

FORM ADV PART 2A: FIRM BROCHURE

ITEM 1. COVER PAGE

Aisling Capital Management LP

888 Seventh Avenue – 12th Floor
New York, NY 10106
Tel. (212) 651-6380
Fax. (212) 651-6379
www.aislingcapital.com

March 30, 2020

Important Disclosure:

This brochure (“Brochure”) dated March 30, 2020 provides information about the qualifications and business practices of Aisling Capital Management LP (“Aisling” or the “Firm”) and its affiliates. If you have any questions about the contents of this Brochure, please contact us at (212) 651-6380 or our Chief Compliance Officer at rwenzel@aislingcapital.com. The information in this Brochure has not been approved or verified by the U. S. Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

ITEM 2. MATERIAL CHANGES

This Brochure is an annual amendment to the version filed on March 27, 2019. We believe this Brochure has no material changes from the previous version. You are encouraged to read this Brochure in its entirety.

ITEM 3. TABLE OF CONTENTS

Item 1. Cover Page	1
Item 2. Material Changes	2
Item 3. Table of Contents	3
Item 4. Advisory Business	4
Item 5. Fees and Compensation	5
Item 6. Performance-Based Fees and Side-by-Side Management	9
Item 7. Types of Clients	10
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.....	11
Item 9. Disciplinary Information.....	35
Item 10. Other Financial Industry Activities and Affiliations	36
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	37
Item 12. Brokerage Practices	38
Item 13. Review of Accounts	40
Item 14. Client Referrals and Other Compensation	41
Item 15. Custody	42
Item 16. Investment Discretion	43
Item 17. Voting Client Securities	44
Item 18. Financial Information.....	45
Item 19. Requirements for State-Registered Advisers	46

ITEM 4. ADVISORY BUSINESS

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

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

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

Information about Aisling's advisory services is included in this Brochure and is qualified in its entirety by information contained in the relevant Fund's Offering Documents.

- C. Aisling does not tailor its advisory services to the individual or particular needs of investors in the Funds. Such investors will accept the terms of advisory services as set forth in the relevant Offering Documents. The Firm has broad investment authority with respect to the Funds and, as such, investors should consider whether the investment objectives of a Fund will be in line with their respective individual objectives and risk tolerance prior to investment.
- D. Aisling does not participate in wrap fee programs.
- E. As of December 31, 2019 Aisling, had assets under discretionary management of approximately \$431,630,100.

ITEM 5. FEES AND COMPENSATION

- A. Detailed information regarding the fees that are charged to the Funds is provided in the relevant Fund's Offering Documents. Aisling is entitled to a management fee as compensation for its services. Aisling also receives carried interest, calculated based on 20% of realized gains generated by the Funds, less any unrealized losses deemed permanent and less expenses allocated to the investments realized, after investors have earned a preferred return of 8%.
- B. From the initial closing of the Funds until the earlier of (i) the period ending on the fifth anniversary of the final closing date of the Funds (subject to two one-year extensions with the consent of the relevant Fund's advisory board (the "Advisory Board")) and (ii) the first date a successor fund to the relevant Fund accrues management fees, the management fees paid to Aisling will be 2% per annum of the aggregate capital committed by investors. Thereafter, the management fee will be 2% per annum of actively invested capital. Management fees are payable by the relevant Fund to Aisling quarterly in advance. The relevant Fund's general partner ("Fund GP"), in its sole discretion, may call capital for management fees and other expenses or pay such fees and expenses out of such Fund's current income and from disposition of investments.

Certain Offering Documents permit Aisling to waive or agree to reduce its management fee. Certain waived portions of the management fee are treated by the Offering Documents as a deemed capital contribution by the relevant Fund GP, which is effectively invested in the relevant Fund on such Fund GP's behalf and operates to reduce the amount of capital such Fund GP would otherwise be required to contribute to the Fund. The limited partners of a Fund may be required to make a pro rata contribution according to their respective commitments to fund any contribution that would otherwise be required of Aisling in connection with any such waiver or reduction and, as a result, the exercise of such waiver may result in an acceleration (or delay) of investor capital contributions. Waived or reduced management fees are not subject to management fee offset, and the amount of such waived or reduced fees has the potential to be significant. Due to waived or reduced management fees by Aisling and/or the timing of receipt of compensation, it is possible that management fee offsets will be delayed, resulting in a net additional benefit to Aisling.

