

INVESTMENT ADVISER BROCHURE

SATTER MANAGEMENT CO., L.P.

**Satter Management Co., L.P.
676 North Michigan Avenue, Suite 4000**

March 29, 2020

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Satter Management Co., L.P. (“Satter Management”). If you have any questions about the contents of this Brochure, please contact us at 312-448-5500. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

Satter Management is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information regarding Satter Management is also available on the SEC’s website at www.adviserinfo.sec.gov.

TABLE OF CONTENTS

	<u>Page</u>
Material Changes	2
Advisory Business	3
Fees and Compensation.....	4
Performance-Based Fees and Side-By-Side Management	7
Types of Clients.....	8
Methods of Analysis, Investment Strategies and Risk of Loss.....	8
Disciplinary Information.....	25
Other Financial Industry Activities and Affiliations.....	25
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	25
Brokerage Practices	26
Review of Accounts	28
Client Referrals and Other Compensation.....	28
Custody	28
Investment Discretion.....	28
Voting Client Securities.....	29
Financial Information.....	29

MATERIAL CHANGES

Satter Management Co., L.P. filed its most recent Form ADV Part 2A on March 29, 2019. This annual amendment updates the (i) list of private investment funds managed by Satter Management Co, L.P. and (ii) description of the business practices and advisory services of Satter Management Co., L.P. and its affiliates.

ADVISORY BUSINESS

Satter Management Co., L.P. (“**Satter Management**”), a Delaware limited partnership and a registered investment adviser, expects to provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. Satter Management commenced operations in November 2016.

Each of Satter Medical Technology GP, L.P. and SRX Investment GP, L.P. (each, a “**General Partner**” and together with Satter Management and their affiliated entities, “**Satter Management Group**”) is an affiliated advisory entity subject to the Advisers Act pursuant to Satter Management’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which, together with Satter Management, operates as a single advisory business. Satter Management Group is controlled by Muneer A. Satter (the “**Principal**”).

Satter Management provides investment advisory services to its clients, including Satter Medical Technology Partners, L.P. (“**Fund I**,” and together with any future private investment fund to which Satter Management or its affiliates provide investment advisory services, the “**Funds**”) and certain accounts of persons and entities (mostly Satter family entities) affiliated with the Principal (the “**Principal Group**,” and any Fund owned primarily by the Principal Group, the “**Principal Group Fund**”) with respect to those assets of such Principal Group accounts invested in securities within the medical technology sector (and, including, such other assets, from time to time, as are invested alongside, in conjunction with or otherwise with a Fund in a portfolio company in which such Fund makes or has made an investment). Satter Management provides investment advisory services to the following additional Funds: SMTP Co-Invest I, L.P. (“**Co-Invest Fund**”), SMTP Co-Invest II (AWC), L.P. (“**Co-Invest II Fund**”), SRX Investment, L.P. (“**SRX**”) and SRX Investment II, L.P. (“**SRX II**”), each of which is an entity formed to facilitate an investment (or co-investment) in a single portfolio company.

The Funds are private equity funds that will invest in both privately held and publicly traded operating entities, generally referred to herein as “portfolio companies.” Satter Management Group’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. From time to time, the Principal or other personnel of Satter Management Group or its affiliates generally serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of the companies in which the Funds have invested.

Satter Management Group’s advisory services for the Funds are detailed in the applicable private placement memoranda or other offering documents (each, a “**Memorandum**”), limited partnership or other operating agreements or governing documents (each, a “**Partnership Agreement**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Investors in the Funds participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from or have an investment percentage vary for a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant Partnership Agreement; such arrangements generally do not and will not create an adviser-client relationship between Satter Management Group and any investor. The

General Partner has established an advisory board for Fund I (and generally expects, but is not obligated, to establish an advisory board with respect to Funds formed in the future) comprised of limited partners thereof selected by the General Partner (any such board, an “**Advisory Board**”). As described herein and in the relevant Partnership Agreement, the Advisory Board will provide such advice and counsel as is requested by the General Partner in connection with Fund I investments, potential conflicts of interest and other Fund matters. The Funds or the General Partner are permitted to enter into side letters or other similar agreements (“**Side Letters**”) with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant Partnership Agreement with respect to such investors.

Additionally, as described herein and in the relevant Memorandum and as permitted by the relevant Partnership Agreement, Satter Management Group expects to provide (or agrees to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including the Principal Group Fund.

As of December 31, 2019, Satter Management managed approximately \$210 million in client assets on a discretionary basis. Satter Management Co. GP, LLC, a Delaware limited liability company, acts as the general partner of Satter Management.

FEES AND COMPENSATION

In general, Satter Management Group receives a management fee and a carried interest with respect to its advisory services, although the Principal Group Fund is not expected to pay management fee or carried interest, and certain Principal Group accounts will not pay any advisory compensation. Satter Management Group is permitted to receive additional compensation in connection with management and other services performed for portfolio companies of the Funds and such additional compensation may in certain circumstances offset in whole or in part the management fees otherwise payable to Satter Management Group, as further described below and in the relevant Partnership Agreement. Investors in a Fund also bear certain expenses, which generally are described below.

Management Fees

Generally, a Fund will pay Satter Management Group, quarterly in advance, a management fee (the “**Management Fee**”) equal to, (i) 2.0% in the case of Fund I and (ii) 1.0% in the case of Co-Invest Fund, Co-Invest II Fund, SRX and SRX II, but in each case based on an annual basis of aggregate investor capital commitments to the relevant Fund (“**Commitments**”). Investors participating in a closing after the initial closing date bear the Management Fee from the initial closing date, including interest thereon. Upon the occurrence of certain events specified in Fund I’s Partnership Agreement, the Management Fee for Fund I will equal the lesser of (a) 2% of the aggregate fair market value of all Fund I investments that have not been disposed of and (b) 2% of aggregate Commitments.

