example, the Adviser may in the future cause portfolio companies to enter into agreements regarding group procurement (which may depend on the volume of services purchased under these agreements and which may be pooled across multiple portfolio companies and discounted due to scale), benefits management, purchase or title and/or other insurance policy (which may be pooled across multiple portfolio companies and discounted to scale), and other similar operational initiatives that may result in fees, better pricing, rebates, servicing payments, commissions, or similar payments and/or discounts being paid to the Adviser, its affiliates or a portfolio company, including related to a portion of the savings achieved by the portfolio company. While the Adviser may have a conflict of interest because its economic benefit may incentivize the Adviser to maintain such arrangements, the Adviser believes that such agreements benefit the portfolio companies due to increased access to quality products and services at beneficial pricing and the Adviser's benefits from such arrangements are reduced because the Adviser only benefits on at the same rate as the portfolio companies. However, it should not be assumed that a company related to, or otherwise affiliated with the Adviser, will only take actions that are beneficial to, or not opposed to, the interests of a Fund and its portfolio companies.

The Adviser and its affiliates may, from time to time, hire part-time or full-time employees (including interns) who are relatives of, or are otherwise associated with an investor, portfolio company, former portfolio company, investment target, or service provider. Although the Adviser uses reasonable care to mitigate any potential conflicts of interest with respect to each particular situation, there is no guarantee the Adviser can control all such conflicts of interest and there may be a continuing appearance of a conflict of interest.

Service Providers

Services required by a Fund (including some services historically provided by the Adviser or its affiliates to the Funds) may, for certain reasons including efficiency and economic considerations, be outsourced in whole or in part to third parties or licensed software, in each case in the discretion of the Adviser or its affiliates. The Adviser and its affiliates have an incentive to outsource such services at the expense of the Funds to, among other things, leverage the use of Adviser Personnel. Such services may include, without limitation, deal sourcing, asset management, information technology, licensed software, depository, data processing, client relations, administration, custodial, marketing and marketing-reviews, accounting, valuation, legal, human resources, client services, compliance, corporate secretarial and tax support, director services and other similar services. Outsourcing may not occur universally for all Funds and accordingly, certain costs may be incurred by a Fund for a third-party service provider that is not incurred for comparable services by other Funds. The decision by the Adviser to initially perform a service for a Fund in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future and the Adviser has no obligation to inform such Funds or investors of such a change. In addition, certain internal service providers (such as internal accountants) may "shadow" or otherwise review the reports of other services provided by such third parties. The costs and expenses of any such third-party service providers will be borne by the relevant Funds.

The Adviser, and/or its affiliates, may engage certain service providers to provide services to the Adviser, the Funds and/or the portfolio companies, including services during the due diligence and

acquisition process. Such service providers may be, in certain circumstances, investors in a Fund or affiliates of such investors. The engagement of any such service provider may be concurrent with an investor's admission to a Fund, or during the term of such investor's investment in the Fund. This creates a conflict of interest, as the Adviser may give such investor preferred economics or other terms with respect to its investment in a Fund or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor. In addition, the Adviser will have a conflict of interest in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide the Adviser information about markets and industries in which the Adviser operates. The Adviser generally has an incentive to recommend the products or services of certain investors or prospective investors in the Funds to the Funds or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Funds or the portfolio companies.

The Adviser has in the past, and may in the future in its sole discretion, contract directly with, or recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise), that it contract for services with, a related person of the Adviser or an affiliate (including, but not limited to, a portfolio company of a Fund). When making such a recommendation, the Adviser, because of its financial or other business interest, has an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

Additionally, employees of the Adviser or its affiliates, and/or their family members or relatives may have ownership, employment, or other economic or other interests in certain service providers. These relationships can influence the Adviser in determining whether to select or recommend such service provider to perform services for a Fund or a portfolio company. Although the Adviser selects service providers that it believes will enhance portfolio company performance (and, in turn, the performance of the relevant Fund(s)), there is a possibility that the Adviser, because of financial, business interest, or other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

Certain other service providers to the Adviser, the Funds, and/or the portfolio companies, or affiliates of such service providers, may also provide goods or services to or have business, personal, financial, or other relationships with the Adviser, its affiliates, or their respective portfolio companies. Such service providers (or their employees) may also source of investment opportunities, be co-investors, or commercial counterparties or entities in which the Adviser and/or the Funds have an investment, and payments by a Fund and/or such portfolio companies may indirectly benefit the Adviser and/or such Fund.

