



Item 1 Cover Page

NAVIMED CAPITAL ADVISORS, LLC

Form ADV Part 2 Brochure

This Brochure (the “Brochure”) provides information about the qualifications and business practices of NaviMed Capital Advisors, LLC (“NaviMed Capital,” the “Adviser,” the “Firm,” “we,” “us” or “our”). If you have any questions about the contents of this Brochure, please contact us at (202) 817-2850 or via e-mail at rodd.macklin@navimed.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. Additional information about NaviMed Capital also is available on the SEC’s website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for NaviMed Capital is 169508.

NaviMed Capital is registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Recipients of this Brochure should be aware that registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser’s skill or expertise. Further, registration does not imply or guarantee that a registered adviser has achieved a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its clients.

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Brochure prepared on March 29, 2021

Item 2 Material Changes

This Brochure contains updated information about NaviMed Capital's business since its initial application to register as an investment adviser with the SEC on June 29, 2020. This section of the Brochure will address only those "material changes" that have been incorporated since initial delivery of this document on the SEC's public disclosure website (IAPD) to assist and make you aware of certain information that has changed since the initial Brochure. Because there have been no material changes to NaviMed Capital's business, there are no material changes in this updated Brochure; however, we have provided updates on our business and enhanced disclosures regarding the following items:

- Item 4. Advisory Business. Revisions and enhanced disclosure to Advisory Business, specifically regulatory assets under management.

All recipients of this Brochure are encouraged to read it carefully in its entirety. NaviMed Capital will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, NaviMed Capital's Brochure may be requested by contacting Mr. Rodd J. Macklin, Chief Compliance Officer (the "CCO") at (202) 817-2845 or rodd.macklin@navimed.com.

Additional information about NaviMed Capital is also available via the SEC's web site www.adviserinfo.sec.gov. The searchable IARD/CRD number for NaviMed Capital is 169508. The SEC's web site also provides information about any persons affiliated with NaviMed Capital who are registered, or are required to be registered, as investment adviser representatives of NaviMed Capital.

Item 3 Table of Contents

Item 1 Cover Page	i
Item 2 Material Changes	ii
Item 3 Table of Contents	iii
Item 4 Advisory Business	1
Item 5 Fees and Compensation	2
Item 6 Performance-Based Fees and Side-By-Side Management	5
Item 7 Types of Clients	5
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	6
Item 9 Disciplinary Information	17
Item 10 Other Financial Industry Activities and Affiliations	17
Item 11 Code of Ethics	18
Item 12 Brokerage Practices	24
Item 13 Review of Accounts	25
Item 14 Client Referrals and Other Compensation	25
Item 15 Custody	25
Item 16 Investment Discretion	25
Item 17 Voting Client Securities	26
Item 18 Financial Information	26

Item 4 Advisory Business

Advisory Firm Description

NaviMed Capital, established in 2011, is a private investment firm focused exclusively on the healthcare industry. The Firm is based outside of Washington, DC in Arlington, Virginia and is controlled and wholly owned by its managing members, Mr. Ryan Schwarz, Mr. Brian Canann, and Dr. Bijan Salehizadeh (the “Managing Directors”). As used in this Brochure, “we”, “us” and “our” refer to NaviMed Capital and its advisory business.

Types of Advisory Services

NaviMed Capital provides investment advisory and management services to private equity funds, each a privately placed partnership exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”), and the regulations promulgated thereunder (each a “Fund” and, collectively, the “Funds”). Interests in each Fund are offered only to qualified investors satisfying the applicable eligibility and suitability requirements (typically institutional investors and eligible high-net-worth individuals). The relationship between NaviMed Capital and each Fund is governed by the Investment Advisers Act of 1940, as amended (the “Advisers Act”), as well as the governing documents of each Fund, including the terms of investment advisory agreements executed between NaviMed Capital and each Fund.

