

Vitalium Capital Partners LP

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This brochure (this “Brochure”) provides information about the qualifications and business practices of Vitalium Capital Partners LP. If you have any questions about the contents of this Brochure, please contact us by e-mail at IR@vitaliumcp.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Registration as an investment adviser does not imply that Vitalium Capital Partners LP or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

Additional information about Vitalium Capital Partners LP is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes

Vitalium Capital Partners LP filed its initial Form ADV (including its initial Brochure) on March 15, 2021 as a “newly-formed adviser.” Following the date of such Brochure, Vitalium Capital Partners LP became a “mid-sized advisory firm” with regulatory assets under management between \$25 million and \$100 million. Vitalium Capital Partners LP is not required to be registered as an adviser in the state in which it maintains its principal office and place of business. This Brochure has been updated to include additional information about Vitalium Capital Partners LP’s advisory business, including with respect to its assets under management, its investment strategy and certain risk factors relating to the private funds that it manages.

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Item 4. Advisory Business

Vitalium Capital Partners LP (“we,” “us,” or “our”) is a Delaware limited partnership that was formed in January 2021. We are principally owned and controlled by Jason Hong, our Chief Executive Officer and Chief Investment Officer (the “Principal”).

We provide discretionary investment advice to private funds (each, a “Fund” and collectively, the “Funds”). We may also provide investment advice to additional private funds and separately managed accounts for institutional, non-retail investors (“SMAs”) in the future. References throughout this document to “clients” refer to the Funds and any other private funds and SMA’s that we may advise in the future.

The Funds are managed in accordance with their own investment and trading objectives, as described in their respective offering documents and governing agreements (together, the “Governing Documents”). We do not permit investors in the Funds to impose limitations on the investment activities described in the Funds’ Governing Documents. Under certain circumstances, we may contract with an SMA client to adhere to limited risk and/or operating guidelines imposed by that client. We would negotiate such arrangements on a case-by-case basis. (See *Item 16 - Investment Discretion.*)

Vitalium Healthcare Opportunities GP LLC, one of our related persons (the “Vitalium GP”), serves as the general partner or managing member of certain Funds.

We do not participate in wrap fee programs.

As of August 9, 2021, we managed \$25,394,119 of regulatory assets under management on a discretionary basis. We do not expect to manage any assets on a non-discretionary basis.

Item 5. Fees and Compensation

Our fees and compensation are described in our Funds’ Governing Documents. All of our clients are “qualified purchasers” (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended).

We are paid management fees from the Funds monthly in arrears. We deduct such management fees from the Funds. We have waived or modified the management fee payable with respect to certain investors and may do so in the future with respect to other investors, in our discretion.

The Vitalium GP is entitled to receive performance-based allocations from the Funds, as further described in *Item 6 – Performance-Based Fees and Side-By-Side Management.*

The Funds bear all costs and expenses incurred in connection with their formation and organization, as well as all of their operating expenses, including, but not limited to, management fees payable to us; indemnification expenses; commissions; clearing fees; fees, interest and other costs on margin accounts or other financings or re-financings; any taxes, duties or other governmental charges payable in any jurisdiction in connection with the operation of the Funds; legal fees and disbursements (including legal fees related to the acquisition, protection and distribution of the Funds’ investments, filings under Section 13 and Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), with respect to the Funds’ assets, counterparty negotiation and documentation following commencement of the Funds’ trading operations and the costs of prosecuting and defending legal actions); accounting, audit and

tax preparation expenses; third party administrator (the “Administrator”) fees, investment-related expenses, including research, subscriptions, quotation services and data feeds; borrowing charges on securities sold short; custodial fees; bank service fees; third party valuation and servicing agents; brokerage and finder fees and expenses, including (without limitation) those incurred in connection with transactions directed to broker-dealers in part in recognition of investment research and information furnished or expenses for services rendered by broker-dealers in the execution of such orders and the use of such research and other services provided by such broker-dealers; expenses incurred in connection with the retention of third party consultants and advisors; investment-related travel and entertainment expenses; expenses in connection with proposed investments (including investments that fail to close); expenses related to reporting to and communicating with investors; liability insurance premiums with respect to us, the Vitalium GP, and the Vitalium GP’s Board of Managers; expenses related to the registered offices of the Funds; all expenses of winding up and dissolving the Funds; all expenses incurred in connection with any tax audit, settlement or review of the Funds or their investment vehicles; all expenses incurred in connection with any restructuring or amendments to the Governing Documents of the Funds and the constituent documents of their related entities, including the Vitalium GP; and any other expenses related to the purchase, sale, holding or transmittal of assets or liabilities or the business or affairs of the Funds.

We may also allocate a portion of certain clients’ capital to money market funds or exchange-traded funds. In addition to the fees and expenses discussed above, clients will indirectly incur similar fees and expenses if we invest their capital in such funds, as these funds in turn pay similar fees and expenses to their investment managers and other service providers.

Certain investors in the Funds will also be subject to withdrawal fees, if withdrawals are made prior to the satisfaction of agreed-upon holding periods.

For a more detailed discussion of brokerage and transaction costs, see *Item 12 - Brokerage Practices*.

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

The Vitalium GP is entitled to receive a performance allocation from the Funds on an annual basis and upon withdrawals by investors. Such performance allocation is based on the net capital appreciation of the Funds’ assets and is subject to a loss-carryforward mechanism. We or our affiliates have waived or modified the performance allocation with respect to certain investors and may do so in the future with respect to other investors, in our discretion.

Performance-based compensation arrangements create an incentive for us to recommend investments that may be riskier or more speculative than those that would be recommended under a different compensation arrangement.

