

NEW LEAF VENTURE PARTNERS, L.L.C.

FORM ADV – PART 2A

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This brochure provides information about the qualifications and business practices of New Leaf Venture Partners, L.L.C. (referred to herein as “New Leaf”). If you have any questions about the contents of this brochure, please contact us at (646) 871-6400 or via email at Craig@nlvpartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT NEW LEAF OR ANY OF THE PERSONNEL OR EMPLOYEES OF NEW LEAF POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.

Item 2 - Material Changes

This Brochure dated March 18, 2020 serves as an update to the Brochure dated March 29, 2019. While there have been no material changes to the Brochure, we have made certain routine updates.

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Item 4 - Advisory Business

New Leaf is a venture capital firm that was founded in 2005 and provides investment advisory services to various investment funds sponsored or organized by New Leaf (the “Funds”). The principal owners of New Leaf are Ron Hunt, Vijay Lathi and Liam Ratcliffe. A related person of New Leaf generally acts as the general partner of (or in another equivalent management position for) each Fund. References to New Leaf in this Brochure include, as the context requires, affiliates through which New Leaf provides investment advisory services or that act in any capacity referenced in the previous sentence. References to “person” in this Brochure include, as the context permits, natural persons and entities.

New Leaf focuses primarily on equity investments in venture and growth-stage healthcare and life sciences companies. Fund investments typically take the form of venture capital or growth capital transactions in private companies, or as structured transactions in small capitalization public companies. Although the primary focus of each Fund is on venture capital and growth equity investments in companies based in the U.S., New Leaf may from time to time recommend other types of investments (such as publicly traded equity, selective early-stage investments in privately-held companies or investments in companies outside of the U.S.) to the extent consistent with the respective Fund’s investment strategy and objectives and its Governing Documents (as defined below).

New Leaf’s advisory services consist of: (i) investigating, identifying and evaluating investment opportunities; (ii) structuring, negotiating and making investments on behalf of the Funds; (iii) managing and monitoring the performance of such investments; and (iv) exiting such investments on behalf of the Funds. New Leaf’s advisory services to each Fund are subject to the specific investment objectives and restrictions applicable to such Fund, as set forth in each Fund’s limited partnership agreement, confidential private placement memorandum and other governing documents (collectively, the “Governing Documents”). Investors and prospective investors in each Fund should refer to the Governing Documents of that Fund for information on the investment objectives and investment restrictions with respect to that Fund. There can be no assurance that any of the Funds’ investment objectives will be achieved.

In accordance with common industry practice, one or more of the Funds or their general partners may enter into “side letters” or similar agreements with certain investors pursuant to which the Fund or its general partner grants the investor specific rights, benefits, or privileges that are not made available to investors generally. Such “side letters” or similar agreements generally are disclosed only to investors in the applicable Fund that have separately negotiated with New Leaf for the right to review such “side letters” or similar agreements.

New Leaf does not participate in any wrap fee programs.

New Leaf manages assets of the Funds on a discretionary basis in accordance with the terms and conditions of each Fund's Governing Documents. New Leaf does not manage client assets on a non-discretionary basis. As of December 31, 2019, New Leaf's regulatory assets under management were \$958,932,845.

Item 5 - Fees and Compensation

Compensation and Fee Schedules

New Leaf typically receives an advisory fee from each of the Funds, which is generally equal to a percentage of the capital commitments to such Fund. The fee percentage and/or the base upon which the fee is calculated may vary with the size of the Fund and may also vary over the life of the Fund, as negotiated and determined at the time the Fund is established and as set forth in its Governing Documents. In addition, a related person of New Leaf, as general partner of a Fund, will typically receive certain allocations and distributions calculated and charged based on a share of capital gains on or capital appreciation of the assets of such Fund, as negotiated and determined at the time such Fund is established and as set forth in its Governing Documents. These allocations and distributions are commonly known as "carried interest." Different Funds may be subject to different management fees and performance-based compensation arrangements.

In limited circumstances, the advisory fees and carried interest payable to New Leaf by a Fund may be waived or reduced with respect to certain participants in such Fund. Fees are typically waived or reduced with respect to investments in the Funds by New Leaf or its related persons.

Please refer to the Governing Documents of each applicable Fund for complete information on the fees and compensation payable with respect to such Fund. All New Leaf clients are "qualified purchasers" as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "Company Act"), and therefore New Leaf has not included specific fee information in this Brochure. New Leaf does not receive an advisory fee with respect to NLV Partners Co-Invest I, LLC.

Investors and prospective investors in the Funds should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees.

Deduction of Fees; Timing of Payments; Termination

New Leaf is authorized under the Funds' Governing Documents to charge and deduct advisory fees directly from the assets of the Funds. Payments of advisory fees are generally made quarterly in advance in accordance with the terms of the Governing Documents. Please refer to the Governing Documents of each of the Funds for complete information on the timing of advisory fee payments.

To the extent management fees are assessed in advance, the Funds' Governing Documents require such fees to be returned to the limited partners of such Funds should

New Leaf's management services to the Fund be terminated prior to the end of the period in which the fees have been paid (including, for example, situations where the final distribution by a Fund occurs prior to the end of a period for which management fees have already been paid). In general, the amount of such fees to be returned is calculated based on the number of days remaining in the applicable period.