NaviMed Capital does not act as a general partner of any of its managed Funds. Instead, certain of NaviMed Capital affiliates, including NaviMed Investment Management, L.P. and NaviMed Investment Management II, L.P. (each a “General Partner” and, collectively, the “General Partners”) serve as general partners to one or more of the Funds and have delegated exclusive investment advisory and other authority with respect to such Funds to NaviMed Capital. See *Item 10 – Other Financial Industry Activities and Affiliations* of this Brochure for more information regarding the NaviMed Capital’s affiliated entities.

Tailored Advisory Services

NaviMed Capital tailors its advisory services to the investment strategies (as described in Item 8 of this Brochure), specific terms and conditions of each Fund (as described in the private placement memorandum (“PPM”)), governing documents and other offering documents of each Fund. These documents include restrictions on investing in certain instruments or types of assets, including concentration limits and other restrictions. Fund investors should refer to each Fund’s PPM and other offering materials for specific information about the applicable Fund.

In accordance with the terms of each Fund’s governing documents, as well as common industry practice, NaviMed Capital has entered into letter agreements or other similar agreements (referred to as “side letters”) with one or more investors in a Fund (also referred to as “Limited Partners”) providing such Limited Partners with different or preferential rights or terms, including but not limited to different fee structures and other preferential economic rights, information, reporting, and other rights. Except as otherwise agreed with a Limited Partner, NaviMed Capital is not required to disclose the terms of side letter arrangements with other Limited Partners. Once invested in a Fund, investors

cannot impose additional investment guidelines or restrictions on the applicable Fund, but, in certain instances, may be excused from a particular investment due to legal, regulatory or other applicable constraints.

NaviMed Capital currently does not provide investment advisory services to clients apart from each of the Funds and does not provide investment advisory services for individual investors.

Regulatory Assets Under Management

As of December 31, 2020, NaviMed Capital managed approximately \$392,195,096 of advisory assets, of which all were on a discretionary basis and none were on a non-discretionary basis. The SEC has adopted a uniform method for advisers to calculate assets under management for regulatory purposes which it refers to as an adviser's "regulatory assets under management." Regulatory assets under management are generally an adviser's gross assets, *i.e.*, assets under management without deduction for outstanding indebtedness or other accrued but unpaid liabilities. NaviMed Capital reports its regulatory assets under management in Item 5 of Part 1 of Form ADV which you can find at www.adviserinfo.sec.gov.

Item 5 Fees and Compensation

Advisory Fees

This Brochure will be delivered only to "qualified purchasers" as defined under the 1940 Act. Accordingly, no fee table is included in this brochure.

NaviMed Capital or an affiliate receives a management fee and its affiliated General Partners are allocated carried interest as compensation for providing investment advisory services to the Funds (as described below). Differences exist from Fund to Fund, and certain Funds may not charge certain fees, compensation or expenses that other Funds charge. In addition, the General Partner of each Fund may, in its sole discretion, waive or reduce an investor's management fee or carried interest. Fund investors should refer to each Fund's PPM and other offering materials for specific information about the applicable Fund's fees and expenses.

Management Fee

Each Fund will generally pay an annual "Management Fee" equal to a percent of such Fund's capital commitments or invested capital. The Management Fee for a Fund is paid in advance generally by way of a drawdown of capital from investors in the applicable Fund but may be paid from any other asset owned by the applicable Fund (including amounts received by the applicable Fund in respect of a portfolio investment and/or reserved by the applicable Fund). Generally, the Management Fee is not negotiable, provided that NaviMed Capital is permitted to waive, reduce or otherwise modify the Management Fee for any Limited Partner in a Fund with the result being that investors in the same Fund may pay different Management Fees.