Currently, the Funds are our only clients and they operate through a master-feeder structure. To the extent that we advise additional client accounts in the future, performance-based compensation arrangements could also create an incentive for us to favor accounts with higher compensation rates over other accounts when allocating investments. Accordingly, if we manage additional client accounts in the future, we will adopt and follow procedures designed and implemented to ensure that all clients are treated fairly and equitably.

In addition, because the Funds’ management fees and performance-based compensation are generally based on the Funds’ net asset values, we have a potential conflict of interest in valuing the Funds’ assets.

To mitigate this conflict, we follow documented valuation policies and expect to periodically consult with auditors and the Administrator.

Item 7. Types of Clients

Investors in the Funds are generally institutional investors and high net worth individuals that qualify as “accredited investors” (as defined in Rule 501 under the Securities Act of 1933, as amended) and qualified purchasers. The minimum initial investment in the Funds is generally \$10,000,000. We have waived, and may in the future waive, such minimum under certain circumstances in our discretion.

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

The Funds’ investment objective is to seek attractive risk-adjusted absolute returns through market cycles. The Funds run a concentrated, leveraged long/short healthcare equity portfolio with selected opportunistic investments primarily in credit and private assets.

Long positions are in issuers believed to be structural winners over a one to three-year period or “fallen angels” with attractive risk-reward profiles. Credit investments may be made in issuers which we feel may present an attractive risk/reward profile relative to equity. Short positions express a perspective that either (i) our view on investment controversies is less sanguine than expectations or (ii) diligence red flags suggest significant misrepresentation of performance. Opportunistic investments are catalyzed by *a priori* events, *a posteriori* events, or significant stock price dislocations. Private investments will be focused on innovative emerging therapeutic and medical device companies.

The Funds’ will look to identify current and future investment controversies and develop points of view based on primary research. Priority will be given to securities where those research views are consistently pointed in the same direction, and an addressable universe of securities is identified. Potential securities will then be assessed based on their position in the capital structure as well as risk/reward profiles across a range of scenarios. Valuation targets are initiated, and the risk/reward scenarios are quantified helping to determine investment entry and exit points. Investment theses are constantly refined based on company performance, market performance and news flow.

Investing in securities involves risk of loss that clients and investors should be prepared to bear.

*Risk Factors*Nature of Investments

We have broad discretion in making investments for the Funds. There can be no assurance that we will correctly evaluate the nature or magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile. A variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may detrimentally impact businesses in which the Funds invest, affecting their access to capital and public market valuations. These factors and others may significantly affect the results of the Funds’ activities and the value of their investments. In addition, the value of the Funds’ portfolios may fluctuate in response to fluctuations in the general level of interest rates.

Concentration of Investments

The Funds are expected to hold relatively few investments which are focused to the healthcare industry. Accordingly, a Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or if valuations in the healthcare industry as a whole decline.

Volatility

The market value of certain of the Funds' investments may be volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including, among other things, the macro business and economic environment, specific developments or trends within a company or in any particular industry, the market's overall perception of risk, general economic conditions, the condition of certain financial markets, domestic and international economic or political events, prevailing credit spreads, changes in prevailing interest rates and the financial condition of counterparties.

Illiquidity of Investments

Certain investments held by the Funds will lack a readily ascertainable market value, will be illiquid or should otherwise be held until the resolution of a special event or circumstance ("Special Investments"). A participating investor will not be able to withdraw the portion of its Fund investment that has been designated as a Special Investment until such investments are realized or we in our sole discretion determine to remove the designation with respect to such Special Investment. In some circumstances, investments other than Special Investments may become relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, a Fund's ability to respond to market movements may be impaired and such Fund may experience adverse price movements upon liquidation of its investments.

In some cases, the Funds may be prohibited by contract or regulatory restrictions from selling such securities for a period of time. To the extent that the Funds are restricted in their ability to buy or sell an investment, the potential value in such investment may be negatively impacted.

Need for Follow-On Investments

Following an initial investment by a Fund in a particular Special Investment, such Fund may be called upon to provide additional funds with respect to such Special Investment in the form of a follow-on investment. If the Fund does not have capital available to participate in subsequent rounds of financing, failure to participate may have a significant negative impact on the Fund.

Financial Model Risk

The Funds' investments and investment strategies may rely on the use of valuation models developed by us and third-parties. As market dynamics (for example, due to changed market conditions and participants) shift over time, a previously highly successful model often becomes outdated or inaccurate, perhaps without us recognizing the change before significant losses are incurred. The Funds' model risk extends to the valuation of their investments.

Currency Exposure and Hedging

The assets of a Fund may be invested in securities and other investments which are denominated in currencies other than U.S. Dollars. Accordingly, the value of such assets may be affected favorably or unfavorably by fluctuations in currency rates. We may seek to hedge the foreign currency exposure of the Funds. However, the Funds necessarily are subject to foreign exchange risks. In addition, prospective investors whose assets and liabilities are predominately in other currencies should take into account the potential risk of loss arising from fluctuations in value between the U.S. Dollar and such other currencies.

The success of a Fund's currency hedging strategy will be subject to our ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. The success of a Fund's currency hedging strategy will also be subject to our ability to continually recalculate, readjust and execute hedges in an efficient and timely manner.