- C. A description of the other types of fees or expenses the Funds are generally expected to bear are set forth fully in detail in the Offering Documents. As set forth in each Fund's Offering Documents, these fees, costs, expenses, liabilities and obligations relating to the Fund's (and its subsidiaries' and intermediate entities') activities, investments and business to the extent not reimbursed by a portfolio company generally include, but are not limited to: (i) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, the Fund's portfolio companies and its actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals

in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors to the extent not borne by co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (ii) indebtedness of, or guarantees made by, the Fund, the relevant Fund GP or any “affiliated partner” on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (v) brokerage, sale, custodial, depository, trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with the Fund’s third-party administrator and administration or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to any Operating Partners (as defined below), consultants performing investment initiatives and other similar consultants), tax and other professional services; (vii) reverse breakup, termination and other similar fees; (viii) directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses; (ix) filing, title, transfer, registration and other similar fees and expenses; (x) printing, communications, marketing and publicity; (xi) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports (including Form PF and any filings or reports contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Fund or its limited partners; (xiii) any activities with respect to protecting the confidential or non-public nature of any information or data; (xiv) to the extent provided in the applicable Partnership Agreement, or otherwise approved by the relevant Fund GP in its sole discretion, activities or proceedings of the relevant Advisory Board (including any reasonable out-of-pocket costs and expenses incurred by representatives of the Fund GP, the Advisory Board members, permitted observers and other persons in attending or otherwise participating in meetings of the Advisory Board); (xv) indemnification (including any fees, costs and expenses incurred in connection with indemnifying any Fund partner or other person pursuant to the applicable Partnership Agreement and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the applicable Partnership Agreement), except as otherwise set forth in the applicable Partnership Agreement; (xvi) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith; (xvii) any annual limited partner meeting or other periodic, if any, meetings of the limited partners and any other conference or meeting with any limited partner(s); (xviii) except as otherwise determined by the Fund

GP in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense or organizational expense if it were incurred in connection with the Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Fund to the extent not paid by the investors investing in such entities; (xix) the termination, liquidation, winding up or dissolution of the Fund; (xx) defaults by Fund partners in the payment of any capital contributions; (xxi) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, the Fund GP and related entities and any alternative investment vehicle of the Fund, including the preparation, distribution and implementation thereof; (xxii) complying with any law or regulation related to the activities of the Fund (including regulatory expenses of the Fund GP incurred in connection with the operation of the Fund and legal fees and expenses); (xxiii) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the applicable Partnership Agreement; (xxiv) any third-party experts, including independent appraisers, engaged by the Fund GP in connection with the Fund considering, making or holding an investment in the same entity as one or more other Aisling Funds; (xxv) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a limited partner; (xxvi) any taxes, fees and other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of the Fund (except to the extent that the Fund is reimbursed therefor by a Fund partner or such tax, fee or charge is treated as having been distributed to the Fund partners pursuant to the applicable Partnership Agreement); (xxvii) distributions to the Fund partner and other expenses associated with the acquisition, holding and disposition of the Fund's investments, including extraordinary expenses; (xxviii) unreimbursed expenses and unpaid fees of any Operating Partner or its members, employees or other persons engaged by such Operating Partner; (xxix) compliance or regulatory matters related to the Fund, except as set forth in the applicable Partnership Agreement; (xxx) any travel, lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment, disposition opportunities and the cost of representatives of the Fund GP attending medical conferences, including the cost of travel in connection therewith; (xxxi) any organizational expenses; (xxxii) any placement fees; and (xxxiii) any other fees, costs, expenses, liabilities or obligations approved by the Advisory Board.

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

- D. As described above, the Funds will pay management fees in advance on a quarterly basis. In the unlikely event that Aisling does not provide services for a full period or the investment management agreement of a Fund is terminated according to the terms set out in the Fund's Offering Documents before the end of the relevant quarter, a pro-rated fee will be returned to the Fund.

- E. Neither Aisling nor any of its supervised persons accepts or will accept compensation for the sale of securities or other investment products.

Aisling, its affiliates, partners and/or employees receive additional compensation in connection with management and other services performed for Fund portfolio companies, and such compensation generally will offset, in whole or in part, the management fees otherwise payable to Aisling. In particular specified percentages of any transaction fees, monitoring fees, cash and non-cash directors' fees and break-up or similar fees, in each case, received by Aisling, its affiliates, its partners or employees that are attributable to a Fund's investment in a portfolio company, net of expenses, will generally be credited against management fees as set forth in the relevant Offering Documents. As a matter of practice, Aisling receives compensation of the type described in this paragraph from, on behalf of or with respect to co-investors in an investment. The receipt of such compensation will not reduce the management fees payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to its allocable portion on a fully diluted basis of any such compensation, and not the portion of such compensation that relates to such co-investors or potential co-investors, which have the potential to be significant. Furthermore, Aisling is permitted to exempt certain Fund investors from payment of all or a portion of management fees and/or carried interest, or to allow certain persons to invest in a Fund through such Fund GP on a no-fee basis. The management fee offsets described in this paragraph generally apply only with respect to the capital commitments of fee-paying investors.