Other Fees and Expenses

In addition to any advisory fees payable to New Leaf, a Fund will incur certain charges imposed by third parties and other expenses. Such expenses may include (but are not limited to): organizational and liquidation expenses of a Fund; the advisory fees; any placement agent fees (subject to an offset of such amount against the advisory fee payable by the Fund to New Leaf); any taxes that may be assessed against a Fund; all costs and expenses incurred by or on behalf of a Fund in connection with acquiring, holding and disposing of securities (including any merger fees payable to third parties) or other investments in portfolio companies (including transactions which are not consummated); all expenses relating to any litigation, investigation, proceeding or audit, and any threatened litigation, investigation, proceeding or audit, involving a Fund, the general partner of a Fund or New Leaf or such general partner's or New Leaf's respective partners, members, managers, officers and employees related to the business or activities of a Fund; legal, consulting, investment banking, commercial banking, borrowing, custodial, auditing, accounting and other professional service fees and expenses incurred by or on behalf of a Fund (including, without limitation, expenses associated with the preparation of a Fund's financial statements, tax returns and other filings, and Schedule K-1s); costs and expenses in connection with a Fund's legal and regulatory compliance with U.S. (federal, state or local) or non-U.S. laws or regulations; premiums for liability insurance to protect a Fund, its general partner, New Leaf and/or their respective directors, officers, employees or agents in connection with the activities of a Fund; premiums for any "key man" insurance; market data costs; research-related expenses, including, news and quotation equipment, software and services; costs and expenses for indemnification under a Fund's Governing Documents; expenses incurred in connection with the managed distribution of marketable securities; liquidation expenses of a Fund; expenses (including travel-related expenses) incurred in connection with annual or other meetings of a Fund's partners, whether individually or as a group; all expenses of a Fund's advisory board, and any expenses of any technical or scientific advisory board with which a Fund or New Leaf consults (including travel-related expenses); and all other ordinary operating expenses, or non-recurring or extraordinary expenses attributable to the activities and operations of a Fund.

Where expenses are attributable to multiple Funds, or the Funds and New Leaf, New Leaf will seek to allocate such common expenses in a good faith, equitable manner. The facts surrounding each reimbursable item are reviewed separately and where applicable, policies are developed for calculating expense allocations that are based on comparative factors, including, but not limited to, relative Fund capital commitments, percentage ownership in a particular portfolio company and remaining investments in a Fund. New Leaf has a formal written policy governing the allocation of expenses amongst the Funds when applicable.

The types of other fees and expenses incurred will vary from Fund to Fund. Please refer to the Governing Documents of each applicable Fund for more complete information.

The section titled “Brokerage Practices” (Item 12 below) describes the factors New Leaf considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation.

Timing of Payments

Please refer to the subsection titled “*Deduction of Fees; Timing of Payments; Termination*” described above.

Transaction-Based Compensation

New Leaf does not receive any transaction-based compensation from the Funds for the sale of securities or other investment products to any Fund. Please refer to the subsection titled “*Economic Benefits Received from Third Parties*” in Item 14 below for information on types of compensation that New Leaf may receive with respect to investments by the Funds.

Item 6 - Performance-Based Fees and Side-by-Side Management

Performance-Based Fees

As discussed under the section titled “Fees and Compensation” (Item 5 above), a related person of New Leaf, as general partner of a Fund, will typically receive a carried interest based on a share of capital gains on or capital appreciation of the assets of such Fund as set forth in such Fund’s Governing Documents.

The performance-based carried interest arrangements discussed above comply with Rule 205-3 under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). Any share of profits allocated and distributed to the general partner of a Fund is separate and distinct from the advisory fees charged by New Leaf to such Fund for advisory services.

Performance-based carried interest arrangements may create an incentive for New Leaf to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee or compensation arrangement. Please refer to the Governing Documents of each Fund for complete information on the “performance-based fee” arrangements of each Fund.

Side-by-Side Management

New Leaf may provide concurrent advisory services to Funds that are not charged a performance-based fee or carried interest and Funds that are charged a performance-based fee or carried interest. New Leaf may also provide concurrent advisory services to Funds that are charged different performance-based fees or carried interests or that, based

on investment results at a given time, are more likely to generate performance-based fees or carried interest. As a result, the potential for New Leaf's related persons to receive different fees or carried interests creates a potential conflict of interest with respect to the allocation of investment opportunities because New Leaf may have an incentive to direct the best investment ideas to, or to allocate investments in favor of, the account that pays a more favorable performance fee or carried interest.

To mitigate this potential conflict of interest, the allocation of investment opportunities among Funds is made by New Leaf in accordance with its investment allocation policy, which takes into account multiple criteria, including: (i) differences with respect to available capital (*e.g.*, current or anticipated capital available for investment, including anticipated follow-on investments, if applicable), size, and remaining life of each Fund; (ii) the nature of the investment opportunity (including the size and anticipated follow-on investment requirements); (iii) potential conflicts of interest (including whether a Fund has an existing investment in the opportunity in question); (iv) the relevant allocation of investment opportunity provisions and restrictions in each Fund's Governing Documents; (v) tax, legal or regulatory considerations; and (vi) current and anticipated market conditions. In the event that investment opportunities are suitable for more than one Fund, New Leaf and its related persons seek to derive an allocation that in their judgment is fair and equitable to each Fund relative to other Funds over the life of such Fund, taking into account all relevant facts and circumstances.