Foreign Securities

The Funds will invest in securities and other instruments of non-U.S. corporations. Investing in such securities involves certain considerations not usually associated with investing in securities of U.S. companies, including, among other things, political and economic considerations, such as greater risks of expropriation, nationalization and general social, political and economic instability; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion, imposition of withholdings and other taxes and certain government policies that may restrict the Funds' investment opportunities. In addition, accounting and financial reporting standards that prevail in many foreign countries are not equivalent to U.S. standards and, consequently, less information may be available to investors in companies located in foreign countries than is available to investors in companies located in the United States. There is also less regulation, generally, of the securities markets in many foreign countries than there is in the United States.

"New Issues"

The Funds may invest in "new issues," which pose unique risks arising out of their transient illiquidity, lack of trading history and concentration of ownership. In the event that a Fund elects to trade "new issues," investors of such Fund that are "restricted persons" or "covered persons" under applicable Financial Industry Regulatory Authority rules will not be permitted to participate or participate fully in the returns generated by those trades.

Equity Securities

The Funds generally expect to invest in equity securities. Such investments are subordinate to the claims of an issuer's creditors and, to the extent such securities are common securities, preferred stockholders. Dividends customarily paid to equity holders can be suspended or cancelled at any time. For the foregoing reasons, investments in equity securities can be highly speculative and carry a substantial risk of loss of principal.

Equity securities fluctuate in value in response to many factors, including, among others, the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments. In

addition, events such as the domestic and international political environments, terrorism, pandemics and natural disasters, may be unforeseeable and contribute to market volatility in ways that may adversely affect the Funds.

A Fund may on occasion acquire (i) more than 5% of a class of securities of a single issuer which would require the filing of a Schedule 13D or 13G statement with the SEC or (ii) more than 10% of a class of securities of a single issuer which would impose certain limitations on such Fund's ability to trade in such securities, including the restrictions of Section 16 of the Exchange Act. The accumulation of such a significant position in the shares of a single issuer could lead to litigation or disputes in the event we desire to influence the issuer.

Loans of Portfolio Securities

A Fund may lend its portfolio securities. By doing so, such Fund attempts to increase its income through the receipt of interest on the loan. In the event of the bankruptcy of the other party to a securities loan, delays could be experienced in recovering either the loaned securities or the Fund's cash. To the extent that, in the meantime, the value of the loaned securities has increased or the value of the securities purchased for the Fund has decreased, the Fund could experience a loss.

Short Selling

Short selling involves trading on margin and accordingly can involve greater risk than investments based on a long position. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Options

The Funds will engage in the trading of options. Such trading involves risks substantially similar to those involved in trading margined securities in that options are speculative and highly leveraged. Specific market movements of the securities underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the security underlying the option which the writer must purchase or deliver upon exercise of the option.

Derivatives

The Funds will use various derivative financial instruments, for hedging and other purposes, including currency forward contracts, options and swaps, that may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Use of derivative financial instruments presents various risks, including: (i) an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent a Fund from achieving the intended hedging effect or expose the Fund to greater risk of loss; (ii) derivative financial instruments may not be liquid in all circumstances and a Fund may not be able to close out a position without incurring a substantial delay or loss; and (iii) derivative financial instruments can result in large amounts of leverage which may magnify the gains and losses experienced by a Fund and could cause its investments to be

subject to wide fluctuations in value. Swaps and other derivative instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

Leverage

The Funds expect to employ leverage. The use of leverage creates special risks and may significantly increase the Funds' investment risk. Leverage creates an opportunity for greater yield and total return but, at the same time, increases a Fund's exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the value of interests or shares in the Fund to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the value of interests or shares in the Fund may decrease more rapidly than would otherwise be the case.

Any material indebtedness of a Fund could limit such Fund's ability to respond to changing business conditions. Any agreements relating to any leverage that a Fund may enter into with its creditors will likely contain provisions that may limit the Fund's operations by imposing operating and financial restrictions on the Fund. Therefore, if indebtedness is obtained, no assurance can be given that the Fund will be able to take advantage of favorable conditions or opportunities as a result of covenants under any such indebtedness or that additional debt or equity financing will be available when needed or, if available, will be obtainable on terms that are favorable to the Fund.

Debt Securities

The Funds may hold debt and debt-related instruments issued by or in respect of companies in which they invest. "Credit risk" refers to the likelihood that an issuer will default on the payment of principal and/or interest on a debt instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument. "Interest rate risk" refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument directly (particularly in the case of instruments the rates of which are adjustable) and indirectly (particularly in the case of fixed rate securities). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

General Risks of Secured Loans

A Fund may acquire senior secured loans. While senior secured loans purchased by a Fund will often be over-collateralized, such Fund may be exposed to losses resulting from default and foreclosure. Therefore, the value of the underlying collateral, the creditworthiness of the borrower and the priority of the lien are each of great importance. A Fund cannot guarantee the adequacy of the protection of its interests, including the validity or enforceability of the loan, the maintenance of the anticipated priority or the perfection of the applicable security interests. Compounding these risks, the collateral securing loans will often be subject to casualty or devaluation risks. Even where debt held by a Fund is secured by

a perfected lien over a substantial portion of the assets of a borrower and its subsidiaries, the borrower and its subsidiaries will often be able to incur additional indebtedness, which may, in some cases, have an exclusive lien over particular assets. As a result of the liens granted to the holders of such additional indebtedness, in the event of liquidation, reorganization, insolvency, dissolution or bankruptcy of a borrower, holders of such other secured debt instruments may have priority that ranks senior to the investment in that borrower with respect to such assets. Furthermore, these other assets over which other lenders have a lien may be substantially more liquid or valuable than the assets over which a Fund may have a lien. In some cases, the borrowers may also be permitted to issue other indebtedness that ranks in parity in right of payment or as to the proceeds of collateral with debt securities in which a Fund invests, in which event, such Fund would have to share on an equal basis any distributions with other creditors holding such debt in the event of a liquidation, reorganization, insolvency, dissolution or bankruptcy of the relevant borrower. In addition, where a Fund holds a first-lien to secure senior indebtedness owed to the Fund, the borrowers may be permitted to issue other senior debt with liens that rank junior to the first-liens granted to the Fund. The intercreditor rights of the holders of such other junior lien debt may, in any liquidation, reorganization, insolvency, dissolution or bankruptcy of the relevant borrower, affect the recovery that the Fund would have been able to achieve in the absence of such other debt.

