

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

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This Brochure provides information about the qualifications and business practices of Sarissa Capital Management LP (“Sarissa”). If you have any questions about the contents of this brochure, please contact Sarissa’s Chief Compliance Officer, Patrice Bonfiglio, at 203-302-2330 or via email at compliance@sarissacap.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority, and references in this Brochure to Sarissa as a “registered investment adviser” are not intended to imply a certain level of skill or training.

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

ITEM 2 – MATERIAL CHANGES

Sarissa is updating this Brochure as of March 30, 2020 as part of an annual amendment filing. Following are the material changes to report since Sarissa last amended its Brochure on March 29, 2019 in connection with its previous Form ADV annual amendment filing:

- Sarissa launched the Sarissa Capital Athena Fund Ltd, a Cayman Islands exempted company in April 2019. See Items 4 and 5 for more details.
- Sarissa made certain clarifying amendments to the Brochure.

In the future, when Sarissa amends its Brochure for its annual update and the amended version contains material changes from the last annual update, Sarissa will continue to identify and discuss those changes either on this page or as a separate document accompanying the Brochure. For documentation purposes, Sarissa will provide the date of the last annual update of its Brochure.

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ITEM 4 – ADVISORY BUSINESS

Formed in January of 2013, Sarissa Capital Management LP (“**Sarissa**”) is a Delaware limited partnership. Sarissa is led by Alexander Denner, Ph.D. and a dedicated team of investment and operations professionals. Dr. Denner ultimately controls Sarissa through its general partner, Sarissa Capital Management GP LLC (the “Firm GP”). Dr. Denner is the principal owner of Sarissa and the Firm GP.

As of the date of this Brochure, Sarissa provides discretionary advisory services to the following pooled investment vehicles, organized as private investment funds (together, “the Funds”):

Sarissa Capital Catapult Fund LLC, a Delaware limited liability company (the “**Catapult Fund**”);

Sarissa Capital Hawkeye Fund LP, a Delaware limited partnership (the “**Hawkeye Fund**”);

Sarissa Capital Athena Fund Ltd, a Cayman Islands exempted company (the “**Athena Fund**”);

- Sarissa Capital Domestic Fund LP, a Delaware limited partnership (the “**Domestic Fund**”);
- Sarissa Capital Offshore Fund Ltd, a Cayman Islands exempted company (the “**Offshore Fund**”); and
- Sarissa Capital Offshore Master Fund LP, a Cayman Islands exempted limited partnership (the “**Master Fund**,” and together with the Domestic Fund, Offshore Fund, Catapult Fund, Hawkeye Fund and Athena Fund, the “**Funds**” or the “**Advisory Clients**”).

Sarissa Capital Offshore Fund GP, LLC, a Delaware limited liability company registered as a foreign company in the Cayman Islands (the “**Offshore Fund GP**”), serves as the general partner of the Master Fund and is a Class M shareholder of the Athena Fund.

Sarissa Capital Fund GP LP, a Delaware limited partnership (the “**Onshore Fund GP**”) and the sole member of the Offshore Fund GP, serves as the general partner of the Catapult Fund and Hawkeye Fund. Each of the Onshore Fund GP and Offshore Fund GP is referred to herein as a “**GP**.”

The Catapult Fund follows an investment program substantially similar to that of the Master Fund, and generally participates in investments alongside the Master Fund on a *pro rata* basis subject to tax, legal, regulatory, current and expected cash balances and other considerations, and consequently their respective performances may differ.

The Hawkeye Fund follows an investment program substantially similar to that of the Master Fund, and generally participates in investments alongside the Master Fund on a *pro rata* basis subject to tax, legal, regulatory, current and expected cash balances and other considerations, and consequently their respective performances may differ.

Sarissa Capital Athena Fund Ltd is a Cayman Islands exempted company formed to operate as a “fund of one” primarily for the benefit of a single investor (the “**Investor**”). The investment manager of the Fund is Sarissa Capital Management LP, a Delaware limited partnership (the “**Investment Manager**”). The Fund commenced operations in April 2019.

The Athena Fund follows an investment program substantially similar to that of the Master Fund, and generally participates in investments alongside the Master Fund on a *pro rata* basis subject to tax, legal, regulatory, current and expected cash balances and other considerations, and consequently their respective performances may differ.

Sarissa generally has broad and flexible investment authority with respect to the Advisory Clients.

As the investment adviser to the Funds, Sarissa seeks to achieve superior risk-adjusted returns by constructing a portfolio, primarily across healthcare and related sectors, where there is a significant discrepancy between market value and intrinsic value. Sarissa will frequently use activism to close this discrepancy. The Funds' portfolios will consist largely of exchange-traded securities (mostly equities but including equity-linked derivatives such as total return swaps and options), but the Funds may also invest in a broad range of other financial instruments including, but not limited to, over-the-counter (OTC) equity securities and equity linked derivatives such as total return swaps and options (including index funds), privately placed securities of public issuers, preferred stock, currencies and fixed income securities (including credit default swaps). It should be noted that there are no limitations on the markets or types of instruments in which the Funds may invest. Refer to **Item 8** for further details.

Each Fund's investment objective and strategy is set forth in a confidential private placement memorandum (and any applicable supplements) provided to each investor in the relevant Fund (each an "**Investor**"). Such documents, together with the limited partnership agreements, operating agreements, and other governing documents of the Funds, are collectively referred to herein as the "Governing Documents."

In providing services to the Funds, Sarissa provides investment advice directly to each Fund and not individually to the Investors. Sarissa neither tailors the advisory services it provides to the Funds to the individual needs of Investors nor accepts Investor-imposed investment restrictions, other than any listed in the PPM of the Funds.

Sarissa currently advises one modified separately managed account ("SMA"). When deemed appropriate for a large or strategic investor, Sarissa may in the future establish additional separately managed accounts, which may (i) tailor their investment objectives to those of the specific investor(s)/client(s) and/or (ii) be subject to different investment objectives, terms and/or fees than those of the Funds. Such investment objectives, fee arrangements and terms will be individually negotiated, and it should be noted that any such separately managed account relationships would generally be subject to significant account minimums.

Sarissa does not participate in wrap fee programs.

As of December 31, 2019, Sarissa manages approximately \$ 1,141,347,110 of Advisory Client regulatory assets, on a discretionary basis. Generally, there are two classes of investors in the Funds – those that cannot withdraw or redeem their investment therein until the 36-month anniversary of the date of their respective investment and those that may withdraw or redeem after a one year soft lock, up to 25% of their investment therein each quarter, in both cases, subject to the terms and conditions of the Fund's Governing Documents. **It is critical that Investors and prospective Investors refer to the relevant Fund's Governing Documents for a complete understanding of the terms and conditions of investments therein.**

ITEM 5 – FEES AND COMPENSATION

Each Fund's private placement memorandum contains a detailed description of the applicable Fund's fee schedule. A brief summary of such fees is provided below.

It is critical that Investors and prospective Investors refer to the relevant Fund's Governing Documents for a complete understanding of how Sarissa is compensated for its advisory services.

Sarissa, or the applicable GP, deducts fees from each Fund's assets. Clients do not have the ability to choose to be billed directly for fees incurred.

An asset-based fee (the "**Asset-Based Fee**") is payable by each of the Master Fund, Catapult Fund and Hawkeye Fund quarterly in advance, on the first day of each calendar quarter, and by the Athena Fund monthly in advance, on the first day of each month. In addition, each of the Funds have issued a special interest that entitles the strategic investor to receive distributions calculated in the same manner, and payable at the same times, as the Asset-Based Fee (each such interest, an "**Asset-Based Special Allocation Interest**"). The total annual amount borne by an Investor in respect of the Asset-Based Fee and the Asset-Based Special Allocation Interest will be equal to 1.25%-1.75% (depending on the class of interests or shares and other factors set out in the applicable Fund's Governing Documents) of the net value of the Investor's account balance or series of shares, as applicable. The Asset-Based Fee will be prorated for partial periods.