All break-up fees paid to the NaviMed Capital or its affiliates in connection with the Fund's unconsummated transactions will first be applied to offset broken deal expenses of the NaviMed Capital and/or its affiliates and 100% of the balance will be credited against

Management Fees. In addition, 100% of any transaction, closing, consulting, monitoring, directors' fees or other fees paid to the NaviMed Capital or its affiliates (net of expenses) by a portfolio company will also be credited against Management Fees. However, as detailed in each Fund's governing documents, any fees paid to certain outside experts or professionals (specifically "Health Policy Partners" or "Senior Advisors" as such terms are defined by the applicable Fund's governing documents) by a Fund portfolio company will not be credited against Management Fees

Carried Interest Allocation (Performance-Based Fees)

An affiliate of NaviMed Capital receives performance-based compensation from each Limited Partner (with limited exceptions) in each Fund in connection with the performance by such affiliate of its duties to the applicable Fund. Generally, such performance or carried interest allocation is equal to a percentage of distributions otherwise payable to such Limited Partner after a return to such Limited Partner of its aggregate capital contributions to the applicable Fund plus an agreed-upon annual return (or performance hurdle). These amounts are paid from cash otherwise distributable to such Limited Partner, such as receipt by the applicable Fund of proceeds from a portfolio investment. Generally, the performance allocation is not negotiable, provided that NaviMed Capital is permitted to waive, reduce or otherwise modify the performance allocation for any Limited Partner in a Fund with the result being that that investors in the same Fund may pay different performance-based compensation.

Other Fees and Expenses

In addition to the Management Fee and the performance-based compensation discussed above, each Fund, or in certain cases a Fund's portfolio company, may be required to reimburse NaviMed Capital and/or its affiliates for, and/or pay to one or more third parties, all out-of-pocket costs and expenses attributable to the applicable Fund's activities, other than ordinary administrative and overhead expenses of NaviMed Capital incurred in managing the applicable Fund. These additional amounts, including those identified below are more fully described in the offering documents for each Fund. As noted earlier, differences may exist with respect to the fees and expenses charged from Fund to Fund, and certain Funds may not charge for certain fees and expenses. Examples of other fees and expenses that may be charged to one or more Funds include those set forth below:

Organizational and Offering Expenses

A Fund will reimburse NaviMed Capital or an applicable affiliate for all or stated portion of the Fund's organizational expenses incurred in the formation of the Fund and the offering of the interests. In the event only a stated portion of organizational expense are reimbursed by a Fund, organizational expenses in excess of such and any placement agent fees will be borne by the Fund, but will be subject to a 100% offset against Management Fees; provided, however, that any such amounts so credited will not reduce any quarterly payment of the Management Fees by more than 50%.

Operating Expenses

NaviMed Capital will bear all costs associated with the salaries of its investment and administrative personnel and its rent, utilities and office space. A Fund will pay all other expenses including legal, fund administration, accounting, audit, consulting, investment banking, reporting, research, due diligence, travel and other professional services to the Fund and filing and similar fees paid on behalf of the Fund, including such expenses with respect to transactions that are not consummated to the extent not reimbursed by portfolio companies, all custody, transfer, registration and similar expenses incurred by the Fund, all brokerage and finder's fees and commissions and discounts incurred in connection with the purchase or sale of securities, all premiums for insurance covering indemnified persons, all fees and expenses of the "LP Advisory Committee," all fees and expenses incurred in connection with partner meetings, all interest on borrowed funds, all extraordinary expenses, all taxes and similar fees and expenses.

Break-up, Transaction, and Closing Fees

Generally, all break-up fees paid to NaviMed Capital or its affiliates in connection with the Fund's unconsummated transactions will first be applied to offset broken deal expenses of NaviMed Capital and/or its affiliates and 100% of the balance will be credited against Management Fees. In addition, 100% of any transaction, closing, consulting, monitoring, directors' fees or other fees paid to NaviMed Capital or its affiliates (net of expenses) by a portfolio company will also be credited against Management Fees. For the avoidance of doubt, any fees paid to Health Policy Partners or Senior Advisors by a portfolio company will not be credited against Management Fees.

See *Item 12 – Brokerage Practices* of this Brochure for more information regarding the NaviMed Capital's brokerage practices.

Termination of Advisory Services

Investors in a Fund are expected to participate in that Fund for the duration of its term. Subject to the applicable Fund's governing documents, should NaviMed Capital's services be terminated before its services are provided in full as a result of a termination of the Fund, fees that have been paid in advance will generally be prorated to reflect payment only for the period of time in which services were provided.