To the extent that multiple Funds hold an interest in the same portfolio company, it is New Leaf's policy that disposition opportunities with respect to that investment will, to the extent practicable, be allocated among such Funds on a basis that, in the judgment of New Leaf, is fair and equitable to each Fund relative to other Funds, taking into account all relevant facts and circumstances, including (without limitation): (i) the relative ownership percentages of the Funds in the applicable portfolio company; (ii) the strategies, guidelines and restrictions of each Fund under its Governing Documents; (iii) other relevant provisions in a Fund's Governing Documents or in other agreements related to the Fund's investment in such issuer; (iv) liquidity needs for each Fund and the investment cycle of a particular Fund; (v) respective holding periods for the investment; (vi) the nature and size of the disposition opportunity; (vii) current and anticipated market conditions; and (viii) tax, legal or regulatory considerations.

Item 7 - Types of Clients

Types of Clients

New Leaf generally provides investment advice to pooled investment vehicles, such as the Funds. The limited partners of (or investors in) the Funds may include corporations, financial institutions, funds-of-funds, governmental bodies or agencies, insurance companies, endowments, foundations, trusts, estates, high net worth individuals, and pension and profit-sharing plans.

In connection with the formation and management of a Fund, New Leaf may form certain related entities for such Fund. New Leaf may establish vehicles to address tax, legal or

regulatory issues or requirements of certain investors in such Fund or for other purposes. New Leaf may also form “parallel funds” to invest alongside a Fund in all of its investments. In addition, New Leaf may form “alternative investment vehicles” or special purpose vehicles (collectively, “AIVs”) for the purpose of facilitating certain investments by one or more Funds. Please refer to the Governing Documents of the applicable Fund for more complete details on parallel funds and AIVs.

New Leaf may also provide investment management and supervisory services to separate account clients.

Minimum Investment Requirements

Interests in the Funds are offered in private placements under the U.S. Securities Act of 1933, as amended (the “Securities Act”). As a result, New Leaf generally offers limited partner (or equivalent) interests in the Funds to a limited number of “accredited investors” as defined in Regulation D under the Securities Act and, in most cases, exclusively to “qualified purchasers” as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended.

In general, the minimum investment commitment required of an investor to participate in a Fund is \$5,000,000; however, the general partner of each Fund has discretion to increase or reduce the minimum investment commitment. Investors and prospective investors in each Fund should refer to the Governing Documents of such Fund for more complete information on minimum investment requirements for participation in such Fund.

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

Investment Strategies

New Leaf focuses primarily on equity investments in privately held, venture and growth-stage operating companies in the biopharmaceutical, information convergence, medical devices and biological research tools & infrastructure industries. Equity investments may also be structured transactions in small capitalization public companies. Investments by the Funds seek to establish meaningful ownership positions in portfolio companies and, in most cases, New Leaf actively manages its investments with representation on portfolio company boards of directors. Although the primary focus of each Fund is on equity investments in companies based in the U.S., New Leaf may from time to time recommend other types of investments (such as investments in companies outside of the U.S.) to the extent consistent with the respective Fund’s investment strategy and objectives and its Governing Documents.

Methods of Analysis

New Leaf takes a proactive approach to deal sourcing, which focuses on both private and public opportunities. New Leaf’s goal is to identify opportunities that are based on the most interesting novel and proprietary technologies, but place their emphasis on being

positioned for investing in these technologies in the round(s) that offer the most attractive risk-adjusted returns potential. These investment opportunities are identified through a number of parallel efforts, including:

- Systematic tracking of private and public companies that have product programs and technologies targeting disease areas and biological targets of high interest that are approaching key value inflection points. Current activities include comprehensive screening of companies with programs targeting high unmet medical needs where the strength of the science, coupled with a rapid and lower capital intensity development path, provides a compelling risk-reward case for investment;
- Continuous contact with a network of current and former portfolio company management teams;
- Networking with current and former senior management team members from leading pharmaceutical, biotech, medical device, and healthcare information technology companies to understand their strategic priorities and to identify assets/programs that may become available for spinouts or structured financings;
- Staying up to date and in contact with academic thought leaders working in New Leaf's fields of interest;
- Active coverage of major investor, medical and scientific meetings; and
- Working closely with other venture capitalists with overlapping interests to ensure New Leaf sees the broadest range of high-quality opportunities and are positioned for working with the strongest syndicates.

New Leaf applies a rigorous, systematic, fundamentals-driven approach to diligence on all new deals, which, in addition to assessment against the sector specific strategies, includes consideration of the following risk/reward factors:

- Medical need and market size;
- Competing therapies, both drugs and devices;
- Strength of intellectual property;
- Ease of physician adoption of new therapy;
- Specific details of clinical trial design and trial execution risks;
- Regulatory and reimbursement risks across relevant geographies;
- Management team's ability to both execute the business plan and the exit;
- Time and money required to reach next important milestone(s); and
- Likely exit, potential acquirers, initial public offering prospects.