It is Aisling's practice to use or retain certain Operating Partners to provide services to (or with respect to) Funds or certain current or prospective portfolio companies in which Funds invest. Such Operating Partners generally provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including operational aspects of such companies. In certain circumstances, these services also include serving in management or policy-making positions for portfolio companies. Operating Partners receive compensation and other amounts described herein, and no such amounts will result in an offset of the management fees payable by any Fund. The use of Operating Partners subjects Aisling to conflicts of interest, as discussed in "Item 8," below.

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

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

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

ITEM 7. TYPES OF CLIENTS

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

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

Aisling does not currently manage individual investment accounts but may to the extent Aisling believes, in its discretion, that it is appropriate to do so, offer co-investment opportunities to Fund investors and/or to third parties. Aisling allocates co-investment opportunities in the manner described in “Item 8,” below. Except as approved by the Advisory Board or expressly permitted by the relevant Fund’s Offering Documents, the relevant Fund GP, the Firm, the senior managers and their respective affiliates shall not, in their individual capacities, invest in any transaction in which a Fund has made an investment, other than through the relevant Fund GP or as an investor of the relevant Fund.

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

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

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

General Risk of Loss: An investment in a Fund will involve significant risk and potential conflicts of interest. There can be no assurance that the Firm's investment objectives will be achieved, and actual investment results may vary substantially from the investment objective. Investors should be prepared to bear these risks.

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

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

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

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

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

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

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

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

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

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

Non-U.S. Investments. A Fund may invest in companies that are organized and/or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risks due, among other things, to potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates and capital repatriation regulations (as such regulations may be given effect during the term of a Fund) and the application of complex tax rules to cross border investments, possible imposition of non-U.S. taxes on a Fund and/or the

partners with respect to such Fund's income, and possible non-U.S. tax return filing requirements for such Fund and/or the partners.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) limited marketplace for the sale or IPO of portfolio companies; (e) regulatory and consumer market obstacles unique to the relevant non-U.S. jurisdiction that would impede product launches and market development for a portfolio company's product; (f) greater difficulty of enforcing legal rights in non-U.S. jurisdictions; (g) civil disturbances; (h) government instability; and (i) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

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

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

Use and Availability of Leverage. A Fund may make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in a given portfolio company. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by a Fund will also result in interest expense and other costs to a Fund that may not be covered by distributions made to such Fund or appreciation of its investments. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of a Fund's investments in the leveraged portfolio companies in a down market. A Fund may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable

therefor, and in such situations, it is not universally the case that the Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Fund also will result in interest expense and other costs to a Fund that may not be covered by distributions made to such Fund or appreciation of its investments. A Fund may incur leverage on a joint and several basis with one or more other investment funds and entities managed by the relevant Fund GP or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by the Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of the Fund.

Bridge Financing. From time to time, a Fund may provide bridge financing to facilitate portfolio company investments. It is possible that all or a portion of a bridge financing will not be recouped within the time period specified in the relevant Fund's Partnership Agreement, in which case the investment would be treated as a permanent investment of such Fund. As a result, a Fund's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under a Fund's investment limitations, certain of which exclude all or a portion bridge financing investments.

Minority Investments. The Funds may accumulate minority positions in the outstanding voting stock, or securities convertible into the voting stock, of portfolio companies, and, therefore, may have a limited ability to protect its position in such portfolio companies. Further, a Fund may have no right to appoint a director and, as a result, may have a limited ability to influence the management of such portfolio companies. A Fund may also hold investments in debt instruments or other investments that do not entitle the Fund to voting rights and provide the Fund only a limited ability to protect such investments. In such cases, the Fund will be significantly reliant on the existing management and board of directors of such companies, which may include, without limitation, representation of other investors with whom the Fund is not affiliated and whose interests may conflict with the Fund's interests. Where practicable and appropriate, it is expected that shareholder rights generally will be sought to protect the Funds' interests. There can be no assurance, however, that such minority investor rights will be available, or that such rights will provide sufficient protection of the Funds' interests.

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

Control Position Risk. While the Funds generally seek to make non-control investments, a Fund may make investments that, in some cases, allow such Fund to acquire control or

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

Need for Follow On Investments. Following its initial investment in a given portfolio company, a Fund may decide and frequently intends to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance of the extent to which a Fund will make follow on investments or that such Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the dilution of such Fund's ownership in a portfolio company if one or more third parties invest in such portfolio company.