Compensation for Sale of Securities

Except with respect to the break-up fees, transaction, closing, consulting, monitoring, directors' fees or other fees paid to NaviMed Capital or its affiliates as described above, neither NaviMed Capital nor its supervised persons accept compensation for the sale of securities or other investment products.

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

As indicated in Item 5, in connection with providing advisory services to each Fund, an affiliate of NaviMed Capital receives performance-based compensation (*i.e.*, the performance or carried interest allocation). This carried interest allocation is intended to comply with Rule 205-3 under the Advisers Act. This carried interest allocation may create an incentive for NaviMed Capital to make investments that are riskier or more speculative than would be the case in the absence of the carried interest allocation. The possibility of this incentive to make riskier or more speculative investments is offset, in part, by the fact that the carried interest allocation is generally calculated only after investors have received as distributions 100% of their capital contributions plus an agreed upon annual return. In addition, this risk is further mitigated by a claw back provision that requires the return of some or all of the carried interest allocation if the applicable Fund does not satisfy certain performance hurdles. Prior to making a commitment to a Fund, investors are provided with information disclosing how NaviMed Capital's affiliate receives the carried interest allocation and how the carried interest allocation may increase investment risk, and the investors agree to these arrangements.

Item 7 Types of Clients

The clients to whom NaviMed Capital provides investment advice are private investment funds offered to investors on a private placement basis. Details concerning applicable suitability criteria for investors in each Fund are set forth in each Fund's PPM and/or other offering documents. The minimum commitment for an investor in NaviMed Capital's most recent Fund is \$5 million for institutional investors and \$1 million for individual investors. The General Partner of such Fund reserves the right in its sole discretion to waive the minimum commitment requirement.

Each investor in a Fund is required to meet certain suitability qualifications in order to invest, such as being a "qualified purchaser" as defined in the 1940 Act. In addition, there are prohibitions on withdrawals from a Fund and restrictions on transfers of interests in a Fund. Because of these prohibitions and restrictions, an investment in a Fund is a continuing commitment to invest the amount of capital subscribed for by an investor, is an illiquid investment, and involves a high degree of risk. A subscription for Limited Partner interests in a Fund should be considered only by persons financially able to maintain their investment and who can accept a loss of all of their investment.

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

On behalf of the Funds, NaviMed Capital intends to execute a strategy of acquiring what it believes to be profitable lower middle market healthcare businesses primarily within large end markets such as healthcare services, health IT and outsourced services. The firm takes a thematic approach to investments and currently views the following to be three of the most compelling and actionable industry themes: (i) hospital outsourcing (ii) healthcare payment innovation (iii) drug price reform.

INVESTING IN SECURITIES INVOLVES RISK OF LOSS THAT ALL FUND INVESTORS SHOULD BE PREPARED TO BEAR.

General and Investment Specific Risks

Highly Competitive Market for Investments

The business of identifying and structuring transactions of the nature contemplated by a Fund is highly competitive. A Fund will be competing for investments with other venture capital investment vehicles as well as other types of investors. There can be no assurance that the Fund will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration or fully invest its committed capital.

Changes in Environment

A Fund's investment program is intended to extend over a period of years, during which the business, economic, political, regulatory, and technology environment within which the Fund operates may undergo substantial changes. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by the Fund or considered for prospective investment. Instability in the securities markets may also increase the risks inherent in investments. Legal and regulatory changes could occur during the term of the Fund that may adversely affect the Fund.

Long-Term Nature of Portfolio Investments

A Fund is intended for long-term investment and for investors who can accept the risks associated with making highly speculative, primarily illiquid investments in privately negotiated transactions. The investments of the Fund are unlikely to provide current income, which is not an objective of the Fund. It is anticipated there will be a significant period of time (up to five years or more from the date of the Fund's final closing) before the Fund has completed its investment program. Investments may typically take from three to five years from the date of initial investment to reach a state of maturity when realization of the investment can be achieved. Transaction structures may not provide liquidity for the Fund's investment prior to that time. In light of the foregoing, it is likely that no significant return from the disposition of the Fund's investments will occur for a significant period of time after the first closing of the Fund.