Subordinated Loans

A Fund may acquire subordinated loans, which will entail risks, including (i) the subordination of the Fund's claims to a senior-lien in terms of the coverage and recovery of the collateral, (ii) the prohibition of or limitation on the right to foreclose or exercise other rights and (iii) the inability of the Fund to make certain decisions with respect to the obligor pursuant to any inter-creditor or similar arrangement with the first-lien lender. Accordingly, in certain cases, no recovery may be available from a defaulted subordinated loan. The level of risk associated with investments in subordinated loans increases to the extent such investments are loans of distressed or below investment grade issuers, which is likely.

Nonperformance

Loans held by a Fund may become non-performing for a variety of reasons. Such non-performing loans may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate, a substantial write down of the principal amount of the loan and/or the deferral of payments. In addition, such negotiations or restructuring may be quite extensive and protracted over time and, therefore, may result in substantial uncertainty with respect to the ultimate recovery. A Fund may also incur additional expenses to the extent it is required to seek recovery upon a default on a loan or participate in the restructuring of such obligation. The liquidity for defaulted loans may be limited, and to the extent that defaulted loans are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. In connection with any such defaults, workouts or restructuring, although a Fund may exercise voting rights with respect to an individual loan, such Fund may not be able to exercise votes in respect of a sufficient percentage of voting rights with respect to such loan to determine the outcome of such vote.

Equity Investments

The Funds' investments will include equity securities or derivatives with respect thereto or issued thereon. Such equity securities and derivatives may take various forms, including, but not limited to, common stock, preferred stock, warrants, convertible securities, equity options and other equity or hybrid

equity securities. Equity securities generally represent the most junior position in an issuer's capital structure and, as such, generally entitle holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends only if and to the extent declared by the directors of the issuer, out of the issuer's income or other assets available, if any, after making interest, dividend and any other required payments on more senior securities of the issuer. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality. In the event of a liquidation of the issuing company, holders of convertible securities would be paid after the company's creditors but before the company's common stockholders. Consequently, the issuer's convertible securities generally may be viewed as having more risk than its debt securities, but less risk than its common stock. In general, options, warrants, stock purchase rights and other similar instruments are securities or instruments granting the right to or otherwise permitting, but not obligating, their holders to subscribe for equity securities, and they do not represent any rights in the assets of the issuer. As a result, options, warrants, stock purchase rights and other similar securities or instruments may be considered more speculative than other types of equity investments.

Structural Subordination of Equity Interests

A Fund may hold equity interests in special purpose vehicles (each, an "SPV"), in some cases alongside third party investors. In connection with such investments, the equity interests held by a Fund may not be secured by the assets of the SPVs, and such Fund will rank behind all known or unknown creditors, whether secured or unsecured, of the SPVs. No person or entity other than the SPV will be required to make any distributions on the equity interests, and payments from the SPV on its common or preferred shares or other equity interests will be subordinate to payments on its debt. Therefore, to the extent that any losses are incurred by the SPV in respect of any collateral, such losses will be borne first by the Fund and its co-investors as holders of common or preferred shares or other equity interests.

Risk of Early Stage Companies

The Funds may invest in companies at an early stage of development, which involves a high degree of business and financial risk. Early-stage companies with little or no operating history may require substantial additional capital to support expansion or to achieve or maintain a competitive position, may produce substantial variations in operating results from period to period or may operate at a loss. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, marketing and service capabilities, and a larger number of qualified management and technical personnel. Such risks may adversely affect the performance of such investments and result in substantial losses.

Investments in Small and Mid-Cap Companies

The Funds expect to invest in small and mid-cap companies. Such investments involve a substantial degree of risk, including the risk that a Fund could lose its entire investment in such a company. As compared to larger companies, small and mid-cap companies may have shorter operating histories; may have more limited product lines, markets and financial resources; may be more dependent on a smaller management group; may have smaller and less experienced management group; may have no market share; may have no historical, and less predictable future, operating results; may be engaged in rapidly changing businesses; may be dependent on technology subject to a greater risk of obsolescence; or may be subject to other factors that may cause such companies to be affected to a greater extent by

general economic trends and specific changes in markets, products and technology, and to be more vulnerable to the actions of competitors.

Reliance on Corporate Management and Financial Reporting

We rely on the financial information made available by the issuers in which the Funds invest. We typically do not independently verify the financial information disseminated by the numerous issuers in which the Funds may invest and are dependent upon the integrity of both the management of these issuers and the financial reporting process in general. Corporate mismanagement, fraud and accounting irregularities relating to the issuers of investments held by the Funds may result in material losses. Equity prices are particularly vulnerable to corporate mismanagement.