Fund I’s Management Fee will be reduced by all of such Fund’s share of directors’ fees or directors’ options or similar equity paid by privately held portfolio companies (which is defined as companies with no publicly exchange traded or over-the-counter securities) to the Principal (or

other personnel) of Satter Management Group. The Management Fee for Fund I will not be reduced by any portion of directors' fees or directors' options or similar equity paid by publicly traded portfolio companies to the Principal (or other personnel) of Satter Management Group. In addition, Satter Management Group will be permitted to retain certain supplemental fees ("**Supplemental Fees**"), if any, without offset against Fund I's Management Fee, as follows: (i) 20% of any financial consulting fees or advisory fees paid to the General Partner with respect to any Fund I investment; (ii) 20% of any transaction fees paid to the General Partner with respect to any Fund I investment; and (iii) 20% of any break-up fees with respect to Fund I transactions not completed that are paid to the General Partner, in each case net of certain expenses (including those described below) as set forth in the relevant Partnership Agreement. The remaining 80% of such Supplemental Fees will be offset against the Management Fee. No portion of any director's fees, director's options or Supplemental Fees received by the Satter Management Group will offset the Management Fee payable by Co-Invest Fund, Co-Invest II Fund, SRX or SRX II. As a matter of practice, any Supplemental Fees paid to Satter Management Group are expected to include amounts on behalf of or with respect to co-investors in an investment, where applicable. Any such portion of Supplemental Fees will not reduce the Management Fee payable by Fund I, and as a result Fund I will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee that relates to such co-investors or potential co-investors, which have the potential to be significant. Supplemental Fee offsets generally are performed on a net basis, after giving effect to taxes and other expenses in connection with the receipt of such fees or the provision of related services. For the avoidance of doubt, Satter Management Group also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund I portfolio companies.

Fund I's Partnership Agreement permits Satter Management Group to waive or agree to reduce the Management Fee. Certain waived portions of the Fund I Management Fee are treated by the Fund I Partnership Agreement as a deemed capital contribution by the relevant General Partner, which is effectively invested in the relevant Fund on such General Partner's behalf, and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to Fund I. The limited partners of Fund I would, in such circumstances, be required to make a *pro rata* contribution according to their respective Commitments to fund any contribution that would otherwise be required of Satter Management Group in connection with any such waiver or reduction as described above 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 the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant over time. Due to waived or reduced Management Fees by Satter Management Group and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will not be fully realized by investors in Fund I, resulting in a net additional benefit to Satter Management Group.

Certain (but not all) Principal Group accounts will pay, quarterly in advance, a Management Fee for advisory services of up to 1.0% of assets under management on an annual basis.

Carried Interest

Satter Management Group will receive a carried interest allocation with respect to (i) Fund I equal to 20% and (ii) Co-Invest Fund, Co-Invest II Fund, SRX and SRX II equal to 15%, in each case of certain realized profits and subject to a 6% compound preferred return, as more fully described in the relevant Partnership Agreement. The carried interest distributed to Satter Management Group is subject to a potential giveback at the end of life of the relevant Fund if Satter Management Group has received excess cumulative distributions. Carried interest received by Satter Management Group generally is expected to be allocated among various persons determined in the discretion of Satter Management Group, which may include, without limitation, the Principal, other Satter Management Group personnel and/or other persons designated by Satter Management Group.

Other Information

Satter Management Group is permitted to exempt certain investors in the Fund(s) from payment of all or a portion of Management Fees and/or carried interest, including the General Partner, Satter Management Group personnel, the Principal Group and any other person designated by Satter Management Group. The General Partner reserves the right to make any such exemption from fees and/or carried interest by a direct exemption, a rebate by Satter Management Group and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where a Satter Management Group professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant Partnership Agreement, certain Advisers have the right to permit investors, affiliated with an Adviser or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or carried interest.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the applicable Partnership Agreement, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Funds.

In addition to the Management Fee and carried interest payable to Satter Management Group, a Fund bears certain expenses. As set forth more fully in the applicable Memorandum and/or Partnership Agreement, a Fund bears all expenses relating to such Fund's activities, investments and business to the extent not reimbursed by a portfolio company or applied to reduce transaction fees, including some or all of the following: (i) fees, costs and expenses attributable to structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, owning, managing, operating, holding, restructuring, taking public or private, selling, valuing, winding up, liquidating, dissolving and disposing of a Fund's investments, including follow-on investments and refinancings (including interest on money borrowed by or on behalf of the relevant Fund); (ii) legal, filing, accounting, auditing, travel, consulting, financing, insurance (including directors and officers, errors and omissions liability and other insurance), broker, finder's, financing commitment fees, real estate title, appraisal costs, printing, custodian, depositary, transfer, registration and other similar fees and expenses; (iii) expenses incurred in connection with third party valuations; (iv) expenses associated with the preparation, distribution or filing of a Fund's

financial statements, tax returns, tax estimates, Schedule K-1s or any other administrative, regulatory or other Fund-related reporting or filing obligations; (v) expenses of a Fund's Advisory Board and any annual meetings of the limited partners and any other meeting with any limited partner(s); (vi) unreimbursed costs and expenses incurred in connection with any limited partner transfer or proposed transfer; (vii) extraordinary expenses (such as litigation, indemnification, judgments and settlements, if any); (viii) expenses incurred in connection with transactions not consummated (including travel expenses); (ix) fees, costs and expenses incurred in developing, licensing, implementing, maintaining or upgrading any web portal or extranet tools for the benefit of the Funds or the limited partners; (x) any costs, fees and expenses incurred in connection with protecting the confidential or non-public nature of any information or data and (xi) any taxes, fees or other governmental charges levied against the Funds. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise and/or negotiate relationships relating to the foregoing items. The Funds also bear expenses indirectly to the extent a portfolio company pays expenses, including reimbursements of the expenses of Satter Management Group and/or its affiliates, and in some cases, permissible expenses (and/or Supplemental Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. Excluded from Fund expenses are ordinary administrative and overhead expenses of Satter Management or the General Partner incurred in connection with managing, originating and monitoring investments, including employees' salaries, rent, utilities and other similar expenses specified in the applicable Partnership Agreement. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds. Brokerage fees in connection with the purchase and sale of publicly traded securities will be incurred in accordance with the general practices set forth in "Brokerage Practices."