Investors in the Domestic Fund and Offshore Fund will bear only a single level of Asset-Based Fees and distributions with respect to the Asset-Based Special Allocation Interests. The Asset-Based Fee and distributions with respect to the Asset-Based Special Allocation Interests with respect to the Domestic Fund and Offshore Fund will be calculated at the level of the Domestic Fund and Offshore Fund and applied against the Master Fund capital accounts corresponding to the Interests/Shares with respect to which the Asset-Based Fee and such distributions are calculated.

Each of the Funds also bear an annual performance-based allocation (the "**Incentive Allocation**"). In addition, each of the Funds have issued a special interest that entitles the strategic investor to receive allocations calculated in the same manner as the Incentive Allocation (each such interest, a "**Performance-Based Special Allocation Interest**" and, together with the Asset-Based Special Allocation Interests, the "**Special Allocation Interests**"). The total amount borne by an Investor in respect of the Incentive Allocation and the Performance-Based Special Allocation Interest will be equal to 15%-20% (depending on the class of interests or shares) of net realized and unrealized appreciation otherwise allocable to such Investor's account balance or series of shares, as applicable. The Incentive Allocation is generally calculated and made as of the last day of each fiscal year. The Incentive Allocation is subject to a high water-mark provision, such that generally an Investor will not be subject to an Incentive Allocation until any net loss previously allocated to such Investor's account balance or series of shares, as applicable, has been offset by subsequent net profits.

Investors in the Domestic Fund and Offshore Fund will bear only a single level of Incentive Allocation and allocations with respect to the Performance-Based Special Allocation Interests. The Incentive Allocation and allocations with respect to the Performance-Based Special Allocation Interests will be calculated at the Offshore Fund level and allocated at the Master Fund level.

The Asset-Based Fee, distributions with respect to the Asset-Based Special Allocation Interests, Incentive Allocation and allocations with respect to the Performance-Based Special Allocation Interests will be adjusted for capital contributions and withdrawals/redemptions made during the applicable period.

The Asset-Based Fee, distributions with respect to the Asset-Based Special Allocation Interests, Incentive Allocation and allocations with respect to the Performance-Based Special Allocation Interests are calculated at different rates depending on the particular class of interests or shares, as applicable, in which Investors in the Funds subscribe.

The Funds may reduce, waive or calculate differently the Asset-Based Fee and/or Incentive Allocation with respect to any Investor, through a side letter, provisions in the PPM, or otherwise, including Investors that are affiliates or employees of Sarissa, entities established for their benefit, charitable organizations sponsored or managed by such persons and including, in particular, during any wind down of the applicable Fund's business.

It is critical that Investors and prospective Investors refer to their respective Fund's Governing Documents for a complete understanding of how fees are deducted from the Funds' assets. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund's Governing Documents.

In addition to Asset-Based Fee and Incentive Allocation payable to Sarissa or the applicable GP, the Funds will bear their own operating and other expenses, which include, without limitation: investment and trading-related expenses of the Funds (these are expenses directly related to the investment program and include, for instance, brokerage commissions, ticket charges, expenses related to short sales, clearing, and settlement charges, custodial fees, interest expenses, financing charges, initial and variation margin, broken deal expenses and other transactional charges, fees or costs, consulting, advisory, investment banking, valuation and any other professional fees or compensation relating to particular investments or contemplated investments, appraisal fees and expenses, investment-related travel and lodging expenses, and research-related expenses, including news and quotation equipment and services, market data services, fees to third-party providers of research, portfolio risk management services (including the costs of risk management software or database packages), market information systems and/or computer software and information expenses); costs relating to communications with investors; accounting, audit and tax preparation and compliance expenses (including preparation costs of financial statements, tax returns, reports to the Investors); printing and mailing costs, fees of pricing services, valuation firms and financial modeling services; expenses relating to activist campaigns, such as proxy contests, solicitations and tender offers (including the cost of drafting "white papers" and the compensation, indemnification and expenses of any nominees proposed by the Funds or their affiliates as directors or executives of portfolio companies and the costs of proxy agents and public relations firms engaged in connection with investments or prospective investments); legal and regulatory expenses (including those incurred in connection with Fund operations, holdings, investments and investment activities (e.g., filings with the U.S. Securities and Exchange Commission, including Form PF (but excluding the preparation of Form ADV) and those incurred with respect to litigation and threatened litigation, if any, and expenses pertaining to legal inquiries, including regulatory "sweeps"); any and all taxes and governmental fees payable by or with respect to the Funds, their investments, or to federal, state or other governmental agencies, domestic or foreign, including real estate, stamp or other transfer taxes; wind-up and liquidation expenses; organizational expenses and expenses relating to capital raising activities of the Funds or any of their feeders (including the Domestic and Offshore Fund); fees and expenses borne directly by any vehicle through which assets of the Funds may be invested; insurance costs (including premiums for directors' and officers' liability insurance (if any), errors and omissions insurance and other similar policies for the benefit of the Funds); the Asset-Based Fee; administrative expenses including those relating to the Funds' administrator; expenses relating to the maintenance of registered offices; blue sky and corporate filing fees and expenses; corporate licensing

expenses; indemnification expenses; fees and expenses relating to shareholder meetings and conferences; extraordinary expenses; and other similar expenses.

It should be noted that the Domestic and Offshore Funds will bear their pro rata share of the operating and other expenses of the Master Fund.

If any of the above expenses are incurred jointly for the account of the Domestic Fund, the Offshore Fund (or the Master Fund) and/or any other funds and accounts managed by Sarissa and/or its affiliates, such expenses will be allocated among the Funds or such other accounts in a manner deemed fair and reasonable by Sarissa, in its sole discretion.

Please note that Investors will indirectly incur brokerage and other transaction costs related to their investment in the Funds. Please see **Item 12** of this brochure for a more detailed discussion of Sarissa's brokerage practices.

It is critical that Investors and prospective Investors refer to the relevant Governing Documents for a complete understanding of fees and expenses of an investment in a Fund. The information contained herein is a summary only and is qualified in its entirety by such documents.

It is critical that Investors and Prospective Investors refer to the relevant Fund's Governing Documents for a complete understanding of withdrawal/redemption terms. The information contained in this Item 5 is a summary only and is qualified in its entirety by the relevant Fund's Governing Documents.

In addition to the Funds, Sarissa currently advises one modified separately managed account. It is modified in that the liquidity terms are consistent with the Master Fund and Sarissa maintains exclusive voting, purchasing and selling rights with respect to securities held in the SMA. Sarissa may advise additional managed accounts in the future. The fee structure for separately managed accounts is disclosed to, negotiated with and agreed by SMA clients on a case by case basis and documented in their respective investment management agreement.

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

As noted in **Item 5** above, the GPs receive performance-based fees in the form of the Incentive Allocation.

The possibility that Sarissa may receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for the firm to make investments that are riskier or more speculative than in the absence of such a performance-based fee. Prior to making an investment, prospective Investors are provided with clear disclosure as to how performance-based compensation is charged with respect to each Fund and the risks associated with such performance-based compensation.

While each Fund managed by Sarissa pays performance-based compensation, it should be noted that the Incentive Allocation is typically reduced or not charged to Investors that are affiliates or employees of Sarissa. However, because affiliates or employees of Sarissa will invest through the Funds alongside the other Investors, Sarissa's ability to direct investments to their affiliates or employees is limited.