Due Diligence

Before making portfolio investments, we intend to conduct due diligence to the extent we deem reasonable and appropriate based on the applicable facts and circumstances. When conducting due diligence, we generally will evaluate a number of important business, financial, tax, accounting, regulatory and legal issues in determining whether or not to proceed with an investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, we will be required to rely on resources available to us. The due diligence process may at times be required to rely on limited or incomplete information, particularly with respect to early stage technologies and newly established companies for which only limited information is available. Accordingly, we cannot guarantee that the due diligence investigation carried out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Any failure by us to identify relevant facts through the due diligence process may cause us to make unfavorable investment decisions, which could have a material adverse effect on the Funds. Due diligence may also be costly, which will decrease the Funds' overall returns.

Custodial Risk

A Fund could suffer losses if there were a default or bankruptcy by a bank or brokerage firm that holds securities or other assets of the Fund. Securities and other assets of a Fund will be deposited with banks or brokers as collateral to secure borrowings and other obligations of such Fund, and accordingly will not be entitled to the same protection in the event of the insolvency of the bank or brokerage firm as assets held in the name of the Fund by a bank or brokerage firm. Assets of a Fund held with a broker or bank may be held with subsidiaries or affiliates of such financial institution in one or more jurisdictions outside the United States. While care is taken in selecting reputable financial institutions to trade with and hold custody of the assets of the Funds, any such financial institutions could become insolvent. In the event of the failure of a brokerage firm holding assets of a Fund, such Fund might not have the right to recover all securities held by the broker, and might under certain circumstances instead have only a claim (which may be unsecured) against the broker for the net value of the assets of the Fund held by the broker.

Litigation

From time to time, in the ordinary course of our operations, we and our affiliates may be subject to litigation and arbitration, which can be costly and divert significant portions of our available staff time and resources. In addition, it is possible that we may use litigation as part of an investment tactic. A Fund could be party to lawsuits either initiated by it, or by a company in which the Fund invests, other shareholders, or state, federal and foreign governmental bodies. There can be no assurance that any such

litigation or arbitration, once begun, would be resolved in favor of the Fund. Any litigation or arbitration could have a materially adverse effect on a Fund.

Dispositions of Portfolio Investments

In connection with the disposition of an investment, a Fund may be required to make representations about the business, financial and legal affairs of the investment typical of those made in connection with the sale of any business. The Fund may also be required to indemnify the purchasers of such a portfolio investment 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 Fund investors to the extent of their commitments or out of previous distributions made to them.

Healthcare Industry and Product Approvals

The success of a number of the Funds' investments may be dependent upon obtaining certain government approvals. The research, development, preclinical and clinical trials, manufacturing, labeling and marketing related to therapeutics, diagnostics, medical devices and other healthcare products are subject to an extensive regulatory approval process by the U.S. Food and Drug Administration ("FDA") and other regulatory agencies in the United States and abroad. The process for obtaining FDA and other required regulatory approvals, including the required preclinical and clinical testing, is very lengthy, costly, and uncertain. There can be no guarantee that, even after such time and expenditures, a portfolio company will be able to obtain the necessary regulatory approvals for clinical testing or for the manufacturing or marketing of any products or that the approved labeling will be sufficient for favorable marketing and promotional activities. Further, once approved, such therapeutics, diagnostics, medical devices and other healthcare products may become subject to withdrawal from the market at the request or direction of the FDA or other U.S. or non-U.S. regulatory body due to safety concerns. If a portfolio company is unable to obtain the necessary approvals in a timely fashion, or if after approval for marketing, a product is later withdrawn, the portfolio company may experience significant adverse effects, which in turn, could negatively affect the performance of the Funds.

Uncertainty Related to Healthcare Reimbursement and Reform Measures

In both the U.S. and non-U.S. markets, sales of certain healthcare-related products will depend in part on the availability of reimbursement from third-party payers such as government health administration authorities, private health insurers and other organizations. The levels of revenues and profitability of pharmaceutical companies and other healthcare-related companies, including cash flows available to satisfy payment obligations, may be affected by the continuing efforts of governmental and third-party payers to contain or reduce the costs of health care. Significant uncertainty often exists as to the reimbursement status of newly approved health care products. There can be no assurance that a company's proposed products will be considered cost-effective or that adequate third-party reimbursement will be available to enable such company, or a prospective acquirer of such a company or its products, to maintain price levels sufficient to realize an appropriate return on its investment.

Term of Royalty Entitlement

Rights to receive royalty payments have limited terms that are generally not subject to extension and may be subject to early termination. Following the expiration of the patent or the expiration or termination of the license or the agreement pursuant to which a Fund has the right to receive royalty payments, such Fund will not receive any royalty payments even if the underlying healthcare product

continues to be sold. Under some circumstances, the terms of the agreement pursuant to which a Fund has the right to receive payments may permit the marketer or other payer to reduce or suspend such payments. While we may take steps to mitigate the risk of a suspension or early termination of payment obligations, there can be no assurances that such steps will prevent applicable royalties and, accordingly, the performance of the applicable portfolio investments, from being materially and adversely affected.

Independent Licensees

The Funds may generate revenues from royalties paid by licensees or, in the case of bonds and other securities collateralized by pharmaceutical royalties, payments supported by royalties paid by the licensees. These licensees will not be owned by or affiliated with us, the Funds or the Vitalium GP, and some of these licensees may have interests that are different from the Funds' interests. These licensees may be motivated to maximize income by allocating resources to other products and, in the future, may decide to focus less attention on the licensed products related to a Fund's investment. There can be no assurance that each of these parties has adequate resources and motivation to continue to produce, market and sell the products related to a Fund's investments.

Dependence on Single Products

Certain companies in which the Funds may invest may only have one product under development. There can be no assurance that any such products will be approved for marketing by the FDA or any other U.S. or non-U.S. regulatory agency. Further, competition to the product may develop from other new and existing products. In either case, if a company is dependent on 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 the Funds.