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under "Fees and Compensation," Satter Management Group receives a carried interest allocation on certain realized profits in Fund I, Co-Invest Fund, Co-Invest II Fund, SRX and SRX II. Satter Management Group also manages accounts that are not charged performance-based compensation, or are charged performance-based compensation in lower percentages. This practice could present a conflict of interest because Satter Management Group has an incentive to favor accounts for which it receives the highest performance-based compensation.

Additionally, to the extent that Satter Management Group personnel are assigned varying percentages of carried interest from the Funds, such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

Satter Management Group seeks to address the potential for conflicts of interest in these matters with allocation practices that provide that transactions and investment opportunities will be allocated to the Funds (and Principal Group accounts) in accordance with a Fund's investment

guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by Satter Management Group or any personnel.

The existence of performance-based compensation has the potential to create an incentive for the General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Satter Management Group generally considers performance-based compensation to better align its interests with those of its investors.

TYPES OF CLIENTS

Satter Management Group provides investment advice to the Funds and the Principal Group. The Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Funds may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of Satter Management Group and its affiliates and members of their families or other service providers retained by Satter Management Group.

Fund I generally has a minimum investment amount of \$5 million for third-party investors, and Fund interests generally are expected to be offered and sold to qualified purchasers (or qualified knowledgeable Satter Management Group personnel). Such minimum investment amount may be waived by Satter Management Group.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

Satter Management Group is a private investment firm formed to provide advisory services to private investment funds and accounts of the Principal Group. The Funds will generally make significant long-term investments in both private and public companies in the medical technology industry (broadly defined to include biotech, medical devices and healthcare services). Satter Management Group's investment advisory services include identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments. Most of the portfolio companies in which the Funds will seek to invest are expected to have an aggregate equity value of between \$50 and \$500 million.

There can be no assurance that Satter Management Group will achieve the investment objectives of any Fund or other client and a loss of investment is possible. From time to time, Satter Management Group also may utilize other investment strategies and/or make opportunistic investments in private or public companies other than those described above in connection with the management of existing and future Funds and as permitted under a relevant Fund's Partnership Agreement and Memorandum.

Investment Strategy

Satter Management Group primarily intends to pursue a focused investment strategy for the Funds, as described below (and as further described in the applicable Memorandum):

Focus on Medical Technology. Satter Management Group intends to focus on various medical technology companies, including biotechnology drugs and therapies, medical devices and healthcare services.

Lifesaving Device or Drugs. Satter Management Group will seek to cause the Funds to invest in companies that are pursuing lifesaving devices or drugs, or devices or drugs that are life altering in a major way. In the Principal's experience, these life-saving technologies have the highest value to society and thus may benefit from increased attention and focus by stakeholders and regulators in helping the company succeed.

Strong Intellectual Property. The Funds will seek to invest in companies that Satter Management Group believes have (or have the potential for) strong market position and high and sustainable barriers to entry as well as a long-term competitive advantage (*e.g.*, companies that have strong patent protection or otherwise have strong intellectual property).

Strong Data Set. The Funds will seek to invest in companies with a strong set of existing clinical data, including robust safety and efficacy data. The Funds generally will not seek to invest in very early stage research companies that are not yet in clinical trials (subject to exceptions from time to time). The General Partner believes this strategy will help to reduce risks related to its investment strategy. However, medical technology investments involve a high degree of risk and even companies with a significant data set may ultimately fail.

Cost Effectiveness. The Funds will seek to invest in companies that are creating devices, therapies or drugs that are not only lifesaving or life altering but are also likely to save money for the medical system. Satter Management Group believes that such solutions have a significantly increased chance of getting governmental and private party reimbursement approvals.

Extensive Due Diligence. The Principal has spent his career as a hands on professional immersed in the due diligence for each deal. The Principal prefers to personally lead the due diligence efforts rather than delegate to a team of young professionals. This typically involves calling several top doctors or surgeons in the relevant area as well as interfacing with consultants and other professionals with respect to regulatory, manufacturing, statistical, clinical trial, legal, intellectual property, accounting and other issues. The Principal expects to seek advice from top experts worldwide with respect to a particular drug, therapy or device.

Board Seat or Close Relationship with Management. Satter Management Group will seek to invest in companies where it can obtain a board seat or otherwise have a close relationship with management. This is expected to allow Satter Management Group to help shape the company's trajectory and help ensure that there is a strong focus on fiduciary duties and value creation for shareholders. The Principal and other personnel from Satter Management Group currently serve as members of the board of directors of several medical technology companies and accordingly plays an active role in those companies.

Risks of Investment

Each Fund and its investors bear the risk of loss that Satter Management Group's investment strategy entails. The risks involved with Satter Management Group's investment strategy and an investment in a Fund include, but are not limited to:

Business Risks; Focus on Early-Stage Investments. It is anticipated that the Funds will make investments primarily in early-stage companies with little or no revenues or earnings at the time of a Fund's investment that have inherently greater risk than more established businesses. Accordingly, the growth of these companies may require significant time and effort resulting in a longer investment horizon than can be expected with lower risk investment alternatives. Many of the companies in a Fund's investment portfolio may take many years to mature and may require multiple rounds of additional financing. Such investments can experience failure or substantial declines in value at any stage. While such investments offer the opportunity for significant gains, they also involve a high degree of business and financial risk that can result in substantial losses. These companies typically operate at a loss and/or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, to develop an intellectual property portfolio, and/or to expand or develop management resources. These companies may face intense competition, including from companies with greater financial resources, better name recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