Material Risks

The task of identifying investment opportunities and managing such investments is difficult. There can be no assurance that a Fund will be able to make any particular investment or that a Fund will be able to generate returns for its investors. In addition, there can be no assurance that any investor will receive any distribution from a Fund. Investing in a Fund involves a risk of loss that investors should be prepared to bear.

Investors should carefully consider, among other factors, the following material risks involved with New Leaf's investment strategies. Please refer to the Governing Documents of the applicable Fund for more complete information on the investment strategies employed by such Fund and corresponding risks associated with such investment strategies.

Risks of Venture Capital Investments. While venture capital investments offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in substantial losses. Among these risks are the general risks associated with investing in companies at an early stage of development or with little or no operating history, companies operating at a loss or with substantial variations in operating results from period to period, and companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies may face intense competition, including from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. Due to the limited number of investments that a Fund may make, poor performance by some of a Fund's investments could significantly affect the total returns to such Fund's investors.

Focused Investment Strategy. The Funds will generally be focused on life sciences and healthcare technology investments, and may not enjoy the reduced risks of a broadly diversified portfolio. A specific investment focus is inherently riskier and could cause a Fund's investments to be more susceptible to particular economic, political, regulatory, technological or industry conditions or occurrences compared with a fund, or a portfolio of funds, that is more diversified or has a broader industry focus.

Risks Associated with Investments in Life Sciences and Healthcare Technology Companies. The success of a Fund's portfolio companies may be dependent upon obtaining certain governmental approvals. Companies in the life sciences and healthcare technology industry typically require the approval of agencies such as the Food and Drug Administration (the "FDA") prior to marketing their products to the public. Of particular significance are the FDA requirements covering research and development, testing, manufacturing, quality control, labeling and promotion of drugs for human use. The approval process is very lengthy and very costly, and there can be no guarantee that a portfolio company will obtain the necessary approvals for its products. If a portfolio company is unable to obtain these approvals in a timely fashion, the portfolio company may experience significant adverse effects, which in turn could negatively affect the performance of a Fund. Moreover, the current regulatory framework may change or additional regulations may arise at any stage during the product development phase of a portfolio company, which may affect the company's ability to obtain approval of its products. A Fund may also invest in companies that will need to obtain patents for their products, both in the U.S. and in other countries. The patent protection of the intellectual property of healthcare technology companies in many countries is highly uncertain and involves complex legal, scientific and factual issues. The policy regarding allowable claimed subject matter of life sciences or healthcare technology patents varies from jurisdiction to jurisdiction.

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

Dependence on Reimbursement and Third-Party Pricing Policies for Products.

The ability of a Fund's portfolio companies to commercialize any product candidate successfully also will depend in part on the extent to which reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers and other organizations. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. A major trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and third-party payors, particularly Medicare, have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. Portfolio companies cannot be sure that coverage and reimbursement will be available for any product that they commercialize, and, even if these are available, the level of reimbursement may not be satisfactory.

Reimbursement may affect the demand for, or the price of, any product candidate for which a portfolio company obtains marketing approval. Obtaining and maintaining adequate reimbursement for a portfolio company's products may be particularly difficult because of the higher prices often associated with drugs administered under the supervision of a physician or because a drug may be administered in combination with other drugs that may carry high prices. A portfolio company may be required to conduct expensive pharmacoeconomic studies to justify coverage and reimbursement or the level of reimbursement relative to other therapies. If coverage and adequate reimbursement are not available or reimbursement is available only to limited levels, a portfolio company may not be able to successfully commercialize any product candidate for which it obtains marketing approval. This, in turn, could negatively affect the performance of the Fund.

There may be significant delays in obtaining reimbursement for newly approved drugs, and coverage may be more limited than the purposes for which the drug is approved by the FDA or similar regulatory authorities outside the United States. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers a portfolio company's costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover a portfolio company's costs and may not be made permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs, and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement policies. A portfolio company's inability to promptly obtain coverage and profitable payment rates from both government-funded and private payors for any approved products that a portfolio company may develop could have a material adverse effect on its operating results, its ability to raise capital needed to commercialize products, and its overall financial condition. This, in turn, could negatively affect the performance of a Fund.

Investments in Public Companies. A Fund may invest in public companies or take private portfolio companies public. Investments in public companies may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a Fund to dispose of securities at certain times (including due to the possession by a Fund of material non-public information), increased likelihood of shareholder litigation against such companies' board members, which may include related persons of New Leaf, regulatory action by the U.S. Securities and Exchange Commission and increased costs associated with each of the aforementioned risks.

Portfolio Trading. New Leaf does not generally intend to trade the assets of Funds for short-term profits, however, when circumstances warrant, securities may be sold by a Fund without regard to the length of time held. Any active short-term trading of a Fund's assets will increase such Fund's rate of turnover and related transaction expenses.