Illiquidity of Fund's Portfolio Investments

It is anticipated that all or a substantial portion of a Fund's investments will consist of securities that are subject to restrictions on sale by the Fund because they were acquired from the issuer in "private placement" transactions or because the Fund will be deemed to be an affiliate of the issuer. Generally, the Fund will not be able to sell these securities publicly without the expense and time required to register the securities under the Securities Act of 1933, as amended (the "Securities Act"), or will be able to sell the securities only under Rule 144 or other rules under the Securities Act which permit only limited sales under specified conditions. When restricted securities are sold to the public, the Fund may be deemed an "underwriter", or possibly a controlling person, with respect thereto for the purpose of the Securities Act and be subject to liability as such under that Act.

In addition, practical limitations may inhibit the Fund's ability to liquidate certain of its investments in portfolio companies since the issuer will be privately held and the Fund will own a relatively large percentage of the issuer's equity securities. Sales may also be limited by market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. The above limitations on liquidity of the Fund's investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

Investments in Smaller, Less Established Companies

A Fund may invest in the securities of companies that have limited operating history. Investments in such companies may involve greater risks than are generally associated with investments in more established companies. Such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. Further, the marketplace for the sale of interests in smaller, private companies may be more limited than that for the sale of larger companies and thus may make realizations of gains more difficult. Less established companies also tend to have lower capitalizations and fewer resources than companies with long operating histories and are therefore often more vulnerable to financial failure.

Many such companies will operate with substantial variations in operating results from period to period. Many of these companies will need 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. Any given investment made by the Fund may prove worthless and there is a risk that Fund investors could lose their entire investment.

Non-Diversified Investments

A Fund's portfolio companies will be concentrated in the healthcare industry, which concentration may involve risks greater than those generally associated with diversified investment funds. A Fund may also invest its assets in a limited number of portfolio companies. A consequence of a limited number of investments and of investments in the same industry is that the aggregate returns realized by the Fund investors may be adversely affected by the unfavorable performance of a small number of these investments or in the industry. In particular, the healthcare industry is challenged by factors such as rapidly changing market conditions and participants, new competing products, improvements in existing products and pervasive regulatory requirements of federal and state governments. There is no assurance that products sold by portfolio companies will not be rendered obsolete or adversely affected by competing products or other challenges. Instability, fluctuation or an overall decline within the healthcare industry will not be balanced by investments in other industries not so affected.

General Economic Conditions

General economic conditions may affect a Fund's activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by the Fund or considered for prospective investment. The value of investments may fluctuate in accordance with changes in the financial condition of portfolio companies and other factors that affect the markets in which the Fund invests. Economic slowdowns or downturns could lead to financial losses in the Fund's portfolio securities and net assets of the Fund. In addition, many portfolio companies may be similarly subject to the same economic conditions, which could adversely impact the Fund's returns.

A Fund's ability to realize investments depends not only on the portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. In the past, many private equity funds have looked to the public securities markets as a potential exit strategy and there can be no assurance that the Fund will be able to exit from its investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable the Fund to sell these securities when NaviMed Capital believes it is most advantageous to do so. Renewed volatility in the financial sector may have a material adverse effect on the ability of the Fund to buy, sell and partially dispose of its portfolio company investments. The Fund may be adversely affected to the extent that it seeks to dispose of any of its portfolio investments into an illiquid or volatile market, and the Fund may find itself unable to dispose of investments at prices that NaviMed Capital believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted. The Fund's portfolio companies may depend on the availability of capital financed from third parties and to the extent such capital is not available on reasonable terms or at all, those of the Fund's portfolio companies that rely on such capital may be adversely impacted in a manner that they would not have been had they been able to access such capital. In addition, political measures

taken in response to market practices or renewed economic instability in the United States or abroad may have an adverse impact on the Fund's investments.