Future and Past Performance. The performance of prior investments by Satter Management Group or its affiliates is not necessarily indicative of a Fund's future results. While Satter Management Group intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Concentration of Investments. The Funds will participate in a limited number of investments and intend to make most of their investments in one industry or one industry segment. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry segment may substantially affect its aggregate return.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity and venture capital transactions is highly competitive and involves a high degree of uncertainty. It is possible that the Funds will not have meaningful or sufficient opportunities to make follow-on investments in the Principal Group's existing medical technology portfolio companies or that Satter Management Group will not be able to identify new investment opportunities. Accordingly, it is possible that the Funds will never be fully invested. However, limited partners will be required to bear Management Fees through the Funds during its investment period based on the entire amount of the limited partners' Commitments and other expenses as set forth in the applicable Partnership Agreement.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, the Funds may decide 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 or for other reasons). Some of the companies in a Fund's investment portfolio may require multiple rounds of additional financing. There is no assurance that a Fund will make follow-on investments or that a Fund will have sufficient funds to make all or any of such investments. Also, there can be no assurance that any such subsequent investment will reflect the fair value of an existing investment in such company at the time of such investment and there is no assurance that initial or additional investments by a Fund will be successful. 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. 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 a Fund's ownership in a portfolio company if a third party invests in such portfolio company or an adverse impact on a Fund's existing investment(s) in a portfolio company (such as a forced conversion of preferred equity to common equity, significant dilution and/or a loss of significant contractual rights) pursuant to "pay-to-play" and similar penalties that are not uncommon in early-stage companies and investments.

Non-controlling Investments. The Funds anticipate that they will frequently hold non-controlling interests in portfolio companies and, therefore, will have a limited ability to protect a Fund's position in such portfolio companies. A Fund may hold meaningful minority stakes in privately held companies but may have only limited minority protection rights. In addition, during the process of exiting investments, a Fund at times may hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that a Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where a Fund holds a minority stake, it may be more difficult for that Fund to liquidate its interests than it would be had such Fund owned a controlling interest in such company. Even if a Fund has contractual rights to seek liquidity of a Fund's minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the relevant Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

Investment in Junior Securities. Although the Funds generally will seek to invest in the most senior equity securities in a portfolio company's capital structure, the securities in which a Fund invests may from time to time be more junior in a portfolio company's capital structure (including in circumstances where a Fund's portfolio company securities may be "layered" with more senior securities from subsequent financing rounds) and, thus, subject to a greater risk of loss. Generally, there will be no collateral to protect a Fund's investment once made. However, without the prior consent of the relevant Advisory Board, a Fund will not make an investment in a company in which the Principal Group has an existing investment if the securities purchased by a Fund in that company are junior in liquidation preference to the existing securities in that company held by the Principal Group immediately following such investment.

Bridge Financings. From time to time, a Fund may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term securities. Such bridge loans will typically be convertible into a more permanent, long-term security. It is possible, however, for reasons not in a Fund's control, that such equity or long-term securities may not be

issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by a Fund.

Dynamic Investment Strategy. While Satter Management Group generally intends to seek attractive returns for a Fund primarily through making early-stage investments in both private and public medical technology companies as described herein, Satter Management Group may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. Satter Management Group may pursue investments outside of the industries and sectors in which the Principal has previously made investments.

Clinical Development. It is anticipated that the Funds will make investments in companies with products that are subject to the uncertainties and complexities affecting clinical-stage, biologic or medical device products. There is no guarantee that any future clinical trials will be completed in a timely fashion or succeed. In many instances, a company's ability to reach profitability may be dependent on its future success in obtaining regulatory approval of its products. However, there can be no assurance that any future clinical trials will be timely commenced, successful, or that regulators will approve any products in a timely manner, or at all.

Regulatory Approval. It is anticipated that the Funds will make investments in portfolio companies that will require regulatory approval before such portfolio companies can market and sell its products in a particular jurisdiction or for a particular indication. The ability to obtain regulatory approval may depend on, among other things, successful completion of clinical trials and demonstrating efficacy with statistical significance and acceptable safety in humans. The results of such clinical trials may not meet the U.S. Food and Drug Administration's, the European Medicines Agency's or other regulatory agencies' requirements to approve any such products for marketing under any specific indication, and these regulatory agencies may also determine that manufacturing processes or facilities are insufficient to support approval. The time required to obtain approval by the FDA to market a new product is unpredictable but typically takes many years and depends upon many factors, including the substantial discretion of the regulatory authorities. In addition, the requirements governing the conduct of clinical trials, marketing authorization, pricing and reimbursement vary widely from country to country, and a portfolio company may be unable to meet such requirements. If a portfolio company fails to obtain regulatory approval in a timely manner with respect to any products, the commercialization of such products could be delayed or abandoned and could have a material adverse effect on such portfolio company's business and prospects.

Impact of Government Regulation, Reimbursement and Reform. Certain industry segments in which the Funds intend to invest, including various segments of the healthcare (including medical device) and biotechnology industries, are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government and/or private reimbursement programs. While the Funds intend to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including in particular the healthcare and biotechnology industries, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or

an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which a Fund invests. By way of example, the healthcare industry has been, and will likely continue to be, significantly impacted by recent legislative changes, and various U.S. federal, state or local or non-U.S. legislative proposals related to the healthcare industry are introduced from time to time, which, if adopted, could have a significant impact on the healthcare industry in general and/or on companies in which a Fund may invest.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Funds (including the Management Fee payable to Satter Management Group) may exceed its income, thereby requiring that the difference be paid from the applicable Fund's capital, including unfunded Commitments. Moreover, a limited partner will be required to report and pay taxes on its allocable share of income from a Fund, even though no cash may be distributed by such Fund. Each limited partner should ensure that it has sufficient cash flow from other sources to pay all tax liabilities from such limited partner's ownership of a partnership interest.

Long Holding Period. Satter Management Group may, in its sole discretion, dispose of investments at any time, including publicly traded portfolio company securities. Satter Management Group will not be obligated to, and has no current intention to, distribute any publicly tradable portfolio company securities to the limited partners. Accordingly, a Fund may hold investments for a significant period of time.