Availability of Investment Capital. Many portfolio companies will require several rounds of capital infusions before reaching maturity. A Fund and its co-investors may not provide all necessary follow-on capital to portfolio companies. Accordingly, third-party sources of financing may be required. There is no assurance that such additional sources of financing will be available, or, if available, will be on terms beneficial to a Fund. Furthermore, a Fund's capital is limited and may not be adequate to protect such Fund from dilution resulting from multiple rounds of portfolio company financings. If a Fund does not have capital available to participate in subsequent rounds of financing, failure to participate may have a significant negative impact on the portfolio company as well as the value of such Fund's investment.

Illiquidity of Portfolio Investments. Investments by a Fund generally will be illiquid securities acquired through privately negotiated transactions. The Fund may be unable to realize its investment objectives by sale or other disposition at attractive prices or will otherwise be unable to complete an exit strategy. External factors beyond New Leaf's control, such as overall economic conditions, the competitive environment and the availability of potential acquirers of a Fund's interests in portfolio companies may shorten or lengthen a Fund's holding period in such portfolio companies. In some cases, a Fund may be prohibited by contract from selling such securities for a period of time or otherwise may be restricted from the disposition of such securities.

Reserves. New Leaf may establish reserves for follow-on investments by a Fund in portfolio companies, operating expenses (including for the payment of management fees), Fund liabilities, and other matters. Estimating the appropriate amount of such reserves is difficult, especially for follow-on investment opportunities, which are directly tied to the success and capital needs of portfolio companies. Inadequate or excessive reserves could impair the investment returns to a Fund's investors. If reserves are inadequate, a Fund may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or other punitive terms associated with "pay-to-play" or similar provisions. If reserves are excessive, a Fund may decline attractive investment opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts.

Non-Controlling Investments. A Fund generally expects to make non-controlling investments in portfolio companies where such Fund may not be able to control or effectively influence the business or affairs of such entities. Portfolio companies in which a Fund's investments are made may have economic or business interests or goals which are inconsistent with those of a Fund, and a Fund may not be in a position to influence those interests or goals or otherwise protect the value of a Fund's investments in such entities. In addition, although a Fund may seek board representation in

connection with its investments, there is no assurance that such representation, if sought, will be obtained.

Projections. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon 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, the inaccuracy of certain assumptions, general economic conditions and other factors, which are not predictable, can have a material impact on the reliability of projections.

Contingent Liabilities on Disposition of Investments. In connection with the disposition of an investment in a portfolio company or otherwise, a Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. A Fund may also be required to indemnify the purchasers of such portfolio company to the extent that any such representations turn out to be inaccurate. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the investors to the extent of their commitment to a Fund or previous distributions made to them.

Non-United States Investments. A Fund may invest in securities of non-U.S. portfolio companies. Such investments may present a variety of risks not presented by investments in U.S. portfolio companies, including risks associated with: (i) fluctuating currency exchange rates; (ii) limitations on currency exchange or the transfer of capital/profits across international boundaries; (iii) different accounting standards; (iv) different legal protections for investors; (v) unusual regulatory burdens; (vi) political instability; and (vii) multiple taxing jurisdictions.

Even those portfolio companies that nominally are U.S. portfolio companies by virtue of their jurisdiction of organization or management headquarters may be exposed to significant non-U.S. risks due to the increasingly international nature of many technology companies, which may, for example: (i) rely upon international location or outsourcing of research, development, manufacturing or other operations; (ii) seek alliances with non-U.S. partners; or (iii) seek non-U.S. customers.

Any adverse change to the political, economic, military or social environments in the host countries of a Fund's portfolio companies could have a significant adverse effect upon the operations or financial performance of a Fund.

Economic and Market Risk. Companies in which a Fund may invest may be sensitive to general downward swings in the overall economy or in the healthcare technology sector. Changes in economic conditions, including, for example, inflation rates, industry conditions, competition, technological developments, political and diplomatic events and trends, tax laws and innumerable other factors, none of which will be within the control of New Leaf, can affect substantially and adversely the business and prospects of a Fund. A major recession or adverse developments in the securities market might have an impact

on some or all of a Fund's investments. In addition, factors specific to a portfolio company may have an adverse effect on a Fund's investment in such company. New Leaf may rely upon its own or a portfolio company's projections concerning the portfolio company's future performance in making investment decisions. Such projections are inherently subject to uncertainty and to certain factors beyond the control of the portfolio company and New Leaf. The economic environment for all companies, and in particular for healthcare technology and start-up companies, may remain challenging. Business risks may be more significant in portfolio companies embarking on a build-up or operating turnaround strategy and in smaller or development stage portfolio companies. All portfolio companies may face intense competition, changing business and economic conditions, risks of technological acceptance and obsolescence or other developments that may adversely affect their performance.