Sarissa currently provides advice to one managed account and may in the future provide advice to Other Accounts (as defined below in this paragraph). The managed account or Other Accounts are and will be subject to individually negotiated terms and, accordingly, may be subject to fee structures that are different from the fee structures of the Funds and may be set up for certain large or strategic investors and will be subject to individually negotiated terms. Such a discrepancy in the fee structures may create an incentive for Sarissa to allocate investment opportunities to a particular client based on the potential fees that may be earned by Sarissa and its affiliates with respect to each client. It is the policy of Sarissa and its affiliates to allocate investment opportunities fairly and equitably over time. This means that such opportunities will be allocated among those accounts for which participation in the respective opportunity is considered appropriate by Sarissa and its affiliates, taking into consideration, among other factors (a) whether the risk-return profile of the proposed investment is consistent with the account's objectives; (b) the potential for the proposed investment to create an imbalance in the account's portfolio; (c) liquidity requirements; (d) potentially adverse tax consequences; (e) regulatory restrictions that would or could limit an account's ability to participate in a proposed investment; and (f) the need to adjust the risk in the account's portfolio. Such considerations may result in allocations among a particular Fund and one or more other funds, clients and/or accounts to which Sarissa may provide investment management services (collectively "**Other Accounts**") on other than a pari passu basis.

The foregoing summary does not purport to be complete and is qualified in its entirety by the detailed information contained in each Fund's Governing Documents. Investors and prospective Investors are urged to carefully review the applicable Governing Documents prior to making a decision to invest in any of the Funds.

ITEM 7 – TYPES OF CLIENTS

Sarissa provides investment advisory services to pooled investment vehicles operating as private investment funds. Each Investor in the Funds must meet the eligibility provisions outlined in the applicable Fund's Governing Documents. Generally, the minimum initial capital commitment in each Fund is \$10,000,000,

and the minimum additional capital commitment is \$500,000. These minimum commitment amounts are subject to reduction or waiver at the sole discretion of the Funds, but in no event will the minimum initial capital commitment be less than the statutory minimum required by Cayman Islands law for the Offshore Fund (currently \$100,000).

Further, Sarissa currently advises one modified managed account and in the future may set up Other Accounts for certain large or strategic investors. These accounts are and will be subject to individually negotiated terms as detailed in each SMA's investment management agreement.

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

A. Methods of Analysis and Investment Strategies.

The descriptions set forth in this Brochure of specific advisory services that Sarissa offers to clients, and the investment strategies pursued and investments made by Sarissa on behalf of its clients, should not be understood to limit in any way Sarissa's investment activities. Sarissa may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that Sarissa considers appropriate, subject to each client's investment objectives and guidelines. The investment strategies that Sarissa pursues are speculative and entail substantial risks.

As the investment adviser to the Funds, Sarissa seeks to achieve superior risk-adjusted returns by constructing a portfolio, primarily across healthcare and related sectors, where there is a significant discrepancy between market value and intrinsic value. Sarissa will frequently use activism to close this discrepancy. Sarissa will employ a fundamental, research-driven, value-oriented approach to identify potential investments.

Sarissa focuses on identifying companies that are fundamentally undervalued, primarily within healthcare and other related industries. Typically, Sarissa targets companies where market value differs materially from intrinsic value and where Sarissa believes actions can be taken to close the gap.

In those situations, Sarissa will often seek to actively engage management/board members and the shareholder base to create value by leveraging the expertise of its management team. When appropriate, Sarissa will identify, promote and/or seek to undertake specific courses of action to increase shareholder value, including, among others, operational improvements, changes in capital structure and/or capital allocation, management changes and/or various other alternative courses of action.

Sarissa conducts rigorous, fundamentals-based research, leveraging its principals' deep domain expertise and past experience in assessing the discrepancy between market value and intrinsic value. Sarissa seeks to identify situations, primarily within healthcare and related sectors, where a company's market value differs from its intrinsic value and where Sarissa believes that various actions can be taken to close the value gap. Some sources of investment ideas for Sarissa include the review of certain corporate actions and events, regulatory initiatives and decisions, investment and industry publications, scientific journals

and research (including publicly available scientific and clinical data), proprietary screens and stock price fluctuations and trading activity, including insider buying or selling activities.

Sarissa will re-evaluate portfolio positions on an ongoing basis, monitoring changes in the disparity between intrinsic value and market value, assessing whether any opportunities exist to implement or accelerate an activist program, and evaluating whether Sarissa believes its investment thesis remains valid.

Sarissa will seek to manage the risks of the Funds' portfolio primarily by purchasing those investments at substantial discounts to intrinsic value.

In addition, as part of its risk management strategy, Sarissa will actively manage the Funds' portfolio and constantly re-evaluate positions to monitor changes in the disparity between intrinsic value and market value and to generally gauge exposure, on a position by position basis, as well as by industry and/or in respect of the overall market. Sarissa also anticipates that it may establish short or hedge positions to manage the Funds' exposures and/or to hedge against certain risks, on a position by position basis, as well as industry and/or market wide.

The Funds have broad and flexible investment authority. There are no limitations on the markets or types of instruments in which the Funds may invest. There are neither formal diversification nor concentration limits relating to the Funds, nor any limitations on position size or leverage other than those explicitly set forth in the relevant Fund's Governing Documents. The Funds may pursue investment strategies not described herein or in the relevant Fund's Governing Documents that Sarissa considers appropriate. The descriptions herein or in the relevant Fund's Governing Documents of the Funds' strategies and investment activities should not be understood as limiting the investment activities of the Funds in any way. The information contained in this Item 8 is a summary only and is qualified in its entirety by the relevant Fund's Governing Documents.

An investment in the Funds may be deemed speculative and is not intended as a complete investment program. The Funds are designed only for experienced and sophisticated persons who are able to bear the risk of significant impairment or total loss of their investment in the Funds.

B. Material, Significant or Unusual Risks Relating to Investment Strategies and Risks Associated with Particular Types of Securities.

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the Funds. These risk factors include only those risks Sarissa believes to be material, significant or unusual.

Force Majeure. Portfolio investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern (such as the current COVID-19 pandemic), war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including a counterparty to an Advisory Client) to perform its obligations until it is able to remedy the force majeure event. These risks could, among other effects, adversely impact asset prices, valuations and cash flows, cause personal injury or loss of life, damage property, or instigate disruptions of service. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on an Advisory Client. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which Client Funds would invest.

Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over certain assets, could result in a loss to Advisory Clients, including if the investment in such assets is canceled, unwound or appropriated (which could be without adequate compensation).

Flexible Investment Approach. While the Funds will focus on long and short equity positions, Sarissa has broad investment authority, and may trade in any type of security, issuer or group of related issuers, country, region and sector that it believes will help the Funds achieve their investment objectives. Additionally, the strategies that the Sarissa may pursue for the Funds are not limited to the strategies described herein or in the relevant Fund's Governing Documents; furthermore, such strategies may change and evolve materially over time. Sarissa has broad latitude with respect to the management of the Funds' risk parameters. Although Sarissa will maintain internal risk guidelines, such guidelines may be subject to change over time and the Funds may pursue investment strategies not described herein or in the relevant Fund's Governing Documents or may make investment decisions that fall outside such guidelines. Sarissa will opportunistically implement whatever strategies, techniques and discretionary approaches, as well as such other investment tactics, as it believes from time to time may be suited to prevailing market conditions. Sarissa may utilize such leverage, position size, duration and other portfolio management techniques as it believes are appropriate for the Funds. Investors and prospective Investors must recognize that in investing in the Funds, they are placing their capital indirectly under the full discretionary management of Sarissa and authorizing Sarissa indirectly to trade for the Funds using whatever strategies in such manner as Sarissa may determine. Any of these new investment strategies, techniques, discretionary approaches and investment tactics may have shortcomings that could result in unsuccessful investments and, ultimately, losses to the Funds. In addition, any new investment strategy, technique and tactic developed by the Funds may be more speculative than earlier investment strategies, techniques and tactics and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the Funds. There can be no assurance that Sarissa will be successful in applying its approach and there is material risk that an Investor may suffer significant impairment or total loss of its capital.