Limited Transferability of Fund Interests. There will be no public market for the Funds' interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under each Partnership Agreement and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.

Restricted Nature of Investment Positions. There may be no readily available market for Fund investments, and hence, certain of a Fund's investments will be difficult to value. Certain investments may be distributed in kind to investors in a Fund and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such investors in the relevant Fund. After a distribution of securities is made to the investors in a Fund, many investors may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such investors in a Fund may be lower than the value of such securities determined pursuant to the applicable Partnership Agreement, including the value used to determine the amount of carried interest available to the General Partner with respect to such investment.

Reliance on Satter Management Group and Portfolio Company Management; Time and Attention. Control over the operation of a Fund will be vested with the General Partner, and a

Fund's future profitability will depend largely upon the business and investment acumen of the Principal. The loss or reduction of services of the Principal could have a material adverse effect on a Fund's ability to realize its investment objectives. In addition, the Principal may need to devote substantial amounts of his time to his existing medical technology and other portfolio companies and may in the future manage other investment funds besides the Funds and the Principal may need to devote substantial amounts of his time to the investment activities of such other funds, which in each case may pose conflicts of interest in the allocation of the time of the Principal. Limited partners generally have no right or power to take part in the management of a Fund, and as a result, the investment performance of a Fund will depend on the actions of Satter Management Group. Although Satter Management Group will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis.

Limited Operating History. The Funds have limited (or no) operating history and will be entirely dependent on Satter Management Group and the Principal. While the Principal has previous experience making and managing investments similar to those contemplated by the Funds, the Principal has limited experience managing and investing a committed pool of funds in the medical technology sector. Furthermore, there can be no assurance that a Fund's investments will achieve results similar to those attained by previous investments of the Principal. In addition, a Fund's investments may differ from previous investments made by the Principal in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure, and holding period.

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 Satter Management Group 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.

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 a Fund's activities, including the ability of a Fund to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives. The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the recent downturn in the U.S. and global financial markets, 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.

Non-U.S. Investments. A Fund may invest in portfolio companies that are organized or headquartered 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 to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a Fund), the application of complex U.S. and non-U.S. tax rules to cross border investments, possible imposition of non-U.S. taxes on a Fund and/or the limited partners thereof with respect to a Fund's income, and possible non-U.S. tax return filing requirements for a Fund and/or the limited partners thereof.

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) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) 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.

Hedging Arrangements. Satter Management Group 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. A 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 a 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 a Fund to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements may create for Satter Management Group and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission or other regulator or comply with an applicable exemption.

Public Company Holdings. A Fund's investment portfolio may contain securities and debt issued by publicly held companies. Such investments may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include 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 and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the Principal, and increased costs associated with each of the aforementioned risks.

Director Liability. The Principal and other personnel of Satter Management Group are currently members of the board of directors (or similar governing body) of certain of the companies in which a Fund may invest and may serve (or a Fund may designate another person to serve) on the board of directors (or similar governing body) of other companies in which a Fund invests. In such cases, the Principal or other representative is (or will be) subject to fiduciary duties in connection with serving on such boards. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Fund's representatives, and ultimately the applicable Fund, to potential liability. For example, a Fund may participate in portfolio company financings at valuations lower than the valuations in preceding rounds of financing. Disputes arising out of such down-round financings may result in a Fund, the relevant General Partner or the Principal being named as defendants. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from a Fund's investment activities.

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 uncertainty may be compounded by local, regional or global health crises including but not limited to the rapid and/or pandemic spread of novel viruses (e.g., SARS, MERS, COVID-19 (Coronavirus) and/or other similar epidemics). Such health crises could exacerbate the political, social and economic risks previously mentioned, and result in significant breakdowns, delays and other disruptions to important global, local and regional supply chains, with potential corresponding results on the operating performance of affected portfolio companies. A climate of uncertainty 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 a Fund and its portfolio companies to execute their respective strategies and to receive an attractive price on the disposition of businesses. This may slow the rate of future investments by a Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon a Fund's portfolio companies.

Global Public Health Considerations. Disease outbreaks and other public health conditions, such as the recent global outbreak of the coronavirus, in markets in which Fund portfolio companies and/or their consumers, customers, suppliers or manufacturers reside and operate, could have a significant negative impact on the operating revenues, profitability and business of certain Fund portfolio companies. The occurrence of these types of events can result, and in the case of the coronavirus has resulted in, disruptions and damage to the business of affected companies, caused by both the negative impact to such companies' ability to operate normally and the negative impact on consumer purchasing behavior. The coronavirus outbreak continues to be fluid and uncertain, making it difficult to forecast the final impact it could have on affected companies' future operations. If any portfolio companies experience prolonged exposure

to the consequences of disease outbreaks, such as the coronavirus, their business could be substantially harmed, which could result in losses to a Fund in respect of such portfolio companies.

Trade Matters. The current United States administration has threatened to impose more stringent trade terms with China and other countries. Despite the execution of a trade deal between the U.S. and China in January 2020, tariffs in some cases will remain in place, albeit at a lower rate. This could lead to increased costs and diminished sales opportunities for affected companies in the U.S. and China markets. The current United States administration's trade policies could result in further conflicts with United States trading partners, which could adversely affect certain companies' supply chains, sourcing and markets. Non-U.S. countries may impose additional burdens on companies through the use of local regulations, tariffs or other requirements, which could increase affected companies' operating costs in those foreign jurisdictions. At this time, it remains unclear what actions, if any, the current administration will take with respect to other international trade agreements. Any of the foregoing could result in losses to a Fund in respect of affected portfolio companies.

Market Conditions. The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for a Fund and may affect a Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in a Fund's investments and could have a negative impact on the performance and/or valuation of the portfolio companies. A Fund's performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a Fund to sell and/or partially dispose of its portfolio company investments at prices that Satter Management Group believes reflect the fair value of such investments.

Lack of Unilateral Control. Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent the Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, or makes a minority investment, the relevant portfolio companies may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the Funds or their limited partners. Such third parties may be in a position to take action contrary to the relevant Fund's business, tax or other interests, and such Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment.