Commercial Risks Associated with Healthcare Products

The ability of healthcare-related companies in which the Funds invest to maintain the value of their products is subject to numerous risks. For example, if generic products that compete with a company's products are approved, sales of the related products and the value of the applicable investment would likely be adversely affected. In addition, product liability claims and product recalls could potentially harm the value of a Fund's investments. The length of any healthcare product's commercial life cannot be predicted. There can be no assurance that any such product on which a Fund investment depends will not be rendered obsolete or non-competitive by new products or improvements made to existing products, either by the current marketer of the product or by another marketer, which would decrease the value of, or render worthless, the product related to the Fund's investment and any expected royalty streams. Furthermore, healthcare products are often manufactured in specialized facilities that are subject to FDA or other regulatory oversight and that rely on third party suppliers, manufacturers and packagers. Any interruptions in the production process in respect of such a product could have an adverse effect on the affected Fund investments.

Intellectual Property Protection Is Uncertain

In many cases, the value of a Fund investment will be dependent upon protecting proprietary rights with respect to one or more technologies or products. In many cases, a Fund's ability to realize a positive increase in the value of an investment with respect to a product or technology, or to realize any royalty payments in respect thereof, depends on obtaining and maintaining patent and trade secret protection of such products or technologies, their use and the methods used to manufacture them, as

well as successfully defending those intellectual property rights against third-party challenges. The degree of future protection to be afforded to products and technologies is uncertain because legal means afford only limited protection and may not adequately protect companies' rights or permit them to obtain or maintain their competitive advantages. It is difficult and costly to protect the proprietary rights associated with particular products or technologies. There can be no assurance that any issued patents underlying such products or technologies will provide sufficient protection to allow companies in which a Fund invests to conduct their businesses in the ordinary course. A Fund's investments may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights related to particular products or technologies and may be unable to protect their rights to, or commercialize, the applicable products or technologies. Moreover, there can be no assurance that a Fund's investments will remain free from intellectual property infringement claims by third parties. If a third party claims that a company in which a Fund invests is infringing such third party's intellectual property rights, that third party may obtain a court injunction to prevent the company from engaging in its business in the ordinary course, which would adversely affect the Fund. The success of a Fund's investments will also depend on the preservation of trade secrets, which are not protected by patents and are instead subject to relevant confidentiality agreements with third parties such as collaborative partners, licensors, employees and consultants. Disclosure of trade secrets or other confidentiality information in violation of any such agreement could adversely affect the relevant Fund investments.

Custodians

Institutional Risk

Institutions, such as brokerage firms or banks, will have custody of a portion of the Funds' assets. These assets will be registered in "street name" and not in the Funds' name. Bankruptcy or fraud at one of these institutions could impair the operational capabilities or the capital position of the Funds. The Funds will attempt to concentrate their investment transactions with well-capitalized and established banks and brokerage firms in an effort to mitigate such risks.

Systemic Risk

Credit risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Funds will interact.

Ability to Enforce Legal Rights

Because the effectiveness of the judicial systems in certain non-U.S. countries in which the Funds may invest varies, the Funds may have difficulty in successfully pursuing claims in the courts of such countries, as compared to the United States or other developed countries. Furthermore, to the extent a Fund may obtain a judgment but is required to seek its enforcement in the courts of one of the countries in which it invests, there can be no assurance that such courts will enforce such judgment.

Special Resolution Risk

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act 2010, the Funds' custodians may become subject to Orderly Liquidation Authority, a special resolution regime pursuant to

which the Federal Deposit Insurance Corporation has significant discretion in exercising a range of powers in relation to systemically significant entities in order to prevent or limit the effects of their failure. These include the transfer of critical functions of such an entity to a third party and the imposition of a temporary stay on the exercise of termination rights under financial contracts.

The impact of this regime and its interaction with similar special resolution regimes in other jurisdictions is still uncertain. However, it is worth emphasizing that it has marginalized the significance of the courts in the winding up of such institutions, making legal precedents less relevant.

This may impair the ability of the Funds to accelerate and close out financial contracts and/or to make claims as creditors in the relevant procedure.

Counterparty Risk

The Funds are subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy, receivership, special resolution or other causes. The stability and liquidity of swap transactions, forward transactions and other over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transactions. It is expected that we will monitor on an ongoing basis the creditworthiness of firms with which we will enter into swaps or other over-the-counter derivatives on behalf of the Funds. If there is a default by the counterparty to such a transaction, the Funds will under most normal circumstances have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in losses. Furthermore, there is a risk that any of such counterparties could become insolvent or subject to a bankruptcy, receivership, special resolution or similar proceeding (a "Proceeding").

If one or more of a Fund's counterparties were to become insolvent or the subject of a Proceeding (for example, Orderly Liquidation Authority), there exists the risk that the recovery of that portion of the Fund's portfolio held by such counterparty will be delayed or be of a value less than the value of the securities or assets originally entrusted to the counterparty. Investors should assume that the insolvency or the occurrence of a Proceeding of any counterparty would result in a loss to the Funds, which could be material.

Transaction Costs

The Funds' investment approach will incur investment commissions and other expenses.

Exposure to Material Non-Public Information

From time to time, we may receive material non-public information with respect to an issuer of publicly traded securities. In such circumstances, the Funds may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer.