Risk of Investing in the Healthcare Sector. Investing in securities and other instruments of healthcare companies involves substantial risks, including (but not limited to) the following: certain companies in the portfolios of the Funds may have limited operating histories; scarcity of management and marketing personnel with appropriate scientific or medical training may slow or impede companies' growth; the possibility of lawsuits related to patents or products; obsolescence of products; change in government policies; changing investor sentiments and preferences with regard to healthcare sector investments (some of which are generally perceived as risky) may have an adverse effect on the price of underlying securities; volatility in the stock markets affecting the prices of healthcare company securities may cause the performance of the Funds to experience substantial volatility; and many companies in the healthcare sector are subject to extensive government regulation. In addition, obtaining approval for new products from governmental agencies can be lengthy, expensive and uncertain. Any failure to obtain approval or other negative assessment for new or existing products from governmental agencies can result in significant decreases in the prices of the subject healthcare company securities, or even in the securities of related healthcare companies, which may cause a loss for the Funds.

In March 2010, the Patient Protection and Affordable Care Act and The Health Care and Education Reconciliation Act of 2010 were enacted, legislating broad based changes to the U.S. health care system. The legislation makes extensive changes to the current system of healthcare insurance and benefits intended to broaden coverage and reduce costs and significantly changes how people in the United States receive healthcare coverage and how they pay for it. Such legislation may have a material adverse effect on companies in healthcare and healthcare-related sub-sectors. The legislation may be subject to repeal or defunding, in whole or in part, by the current U.S. administration. Due to the complexity of the health

reform legislation, the impact of the legislation, or of its possible repeal, is difficult to predict and not yet fully known.

Activist Investments. The Funds are expected to invest in equity securities of companies that Sarissa believes are undervalued by the marketplace and are likely to appreciate, including as a result of operational improvements, a change in corporate direction or management, capital allocation or balance sheet changes, or other courses of action. In making such investments, the Funds may act alone or together with one or more other investors or investment managers acting as a group. In order to implement any actions deemed necessary to maximize value, Sarissa, or other members of the investing group, may work with the management team of the target company or other investors of the target company to design an alternate strategic plan and assist them in its execution and may secure the appointment of persons selected by Sarissa or other members of the group to the company's management team or board of directors. Sarissa, either alone or as part of a group, may also initiate investor actions (including those that may be opposed by company management or other investors in the company).

This activist investment strategy may require, among other things: (i) that Sarissa properly identify portfolio companies whose securities prices can be improved through corporate and/or other courses of action; (ii) that the Funds acquire sufficient securities of such portfolio companies at a sufficiently attractive price; (iii) that the Funds avoid triggering anti-takeover and regulatory obstacles while aggregating its position; (iv) that management of portfolio companies and other security holders respond positively to Sarissa's proposals; and (v) that the market price of a portfolio company's securities increases in response to any actions taken by portfolio companies. There can be no assurance that any of the foregoing will occur.

Activist strategies may prove ineffective for a variety of reasons, including: (i) opposition of the management or investors of the subject company; (ii) intervention of a governmental agency; (iii) efforts by the subject company to pursue a "defensive" strategy; (iv) market conditions resulting in material changes in securities prices; (v) the presence of corporate governance mechanisms such as staggered boards, poison pills and classes of stock with increased voting rights; and (vi) the necessity for compliance with applicable securities laws and applicable state corporate laws. In addition, opponents of a proposed change may seek to involve regulatory agencies in investigating the transaction or the Funds and such regulatory agencies may independently investigate the participants in a transaction, including the Funds, as to compliance with securities or other laws. Furthermore, successful execution of an activist strategy may depend on the active cooperation of investors and others with an interest in the subject company. Some investors may have interests that diverge significantly from those of the Funds, and some of those parties may be indifferent to the proposed changes. Moreover, securities that Sarissa believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the timeframe Sarissa anticipates, even if Sarissa's proposed changes are successfully implemented. Even if the prices for a portfolio company's securities have increased, no guarantee can be made that there will be sufficient liquidity in the markets to allow the Funds to dispose of all or any of their securities therein or to realize any increase in the price of such securities.

Sarissa (including its affiliates, which may include any other account managed or advised by Sarissa or its affiliates) may cause the Funds, either alone or together with others, to acquire a "control" position in any company, and may secure the appointment of persons to such company's management team or board of directors. In doing so, the Investors of the Funds will be required to acknowledge and agree that Sarissa (and/or its affiliates, if any) may acquire fiduciary duties to such other company and to such other company's shareholders (which shall include members, unitholders, partners and the like) in addition to the duties that Sarissa (and/or its affiliates, if any) owe(s) the Funds. Such fiduciary duties may require Sarissa (and/or its affiliates, if any) to take actions that are in the best interests of the relevant company or its shareholders and Sarissa shall endeavor to act in such situations in the best interests of all parties concerned in accordance with the duties it owes to each such party. Sarissa's actions in such situations may not be in

the best interests of the Funds. The Investors of the Funds will be required to acknowledge that situations may arise where Sarissa (and/or its affiliates, if any) has (have) a conflict of interests between the duties that it (they) owe(s) to such companies and their shareholders, on the one hand, and those that it (they) owe(s) to the Funds, on the other.

Proxy Contests and Unsolicited Transactions. The Funds may purchase securities of a company that is the subject of a proxy contest, or at which the Funds intend to solicit proxies, in the expectation that new board members or amendments to the charter or bylaws or other corporate policies of the company will be able to improve the company's performance or undertake various alternative courses of action so that the price of the company's securities will increase. If the Funds are not successful in adding new board members or obtaining any such changes to charters, bylaws or corporate policies or if new management is unable to improve the company's performance or undertake any such courses of action, the market price of the company's securities may fall, which may cause the Funds to suffer a loss.

Litigation and Regulatory Investigations. Some of the tactics that the Funds may use involve litigation. The Funds could be a party to lawsuits either initiated by it, or by a company in which the Funds invest, other shareholders of such company, or state and federal governmental bodies. There can be no assurance that any such litigation, once begun, would be resolved in favor of the Funds, and there is a risk of monetary damages and equitable relief against the Funds. In addition, as activist investors, the Funds may be subject from time to time (and especially in the context of a proxy contest), to formal or informal investigations or inquiries by the Securities and Exchange Commission ("SEC") and other governmental and self-regulatory organizations in connection with its activities. Litigation and regulatory investigations may involve distraction of Sarissa's time and significant expenses to the Funds. Additionally, regulatory investigations and/or inquiries, to the extent known to Investors, may result in withdrawals/redemptions by some Investors irrespective of the substance, merits or ultimate outcomes of any such investigations or inquiries.

Directorships on Boards of Portfolio Companies. The Funds may obtain rights to participate substantially in and to influence substantially the conduct of management and the board of directors of issuers of securities acquired by it. Members, partners, officers, managers, employees or affiliates of Sarissa and its affiliates or designees may serve as directors of, or in a similar capacity with, companies in which the Funds invest, the securities of which are purchased or sold on behalf of the Funds. In the event that material non-public information is obtained with respect to such companies or the Funds become subject to trading restrictions pursuant to the internal trading policies of such companies or as a result of applicable law or regulations, the Funds may be prohibited for a period of time from purchasing or selling the securities of such companies, which prohibition may have an adverse effect on the Funds.

Sarissa has implemented a policy to effectively provide to the Funds their pro rata share, as determined by Sarissa, of any director fees actually received by Sarissa or members of Sarissa's management team from portfolio companies in which the Funds are invested. This may be accomplished through the reduction of any Asset-Based Fees payable to Sarissa by the Funds upon payment of any such Asset-Based Fees or, to the extent such fees are paid in securities, upon the sale of such securities, as determined by Sarissa, in its sole discretion. For the avoidance of doubt, this policy only applies to fees in respect of directorships that were initially obtained by members of Sarissa's management team pursuant to a proxy contest or settlement with Sarissa and the applicable portfolio company, or pursuant to an investment in the applicable portfolio company by the Funds.