Subscription Lines. A Fund may enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments). Fund-level

borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in incremental partnership expenses that will be borne by investors. These expenses may include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Governing Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations.

A credit agreement may contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, a subscription line may impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in the Fund. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the General Partner to fund investments and pay partnership expenses without calling capital. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time.

Material Non-Public Information; Other Regulatory Restrictions. In the ordinary course of business, the Principal and his affiliates frequently come into possession of confidential or material, non-public information. Therefore, the Principal and his 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. Due to these restrictions, a Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Satter Management Group 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 Satter Management Group'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 Satter Management Group 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.

Limited Access to Information. Limited partners' rights to information regarding a Fund, the relevant General Partner or Satter Management Group generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that Satter Management Group 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 Satter Management Group's control. The withholding of any such 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 Satter Management Group and its performance. Additionally, it is anticipated that limited partners (or any designees of such limited partners) that 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.

Valuation of Assets. There may not be an actively traded market for certain of the securities owned by the Funds. When estimating fair value, Satter Management Group will apply a

methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. 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 Satter Management Group 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.

Co-Investments. Satter Management Group is permitted, in its sole discretion, to provide or commit to provide co-investment opportunities to one or more limited partners and/or other persons, in each case on terms to be determined by Satter Management Group in its sole discretion. Conflicts of interest may arise in the allocation such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by Satter Management Group in its sole discretion, may not be in the best interests of a Fund or any individual limited partner. In exercising its sole discretion in connection with such co-investment opportunities, Satter Management Group may consider some or all of a wide range of factors, which may include the likelihood that an investor may invest in a future fund sponsored by Satter Management Group or its affiliates. A Fund may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may 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 a Fund, or may be in a position to take action contrary to the investment objectives of a Fund. In addition, a Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner.

Conflicts of Interest

Satter Management Group and its Principal engage in a broad range of advisory and non-advisory activities, including investment activities for the Funds and the Principal Group. Satter Management Group and its Principal will devote such time, personnel and internal resources as are necessary and appropriate to conduct the business affairs of the Funds (as required by the relevant Partnership Agreement) and its other clients. In the ordinary course of Satter Management Group conducting activities, the interests of a Fund likely will conflict with the interests of Satter Management Group or the Principal Group, one or more other accounts managed by Satter Management Group, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, Satter Management Group will determine all matters relating to structuring transactions, Fund operations and the Principal Group using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by a Fund's Advisory Board, as applicable.

Fund I expects to invest a significant portion of its Commitments in medical technology companies (including public companies) in which the Principal Group has existing investments ("**Fund Follow-on Investments**"). These companies are well-known to the Principal and may be attractive potential investment opportunities for Fund I that would likely not otherwise be available to Fund I, but for the Principal Group's existing investment. However, investors should be aware

that Fund Follow-on Investments can give rise to actual or potential conflicts of interest and other important considerations, certain of which are discussed below.

Fund Follow-on Investments generally are made in the sole discretion of the General Partner without the consent of (or prior notice to) the Fund I Advisory Board or any limited partner of Fund I. If Fund I makes a Fund Follow-on Investment in a company, then the Principal Group will generally commit to invest alongside Fund I (including through the Principal Group Fund) in an amount such that, after giving effect to such investment, the General Partner and the Principal Group will collectively have made an investment in such portfolio company that is expected to be equal to 20% of the total amount (valued at original cost) that Fund I, the General Partner and the Principal Group have invested in such portfolio company (inclusive of the General Partner's Commitment to Fund I, and after also taking into account and including for purposes of such 20% calculation the original cost of all prior investments made by the Principal Group in such portfolio company prior to the initial closing of Fund I). Thus, even though the Principal Group will own at least 20% of the total amount invested by the Principal Group and Fund I in that portfolio company (determined as described above), depending on the size of the Principal Group's existing investment in the company and the anticipated size of a Fund Follow-on Investment, it is possible the Principal Group will only participate in that Fund Follow-on Investment in respect of the General Partner's 1% aggregate Commitment to Fund I, and in any event, such participation will be less than the 20% aggregate participation in that round of investment that would apply if it was not a portfolio company in which the Principal Group had an existing investment. When applicable, this can lead under certain circumstances to a lack of complete alignment between the interests of the General Partner and the Principal Group and the interests of the limited partners.

From time to time, the General Partner expects that a Fund Follow-on Investment will be made at higher valuation, in a different security, or otherwise on less favorable terms, than the Principal Group's existing investment in the applicable portfolio company. Those differences may benefit the Principal Group's existing investment in the portfolio company. Furthermore, if the Principal Group's existing investment in a portfolio company is at a lesser valuation than Fund I's investment in that portfolio company, the Principal Group's aggregate return (or amount of loss) in respect of that portfolio company may be significantly greater (or lesser) than that realized by Fund I. When applicable, this can lead under certain circumstances to a lack of complete alignment between the interests of the General Partner and the Principal Group and the interests of the limited partners.

A Fund Follow-on Investment in a company may directly benefit the Principal Group's existing investment in that company. For example, the Principal Group and other investors in a particular company may suffer significant penalties (such as a forced conversion of preferred equity to common equity, significant dilution and/or a loss of significant contractual rights) if they fail to invest (either alone or with affiliates) their pro rata share in that portfolio company's subsequent equity financing rounds pursuant to "pay-to-play" or similar provisions. Thus, a Fund Follow-on Investment in that company may be in an amount sufficient to satisfy the Principal Group's investment obligation under these "pay-to-play" or similar provisions (and, as described above, the General Partner may be contributing only 1% of the necessary capital for such investment, and in any event less than the amount the Principal Group would contribute if it was not Fund I's initial investment in a portfolio company in which the Principal Group had an existing investment). When applicable, this can lead under certain circumstances to a lack of complete

alignment between the interests of the General Partner and the Principal Group and the interests of the limited partners.