The Adviser, its personnel, the Funds, and the portfolio companies of the Funds will, from time to time, engage common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, its personnel, the Funds, and/or the portfolio companies. As a result, the Adviser, or its personnel, from time to time, receives a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or may receive a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no,

discount. This creates a conflict of interest between the Adviser and its personnel, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it, or its personnel, receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies. Neither the Funds, nor investors in the Funds, will receive the benefit of any such favorable rate or discount provided to the Adviser, its personnel, or its affiliates, and the Advisory Fee paid by any Fund will not be reduced in connection with such favorable rate or discount.

In addition, service providers often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required, and the time demands of the service provider. As a result, to the extent the services required by the Adviser or its affiliates differ from those required by the Funds and/or its portfolio companies, the Adviser and its affiliates will pay different rates and fees than those paid by the Funds and/or its portfolio companies.

The Adviser or its affiliates engage certain service providers (including law firms) on behalf of the Funds and personnel of such service provider may in the future be seconded to the Adviser or its affiliates on a temporary basis, pursuant to various arrangements including at cost or at no cost. The Adviser is, from time to time, a beneficiary of these arrangements as well. Such personnel may provide services in respect of multiple matters, including in respect of matters related to the Adviser, its affiliates, and/or portfolio companies and in any such circumstance the benefits or costs of any such personnel will be allocated in the Adviser's discretion taking into consideration the usage of such personnel. In such circumstances, a conflict of interest exists because the Adviser, or its affiliates, have an incentive to select one service provider over another on the basis that the Adviser, or its affiliates, may receive the benefit of seconded employees from such service provider, particularly where the compensation and expenses for such personnel during the secondment is borne by the service provider and not the Adviser or its affiliates.

The Adviser and the Funds will generally engage common legal counsel and other service providers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest among the Funds, the Adviser, and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required.

Positions with Portfolio Companies

Employees of the Adviser and Operations Support Providers serve as directors (or observers) on boards or consult for or have executive level positions with respect to, certain companies, including portfolio companies. While conflicts of interest may arise in the event that such Operations Support Provider and/or employee's fiduciary duties as a director, executive, and/or consultant conflicts with those of the Fund, it is expected that the interests will be aligned. In addition, to the extent such a person serves in any capacity at more than one portfolio company (including portfolio companies that compete against one another), such Operations Support Provider and/or

employees' fiduciary duties among the two (or more) portfolio companies may create a conflict of interest. In addition, employees of the Adviser and Operations Support Providers have in the past, and may in the future, on occasion, leave the employment of the Adviser, or its affiliates, and become an officer or employee of a portfolio company.

Decisions made by an Operations Support Provider and/or employee of the Adviser in their capacity as a director, officer, executive, and/or consultant at a company (including a portfolio company) may subject the Adviser, its affiliates, or the Fund(s) to claims they would not otherwise be subject to as an investor, including claims of breach of the duty of loyalty, breach of the duty of care, breach of confidentiality, securities claims, and other related claims. In general, the Funds will indemnify the Adviser and the relevant Operations Support Provider and/or employee of the Adviser from such claims.

In addition, the Operations Support Provider and/or employees of the Adviser serving as a director, officer, executive, and/or consultant may not recuse themselves from certain decisions, even in the event of a conflict of interest, and may make decisions for a portfolio company that negatively impacts returns received by the Fund(s) investing in the portfolio company.

From time to time Operations Support Provider and/or employees of the Adviser may also be asked to serve as directors (or observers), officers, executive, and/or consultants with respect to, certain entities in which a Fund has fully exited its ownership interest and/or following the termination of such Operations Support Provider and/or employee's employment with the Adviser. In such circumstances, any compensation or fees received by such former Operations Support Provider and/or employee is not subject to the Advisory Fee offset described above, or otherwise shared with the Funds and/or investors.