Control Investments. The Funds may make control investments. These investments may involve certain risks, such as the risk of liability for environmental damage, product defect, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability characteristic of business operations may be ignored. In addition, in connection with the disposition of these investments, the Funds may make representations and warranties about the business and financial

affairs of the investments typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities law. The Funds may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations and warranties or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which will be borne by the Funds.

Substantial Positions in Portfolio Companies. From time to time the Funds may acquire positions in the securities of particular companies that, by itself or when combined with positions held in other investment funds and accounts sponsored, managed and/or otherwise advised by Sarissa and its respective affiliates, comprise a substantial percentage of those companies' outstanding securities. Sarissa, its affiliates and/or the Funds may be required to file with regulatory authorities reports of beneficial ownership of securities. In these cases, it may be difficult to liquidate or reduce the Funds' positions in these securities at all or at favorable prices, preventing the Funds from realizing profit or avoiding loss. In addition, there may be other circumstances under which the aggregate holdings of a security by the Funds and other accounts sponsored, managed and/or otherwise advised by Sarissa and its affiliates, or the involvement of the Sarissa and/or its affiliates with the issuer of that security, limit the Funds' ability to liquidate or reduce its position at all or at favorable prices. The Funds and their affiliates may at times attempt to influence management of a particular company or exercise control of a company.

Focused Investment Risk. Overall risk can be reduced by geographic or industry diversification and increased by focusing investments in a limited number of countries, regions, sectors or companies or industries with high positive correlations to one another. Securities, sectors or companies that share common characteristics are often subject to similar business risks and regulatory burdens, and often react similarly to specific economic, market, political or other developments. Since the Funds expect to focus its investments in the healthcare and healthcare-related sub-sectors, and such companies or industries may have high positive correlations to one another, the Funds may be particularly vulnerable to events affecting such sectors and industries.

Because Sarissa intends to concentrate the Funds' portfolios in healthcare and healthcare-related sub-sectors, the risk of loss could be greater than if the portfolio were invested in a more diversified manner among a greater variety of sectors. In addition, to the extent the Funds invest, as they intend to do, in the securities of a limited number of issuers, the Funds are particularly exposed to adverse developments affecting those issuers, and a decline in the market value of a particular security held by the Funds is likely to affect the Funds' performance more than if the Funds invested in the securities of a larger number of issuers.

Concentration of Investments. Sarissa intends to concentrate a substantial portion of its portfolio in a small number of investments, typically not more than 20 positions on the long side of the portfolio. Such concentration of risk may expose the Funds to losses disproportionate to those incurred by the market in general if the investments that the Funds hold are disproportionately adversely affected by price movements. The Funds could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

Duration of Investment Positions. Sarissa may not know, except in the case of certain options or derivatives positions which have pre-established expiration dates, or debt or other securities with a stated maturity date, the maximum—or even the expected (as opposed to optimal)—duration of any particular position at the time of initiation. The length of time for which a position is maintained may vary significantly, based on Sarissa's subjective judgment of the appropriate point at which to liquidate a position to augment gains or reduce losses. Many of the Funds' transactions may involve acquiring related positions in a variety of different instruments or markets at or about the same time. Frequently, optimizing the probability of being able to exploit the pricing anomalies among these positions requires holding periods

of significant length. Actual holding periods depend on numerous market factors which can both expedite and disrupt price convergences. There can be no assurance that the Funds will be able to maintain any particular position, or group of related positions, for the duration required to realize the expected gains, or avoid losses, from such positions.

Investments in Event-Oriented Situations. The price offered for securities of a company involved in an announced deal can generally represent a significant premium above (or, in the case of debt, represent a significant opportunity compared to) the market price prior to the announcement. Therefore, the value of (or the opportunity relating to) such securities held by the Funds may decline in the event the proposed transaction is not consummated and if the market price of the securities returns to a level comparable to the price prior to the announcement of the deal. Furthermore, the difference between the price paid by the Funds for (or relating to) securities of a company involved in an announced deal and the anticipated value to be received for (or relating to) such securities upon consummation of the proposed transaction will often be very small. If the proposed transaction appears likely not to be consummated or, in fact, is not consummated or is delayed, the market price of (or the opportunity relating to) the securities will usually decline, perhaps by more than the Funds' anticipated profits. In addition, when the Funds have sold short the securities they anticipate receiving in an exchange or merger, and the proposed transaction is not consummated, the Funds may be forced to cover their short positions in the market at a higher price than its short sale, with a resulting loss. If the Funds have sold short securities that are the subject of a proposed cash tender offer or cash merger and the transaction is consummated, the Funds also may be forced to cover their short positions at a loss.

The consummation of refinancings, restructurings, mergers and tender and exchange offers can be prevented or delayed by a variety of factors, including: (i) opposition of the management or stockholders of the target company, which will often result in litigation to enjoin the proposed transaction; (ii) intervention of a regulatory agency; (iii) failure to approve a restructuring or refinancing by creditors acting individually or as part of creditor committees; (iv) efforts by the target company to pursue a "defensive" strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (v) in the case of a merger, failure to obtain the necessary stockholder approvals; (vi) market conditions resulting in material changes in securities prices; (vii) compliance with any applicable securities laws; and (viii) inability to obtain adequate financing.

Often a tender or exchange offer will be made for less than all of the outstanding securities of an issuer or a higher price will be offered for a limited amount of the securities, with the provision that, if a greater number is tendered, securities will be accepted pro rata. Thus, a portion of the securities tendered by the Funds may not be accepted and may be returned to the Funds. Since, after completion of the tender offer, the market price of the securities may have declined below the Funds' cost, a sale of any returned securities may result in a loss.

Use of Leverage. The use of leverage will, in many instances, enable the Funds to achieve a higher rate of return than would be otherwise possible. Generally, Sarissa will seek to balance the amount of leverage to be employed by the Funds and the estimated long-term volatility of the portfolios. The Funds' perception of volatility is expected to change from time to time and the market for leverage is expected to be dynamic. Accordingly, the amount, sources and pricing of leverage utilized will also change. An inability of the Funds to obtain a desired amount of leverage, however, may limit the Funds' overall investment exposure and may reduce the Funds' performance. Leverage may take the form of any of the financial instruments described herein or in the relevant Fund's Governing Documents, including derivative instruments that are inherently leveraged and trading in products with embedded leverage such as options, short sales, swaps and forwards.

The use of leverage will allow each Fund to borrow in order to make additional investments, thereby increasing its exposure to assets, such that its total assets are greater than its capital. The use of leverage will magnify the volatility of changes in the value of the investments of the Funds. Accordingly, any event that adversely affects the value of an investment would be magnified to the extent the investment is leveraged. The cumulative effect of the use of leverage by the Funds in a market that moves adversely to their investments could result in substantial losses to the Funds, which would be greater than if the Funds were not leveraged. In addition, the amount of the Funds' borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the Funds' profitability.

In general, the use of short-term margin borrowings with respect to portfolio securities results in certain additional risks to the Funds. For example, should the securities pledged to brokers to secure a Fund's margin accounts decline in value, such Fund could be subject to a "margin call," pursuant to which it must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the assets of a Fund, such Fund might not be able to liquidate assets quickly enough to satisfy its margin requirements.

Side Letters. Sarissa, on behalf of the Funds, has the authority to create new classes, sub-classes, tranches, series, sub-series or lots of interests/shares and enter into letter agreements or other similar agreements (collectively, "**Side Letters**") with one or more Investors which provide such Investors with additional and/or different rights (including but not limited to access to information, different Asset-Based Fees, Incentive Allocation and liquidity terms) than other Investors. In general, the Funds will not be required to notify any or all of the other Investors of any such Side Letters or any of the rights and/or terms or provisions thereof, nor will the Funds be required to offer such additional and/or different rights and/or terms to any or all of the other Investors. In addition, the holders of each class of interests/shares may have different rights than the holders of each of the other classes of interests/shares with respect to certain provisions including liquidity and fees. As a result, returns may vary from Investor to Investor depending upon any arrangements applicable to a given Investor's investment in the Funds. Notwithstanding the foregoing or anything herein to the contrary, to the extent any other Investor in a Fund has or obtains any withdrawal/redemption rights that differ from the withdrawal/redemption rights set forth in such Fund's applicable Governing Documents, all Investors will be notified of the exercise of any such rights and will be permitted to withdraw/redeem alongside such other Investor in the same proportion as such other Investor.