In the event that Fund I invests in a portfolio company in which the Principal Group has an existing investment, particularly a public company, it is possible that Fund I may become subject, directly or indirectly, to various filing and disclosure requirements and regulatory restrictions that may not otherwise have been applicable but for the Principal Group's existing investment in that company. For example, various SEC rules and regulations and filing requirements (including Section 13D disclosure obligations and Section 16 short-swing trading rules under the Securities Exchange Act of 1934, as amended) are based on ownership levels in the particular public company and would require the existing ownership interests of the Principal Group to be aggregated with the ownership interests of the Funds. Thus, the Funds would become directly or indirectly subject to potentially burdensome or onerous regulatory provisions, including increased obligations to disclose information regarding the Funds' investment in such company and limitations on the ability of the Funds to dispose of securities of such company at certain times, even though the Funds' ownership interest on its own would not satisfy the requisite ownership threshold. In addition, the cost of any such filings will be borne by the relevant Fund(s).

The Principal and other personnel of Satter Management Group currently are members of the board of directors of certain of the Principal Group's existing medical technology portfolio companies and the Principal and/or other representatives of the General Partner may serve on the board of directors (or similar governing body) of a Fund's portfolio companies. Accordingly, such person(s) will owe fiduciary duties to the portfolio company and its stockholders in connection with serving on such boards. Those fiduciary duties may conflict with the best interests of a Fund and the limited partners (including as it relates to investment pricing and investment allocation decisions for those portfolio companies). Furthermore, a Fund's representative on the portfolio company board may need to recuse himself or herself from certain board deliberations and decisions relating to a Fund's participation in financing or other transactions with the portfolio company.

Where a Fund and the Principal Group (or the Principal Group Fund) invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, a Fund and/or the Principal Group may or may not provide such additional capital, and if provided, the applicable Fund(s) generally will supply such additional capital in such amounts, if any, as determined by Satter Management Group in its sole discretion (subject to relevant provisions in any applicable Partnership Agreement or other governing documents).

Satter Management Group believes that the Principal Group's significant investment in each of Fund I's portfolio companies, as well as the General Partner's carried interest in such companies through Fund I, the limited partners' 6% preferred return from Fund I, the Advisory Board established to provide advice and counsel in connection with potential conflicts and other Fund I matters, and the Principal's reputation for integrity and desire to protect his personal reputation, will operate to align, to a great extent, the interests of the General Partner and the

Principal Group with the interests of the limited partners. However, Satter Management Group has nonetheless put in place various additional safeguards to permit the Funds to make investments in companies in which the Principal Group has an existing investment (to the extent such investments are available) while at the same time aiming to protect against and/or mitigate to a large extent any potential conflicts of interest (including those described above). In particular, the General Partner has agreed that, without the prior consent of Fund I's Advisory Board, or except as set forth in the applicable Partnership Agreement, (i) Fund I will not make a Fund Follow-on Investment in a private company in which the Principal Group and Fund I would collectively purchase more than 50% of the securities sold in that financing round (so as to ensure that unrelated parties will purchase at least 50% of the securities in each such financing round), (ii) Fund I will not make a Fund Follow-on Investment in a company if the securities purchased by Fund I in that company are junior in liquidation preference to the existing securities in that company held by the Principal Group immediately following such investment, (iii) the Principal Group will not sell or otherwise dispose of any of its existing interests in a Fund I portfolio company unless Fund I sells a proportionate interest held by it (based on the total number of shares or other securities held by the Principal Group and the Funds) generally on the same price and terms and (iv) until such time as the General Partner may form a successor fund, the Principal Group will not make a follow-on investment in a portfolio company in which the Principal Group has an existing investment unless Fund I participates in that investment as described herein and in Fund I's Partnership Agreement.

Subject to any relevant restrictions or other limitations contained in the relevant Partnership Agreement, Satter Management Group will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, Satter Management Group may be faced with a variety of potential conflicts of interest.

Satter Management Group also determines if the amount of an investment opportunity in which Fund I will invest exceeds the amount that would be appropriate for Fund I, and Satter Management Group reserves the right to offer any such excess to one or more potential co-investors, including third parties, as determined by the Governing Documents, Side Letters and Satter Management Group's procedures regarding allocation. Satter Management Group's procedures permit it to take into consideration a variety of factors in making such determinations. Furthermore, Satter Management Group reserves the right 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 are permitted to be offered to some and not to other Fund I investors, and the consideration of the factors set forth in Satter Management Group's allocation policies has the potential to result in certain investors receiving multiple opportunities to co-invest while other investors may receive fewer or no such opportunities. Satter Management Group's allocation of co-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.

In certain cases, Satter Management Group will have the opportunity (but, subject to any applicable restrictions or procedures in the relevant Partnership Agreement, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, Satter Management Group will use its discretion to select such transferees based on suitability and other factors, and

unless required by the relevant Partnership Agreement, 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.

Satter Management Group, 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, current and 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 (potentially including services at reduced rates) to, Satter Management Group and/or its affiliates, and/or the Funds or other investment vehicles they advise. Satter Management Group may have a 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 Satter Management Group information about markets and industries in which Satter Management Group operates (or is contemplating operations) or will provide other services that are beneficial to Satter Management Group.

Satter Management Group generally exercises its discretion to recommend to a Fund that it contract for services with certain service providers (which could include (i) an entity with which Satter Management Group or its affiliates or current or former members of their personnel has a relationship or from which Satter Management Group or its affiliates or their personnel otherwise derives a benefit; or (ii) certain limited partners or their affiliates). In exercising its discretion to retain service providers, Satter Management Group is subject to potential conflicts of interest to the extent the use of a particular service provider (*e.g.*, a limited partner) could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Satter Management Group. Satter Management Group will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although Satter Management Group 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. 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.