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

Valuation of Assets. There is not expected to be an actively traded market for a number of the securities owned by a Fund. When estimating fair value, the relevant Fund GP will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. Valuations are subject to multiple levels of review for approval. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the relevant Fund GP may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.

No Assurance of Investment Return. There can be no assurance that any indicated valuations for unrealized investments will ultimately be realized for such value or be profitable or that losses can be avoided. Nothing contained in the relevant Offering Documents should be deemed to be a prediction or projection of the future performance of a Fund. With respect to certain information contained in the relevant Offering Documents regarding unrealized investments, while Aisling's valuations of such investments are based on assumptions that Aisling believes are reasonable under the circumstances, whether on an estimated fair market value basis or a public market basis, the actual realized returns on unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the time and manner of sale, many of which may be affected by factors beyond Aisling's control and all of which may differ materially from the assumptions on which the valuations used in the prior performance data contained in the relevant Offering Documents are also based. In such event, the actual realized returns on these unrealized investments may differ materially from the (assumed) returns indicated in the relevant Offering Documents.

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

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

Projections. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the relevant Fund GP in its discretion. In all cases, projections are only estimates of future results that are based upon information

received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

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

Portfolio Concentration. The Funds will participate in a limited number of investments and intends to make most of its investments in one industry or one industry segment or within a short period of time. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of such industry may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified.

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

Risks Related to Debt Investments. The Funds are expected to make debt investments that may become non-performing in the future. In addition to the risks of borrower default, portfolio company assets may be mismanaged or otherwise may have declined in value and/or may in the future decline in value. Borrowers may contest enforcement of credit agreements or other remedies, seek bankruptcy protection against such enforcement and/or bring claims for lender liability. Moreover, in certain situations, because a Fund, in the exercise of its remedies or rights under loan documents, may obtain contractual rights to participate in or to influence the management of borrowers, the likelihood is increased that a borrower may claim that the Fund interfered with the borrower's business, acted in bad faith in exercising its management or monitoring rights, or otherwise acted in a manner giving rise to a claim for liability. The exercise of remedies may not be led or controlled by the Fund, and may be led or controlled by a holder of a different class of securities which may be in conflict with the interests of the Fund. Additionally, as a lender, the Fund may also be subject to penalties for violations of state usury limitations, which may result in penalties assessed against the Fund or other liability to the Fund.

In addition, investments in loans may involve workout negotiations or restructuring. However, even if a restructuring were successfully accomplished, there are risks of a substantial reduction in the interest rate and/or, in the case of a loan, a substantial write-down of the principal of such loan, each of which may also have adverse tax consequences.

Risks Related to Royalty Payments. A Fund and/or its portfolio companies are expected to agree to royalty payment streams that may become non- or under-performing in the future. In addition to the risks of licensee default, licensees may misuse or otherwise diminish the value of a license and thereby undermine the future value of a portfolio company and its assets. Furthermore, licensees may contest enforcement of license agreements or other remedies, seek bankruptcy protection against such enforcement and/or bring claims against the owner of the licensed property. In addition, license agreements may involve negotiations to restructure license terms. However, even if a restructuring were successfully accomplished, there are risks of a substantial reduction in the royalty payments and/or a substantial write-down of the value of the related license and, as a result, the portfolio company.

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

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

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

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

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

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

Hedging Arrangements; Related Regulations. A Fund GP may (but is not obligated to) endeavor to manage a Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject the Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the Fund to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements may create for the Fund GP and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission ("CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

Limited Access to Information. Limited partners' rights to information regarding a Fund, the relevant Fund GP or Aisling generally will be specified, and in many cases strictly limited, by the Offering Documents. In particular, it is anticipated that the relevant Fund GP and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Aisling's control. Decisions by Aisling or its affiliates to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a limited partner to monitor Aisling and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on a Fund's Advisory Board generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other limited partners. Limited partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and Aisling reserves the right to withhold certain information from investors subject to such laws for reasons relating to Aisling's public reputation, business strategy or other reasons.

Material Non-Public Information; Other Regulatory Restrictions. As a result of the operations of Aisling and its affiliates, as well as in connection with officerships or directorships of Aisling personnel, Aisling frequently comes into possession of

confidential or material non-public information. Therefore, Aisling and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Aisling's internal policies.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Aisling or the funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of Aisling's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by Aisling or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

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

Unfunded Pension Liabilities of Portfolio Companies. Certain court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities.