Industry Regulatory Risks

There is no guarantee that the government's role in the healthcare industry will not adversely impact the performance of a Fund. In both US and foreign markets, sales of a healthcare product and its success will depend in part on the availability of reimbursement from third-party payors such as government health administration authorities, private health insurers, managed care entities and other organizations. The levels of revenues and profitability of healthcare companies may be affected by the continuing efforts of governmental and third-party payors to contain or reduce the costs of healthcare or to establish protocols which effectively limit physicians' ability to select products and procedures. Significant uncertainty exists as to the reimbursement status of newly approved healthcare 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 a company to maintain price levels sufficient to realize an appropriate return on its investment in product development.

The development, testing, manufacturing and marketing of certain products by healthcare companies are subject to extensive regulation by numerous governmental authorities in the United States and other countries. The process for obtaining approval by the US Food and Drug Administration ("FDA") is typically costly and time consuming. Certain new products must undergo rigorous preclinical and clinical testing and an extensive regulatory approval process mandated by the FDA. Even if a company receives approval of the FDA to sell a product, such product will be subject to continued regulation by the FDA and other regulatory agencies. In addition, even if the regulatory approval of a product is granted, the approval may be subject to limitations on the uses for which the product may be marketed, or the conditions of approval, or certain requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the product. Any adverse effects observed after the approval and marketing of a product could result in the withdrawal of the product from the marketplace.

Political Climate

An unstable geopolitical climate and continued threats of terrorism could have a material effect on general economic conditions, market conditions and market liquidity. War, terrorism and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events as well as other changes in world economic and political conditions also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of the Fund's investments. Additionally, a serious pandemic or a natural disaster could severely disrupt the global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer confidence may increase the risk of default of particular investments, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, all of which could have an adverse effect on the Fund's returns

and ability to make new investments. No assurance can be given as to the effect of these events on the value of or markets for investments.

Legal and Regulatory Risks

Legal, tax and regulatory changes could occur during the term of a Fund that may adversely affect the Fund. The regulatory environment for private investment funds is evolving, and changes in the regulation of private investment funds may adversely affect the value of investments held by a Fund and the ability of the Fund to pursue its investment strategies. New laws or revised regulations imposed by the SEC, other governmental regulatory authorities, self-regulatory organizations or industry bodies that supervise the financial markets that could adversely affect the Fund may be adopted in the future. A Fund may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these regulatory authorities or self-regulatory organizations.

No Market for Limited Partner Interests

Interests in a Fund have not been registered under the Securities Act and state securities laws, and therefore cannot be sold unless they are subsequently registered under the Securities Act and other applicable securities laws, or an exemption from such registration is available. The Fund does not contemplate registering interests under the Securities Act or other applicable securities laws. There is no public market for interests in the Fund and one is not expected to develop. Moreover, pursuant to a Fund's governing documents there are substantial restrictions on the ability of a Fund investor to withdraw capital or to transfer its interests. An interest is not generally transferable without the General Partner's prior written consent and voluntary withdrawal of an investor's interest is not allowed. Therefore, an investment in a Fund should be considered only by persons financially able to maintain their investment and who can afford a loss of all or a substantial part of such investment.

No Right to Participate in Management of the Fund

Fund investors have no right or power to take part in the management or control of the Fund and therefore must rely solely on NaviMed Capital or its affiliates to conduct the Fund's affairs. Fund investors will not receive the detailed financial information issued by portfolio companies which is available to NaviMed Capital. Accordingly, no person should purchase interests unless such person is willing to entrust all aspects of the management of the Fund to NaviMed Capital and its affiliates.

Reliance on Management of the Fund and the Portfolio Companies

Decisions with respect to the management of a Fund will be made by NaviMed Capital and its affiliates. The success of the Fund will depend on the ability of the NaviMed Capital and its affiliates to identify and consummate suitable investments, to improve the operating performance and development of portfolio companies and to dispose of investments at a profit. There can be no assurance that all of the professionals of NaviMed Capital will continue to be associated with the Fund throughout its term. The loss of the services of one or more members of the professional staff of NaviMed Capital could have an adverse impact on the

Fund's ability to realize its investment objective. Although NaviMed Capital will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day to day basis. Although NaviMed Capital generally intend to invest a Fund in companies with strong management, there can be no assurance that the existing management of such companies will continue to operate a company successfully.