In connection with co-investment opportunities, some co-investors (which may include one or more investors in the Funds) are often provided with the opportunity to serve on the board of directors or board of advisors of the applicable portfolio company. Positions on board of directors or board of advisors of such portfolio companies provide such co-investors with voting rights, access to information, and the ability to potentially influence the operations and decision-making of the portfolio company that are not available to other investors in the Funds. In certain cases, co-investors have contractual rights that require the approval of the co-investors for certain major actions relating to the applicable portfolio company, such as a sale of the company or the issuance of additional equity by the company. Such rights may limit the ability of the Adviser to take actions with respect to the portfolio company that the Adviser considers to be in the best interests of the Funds.

Certain Adviser Personnel may also be temporarily seconded to or otherwise engaged by certain portfolio companies on either a full-time or a part-time basis to provide services to such portfolio companies. In such instances, the portfolio companies will pay (or reimburse the Adviser) for such person's directors' fees, salaries, consultant fees, other cash compensation, stock options, other equity grants, or other compensation and incentives and may reimburse the Adviser or such persons for any travel costs or other out-of-pocket expenses incurred in connection with the provision of their services. The Adviser may also advance compensation to seconded employees and be subsequently reimbursed by the applicable portfolio companies. Any compensation customarily paid directly by the Adviser, or its affiliates, to such persons will typically be reduced

to reflect amounts paid, directly or indirectly, by the portfolio company even though the Advisory Fee paid or Carried Interest distributed by the Fund to the Adviser will not be reduced. Any amounts paid to such persons by a portfolio company (or paid by the Adviser and reimbursed by a portfolio company) will not be treated as expenses to be borne by the Fund and will not reduce the Advisory Fee otherwise payable to the Adviser or any Carried Interest otherwise payable to the Adviser or its affiliates. All or a portion of any such compensation and incentives will be borne by the Fund, directly or indirectly, via its ownership interest in such portfolio company. In certain instances, whether an individual who provides services to a portfolio company should be characterized as an industry specialist, an employee, or former employee of the Adviser, or a seconded employee, may be unclear. In such cases, the Adviser, in its sole discretion, will make a determination in good faith based on its evaluation of the relevant facts and circumstances.

Side Letter Agreements; Investor Committee Rights

The Adviser may enter into certain side letter arrangements with certain investors in a Fund, generally providing such investors with different or preferential rights or terms, which may include, but is not limited to, different fee structures and other preferential economic rights, information and reporting rights, excuse or exclusion rights, waiver of certain confidentiality obligations, co-investment rights, certain rights or terms necessary in light of particular legal, regulatory, or policy requirements of a particular investor, additional obligations and restrictions with respect to structuring particular investments in light of the legal and regulatory considerations applicable to a particular investor, veto rights, and liquidity or transfer rights. Except as otherwise agreed with an investor, the Adviser (or applicable General Partner) is not required to disclose the terms of side letter arrangements with other investors.

Some Funds have established an investor committee, consisting of representatives of investors. A conflict of interest may exist when some, but not all, limited partners are permitted to designate a member to the investor committee. The investor committee may also have the ability to approve conflicts of interests with respect to the Adviser and the applicable Fund, which could be disadvantageous to the investors, including those investors who do not designate a member to the investor committee. Representatives of the investor committee may have various business and other relationships with the Adviser and its partners, employees and affiliates. These relationships may influence the decisions made by such members of the investor committee.

In addition, members of one Fund's investor committee may also be a member of another Fund's investor committee. In such instances, a conflict of interest exists because the Funds on which such overlapping investor committee members may have conflicting interests and such investor committee members may be requested to provide their consent with respect to such conflicts of interest and will not recuse themselves from any such vote.

Related Advisers; Burrage Capital

As described in Item 10 above, the Adviser's investment adviser affiliate, OIM, has its own clients. The Funds and the OIM Funds may invest in the same portfolio companies, including in the same security or in different securities of such a portfolio company. In such circumstances, interests of the Adviser's clients would, therefore, conflict with the interests of the clients of these affiliates, including those described throughout this Item 11.