Litigation Risks. A Fund will be subject to a variety of litigation risks, particularly in consequence of the substantial likelihood that one or more portfolio companies will face financial or other difficulties during the term of the Fund's investment. For example, it is anticipated that New Leaf or its related persons may actively assist Fund portfolio companies in differing capacities (including, without limitation, by serving as directors or advisors). Such Fund may also participate in portfolio company financings at implicit portfolio company valuations lower than the valuations implicit in preceding rounds of financing, vote portfolio company shares in a manner contrary to the interests of other shareholders, or be exposed to flow-through liability for portfolio company debts and obligations. In the event of a dispute arising from any of the foregoing activities (or other activities relating to the operation of a Fund), it is possible that such Fund, New Leaf or its related persons may be named as defendants. Under most circumstances, a Fund will indemnify New Leaf and its related persons for any costs they incur in connection with such disputes. Beyond direct costs, such disputes may adversely affect a Fund in a variety of ways, including by distracting New Leaf and harming relationships between such Fund and its portfolio companies or other investors in such portfolio companies.

Item 9 - Disciplinary Information

New Leaf and its management persons have not been the subject of any material legal or disciplinary proceeding required to be disclosed in response to this item.

Item 10 - Other Financial Industry Activities and Affiliations

Registered Broker-Dealers

Neither New Leaf nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors

Neither New Leaf nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of any of the foregoing.

Relationships with Related Persons

New Leaf and its related persons engage in a broad range of activities, including investment activities for their own accounts. As a result, the interests of a Fund may conflict with the interests of New Leaf or its related persons or one or more other Funds. Certain of these conflicts of interest are described below (although the discussion below does not necessarily describe all of the conflicts that may potentially be faced by a Fund). Please also refer to the subsection titled “*Participation or Interest in Client Transactions; Personal Trading*” in Item 11 below and the Governing Documents of each Fund for more information, including with respect to transactions that may be subject to specific consent requirements.

New Leaf and its related persons manage multiple Funds. This can create potential conflicts in the allocation of time, resources and investment opportunities among the Funds. Please refer to the Governing Documents of the relevant Fund for more complete information on the requisite time commitments (if any) of New Leaf and its related persons to the Funds and the allocation of investment opportunities among the Funds. Please also refer to the description of New Leaf’s investment allocation policy described in the subsection “*Side-by-Side Management*” in Item 6 above.

Certain Funds may hold or may acquire positions in portfolio companies in which other Funds invest or have invested. Such investments may be coincident with or precede one another. Follow-on investments in companies in which multiple Funds have invested will be considered first for each such Fund on a pro rata basis based on existing ownership in such companies, but depending on various factors (including available capital and limitations in each Fund’s Governing Documents), follow-on investments may not always be made on such pro rata basis. Where investments by multiple Funds in the same company are made at different times or in different proportions, conflicts of interest with regard to valuation, exit timing and other matters can arise. In addition, conflicts may arise in the event that the Funds have invested in securities of the same company with different rights. New Leaf will use its good faith judgment in addressing any such conflicts. Please also refer to the description of New Leaf’s investment disposition policy described in the subsection “*Side-by-Side Management*” in Item 6 above.

Employees of New Leaf and its affiliates may serve as officers, advisors, directors or in comparable management functions for portfolio companies in which the Funds invest, or provide other services to portfolio companies, and may receive compensation in connection therewith. Serving in such capacity may give rise to conflicts to the extent that an employee’s fiduciary duties to a portfolio company as a director may conflict with

the interests of a Fund. Additionally, investments by a Fund may cause New Leaf and its related persons to become subject to legal or contractual restrictions on their ability to effect transactions for other Funds, for example due to the receipt of non-public information or due to the existence of a control relationship between New Leaf and a portfolio company. In addition, it is possible that in a bankruptcy proceeding a Fund's interest in a portfolio company may be adversely affected by another Fund's involvement and such other Fund's actions relating to its investment.

From time to time, a portfolio company of a Fund may engage in commercial transactions or other transactions (such as a merger or acquisition) with a portfolio company of a different Fund. Depending on the nature of the transaction, a transaction between portfolio companies of different Funds can create potential conflicts of interest. New Leaf anticipates that material transactions between portfolio companies would generally be on arms'-length terms or on other terms considered equitable to both companies under the circumstances.

New Leaf will determine all matters relating to structuring transactions, including the amount and terms of securities, allocation of securities among the relevant Funds and amounts potentially available for co-investment opportunities, using its best judgment considering all factors it deems relevant and subject to any specific consent or other requirements under the Governing Documents or "side letters" for the relevant Funds.

Selection or Recommendation of Other Advisers

New Leaf does not recommend or select other investment advisers for its clients and does not receive compensation from such advisers in a manner that would create a material conflict of interest. New Leaf does not have other business relationships with other advisers that create a material conflict of interest.

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

Code of Ethics

New Leaf adopted a code of ethics ("Code of Ethics") under Rule 204A-1 of the Advisers Act, expressing New Leaf's commitment to ethical conduct. New Leaf's Code of Ethics describes its fiduciary duties and responsibilities to its advisory clients (such as a Fund), and sets forth, among other things, New Leaf's policies and procedures for: (i) identifying, escalating and addressing any potential conflicts of interest; (ii) monitoring and preventing New Leaf or its supervised persons from engaging in insider trading; (iii) pre-clearance requirements, trading restrictions and reporting requirements for New Leaf's supervised persons' personal securities transactions; (iv) the receipt of gifts by supervised persons and the making of political campaign contributions; and (v) pre-approval of the engagement by New Leaf's employees in certain outside business activities. Under New Leaf's Code of Ethics, all of its supervised persons have a duty to act only in the best interests of the Funds and are required to promptly report all violations of the Code of Ethics to New Leaf's Chief Compliance Officer ("CCO"). All

supervised persons must acknowledge receipt of the Code of Ethics and any amendments thereto.