Although Aisling intends to manage each Fund's investments to minimize any such exposure, a Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where such Fund may own an 80% or greater interest in such a portfolio company. If such Fund (or other 80%-owned portfolio companies of such Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which such Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. Furthermore, such confidence may be adversely affected by local, regional or global health crises including but not limited to the rapid and pandemic spread of novel viruses commonly known as SARS, MERS and COVID-19. Such health crises could exacerbate political, social and economic risks previously mentioned and result in significant breakdowns, delays and other disruptions on a local, regional and global scale, which may have adverse effects on the operating performance of affected portfolio companies. A climate of uncertainty, including the spread of infectious viruses or diseases, may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Funds and their portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by the Funds and result in longer holding periods for investments. Furthermore, such uncertainty, including the uncertainty stemming from the spread of infectious viruses or diseases, or general economic downturn may have an adverse effect upon the Funds' portfolio companies.

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

Recently, the U.S. government and other governments have shown significant interest in pursuing healthcare reform. In the U.S., the Patient Protection and Affordable Care Act, as

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

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

Uncertainty Related to Clinical Trials. Before obtaining regulatory approval for the commercial sale of its products, a healthcare product company is required to demonstrate that the products are safe and effective for use in each target usage. This demonstration will usually require preclinical studies and multiple clinical trials. The results from preclinical studies and early clinical trials may not predict the results that will be obtained in large-scale testing, and there can be no assurance that the clinical trials conducted by a company or its partners will demonstrate sufficient safety and efficacy to obtain required regulatory approvals or will result in marketable products. A number of companies in the pharmaceutical, biotechnology and medical device industries have suffered significant setbacks in advanced clinical trials, even after achieving promising results in earlier trials. The process of obtaining and maintaining regulatory approvals may vary and involves substantial regulatory discretion, is expensive and often takes many years, if approval is obtained at all. There is the possibility that unacceptable side effects will be discovered during preclinical or clinical testing of a company’s products. Even after approval for marketing, a product may later be shown to be ineffective or to have unacceptable side effects not discovered during testing, in each case, potentially requiring limitations on such products use or its withdrawal from the market.

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

Liability & Patent Litigation-Related Risk. Companies in the healthcare and life sciences industries are often subject to significant risks related to litigation and liability for damages in connection with their operations, products or services. The testing and marketing of medical products and technologies entail an inherent risk of product liability. Accordingly, companies in the healthcare industry may be exposed to potential liability risks inherent in the testing, manufacturing, marketing and sale of healthcare products and/or the provision of healthcare services. A liability claim or the imposition of liability may have an adverse effect on the market prices of a company's securities. Further complicating the industry, the litigation and liability environment in the healthcare industry is constantly evolving, and new judicial decisions and legislative activity may increase exposure to any of these types of claims. Even if liability insurance is maintained by a portfolio company, it may not be adequate to cover potential liabilities, including as a result of warranty and product liability claims.

In addition to operation, testing, and product-related litigation risk for companies in the healthcare and life sciences sectors, intellectual property rights in the fields of medical devices, diagnostics, pharmaceuticals and biotechnology are highly uncertain and may involve complex legal and scientific questions. The healthcare product industry places considerable importance on obtaining patent and trade secret protection for new technologies, products and processes. A portfolio company's success will depend, in part, on its ability to obtain patent protection for its products, preserve its trade secrets and operate without infringing the proprietary rights of others. Healthcare companies may not be able to successfully obtain additional issued patents relating to their products, methods, processes, services or other technologies, or they may be unable to do so in a timely manner. Even if issued, patents may be challenged, narrowed, invalidated or circumvented, or others may obtain patents claiming aspects similar to those covered by such patents and patent applications, which factors could limit a company's ability to stop competitors from marketing similar products or services, limit the length of term of patent protection they may have for their products or services, and expose them to substantial costs and risks in litigation and administrative proceedings and drain resources. Changes in either patent laws or in interpretations of patent laws in the U.S. and other countries may diminish the value of a company's intellectual property or narrow the scope of its patent protection.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of the Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

Such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators may complicate or prevent a Fund's efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result,

a Fund may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

Cybersecurity. The Firm has in place policies and procedures to protect against cybersecurity threats. However, the Firm, a Fund and its service providers are susceptible to cybersecurity risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that the Firm, a Fund and its service providers use to service a Fund's operations; or operational disruption or failures in the physical infrastructure or operating systems that support the Firm, a Fund and its service providers. Cyber-attacks against or security breakdowns of the Firm, a Fund or its service providers may adversely impact a Fund and its investors, potentially resulting in, among other things, (i) financial losses; (ii) the inability of the Firm or a Fund to transact business; (iii) a Fund's ability to process transactions; (iv) violations of applicable privacy and other laws; and (v) regulatory fines, penalties, reputational damage, reimbursement or other compensation costs and/or additional compliance costs. The Firm and the Funds may incur additional costs for cybersecurity risk management and remediation purposes. In addition, cybersecurity risks may also impact issuers of securities in which a Fund invests, which may cause a Fund's investment in such issuers to lose value. There can be no assurance that the Firm, a Fund or its service providers will not suffer losses relating to cyber-attacks or other information security breaches in the future.