In addition, as described above, certain Adviser Personnel are also employees, members, officers, directors, and/or advisors or consultants of, Burrage Capital and provide services to Burrage Capital Clients. Some Adviser Personnel have personal relationships with personnel at Burrage Capital. Conflicts of interest arise in allocating time, services, or functions of such Adviser Personnel and Adviser Personnel may be incentivized to disproportionately allocate their time, services, and functions to Burrage Capital Clients as a result or an economic interest in, or personal investment in or alongside, a Burrage Capital Client. While the Funds advised by the Adviser typically do not invest in the same portfolio companies as the Burrage Capital Clients, the OIM Funds will more often invest in the same portfolio companies as the Burrage Capital Clients. As a result, the interests of the Adviser's Funds could, therefore, conflict with the interest of the Burrage Capital Clients (for instance, with respect to trading and the receipt of material, non-public information).

Specifically, information may be freely shared between the Adviser and Burrage Capital. As a result, certain information received by Burrage Capital with respect to certain investments and potential investments could restrict the Funds' ability to engage in certain investment activities. These restrictions on the ability of the Funds to make or dispose of investments because of the receipt of material, non-public information ("MNPI") could have material adverse consequences for the Funds and its returns.

The Adviser, and its affiliates, may also enter into formal or informal arrangements with portfolio investments to facilitate the sharing of data and/or data analytics. Subject to applicable legal, regulatory, and contractual requirements, these information sharing arrangements are designed to allow the Adviser, the Funds, and the Funds' investments to better discern economic or other trends and developments. The Adviser believes that all Funds benefit from these arrangements in ways that would be impossible without the ability to aggregate data from across the Adviser's businesses and the Funds' portfolio investments. However, information sharing may involve conflicts of interest between the Funds and the Burrage Capital Clients. For example, data analytics based on inputs from one portfolio investment may inform business decisions on or about other portfolio investments, or investment decisions by the Adviser Personnel with respect to the Burrage Capital Clients, without the Funds, as sources of the data being directly compensated. Adviser Personnel may utilize such data outside of Fund activities in a manner that may provide a material benefit to Burrage Capital, without directly compensating or otherwise benefiting the Funds. As a result, Adviser Personnel may have an incentive to pursue investments (on its own behalf or on behalf of the Burrage Capital Clients) based on the data that may be accessible as a result of owning such investments, and/or to utilize such data in a manner that benefits Adviser Personnel, Burrage Capital and/or investments held by Burrage Capital Clients.

As noted above, certain Adviser Personnel are also employees, members, officers, and/or advisors or consultants of, Burrage Capital and provide services (including investment advisory services) to Burrage Capital Clients. Some Adviser Personnel have personal relationships with personnel at Burrage Capital. Conflicts of interest arise in allocating time, services, or functions of such Adviser Personnel and Adviser Personnel may be incentivized to disproportionately allocate their time, services, and functions to Burrage Capital Clients as a result or an economic interest in, or personal investment in or alongside, a Burrage Capital Client.

The Adviser and Adviser Personnel will likely make proprietary investments in companies, both private or public companies, that are portfolio investments of the Funds or Burrage Capital, and/or investments where an affiliate, Operations Support Provider are employed, serve as an officer or director (or other capacity), and/or own securities. The Adviser and Adviser Personnel will generally act in their own interest with respect to any such proprietary investment and are not obligated to consider the interests of the Fund (for instance, with respect to deciding to dispose of an investment or vote with respect to an investment).

Conflicts of interest arise as a result of Adviser Personnel having investments in existing Fund portfolio companies, on the one hand, and personal investments in other public and private companies, on the other hand. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflicts not existed.

Other Potential Conflicts

The Organizational Documents of a Fund establish complex arrangements among the Funds, the Adviser, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the Organizational Documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While the Adviser will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Fund or its investors.

The Adviser and Adviser Personnel have in the past, and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses may result in "miles" or "points" or credit in loyalty/status programs to the Adviser and/or its personnel, and such benefits, rewards and/or amounts (whether or not *de minimis* or difficult to value), will exclusively benefit the Adviser, and/or such Adviser Personnel even though the cost of the underlying service is being borne by the Funds, its investors, and/or the portfolio companies. Any such benefits, rewards, and/or amounts will not be subject to the offset arrangements described above or otherwise shared with such Fund, its investors, and/or the portfolio companies. In addition, airline travel incurred as a Fund expense for Adviser Personnel travelling for appropriate Fund-related purposes (including, without limitation, travel related to a portfolio company, a prospective portfolio company, or other Fund-related matter) may benefit such Adviser Personnel to the extent the trip also serves a personal purpose.