It is critical that Investors and prospective Investors refer to the respective Fund's Governing Documents for a complete understanding of the material risks involved with the Funds' investment strategies. The information contained herein is a summary only and is qualified in its entirety by the relevant Governing Documents.

C. Risks of Particular Types of Securities Recommended by Sarissa.

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the Funds. These risk factors include only those risks Sarissa believes to be related to the particular types of securities recommended by Sarissa.

Investments in Equity Securities. The Funds intend to invest primarily in equity securities and equity-related security derivatives. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Funds may suffer losses if it invests in equity instruments of issuers whose performance diverges from Sarissa's expectations or if equity markets generally move in a single direction and the Funds have not hedged against such a general move. For example, a fund with long equity investments runs the risk that the market prices of those investments will decline. The market price of an equity investment may decline for a number of reasons

that directly relate to the issuer, such as poor management performance or reduced demand for its goods or services. It also may decline due to factors which affect a particular industry, such as decline in demand, labor or raw material shortages or increased production costs. In addition, market prices may decline as a result of general market conditions not specifically related to a company or industry, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally.

Further, equity investments may be even more susceptible to such events than other types of investments the Funds may make, given their subordinate position in the issuer's capital structure. As such, equity investments generally have greater price volatility than fixed income and other investments with a scheduled stream of payments, and the market price of equity investments is more susceptible to moving up or down in a rapid or unpredictable manner.

If the Funds purchase equity investments at a discount from their value as determined by Sarissa, the Funds run the risk that the market prices of these investments will not appreciate to that value or will decline for a variety of reasons, one of which may be Sarissa's overestimation of the value of those investments.

Equity investments trading at high multiples of current earnings may be more sensitive to changes in future earnings expectations than securities trading at lower multiples. At times when the market is concerned that these expectations may not be met, the market prices of those securities typically fall.

Certain issuers of equity securities may be subject to different, often less comprehensive accounting, reporting and disclosure requirements, may be listed on less liquid and more volatile markets, and may be subject to high brokerage commissions and other fees.

Trading in Options and Swap Agreements. The Funds may buy or sell (write) both call options and put options (either exchange-traded, over-the-counter or issued in private transactions), and when it writes options it may do so on a "covered" or an "uncovered" basis. The Funds' options transactions may be part of a hedging tactic (i.e., offsetting the risk involved in another securities position) or a form of leverage, in which the Funds have the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be large, depending on the circumstances. In general, the principal risks involved in options trading can be described as follows, without considering other positions or transactions the Funds may enter into.

A call option is "covered" when the writer owns securities of the class and amount of those as to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. When the Funds buy an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of the Funds' investment in the option (including commissions). The Funds could mitigate those losses by selling short the securities as to which it holds call options or taking a long position (i.e., by buying the securities or buying options on them) on securities underlying put options.

When the Funds sell (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. The risk is theoretically unlimited unless the option is "covered." If it is covered, an increase in the market price of the security above the exercise price would cause the Funds to lose the opportunity for gain on the underlying security—assuming it bought the security for less than the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the Funds might suffer as a result of owning the security.

The seller of an uncovered put option theoretically could lose an amount equal to the entire aggregate exercise price of the option, if the underlying security were to become valueless. If the option were covered with a short position in the underlying security, this risk would be limited, but a drop in the security's price below the exercise price would cause the Funds to lose some or all of the opportunity for profit on the "covering" short position—assuming the Funds sold short for more than the exercise price. If the price of the underlying security were to increase above the exercise price, the premium on the option (after transaction costs) would provide profit that would reduce or offset any loss the Funds might suffer in closing out its short position.

Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty. In addition, the Funds also are subject to the risk of the failure of any of the exchanges on which it trades or of their clearinghouses. The Funds may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the exposure of the Funds to long-term or short-term interest rates (in the United States or abroad), non-U.S. currency values, mortgage securities, corporate borrowing rates, asset-backed securities, collateralized debt obligations, indices, or other factors such as security prices, baskets of equity securities, or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The Funds are not precluded from any particular form of swap agreement if Sarissa determines it is consistent with the investment objective and policies of the Funds.

Swap agreements tend to shift investment exposure from one type of investment to another. For example, if the Funds agree to exchange payments in dollars for payments in non-U.S. currency, the swap agreement would tend to decrease the Funds' exposure to U.S. interest rates and increase its exposure to non-U.S. currency and interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the portfolios of the Funds. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the Funds. If a swap agreement calls for payments by the Funds, the Funds must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by the Funds.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are generally not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. The principals dealing in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Funds due to unusually high trading volume, political intervention or other factors. The imposition of controls by government authorities might also limit such forward (and futures) trading to less than that which Sarissa would otherwise recommend, to the possible detriment of the Funds. Market illiquidity or disruption could result in major losses to the Funds.

Investments in Convertible Securities. The Funds may invest in convertible securities, which are securities that may be exchanged or converted into a predetermined number of the issuer's underlying shares or the shares of another company, or securities that are indexed to an unmanaged market index, at the option of the holder during a specified time period. Convertible securities may take the form of

convertible preferred stock, convertible bonds or debentures, stock purchase warrants, zero-coupon bonds or liquid-yield option notes, stock index notes, mandatories, or a combination of the features of these securities. Prior to conversion, convertible securities have the same general characteristics as non-convertible debt securities. As with all debt securities, the market value of convertible securities tends to decline as interest rates increase, and conversely, increase as interest rates decline. Convertible securities, however, also appreciate when the underlying common stock appreciates, and conversely, depreciate when the underlying common stock depreciates.

PIPEs. The Funds may from time to time invest in private investments in public equities (“PIPEs”) transactions and thereby purchase securities that are not freely saleable. Unlike the purchase of freely tradable common stock in the open market, PIPEs generally involve contractual obligations by the issuer of such securities requiring the issuer to take certain actions, such as registering the securities or, in the case of convertible securities, issuing the underlying securities upon exercise of convertible securities and registering the underlying securities with the appropriate federal and state authorities for resale. In order for the Funds’ investment strategy to be effective, the issuer of such securities must abide by its contractual obligations. If an issuer fails to meet its contractual obligations, in addition to the possibility of being involved in costly litigation, the Funds may be unable to dispose of the securities at appropriate prices if at all, or may experience substantial delays in doing so, and thus the Funds may not be able to realize the anticipated profit, if any, with respect to such investment for a substantial period of time, if ever. There can be no assurances that any issuer will succeed in registering for public resale the securities held by the Funds or that registration of securities pursuant to any such arrangement will create liquidity.

Preferred and Hybrid Securities Risks. The Funds may invest in preferred stock and hybrid securities, which may have special risks. Preferred and hybrid securities may include provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to the issuer. If the Funds own a preferred or hybrid security that is deferring its distributions, the Funds may be required to report income for tax purposes even though it has not yet received such income. Some preferred and hybrid securities are non-cumulative, meaning that the dividends do not accumulate and need not ever be paid.

Preferred and hybrid securities are subordinated to bonds and other debt instruments in an issuer’s capital structure in terms of priority to corporate income and liquidation payments and, therefore, will be subject to greater credit risk than more senior debt instruments. For example, deterioration in the credit quality of the issuer will cause greater changes in the value of such instruments than senior debt securities with similarly stated yield characteristics. Preferred and hybrid securities may be substantially less liquid than many other securities, such as common stocks or U.S. government securities.