New Leaf will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions; Personal Trading

As limited partners or members of the general partner (or equivalent control person) of each of the Funds or as limited partners of a “parallel fund” formed in connection with a Fund, New Leaf and its related persons generally have indirect beneficial interests in the securities owned by the Funds and will share in any profits and losses generated by the Funds’ investments.

In certain situations, New Leaf and/or related persons of New Leaf may purchase interests in the same portfolio company in which one or more Funds is investing or has invested or a Fund may purchase interests in a portfolio company in which New Leaf and/or related persons of New Leaf are investing or have invested. All such transactions are subject to compliance with New Leaf’s Code of Ethics and to any required consents under a Fund’s Governing Documents. Before New Leaf makes a recommendation that a Fund invest in a company, its related persons that have an ownership interest in that company (other than through a Fund) are required to disclose such interest to New Leaf.

New Leaf may cause a Fund to engage in “cross transactions” via the purchase of a portfolio investment from, or the sale of a portfolio investment to, another Fund, provided that the transaction is consistent with New Leaf’s fiduciary obligations to each Fund participating in the cross transaction and subject to any conditions or required consents under a Fund’s Governing Documents. Funds that are formed as “parallel funds” to co-invest in all investments such Funds make will typically engage in re-balancing “cross transactions” pursuant to the terms of their Governing Documents as the relative capital commitments between the parallel funds change during their respective fund-raising periods.

While New Leaf endeavors at all times to act in the best interests of the Funds, investors should be aware that the types of transactions described above create potential conflicts of interest with respect to New Leaf and the Funds.

Item 12 - Brokerage Practices

Discretionary Brokerage

With respect to those instances in which the Funds purchase, sell or distribute publicly traded securities through a broker-dealer, New Leaf seeks to satisfy its best execution obligation by considering all relevant facts and circumstances, including, but not limited to, the price and size of the order, the trading characteristics of the securities involved, the value of research provided by the broker, and the broker’s execution abilities, commission rates, financial responsibility and responsiveness. New Leaf will not necessarily select the broker-dealer offering the lowest commission cost.

Research and Soft Dollar Benefits

New Leaf generally does not engage in soft dollar arrangements with respect to securities transactions for the Funds. Any research services and/or other products or services that are provided to New Leaf by brokers or dealers may be used for the benefit of all clients of New Leaf and do not necessarily benefit solely the Fund from which the commissions were generated. The receipt of research and/or other products or services is not directly connected to the recommendation of brokerage services to the Funds, but does create a potential conflict of interest of which investors should be aware in assessing New Leaf's choice of broker-dealers.

Brokerage for Client Referrals

In determining its selection of broker-dealers, New Leaf does not consider whether New Leaf receives referrals of potential investors from a broker-dealer or third party.

Directed Brokerage

New Leaf has discretionary authority to select the brokers or dealers in connection with securities transactions of the Funds, and investors are not permitted to direct New Leaf to use a particular broker or dealer to execute portfolio transactions on behalf of a Fund.

Trade Aggregation

In circumstances where New Leaf is trading in public securities, New Leaf will, to the extent possible, generally place a combined order for two or more Funds it manages engaged in the purchase or sale of the same public security at the same time if, in its good faith determination, joint execution would be consistent with its duty to seek best execution, consistent with the terms of the relevant Funds' Governing Documents, and otherwise in the best interest of the relevant Funds.

Item 13 - Review of Accounts

Review of Client Accounts

New Leaf will regularly monitor portfolio investments on behalf of the Funds. Investments are reviewed in the context of each Fund's stated investment objectives, guidelines and restrictions as set forth in the Governing Documents of such Fund. New Leaf's Chief Financial Officer reviews the investment portfolios of the Funds for consistency with such objectives, guidelines and restrictions as needed in connection with the investment activities of the Funds.

Reports to Clients

New Leaf distributes quarterly and annual written reports to the investors in each Fund. Quarterly reports generally contain unaudited financial statements of the Fund for the quarter and a brief narrative report as to the status and operations of the Fund. Annual reports generally contain a list of, and status report on, investments held by the Fund at

the end of the year and the audited financial statements of the Fund for such year. Annual reports are accompanied by capital account statements as of the end of such year.

Investors should refer to the Governing Documents of the relevant Fund for further information on the reports provided by a particular Fund to its investors.

Item 14 - Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

In connection with investments made by Funds, New Leaf (or persons associated with New Leaf) may receive an annual management fee and/or monitoring, consulting, directors' or other fees (whether in cash or options or other securities) from a portfolio company while the applicable Fund continues to have an investment in such portfolio company. New Leaf may receive a "break-up" fee from a prospective portfolio company if an investment does not close for certain reasons after a letter of intent related to such investment has been signed with such portfolio company. New Leaf may also receive commitment, structuring and/or other transaction fees from portfolio companies in which one or more of the Funds invests or intends to invest. The amount of any fees that New Leaf or any of its associated persons receives from portfolio companies is determined by negotiations between New Leaf and the applicable portfolio companies.