The Adviser has in the past and may, in its discretion, in the future have, and may, in its discretion, cause the Funds and/or their portfolio companies to have, ongoing business dealings, arrangements, or agreements with persons who are former Operations Support Provider and/or employees of the Adviser. The Funds and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements, or agreements. In such circumstances, there may be a conflict of interest between the Adviser and the Funds (or their portfolio companies) in

determining whether to engage in or to continue such dealings, arrangements, or agreements, including the possibility that the Adviser may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

Investors may be introduced to the Adviser, or may be brought in a Fund, by a third-party consultant from which the Adviser or an affiliate purchase products and to which the Adviser or a Related Person may make payments, including in connection with conferences sponsored or hosted by the third-party consultant.

The Funds may create a platform for acquiring companies in a particular industry for the purpose of creating synergies across, and adding value to, such companies (e.g., merging companies together to create economies of scale or running certain companies in a coordinated manner). In such instances, a holding company (“**Holding Company**”) may be created that would acquire and manage the companies in the platform. The Holding Company could be staffed with personnel responsible for sourcing, acquiring, and managing companies for the Holding Company. In certain circumstances, such Holding Company employees may include former Operations Support Provider and/or employees of the Adviser, or current or former senior advisors or consultants to the Adviser and its affiliates. The Holding Company’s costs and expenses (including compensation for its personnel, which compensation may include, among other things, the granting of profit participation in certain investments of Holding Company and/or a capital interest in such investments or the underlying assets) would be borne by the Holding Company (and, therefore, indirectly borne by the Fund). Such costs and expenses would not offset the Advisory Fee and would be in addition to Advisory Fees and other compensation (e.g., Carried Interest) received by the Adviser. In addition, as the Adviser earns Advisory Fees and Carried Interest from the Fund, the Adviser would benefit from the assets, income, and gains of Holding Company.

The Adviser has in the past and may, from time to time in the future, cause one or more Funds to purchase, and/or bear premiums, fees, costs, and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable General Partner, the Adviser, and/or their respective directors, officers, employees, agents, representatives, members of the investor committee, and other indemnified parties, against liability in connection with the activities of the Funds. This may include a portion of any premiums, fees, costs, and expenses for one or more “umbrella” or other insurance policies maintained by the Adviser that cover one or more Funds and/or the Adviser (including their respective directors, officers, employees, agents, representatives, members of the investor committee, and other indemnified parties). The Adviser will make judgments about the allocation of premiums, fees, costs, and expenses for such “umbrella” or other insurance policies among one or more Funds, and/or the Adviser on a fair and reasonable basis, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

The General Partner may elect to withhold certain information to such limited partners for reasons relating to the General Partner’s public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

Please see the discussion above under the sub-heading “Resolution of Conflicts” for a description of the means by which the Adviser and its related persons may seek to alleviate conflicts of interest among the Funds or other persons.

Item 12. Brokerage Practices

As Funds invest primarily in venture capital ventures, the Adviser anticipates that investments in publicly traded securities will be infrequent occurrences (e.g., money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). However, to meet its fiduciary duties to the Funds, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

Selection of Brokers and Dealers

For each of the Funds, the Adviser has, subject to the direction of such Fund's general partner, if applicable, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for a Fund involving a broker-dealer, the Adviser will seek "best execution" of the transaction. "Best execution" means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Adviser takes into account all factors that it deems relevant to the broker's or dealer's execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions. In addition, the Adviser may consider the use of Electronic Communications Networks when placing trades on behalf of the Funds. When purchasing or selling over-the-counter securities with market makers, the Adviser generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold.

In order to monitor best execution, the Adviser's Chief Compliance Officer will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Adviser and each Fund.

The Adviser does not receive "soft dollars" in connection with its use of broker-dealers.