Debt Securities. From time to time, the Funds may invest in bonds or other fixed income securities, commercial paper, “higher yielding” debt, back desk or other securities. It is likely that an economic recession could disrupt, perhaps severely, the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

Liquidity and Valuation of Investments. The Funds may invest in securities that are subject to legal or other restrictions on transfer or for which no liquid market exists. The Funds may not be able to sell such securities when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Because the markets for such securities are

still evolving, liquidity in these securities is limited and liquidity with respect to lower-rated and unrated subordinated classes may be even more limited. As a result, calculating the fair market value of the Funds' holdings may be difficult and there can be no assurance that Sarissa's valuation will accurately reflect the value that will be realized by the Funds upon the eventual disposition of such investment. Disposition of such illiquid investments may also result in distributions in-kind to the Investors. Such investments could also impair the Funds' ability to distribute withdrawal/redemption proceeds to a withdrawing/redeeming Investor in a timely manner. Sarissa may use valuation methodologies for such assets involving subjective determinations.

It is critical that Investors and prospective Investors refer to the respective Fund's Governing Documents for a complete understanding of the material risks involved in relation to the types of securities Sarissa invests in on behalf of the Funds. The information contained herein is a summary only and is qualified in its entirety by the relevant Governing Documents.

ITEM 9 – DISCIPLINARY INFORMATION

Sarissa and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to an Investor's evaluation of Sarissa or its personnel.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Sarissa serves as investment manager and adviser to the Funds, and affiliates of Sarissa serve as GPs to the Funds. Sarissa, its affiliates, employees and/or their related persons may invest directly in the Funds. It should be noted that investments in the Funds made by such persons may not be subject to the Asset-Based Fee and/or Incentive Allocation. Sarissa also currently serves as the investment adviser to a modified separately managed account.

Sarissa and the principals will devote to the Funds and other advisory clients as much time as Sarissa deems necessary and appropriate to manage its clients' business. Future activities of Sarissa and its affiliates, including the establishment of other investment funds or SMAs, may give rise to additional conflicts of interest. Sarissa and its members, officers, personnel, and affiliates may form additional investment funds, enter into other investment advisory relationships or engage in other business activities, even though such activities may be in competition with the Funds and/or may involve commitment of substantial time and resources of Sarissa or any of its affiliates. These relationships could be viewed as creating a conflict of interest in that the time and effort of Sarissa and its members, officers, personnel and affiliates would not be devoted exclusively to the business of the Funds but would be allocated between the business of the Funds and the management of the monies of other advisees of Sarissa.

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

Sarissa has adopted a Code of Ethics (the “**Code**”) designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (“**Advisers Act**”). The Code applies to Sarissa’s access persons (which term includes, but may not be limited to, all employees of Sarissa) (the “**Access Persons**”) and sets forth a standard of business conduct that takes into account Sarissa’s status as a fiduciary and requires Access Persons to place the interests of Advisory Clients and Investors above their own interests. The Code requires Access Persons to comply with applicable federal securities laws, and to promptly bring violations of the Code to the attention of Sarissa’s Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code on at least an annual basis.

As required by Rule 204A-1 of the Advisers Act, and as further discussed below, the Code also sets forth certain restrictions, reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must also provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Rule 204A-1.

Personal transactions of Access Persons must be made strictly in accordance with the Code. Subject to Sarissa’s internal compliance policies and approval procedures, Access Persons are generally only allowed to invest in securities that are not contained on Sarissa’s restricted list and are not in the healthcare and related sectors.

Personal securities transactions by Access Persons will be reviewed in the best interests of Sarissa’s Advisory Clients and will be denied by the Chief Compliance Officer if there is risk of potential adverse consequences to the Advisory Clients. The Chief Compliance Officer will review access persons’ personal transaction reports to make sure each access person is conducting his or her personal securities transactions in a manner that is consistent with the Code.

The Code will require Access Persons to place the interests of Advisory Clients and Investors over their own or those of Sarissa, and all Access Persons will be required to acknowledge their receipt and understanding of the Code.

Further, the Code includes policies and procedures designed to prevent insider trading and facilitate the protection of material, non-public information, including non-public information about the activities of the Funds. Investors or prospective Investors may obtain a copy of the Code by contacting the Chief Compliance Officer, Patrice Bonfiglio at 203-302-2330 or via email at compliance@sarissacap.com.

As described in **Item 10**, Sarissa serves as the investment manager and adviser of the Funds and, as such, recommends Interests/Shares of the Funds to prospective Investors. In addition, affiliates of Sarissa serve as GPs to the Master Fund, Catapult Fund and Hawkeye Fund. Sarissa and the GPs have a material financial interest with respect to fees paid by Investors.

The fact that Sarissa, its affiliates and the Access Persons may each have financial ownership interests in the Funds creates a potential conflict in that it could cause Sarissa to make different investment decisions than if such parties did not have such financial ownership interests. In particular, the possibility that Sarissa may receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for the firm to make investments that are riskier or more speculative than in the absence of such a performance-based fee.

ITEM 12 – BROKERAGE PRACTICES

Sarissa has complete discretion in deciding what brokers and dealers the Funds use and in negotiating the rates of brokerage commissions and other compensation the Funds pay. Sarissa allocates investment transactions for the Funds to brokers and dealers on the basis of “best execution.” In determining best execution, Sarissa may consider the full range and quality of a broker-dealer’s services that benefit an account under management such as brokerage, research and other services. Sarissa does not select brokers solely based on lowest possible commission costs, but also includes the best qualitative execution in its selection criteria. In particular, in selecting broker-dealers to execute securities transactions, Sarissa need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Consistent with best execution, consideration is given to a variety of factors, including but not limited to: price quotes; the size of the transaction and ability to find liquidity; the broker-dealer’s promptness of execution; confidentiality considerations; the nature of the market for the financial instrument; the timing of the transaction; difficulty of execution; the broker-dealer’s expertise in the specific financial instrument or sector in which the Funds seek to trade; the extent to which the broker-dealer makes a market in the financial instrument involved or has access to such markets; the broker-dealer’s skill in positioning the financial instrument involved; the broker-dealer’s financial stability; reputation for diligence, fairness and integrity; quality of service rendered by the broker-dealer in other transactions for Sarissa; the quality and usefulness of research services and investment ideas presented by the broker-dealer or third parties; the broker-dealer’s willingness to correct errors; the broker-dealer’s ability to accommodate any special execution or order handling requirements that may surround the particular transaction; the broker-dealer’s provision or payment of the costs of brokerage and research services that are of benefit to the Funds, Sarissa or Other Accounts; and other factors deemed appropriate by Sarissa.

Brokerage- and research-related goods and services provided by brokers and dealers through which investment transactions for the Funds are executed, settled and cleared may include, but are not limited to, research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, certain research services, and other goods and services providing lawful and appropriate assistance to Sarissa in the performance of its investment decision-making responsibilities on behalf of the Funds and any Other Accounts (collectively “Soft Dollar Items”).

Soft Dollar Items may be provided directly by brokers and dealers, by third parties at the direction of brokers and dealers or purchased on behalf of the Funds with credits or rebates provided by brokers and dealers. Soft Dollar Items may arise from over-the-counter principal transactions, as well as exchange traded agency transactions. Brokers and dealers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual business received by any broker or dealer may be less than the suggested allocations but can (and often does) exceed the suggestions, because total transaction volume is allocated based on all the considerations described above. A broker or dealer will not be excluded from executing transactions for the Funds because it has not been identified as providing Soft Dollar Items. Although Sarissa will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commission rates are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable (i.e., the Funds may “pay up” for research and other services provided by the broker through the commission rate).

The use of commissions or “soft dollars,” if any, generated by the Funds through agency and certain riskless principal transactions to pay for brokerage- and research-related products or services, if any, will fall within the safe harbor created by Section 28(e) of the Exchange Act. Brokerage- and research-related products or services obtained with soft dollars generated by a particular Fund may be used by Sarissa to service any of the Other Accounts. Soft dollars generated in respect of futures, currency and derivatives transactions and principal transactions (that are not riskless principal transactions) do not generally fall within the safe harbor created by Section 28(e) and will be utilized only with respect to brokerage- and research-related products and services for the benefit of the account generating such soft dollars.