Conflicts of Interest. Aisling and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of Funds (including, for the avoidance of doubt, the Funds and any future Funds advised by Aisling), and providing transaction-related, legal, management and other services to Funds and portfolio companies. Aisling will devote such time, personnel and internal resources as are necessary to conduct the business affairs of its Funds in an appropriate manner, as required by the relevant Offering Documents, although different Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of Aisling conducting its activities, the interests of a Fund likely will conflict with the interests of Aisling, one or more other Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, Aisling will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the Advisory Boards of the participating Funds.

During the commitment period of a Fund, all appropriate investment opportunities will be pursued by Aisling principals through such Fund, subject to certain limited exceptions set forth in the relevant Fund's Offering Documents and Aisling's allocation policies. Without limitation, Aisling principals currently manage, and expect in the future to manage, several other investments similar to those in which a Fund will be investing and expect to direct certain relevant investment opportunities or resources to those investments. Aisling's principals and Aisling's investment staff will continue to manage and monitor such

investments until their realization. Such other investments that Aisling principals expect from time to time to control or manage generally have the potential to compete with companies acquired by a Fund. Following the commitment period of a Fund, Aisling principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments.

From time to time, Aisling will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by Aisling or its advisory affiliates. In determining which investment vehicles should participate in such investment opportunities, Aisling and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the relevant Offering Documents, Aisling is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of Aisling in a portfolio company also have the potential to raise the risk of using assets of a client of Aisling to support positions taken by other clients of Aisling.

To the extent that it advises multiple Funds, Aisling must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. Aisling generally assesses whether an investment opportunity is appropriate for a particular Fund based on the relevant Fund's Offering Documents, as well as factors including but not limited to: investment restrictions and objectives (including those set forth in the relevant Offering Documents, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable regulatory restrictions, life cycle, structure and other relevant factors. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested.

Following such determination of allocation among Funds, Aisling will determine if the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for such Fund(s) and Aisling reserves the right to effect any such excess to one or more potential co-investors, including third parties, as determined by the relevant Fund's Offering Documents, side letters and Aisling's procedures regarding allocation. Aisling's procedures permit it to take into consideration a variety of factors in making such determinations. Although Aisling reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness generally will not be the sole determining factor considered by Aisling in identifying co-investors.

Furthermore, it is expected that a Fund will co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments will likely involve risks not present in investments where a third party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the relevant Fund, or may be in a position to take action contrary to the investment objectives of such Fund. In addition, a Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner. Aisling or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the

relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. When and to the extent that employees and related persons of Aisling and its affiliates make capital investments in or alongside certain Funds, Aisling and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction will be equal to and not less than another investor participating in the same transaction or that it will be as favorable as it would have been had such conflict not existed.

Aisling's allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While Aisling will allocate investment opportunities in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which Aisling expects to be subject, discussed herein, did not exist.

In certain cases, Aisling will have the opportunity (but, subject to any applicable restrictions or procedures in the relevant Offering Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, Aisling will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on eligibility and other factors similar to those employed in selecting co-investors, and unless required by the relevant Offering Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Aisling and its affiliates from time to time express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions be taken for one or more Funds that may adversely affect other Funds.

Subject to any relevant restrictions or other limitations contained in the Offering Documents of the relevant Funds, Aisling will allocate fees and expenses in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion. In exercising such discretion, Aisling expects to be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by Aisling or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or Aisling. The Funds generally will have different expense reimbursement terms, including with respect to management fee offsets, which is expected from time to time to result in Funds bearing different levels of expenses with respect to the same investment.

To the extent a Fund acquires a controlling interest, and in some circumstances in which the Fund acquires a minority interest, in a portfolio company, Aisling and/or its affiliates will have the right to appoint portfolio company board members (including current or former Aisling personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to Aisling and/or its affiliates. Except to the extent such amounts are subject to the relevant Offering Documents' offset provisions, they will be in addition to any management fees or carried interest paid by a Fund to Aisling. Aisling's authority to appoint or influence the appointment of portfolio company board members who may be involved in approving compensation payable to Aisling subjects it and any such portfolio company board appointees to potential conflicts of interest.