Other Activities of the Managing Directors

The Managing Directors are not required to devote all of their time to the affairs of any one Fund and may advise and manage other investments and other funds. The performance of the Fund could be adversely affected by the other professional commitments of the Managing Directors. Also, as a result of existing investments and activities, the Managing Directors may from time to time acquire confidential information that they will not be able to use for the benefit of the Fund.

Management Risks

A Fund will typically designate directors to serve on the boards of directors of portfolio companies. The designation of directors and other measures contemplated could expose the assets of the Fund to claims by a portfolio company, its security holders and its creditors. While NaviMed Capital intends to manage the Fund in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Contingent Liabilities; Repayment of Certain Distributions

In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of such company and to indemnify the purchasers of such investment if those representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities, which may require NaviMed Capital to maintain reserves to meet such a contingency.

In the event that the amount of such contingent liabilities or of other obligations of a Fund exceeds the reserves and other assets of the Fund, the Fund investors may be required to repay to the Fund or to pay to creditors of the Fund distributions previously received by them. In addition, Fund investors may be required to pay to the Fund amounts which are required to be withheld by the Fund for tax purposes.

Adverse Consequences of Ownership of Controlling Interest in Portfolio Companies

It is expected that a Fund may own a controlling percentage of the equity of portfolio companies which, depending upon the amount of equity owned by the Fund, contractual arrangements between the company and the Fund, and other relevant factual circumstances, could result in an extension to one year of the 90-day bankruptcy preference period with respect to payments made to the Fund. In addition, because of its equity ownership, representation on the board of directors and/or contractual rights, the Fund may often be thought to control, participate in the management of or influence the conduct of portfolio

companies. This could expose the assets of the Fund to claims by a portfolio company, its other security holders, its creditors or governmental agencies.

Further, by owning a controlling percentage of the equity of a portfolio company, the Fund could, under certain circumstances and under the reasoning set forth in the recent “Sun Capital” decision from the First Circuit Court of Appeals, be deemed to be jointly and severally liable under Title IV of ERISA with such portfolio company for liabilities that could arise in connection with a full or partial termination of a US defined benefit plan or withdrawal from participation in a US multiemployer plan. Factors that may determine whether such liability would attach may include, among other things, the level of active management by the Fund and its affiliates, the percentage of such portfolio company’s equity held by the Fund and its affiliates and certain fee arrangements among the Fund and its affiliates.

Operating as a Venture Capital Operating Company

A Fund may operate as a “venture capital operating company” as defined under ERISA’s plan asset regulation (as further described below). Due to the requirements of so qualifying, the Fund could incur additional expense in connection with making certain investments and, from time to time, forego investments or other arrangements on behalf of the Fund that might otherwise have been desirable for the Fund or dispose of investments at a time when the Fund might otherwise have continued to hold them.

Formation of Successor Funds

Pursuant to the terms of the partnership agreement for a Fund, NaviMed Capital may, upon the occurrence of certain stated conditions, hold a first closing on capital subscriptions from another private investment fund with investment objectives and strategies substantially similar to those of the Fund that would be competitive with the Fund, and there can be no assurance that the creation of such additional funds will not give rise to conflicts of interest between the Limited Partners of the respective Funds.

Special Risks Associated with Non-US Investments

A Fund may invest a portion of its capital commitments in portfolio companies that are headquartered and that have their principal operations outside the United States, its territories and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, capital repatriation regulations (as such regulations may be given effect during the term of the Fund), the application of complex US and foreign tax rules to cross-border investments, possible imposition of foreign taxes on the Fund and/or the Partners with respect to the Fund’s income, possible foreign tax return filing requirements for the Fund and/or the Fund’s investors, and possible difficulty in obtaining and enforcing judgments against non-US entities and other factors beyond the control of NaviMed Capital. Furthermore, issuers of non-US securities are subject to different, often less comprehensive accounting reporting or disclosure requirements than US issuers. Securities of certain companies in some countries are less liquid and more volatile than securities of comparable US companies. In addition, such investments

may be subject to currency exchange risks, including the cost of converting investment cash flows from one currency into another and the possibility of fluctuations in exchange rates.