Global Health Crises

The securities industry is subject to risks related to public health crises such as the pandemic associated with the 2019 novel coronavirus ("COVID-19"). A global disease outbreak, and the public and

private sector policies and initiatives in response thereto (such as the imposition of travel restrictions and the adoption of remote working), may impact issuers across many industries. Furthermore, pandemics may impact the broader economies of affected countries, including negatively impacting economic growth, the proper functioning of financial and capital markets, foreign currency exchange rates, and interest rates. For example, the spread of COVID-19 has led to substantial disruption and volatility in the global capital markets, which increases the cost of capital and adversely impacts access to capital. Due to the speed with which pandemics may develop and the uncertainty of their duration and the timing of recovery, we are not able to predict the extent to which a pandemic, including the COVID-19 pandemic, may have a material effect on a Fund's ability to implement its investment strategy or the results thereof.

Cybersecurity and Systems Risks

We rely extensively on computer programs, networks, devices and systems (and may rely on new systems and technology in the future) in connection with the Funds' activities, including, without limitation, to trade, clear and settle securities transactions, to evaluate certain investments based on real-time information, to monitor the Funds' portfolios and net capital and to generate risk management and other reports that are critical to oversight of the Funds' activities. In addition, certain of our operations and the operations of the Funds and our respective affiliates interface with or depend on computer programs, networks, devices and systems operated by third-parties, the Administrator and market counterparties and their sub-custodians and other service providers, and we may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures, interruptions or security breaches, including, but not limited to, those caused by computer "worms," viruses, power failures and social engineering schemes such as "phishing."

Cybersecurity and information security breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Our operations are highly dependent on each of these systems and the successful operation of such systems is often out of our control. Any such defect, failure or breach could have a material adverse effect on us, the Funds, and our respective affiliates. For example, systems failures, information security incidents or cybersecurity breaches could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect our ability to accurately monitor the Funds' investment portfolios and risks. Cybersecurity breaches may cause (i) disruptions and impact business operations, potentially resulting in financial losses to the Funds; (ii) interference with our ability to calculate the value of the Funds' investments; (iii) impediments to trading; (iv) the inability of us and other service providers to transact business; (v) violations of applicable privacy and other laws; (vi) regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as (vii) the inadvertent release of confidential information. Similar adverse consequences could result from system failures and cybersecurity breaches affecting (i) issuers of securities in which the Funds invest; (ii) counterparties with which the Funds engage in transactions; (iii) governmental and other regulatory authorities; (iv) exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions; and (v) other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

Item 9. Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or our management.

Item 10. Other Financial Industry Activities and Affiliations

As noted above, the Vitalium GP serves as the general partner or managing member of certain Funds.

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

We have adopted a Code of Ethics, which is designed to help ensure that we conduct our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, our Code of Ethics sets forth standards of conduct for our employees to ensure that they conduct their business on our behalf in a manner that enables us to fulfill our fiduciary duty to our clients.

Among other things, our Code of Ethics: (i) governs personal trading by our employees, (ii) contains our policies with respect to gifts and entertainment, (iii) contains our policies regarding certain outside activities of our employees, (iv) sets forth our policies and procedures relating to insider trading, and (v) sets forth the manner in which employees may report violations of law or our policies and procedures. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Personal Trading Policy

Employees are generally prohibited from engaging in personal trading without obtaining prior written consent from our Chief Compliance Officer (the "CCO"). Additionally, employees are required to provide our CCO with periodic reporting relating to their trading activity and personal accounts. Our policies relating to personal trading also generally apply to an employee's spouse or minor child, or an immediate family member of an employee living in the same household as such employee.

Participation or Interest in Client Transactions

We make available to qualified prospective investors the opportunity to invest in the Funds. Our Principal has significant personal investments in the Funds. In addition, the Vitalium GP, our affiliate, is entitled to receive performance-based allocations from the Funds.

We will not engage in any principal transactions unless we have determined that the transaction is in the relevant clients' best interests and have obtained client consent in accordance with our written procedures and applicable law.

Item 12. Brokerage Practices*Selection of Brokers*

We have an obligation to seek to obtain "best execution" for the Funds with respect to their trading activity. While not defined by statute or regulation, best execution generally means the execution of client trades at the best net price considering all relevant circumstances. We seek best execution with

respect to all types of Fund transactions, taking into account various factors. Such factors include, among others: price, the ability of the brokers to affect the transactions, the brokers' reliability and financial responsibility and the provision or payment (or the rebate to our clients for payment) of the costs of property or services (e.g., short-term custodial services, research services, news and quotation services, publications, and other services and facilities). In selecting brokers to execute transactions (or series of transactions) and determining the reasonableness of the brokers' compensation, we need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. We will not commit to provide any level of brokerage business to any broker, and actual brokerage business received by any broker may be less than the suggested allocations but can (and often does) exceed the suggestions, because total brokerage is allocated based on all the considerations described above.

On a semi-annual basis, we evaluate, among other things, the execution that we are receiving from brokers. In conducting our analysis, we will consider the factors listed above, among others, and will review gifts and entertainment received, and any known conflicts of interests (e.g., directing commissions to a broker that employs a family member of one of our employees).

Research and Other Soft Dollar Benefits

We may enter into soft dollar arrangements with certain brokers. Soft dollar arrangements arise when an investment adviser obtains products and services, other than securities execution, from a broker in return for directing client securities transactions to the broker. Soft dollar arrangements create a potential incentive for us to select a broker based on our interest in receiving the research or other products or services offered by such broker, rather than on our clients' interests in receiving most favorable execution. Further, soft dollar arrangements pose a possible conflict of interest for us in that such arrangements potentially allow us to pay with client commissions expenses that would otherwise be borne by us. However, we only expect to use client commissions to pay for expenses that would otherwise be borne by our clients (and not by us).