Additionally, a portfolio company typically will reimburse Aisling or service providers retained at Aisling's discretion for expenses (including without limitation travel expenses) incurred by Aisling or such service providers in connection with its performance of services for such portfolio company. This subjects Aisling and its affiliates to conflicts of interest because Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Aisling determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices.

Aisling generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with certain service providers, and from time to time such service providers are expected to include: (i) Aisling or a related person of Aisling

(which may include a portfolio company of such Fund); (ii) an entity with which Aisling or its affiliates or current or former members of their personnel has a relationship or from which Aisling or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Aisling personnel are seconded, or from which Aisling receives secondees; or (iii) certain limited partners or their affiliates. This discretion subjects Aisling to conflicts of interest, because although Aisling selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Aisling has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Aisling, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Aisling), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Aisling will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although Aisling generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other other factors in retaining or recommending service providers. In certain circumstances where Aisling commits or has committed to seek “market” or “arms-length” rates or terms, Aisling will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Consequently, Aisling undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking relates specifically to the assets or services to which such rates or terms relate. Whether or not Aisling has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

In certain circumstances, current or former Aisling personnel are expected to serve in interim or part-time roles at a portfolio company, or provide services to a portfolio company as a secondee or in similar capacities, whether or not while maintaining certain legacy economic arrangements, benefits, support services or indicia of employment at Aisling. Under such arrangements, Aisling and/or the relevant portfolio company may pay all or a portion of the personnel costs of such employee or supervise or oversee such employee. These arrangements have the potential to create conflicts of interest, in that amounts paid by a portfolio company in connection with secondee relationships or to former employees generally will not offset or reduce the management fee. Due to the nature of secondee relationships, which are often initiated to meet a temporary portfolio company need, the arrangements between such employees and the related portfolio company are expected to change over time, and in many cases will be terminated when the portfolio company is sold or when the position can be filled on a longer-term or permanent basis. Employees may or may not return to Aisling at the end of such secondee arrangement.

Aisling retains, on behalf of Funds and/or portfolio companies, as applicable, operating partners and other consultants (“Operating Partners”), which may be affiliates of Aisling,

employees of such affiliates, portfolio companies, third parties, “strategic partners,” “executive partners” or “senior advisors.” The Operating Partners are expected to regularly provide services to, or in connection with, a Fund in relation to its activities, or to one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies. Operating Partners generally make use of Aisling resources. Aisling and/or its affiliates reserve the right to agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation.

Pursuant to the applicable Offering Documents, fees and expenses associated with the services provided by Operating Partners will likely be paid and/or reimbursed by applicable portfolio companies and/or a Fund, and such compensation will not be offset against or reduce management fees. Such compensation is expected to include cash fees, profits or equity interests in a portfolio company, incentive equity and stock awards, a share of proceeds upon sale of a portfolio company and/or other incentive-based compensation to the Operating Partner, the amount of which typically is determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Operating Partner, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts believed to be charged by other providers for comparable services and/or a percentage of cash flows from such company. Additionally, portfolio companies may provide opportunities for Operating Partners to invest in such portfolio company and reimburse costs and expenses incurred by Operating Partners. Operating Partners also will likely receive remuneration from Aisling or its affiliates (including Funds) and/or be entitled to guaranteed minimums or other forms of compensation, including equity grants in portfolio companies. Such investment opportunities, reimbursements and other compensation paid to an Operating Partner will not be offset or reduce any management fee. Operating Partners may have a limited partnership or profit interest in a Fund, Aisling or an Aisling affiliate.

Although Aisling intends to retain Operating Partners with a view to reducing costs to portfolio companies (and, ultimately, the relevant Fund(s)) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. In addition, Aisling intends to retain only such Operating Partners which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

A Fund reserves the right from time to time to establish or invest in platform companies or similar platform investments that seek to acquire interests in other companies and/or assets. While the relevant Fund would typically be involved in the strategy and oversight of any platform investment, a platform investment typically would retain its own management team to operate, administer and manage the platform on a daily basis. In such cases, the relevant Fund generally will directly or indirectly bear the expenses related to developing and operating the platform investment, including overhead expenses (such as real estate, technology, salaries, bonuses and incentive-based compensation (e.g., equity, a profits

interest, options and warrants)), investment sourcing and diligence expenses, transaction fees and other related expenses. Such expenses generally will not offset or reduce any management fee paid by any Fund.