Because Satter Management Group's carried interest is based on a percentage of net realized profits, it may create an incentive for Satter Management Group to cause a Fund to make riskier or more speculative investments (or hold investments for longer periods) than would otherwise be the case. Also, 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 may create an incentive to deploy capital when Satter Management Group may not otherwise have done so. Since Satter Management Group is permitted to retain certain Supplemental Fees (as described under "Fees and Compensation") in connection with Fund

investments, it could have a conflict of interest in connection with approving transactions and setting such compensation.

Satter Management Group and/or its affiliates are permitted 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, information rights, co-investment rights, and liquidity or transfer rights.

Any of these situations subjects Satter Management Group and/or its affiliates to potential conflicts of interest. Satter Management Group attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds, the Principal Group and any other investors in investment vehicles managed by the Satter Management Group. To the extent that an investment or relationship raises particular conflicts of interest, Satter Management Group will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Satter Management Group consults and receives consent to conflicts from a Fund's Advisory Board.

DISCIPLINARY INFORMATION

Satter Management Group and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Satter Management is affiliated with the General Partner, which is registered with the SEC under the Advisers Act pursuant to Satter Management's registration in accordance with SEC guidance. Together, Satter Management and the General Partner operate as a single advisory business and generally share common owners, employees, consultants or persons occupying similar positions.

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

Satter Management Group has adopted the Satter Management Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of Satter Management Group personnel and addresses conflicts that arise from personal trading. The Code requires certain Satter Management Group personnel to report their personal securities transactions, prohibits or requires pre-clearance for Satter Management Group personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Satter Management Group personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the Satter Management Group Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Satter Management Group's Chief Compliance Officer. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

Satter Management Group and its affiliated persons may come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, Satter Management Group and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Satter Management Group.

Accordingly, should Satter Management Group or any of its affiliated persons come into possession of material non-public or other confidential information with respect to public and non-public companies, Satter Management Group generally would be prohibited from communicating such information to clients, and Satter Management Group will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Satter Management Group personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

Satter Management Group, the Principal and other Satter Management Group personnel carry on investment activities for their own account and for family members, friends or others who do not invest in a Fund, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. As discussed above, the Principal Group may have differing or varying positions from the Funds, and except with respect to any applicable restrictions under a relevant Fund's Partnership Agreement, Satter Management Group has the discretion to recommend the purchase and sale (including the amount of any such purchase or sale) of securities with respect to Principal Group account assets subject to its management, which recommendations may differ among Principal Group accounts and/or from any such recommendations made to a Fund.

BROKERAGE PRACTICES

When Satter Management Group buys or sells publicly traded securities for a Fund or other client, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Satter Management Group. In such event, Satter Management Group will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Satter Management Group reserves the right to consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

Satter Management Group 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 Satter Management Group 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.

Consistent with Satter Management Group seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although Satter Management Group generally does not make use of such services at the current time and has not made use of such services since its inception. To the extent that Satter Management Group allocates brokerage business on the basis of research services in the future, it may have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on its clients' interest in receiving most favorable execution.

Orders for purchase or sale of publicly traded securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for clients are completed independently, Satter Management Group may also purchase or sell the same securities or instruments for several clients simultaneously, including the Principal Group. From time to time, Satter Management Group may, 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 or other client of Satter Management Group is favored over any other client. When an aggregated order is filled in its entirety, each participating client 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 they are fair and equitable to clients over time.

In Satter Management Group's private company securities transactions on behalf of the Fund(s), Satter Management Group may 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, Satter Management Group may 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 Satter Management Group generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Fund(s) may not pay the lowest commission or fee for such services.

REVIEW OF ACCOUNTS

The investments made by the Funds are generally long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Satter Management Group closely monitors companies in which the Funds invest, and the Satter Management Group Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Each Fund generally will provide to its limited partners (i) annual GAAP audited financial statements; (ii) quarterly unaudited capital statements and (iii) annual tax information necessary for each limited partner's tax return.

CLIENT REFERRALS AND OTHER COMPENSATION

Satter Management Group and/or its affiliates may provide certain business or consulting services to companies in a Fund's portfolio and may receive compensation from these companies in connection with the performance of such services. As described in the relevant Partnership Agreement, this compensation may, in many cases, offset a portion of the Management Fees paid by such Fund. However, in other cases (*e.g.*, reimbursements for out of pocket expenses directly related to a portfolio company), these fees may be in addition to Management Fees. *See* "Fees and Compensation."

From time to time, Satter Management Group may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents will be borne by Satter Management Group indirectly through an offset against the Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

CUSTODY

Satter Management Group maintains custody of assets held in the name of the Fund(s) with the following "qualified custodians," as defined under the Advisers Act: Bank of America, N.A., Carta Securities, LLC and CIBC Bank USA.

INVESTMENT DISCRETION

Satter Management Group has discretionary authority to manage investments on behalf of each Fund and other accounts. As a general policy, Satter Management Group does not allow clients to place limitations on this authority. Pursuant to the terms of the applicable Partnership Agreement, however, Satter Management Group and/or its affiliates may enter into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Satter Management Group assumes this discretionary authority pursuant to the terms of the relevant Partnership Agreements and powers of attorney executed by the limited partners of such Fund.

VOTING CLIENT SECURITIES

Satter Management Group has adopted the Satter Management Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for a Fund’s portfolio investments. The Proxy Policy seeks to ensure that Satter Management Group votes proxies (or similar instruments) in the best interest of a Fund, including where there may be material conflicts of interest in voting proxies. Satter Management Group generally believes its interests are aligned with those of each Fund’s investors, for example, through the principals’ beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Satter Management Group may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund’s Advisory Board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund’s Advisory Board may approve Satter Management Group’s vote in a particular solicitation. Satter Management Group does not consider service on portfolio company boards by the Principal or other Satter Management Group personnel to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Satter Management Group when voting proxies on behalf of a Fund. Clients or investors that would like a copy of Satter Management Group’s complete Proxy Policy or information regarding how Satter Management Group voted proxies for particular portfolio companies may contact Satter Management Group’s Chief Compliance Officer, and it will be provided at no charge.

FINANCIAL INFORMATION

Satter Management Group does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.