Using brokerage commissions to obtain research or other products or services provides Sarissa with a benefit because the firm does not have to produce or pay for such research, products or services. Accordingly, the Funds (and thus Investors) may be deemed to be paying for research and other products or services with “soft” or commission dollars. Sarissa has an incentive to select a broker-dealer based on its interest in receiving the research or other products or services, rather than on a Fund’s interest in receiving most favorable execution. The relationship with brokerage firms that provide soft dollar services to Sarissa influence Sarissa’s judgment in allocating brokerage business and creates a conflict of interest in using the services of those broker-dealers to execute the Funds’ brokerage transactions.

Sarissa will periodically review the execution performance of broker-dealers executing its clients’ transactions to make a good faith determination that the value of research and brokerage services received is reasonable in relation to the amount of commissions paid.

Sarissa does not receive client referrals from broker-dealers; however, from time to time, prime brokers may assist the Funds in raising additional investments from investors, and representatives of Sarissa may speak at conferences and programs sponsored by such brokers for investors interested in investing in hedge funds. Through such “capital introduction” events, prospective investors in the Funds would have the opportunity to meet with Sarissa. Additionally, prime brokers may provide certain consulting services to Sarissa. Currently, none of Sarissa or the Funds compensates any broker for organizing such events, for any investments ultimately made by prospective investors attending such events or for any such consulting services, nor do they anticipate doing so in the future. While such events and other services provided by a prime broker may influence Sarissa in deciding whether to use such broker in connection with brokerage, financing and other activities of the Funds, Sarissa will not commit to allocate a particular amount of brokerage to a broker in any such situation. In such instances, the broker selection will be consistent with Sarissa’s best execution analysis.

Sarissa has complete discretion in deciding what brokers and dealers the Funds will use and in negotiating the rates of compensation the Funds will pay. Sarissa is not committed to continue its prime brokerage relationships with any particular prime brokers for any minimum period, and Sarissa may select other or additional brokers to act as prime broker for the Funds. As outlined above, Sarissa allocates investment transactions for the Funds to brokers and dealers based on “best execution”.

When appropriate, Sarissa may, but is not required to, aggregate Advisory Client orders to achieve more efficient execution or to provide for equitable treatment among accounts. Advisory Clients participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

It is Sarissa’s policy to allocate investment opportunities among Advisory Clients in a fair and equitable manner. Such opportunities will be allocated among those Advisory Clients for which participation in the respective opportunity is considered appropriate by Sarissa, taking into consideration, among other factors (a) whether the risk-return profile of the proposed investment is consistent with the Advisory Client’s objectives; (b) the potential for the proposed investment to create an imbalance in the Advisory Client’s portfolio; (c) liquidity requirements; (d) potentially adverse tax consequences; (e) regulatory restrictions

that would or could limit an Advisory Client's ability to participate in a proposed investment; and (f) the need to adjust the risk in the Advisory Client's portfolio. Such considerations may result in allocations among a particular Advisory Client and one or more Other Accounts on other than a *pari passu* basis.

As noted in **Item 4**, the Funds intend to follow a substantively similar investment program and will generally participate in investments on a *pro rata* basis subject to tax, legal, regulatory, current and expected cash balances and other considerations, and consequently their respective performances may differ.

ITEM 13 – REVIEW OF ACCOUNTS

The Funds and managed account portfolios are under continuous review and their performance is analyzed on a daily basis by Sarissa's investment team. It is generally the responsibility of Dr. Denner, the Chief Investment Officer, to take affirmative steps to ensure that all trades in a Fund account are in line with such Fund's investment objectives and guidelines.

Further, Patrice Bonfiglio, in her capacity as Chief Compliance Officer, will periodically review the firm's trading and current practices to ensure consistency with applicable law and regulations.

Generally, within 90 days after the end of each fiscal year or as soon as reasonably practicable thereafter, each Fund Investor will receive the relevant Fund's audited financial statements. Each Fund Investor will also receive monthly unaudited statements setting forth the net asset value of such Investor's capital account or shares of the applicable Fund.

In addition to the foregoing, Sarissa intends to send the following reports to Fund Investors:

Periodic Qualitative Report

Monthly Exposure Report

K-1 Reporting (as applicable)

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Not applicable to Sarissa.

ITEM 15 – CUSTODY

Sarissa and the GPs are deemed to have custody of the Funds' assets by virtue of their respective status as investment manager or general partner. Sarissa and the GPs maintain the assets of the Funds in accounts with "qualified custodians" pursuant to Rule 206(4)-2 under the Advisers Act. The qualified custodians presently utilized by Sarissa for the Funds are disclosed in Sarissa's Form ADV Part 1.

Sarissa is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund because it complies with the so-called "Pooled Vehicle Annual Audit Exception," which, among other things, requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year. Investors should carefully review the audited financial statements of the Funds upon receipt.

ITEM 16 – INVESTMENT DISCRETION

Sarissa has discretionary authority to manage the Funds and SMA. Sarissa is authorized to make purchase and sale decisions for the Funds and SMA. As explained in **Item 4** above, individual Investors in the Funds do not have the ability to impose limitations on Sarissa’s discretionary authority. Prospective Investors are provided with a confidential private placement memorandum or other offering document (and any applicable supplements) (collectively, the “offering documents”) prior to their investment in a Fund or SMA and are encouraged to carefully review the PPM and/or other relevant offering documents, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective Investors should also consult with their legal, tax, or other advisors prior to making any investment. All Investors must execute a subscription agreement, each of which constitutes a legal, valid and binding obligation of the Investor, enforceable in accordance with its terms. In addition, Investors in the Domestic Fund must also execute a limited partnership agreement.

ITEM 17 – VOTING CLIENT SECURITIES

Sarissa has the authority to vote proxies relating to securities of issuers in which the Funds and SMAs are invested. Sarissa considers proxy voting to be very important to its business and strategy. Sarissa will determine how to vote after studying proxy materials and any other information that Sarissa deems to be germane to its decision on how to exercise its vote. All proxies sent to Funds will be provided to the Chief Compliance Officer. Prior to voting any proxies, the Chief Compliance Officer will determine which of the Funds and managed accounts hold the security to which the proxy relates and whether any material conflict of interests exists between Sarissa and the Funds and/or SMAs with respect to such proxy vote. If the Chief Compliance Officer determines that no such material conflict of interests exists, the Chief Compliance Officer will so advise the Chief Investment Officer and the Chief Investment Officer will make a decision on how to vote the proxy, which may be in consultation with other investment team members. If the Chief Compliance Officer determines that such a material conflict of interest does exist, the Chief Compliance Officer will convene a meeting with the Chief Investment Officer to assess the conflict and determine how to vote the applicable proxies. In all instances, Sarissa will endeavor to vote in a manner that it believes is in the best interest of the Funds and is consistent with the investment philosophy as set forth in the relevant Governing Documents and in accordance with its compliance procedures.

Generally, the Chief Compliance Officer is responsible for ensuring that the proxy is voted on and submitted in a timely manner. Sarissa will keep a record of its proxy voting policies and procedures, proxy statements received, votes cast, communications received and any internal documents created that were material to voting decisions along with each client request for proxy voting records and Sarissa's response thereto, in all cases, for the previous five years.

If you have any questions about Sarissa's proxy policy, its proxy record-keeping procedures or if you would like any further information about how proxies are voted, please contact the Chief Compliance Officer, Patrice Bonfiglio, at 203-302-2330 or via email at compliance@sarissacap.com.

ITEM 18 – FINANCIAL INFORMATION

Sarissa does not require or solicit prepayments of more than \$1,200 in fees per client, six months or more in advance.

Sarissa is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

Sarissa has not been the subject of a bankruptcy petition at any time during the past 10 years.