When engaging in soft dollar transactions, we will comply with the safe harbor requirements of Section 28(e) of the Exchange Act. Under this provision, in exercising our discretionary authority to select or arrange for the selection of brokers for execution of transactions for our clients, and, subject to our duty to obtain best execution, we may consider the value of research and brokerage products and services provided by such brokers. Accordingly, if we determine in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, a client may pay commissions to such broker in an amount greater than the amount another broker might charge.

Research provided by such brokers may be used to service all clients and not exclusively in connection with the management of the clients that generated the particular soft dollar credits.

Where a product or service obtained with client commission dollars provides both research and non-research assistance to us, we will make a reasonable allocation of the cost which may be paid for with client commission dollars.

We also execute transactions on behalf of our clients with brokers that may provide us with access to bundled services, including access to proprietary research reports (such as standard investment research

and credit reports) and invitations to attend conferences. To the best of our knowledge, these services are generally made available to all institutional investors doing business with such brokers. These bundled services are made available to us on an unsolicited basis and without regard to the rates of commissions charged or paid by clients or the volume of business that we direct to such brokers.

Brokerage for Client Referrals

Subject to applicable law, we will direct client brokerage business to brokers that refer prospective investors to us. Because such referrals, if any, are likely to benefit us but may not provide a benefit to our clients, we would have a conflict of interest with our clients when allocating brokerage business to such brokers. To mitigate this potential conflict, we will not allocate brokerage business to a referring broker unless we determine that such allocation is consistent with our best execution duties.

Trade Errors

We may on occasion experience errors with respect to trades made on behalf of client accounts. We will reimburse each client account for losses resulting from trade errors in accordance with the terms of the exculpation provision in such client's Governing Documents.

Aggregation of Orders

We will not aggregate trades while the Funds are our only clients, since they operate through a single master-feeder structure.

Item 13. Review of Accounts

Review of Accounts

The Funds' portfolios are reviewed, and their performance analyzed, by our Principal on a regular basis. In addition, our Principal and our CCO regularly review the Funds' portfolios to confirm that the securities held by them remain consistent with their investment strategies, objectives and guidelines.

Reporting

We will furnish investors in the Funds with periodic written unaudited performance reports as set forth in their Governing Documents. In addition, on an annual basis, we provide investors with a copy of the relevant Fund's annual audited financial statements and, if applicable, a statement of taxable income (Schedule K-1).

Pursuant to "side letter" or other agreements, we may provide certain investors with access to more frequent and/or more detailed information regarding the Funds' securities positions, performance, finances, and management and/or other information about the Funds or us (including notifications of redemptions from a Fund by us and/or our personnel), possibly enabling such investors to better assess the prospects and performance of the Funds.

In addition, investors may be provided with certain information about us and the Funds in response to questions and requests. This information may not be distributed to other investors or prospective investors. Each investor is responsible for asking such questions as it believes are necessary in order to

make its own investment decisions and must decide for itself whether the limited information provided by us is sufficient for its needs.

Item 14. Client Referrals and Other Compensation

Other than the products and services that we receive from broker-dealers (described above in *Item 12*), we do not receive any economic benefits from third parties in connection with the provision of investment advice to the Funds.

We do not compensate any third-party marketers for introductions to potential investors or clients. To the extent we determine to engage any third-party marketers for the Funds, they will be compensated by the Funds and such compensation will reduce management fees that would otherwise be paid to us, all as described in the Funds' Governing Documents.

Item 15. Custody

For purposes of Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), we are deemed to have custody over the Funds' assets. In accordance with the Custody Rule, a qualified custodian is not required to deliver quarterly account statements to the Funds or their respective investors as long as: (i) the Funds are audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the Funds' audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (iii) we deliver such annual audited financial statements to investors within 120 days after the end of each Fund's fiscal year.

Item 16. Investment Discretion

We have discretionary authority to manage securities and other investments on behalf of the Funds. The investors in the Funds generally are not able to place any limits on our authority beyond the limitations set forth in their respective Governing Documents. Under certain circumstances, we may contract with an SMA client to adhere to limited risk and/or operating guidelines imposed by the client. We would negotiate such arrangements on a case-by-case basis.

Item 17. Voting Client Securities

We generally have voting discretion over client securities. Clients generally are not able to direct their votes in a particular situation. We have adopted proxy voting policies and procedures, which are summarized below.

In the absence of specific voting guidelines from the client or conflicts of interest, we will vote all proxies in the best interests of each client, which may result in different voting results for proxies for the same issuer. In addition, we may determine to abstain from voting a proxy if we believe that such action is in the best interests of a particular client. We may take into account the following factors, among others, in determining if a specific proposal is in the best interests of a particular client: (i) management of the issuer's views and recommendations on such proposal; (ii) whether the proposal may have the effect of entrenching existing management and/or making management less responsive to shareholders' concerns (*e.g.*, instituting or removing a poison pill, classified board of directors and/or other anti-takeover measure); and (iii) whether we believe that the proposal will fairly compensate management for its and/or the issuer's performance. If we deem that the issue being voted upon is not material for us and our clients

or we determine that the cost of voting a proxy would exceed the expected benefit to our clients, we will not be obligated to vote on such matter.

Upon the request by a client, we will disclose to such client how we voted proxies for securities owned by such client. We will also provide a copy of our proxy voting policies and procedures to clients upon request.

Item 18. Financial Information

We are not required to include our balance sheet for our most recent fiscal year with this Brochure.

Item 19. Requirements for State-Registered Advisers

We are not a state-registered adviser.