Such platform investments create potential conflicts of interest. For example, management teams sometimes provide services that are similar to, and that may overlap with, services provided by Aisling and its personnel to a Fund, and certain Aisling professionals are expected to serve on the boards of, or otherwise provide services to, platform investments. Because Aisling (and not the relevant Fund) otherwise generally pays the salaries of its employees, Aisling has an incentive to cause a platform investment to retain its own management team instead of relying on Aisling employees to provide managerial services, or to deploy existing Aisling employees as members of such platform investment's management team. In addition, Aisling generally will have the ability to influence significantly the form and amount of compensation paid to such management teams. Members of platform investment management teams also may render services exclusively to the platform or provide the same or similar services to other Funds and/or portfolio companies.

Although uncommon, Aisling reserves the right from time to time to cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Funds managed by Aisling, or co-investors or co-investment vehicles. Such transactions may arise in the context of automatic or other re-balancing of an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Fund. Certain or such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Funds' Offering Documents or otherwise in the sole discretion of Aisling, Aisling reserves the right to seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness of a purchase or sale price) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's Advisory Board) to such transactions. In certain circumstances, Aisling reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction to the Fund under then-current market conditions. Aisling intends that any such transactions be conducted in a manner that it believes to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

Although Aisling generally structures Funds to avoid cross-guarantees and other circumstances in which one Fund ultimately bears liability for all or part of the obligations of another Fund, in certain circumstances lenders and other market parties negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among

Funds. In such case, Aisling intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements.

Aisling and/or its affiliates reserve the right to employ personnel with pre-existing ownership interests in portfolio companies owned by Funds or other investment vehicles advised by Aisling and/or its affiliates; conversely, former personnel or executives of Aisling and/or its affiliates may from time to time serve in significant management roles at portfolio companies or service providers recommended by Aisling. Similarly, Aisling, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Aisling and/or its affiliates, and/or Funds or other investment vehicles they advise. Aisling expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Aisling information about markets and industries in which Aisling operates (or is contemplating operations) or will provide other services that are beneficial to Aisling or one or more other Funds. Aisling expects to be subject to a potential conflict of interest in making such recommendations, in that Aisling has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to a Fund or its portfolio companies.

Aisling, its affiliates, and equity holders, officers, principals and employees of Aisling and its affiliates reserve the right to buy or sell securities or other instruments that Aisling has recommended to a Fund. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of Aisling have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expects to have additional potential conflicting interests in connection with these investments.

Because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because management fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when Aisling may not otherwise have done so.

Aisling and/or its affiliates reserve the right to enter into side letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures (including discounted or rebated compensation terms), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, and liquidity or transfer rights. Side letters may also relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds. Except where required by Offering Documents, other investors will not receive copies of side letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the relevant Fund GP or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such side letters. As a consequence of one or more limited partners being excused or excluded, or from regulatory or other factors limiting their participation in investments, the aggregate returns realized by participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments.

Any of these situations' subjects Aisling and/or its affiliates to potential conflicts of interest. Aisling attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Aisling's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, Aisling will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Aisling consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

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

ITEM 9. DISCIPLINARY INFORMATION

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

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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

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

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

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

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

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

ITEM 12. BROKERAGE PRACTICES

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

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

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

Aisling has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Aisling generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

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

- B. Aisling does not anticipate engaging in significant public securities transactions; however, to the extent that Aisling engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, Aisling also reserves the right to purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, Aisling expects, but is not obligated, to purchase or sell securities for several client accounts at approximately the same time. Such orders may

be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of Aisling is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a pro rata basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds.

Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to pro rata allocations are permissible provided Aisling believes they are fair and equitable to its clients under the circumstances over time.

In Aisling’s private company securities transactions on behalf of the Funds, Aisling reserves the right to retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, Aisling reserves the right to consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although Aisling generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

ITEM 13. REVIEW OF ACCOUNTS

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

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

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

Aisling has engaged Probitas Fund Group, LLC (“PFG”) as an unaffiliated third-party placement agent about the offering of interests in Aisling’s most recent Fund. As compensation for the services provided by PFG, Aisling has agreed to pay an initial fee and an on-going servicing fee. PFG also receives compensation in the form of reimbursement of certain out-of-pocket expenses.

ITEM 15. CUSTODY

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

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

ITEM 16. INVESTMENT DISCRETION

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

ITEM 17. VOTING CLIENT SECURITIES

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

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

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

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

ITEM 18. FINANCIAL INFORMATION

Aisling has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts. Aisling does not require the prepayment of management fees six months or more in advance.

ITEM 19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS

This item is not applicable to Aisling.