These types of arrangements present potential conflicts of interest and provide New Leaf with an incentive to recommend investments based on compensation received rather than the best interests of a Fund. To help mitigate potential conflicts, such benefits received by New Leaf or its employees in connection with services rendered to portfolio companies or transactions of a Fund are generally offset in whole (and therefore reduce) advisory fees payable by the relevant Fund, to the extent provided in the Governing Documents of such Fund. To the extent that such fees do not result in a full, dollar-for-dollar offset against the advisory fees payable by the relevant Fund, however, such potential conflicts remain.

Please refer to the Governing Documents of the relevant Fund for more complete information about advisory fee offsets.

Third Party Compensation for Investor Referrals

New Leaf and related persons of New Leaf may enter into cash compensation arrangements with unaffiliated placement agents or third parties for introducing investors to a Fund. Any sales charge or placement fee associated with such arrangements will ultimately be payable by New Leaf and/or its related persons, either directly or through an offset of the advisory fee payable by the relevant Fund to New Leaf.

Item 15 - Custody

New Leaf will not have physical custody of any client assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Nevertheless, New Leaf

will generally be deemed to have custody of the assets of the Funds as a result of its position as an affiliate of the general partner (or equivalent control person) of each Fund.

It is New Leaf's general policy to cause the annual financial statements of each Fund with assets over which New Leaf is deemed to have "custody" to be audited annually and to distribute such audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), to investors in such Fund no later than 120 days after the end of each fiscal year. In addition, upon the final liquidation of any such Fund, New Leaf will generally obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all of its investors promptly after completion of the audit.

In the cases where a Fund does not deliver audited financial statements to investors as provided above, a qualified custodian will send quarterly account statements to each investor in such Fund. Investors should review these account statements carefully. If New Leaf, on behalf of the Fund, also provides investors in such Fund with a quarterly report detailing account holdings for such Fund, investors are urged to compare the account statements received from the Fund with account statements received from the qualified custodian.

Item 16 - Investment Discretion

Subject to the investment objectives, guidelines and restrictions of each Fund as set forth in its Governing Documents, New Leaf has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of such Fund, including the selection of, and commissions paid to, broker-dealers.

The terms upon which New Leaf serves as an investment manager with respect to any Fund are established at the time that such Fund is formed and generally are set forth in such Fund's Governing Documents. New Leaf's investment advice is provided directly to the Funds and not to investors in the Funds individually. New Leaf is not required to contact investors in the Funds prior to transacting any business for the Funds.

To invest in a Fund, an investor must execute a subscription agreement (or similar agreement) with such Fund. Investors in a Fund may seek to impose limitations on New Leaf's authority with respect to such Fund through "side letter" or similar agreements, and New Leaf, in its discretion, may choose to accept limitations or restrictions that it considers to be reasonable and consistent with the general investment strategy described in such Fund's Governing Documents.

Item 17 - Voting Client Securities

Because New Leaf has, or will accept, authority to vote securities held by a Fund, New Leaf has adopted policies and procedures (the "Proxy Voting Policies and Procedures") which have been designed to ensure that New Leaf complies with the requirements of Rule 206(4)-6 under the Advisers Act, and reflect New Leaf's commitment to vote all

Fund securities for which it exercises voting authority in a manner consistent with the best interests of the applicable Funds.

In general, New Leaf will vote all voting securities held by each Fund. The investors in the Funds are not permitted to direct the vote of New Leaf with respect to the securities held by such Fund. New Leaf reviews each proposal submitted to the Funds for a vote on a case-by-case basis. When exercising its voting authority with respect to securities held by a Fund, New Leaf considers information related to the applicable company, evaluates other issues that could have an impact on the value of the Fund's investment in the applicable company and votes with a view toward maximizing overall value to the Fund.

Prior to exercising its voting authority, the New Leaf related person with primary responsibility for the applicable portfolio company, in consultation with the CCO and outside counsel, if appropriate, reviews the relevant facts and determines whether or not a material conflict of interest may arise due to business, personal or family relationships of New Leaf or any of its supervised persons or affiliates. If a material conflict exists, New Leaf takes steps to ensure that its voting decision is based on the best interests of the applicable Fund and is not a product of the conflict. New Leaf may, at its discretion: (1) seek the advice of the applicable advisory committee of a Fund (if any) in voting such security; (2) disclose the conflict of interest to the applicable advisory committee of a Fund and defer to the recommendation of such advisory committee; (3) (in the case of a publicly traded company) defer to the voting recommendation of an independent third party provider of proxy voting services; and/or (4) take such other actions in good faith (in consultation with New Leaf's outside counsel, if necessary) which would serve the best interest of the Fund. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest may differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar (or identical).

New Leaf will deliver to each Fund and each investor in a Fund, upon written request, a complete copy of its Proxy Voting Policies and Procedures and/or information on how it voted securities for the applicable Fund.

Item 18 - Financial Information

New Leaf has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy proceeding.