Aggregation of Trades

The Adviser and its affiliates may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security. The Adviser often employs this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser and its affiliates may combine orders on behalf of Funds with orders for other Funds for which it, or its affiliates, have trading authority, or in which it, or its affiliates, have an economic interest. In such cases, the Adviser and its affiliates generally aggregate trade orders for publicly traded securities so that each participating Fund will receive the average price for each execution of a transaction.

If an order for more than one Fund for a publicly traded security cannot be fully executed, allocation shall be made based upon the Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.

Item 13. Review of Accounts

Oversight and Monitoring

The investment portfolios of the Funds are generally private, illiquid, and long-term in nature, and accordingly the Adviser's review of them is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio companies of the Funds and generally maintains an ongoing oversight position in such portfolio companies. The portfolios are reviewed by a team of investment professionals twice a year. The team generally includes managing directors and other investment professionals of the Adviser.

Reporting

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund after the fiscal year end of such Fund, as well as quarterly performance reports after each fiscal quarter end. The Adviser and the applicable General Partner, if any, will from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above.

While not a client solicitation arrangement, the Adviser has in the past, and may from time to time in the future, engage one or more persons to act as a placement agent for a Fund in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to such Fund that are subsequently accepted. Advisory Fees received by the Adviser are generally reduced by the amount of such fees paid by the Fund. As some Funds do not pay Advisory Fees, any such reduction will not benefit such Funds.

Item 15. Custody

Item 15 is not applicable to the Adviser.

Item 16. Investment Discretion

Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of each Fund and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or Organizational Documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the Organizational Documents of the applicable Fund.

Item 17. Voting Client Securities

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds (“**Votes**”). The guiding principle by which the Adviser votes all Votes is to vote in the best interests of each Fund by maximizing the economic value of the relevant Fund’s holdings, taking into account the relevant Fund’s investment horizon, the contractual obligations under the relevant Advisory Agreements or comparable documents, and any other relevant facts and circumstances the Adviser determines to be appropriate at the time of the vote. The Adviser does not permit Voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Adviser’s general policy to vote or give consent on all matters presented to security holders in any Vote. However, the Adviser reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent on any matter if, in the judgment of the Adviser’s Chief Compliance Officer or the relevant Adviser investment professional, the costs associated with voting such Vote outweigh the benefits to the relevant Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Funds.

Funds generally cannot direct the Adviser’s Vote.

All Voting decisions initially are referred to the appropriate investment professional for a voting decision. In most cases, the investment professional covering the particular investment will make the decision as to the appropriate vote for any particular Vote. In making such decision, he or she may rely on any of the information and/or research available to him or her. If the investment professional is making the Voting decision, the investment professional will inform the Chief Compliance Officer of any such Voting decision, and if the Chief Compliance Officer does not object to such decision as a result of his or her conflict of interest review, the Vote will be voted in such manner. If the investment professional and the Chief Compliance Officer are unable to arrive at an agreement as to how to vote, then the Chief Compliance Officer may consult with the managing directors as to the appropriate vote, who will then review the issues and arrive at a decision based on the overriding principle of seeking the maximization of the economic value of the relevant Funds’ holdings.

The Adviser’s Chief Compliance Officer has the responsibility to monitor Votes for any conflicts of interest, regardless of whether they are actual or perceived. Some Voting decisions may require a conflicts of interest review by the Adviser’s Chief Compliance Officer in accordance with these policies and procedures, which will include consideration of whether the Adviser or any investment professional or other person recommending how to vote and/or the Adviser’s affiliates and their clients has an interest in how the Vote is voted that may present a conflict of interest. In addition, all Adviser investment professionals are expected to perform their tasks relating to the voting of Votes in accordance with the principles set forth above, according the first priority to the best interest of the relevant Funds. The Adviser’s Chief Compliance Officer will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the Funds.

Where the Adviser's Chief Compliance Officer deems appropriate in his or her sole discretion, unaffiliated third parties may be used to help resolve conflicts. In this regard, the Adviser's Chief Compliance Officer shall have the power to retain independent fiduciaries, consultants, or professionals to assist with Voting decisions and/or to delegate voting or consent powers to such fiduciaries, consultants or professionals.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to: **Nicholas McGrath, General Counsel & Chief Compliance Officer at (617) 425-9200.**

Item 18. Financial Information

Item 18 is not applicable to the Adviser.

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to the Adviser.