Fund Investors Defaults

Fund investors that fail to satisfy capital calls in a timely manner generally may be subject to significant penalties as provided in the partnership agreement of the applicable Fund. Any failure by Fund investors to make timely capital contributions in respect of their capital commitments may impair the ability of the Fund to pursue its investment program. Additionally, if the contributions made by non-defaulting Fund investors and borrowings by the Fund are inadequate to cover the defaulted contribution, the Fund may be unable to pay its obligations when due. As a result, the Fund may be subjected to significant penalties that could materially adversely affect returns to all Fund investors.

Risk of Receiving Liquidating Distributions of Illiquid Securities

Although each Fund expects to distribute primarily cash to Fund investors, a Fund is authorized to make in-kind liquidating distributions of restricted or otherwise illiquid securities. Investments distributed in kind may not be readily marketable or disposable and Fund investors therefore must be prepared to bear the risks of owning such securities for an indefinite period of time.

Absence of Regulatory Oversight

Neither Fund is registered nor intends to register as an investment company under the 1940 Act in reliance on an exemption provided by Section 3(c)(7) of the 1940 Act and, accordingly, investors in a Fund are not accorded the protections of the 1940 Act (which, among other matters, requires investment companies to have disinterested directors, requires securities held in custody at all times to be segregated and marked to clearly identify the owner of such securities and regulates the relationship between the advisor and the investment company). The interests are not registered under the Securities Act in reliance on Section 4(a)(2) and Regulation D thereunder.

AIFMD

The implementation of the Directive on Alternative Investment Fund Managers 2011/61/EU (the “AIFMD”) may have an adverse effect on the continued operation of a Fund where investors in any European Economic Area (“EEA”) Member State where the AIFMD has been implemented make investments in the Fund. The AIFMD applies to the manager of any investment fund that is not authorized under the Undertakings for Collective Investment in Transferable Securities (an “AIF”) or does not otherwise fall within a relevant exclusion under the AIFMD (an “AIFM”) which is managed or marketed at the initiative of the AIFM in any EEA Member State in which the AIFMD is in force and effect. NaviMed Capital is not seeking to market a Fund at its own initiative in any EEA Member State in which the AIFMD is in force and effect or otherwise take any other action that would result in any measure taken in order to give effect to or supplement the AIFMD having application to the General Partner and the Fund. In this respect, NaviMed Capital will only accept investors where NaviMed

Capital concludes that such investors approached NaviMed Capital or the Fund at their own initiative or that any measure taken in order to give effect to or supplement the AIFMD would not otherwise apply to NaviMed Capital or the Fund. There is a risk that an EEA Member State or European Union regulatory or governmental authority may reach a different conclusion to NaviMed Capital and find that the relevant measures taken in order to give effect to or supplement the AIFMD in one or more EEA Member States do apply to NaviMed Capital and the Fund. Such a finding may result in a regulatory or governmental authority or court in one or more EEA Member States requiring NaviMed Capital and the Fund to return any capital or other funds to investors or otherwise seeking to take other enforcement or remedial action against NaviMed Capital and/or the Fund. This may result in a reduction in the overall amount of capital available to the Fund which limits, in turn, the range of investment strategies and investments that the Fund is able to pursue and make or otherwise result in a loss to the Fund.

Cyber Security Risk

With the increased use of technologies such as the internet and the dependence on computer systems to perform necessary business functions, investment vehicles such as the Fund, its portfolio companies and their service providers may be prone to operational and information security risks resulting from cyber-attacks. In general, cyber-attacks result from deliberate attacks, but unintentional events may have effects similar to those caused by cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial-of-service attacks on websites, the unauthorized release of confidential information and causing operational disruption. Successful cyber-attacks against, or security breakdowns of a Fund, NaviMed Capital, the Fund's portfolio companies and/or any of their third-party service providers may adversely impact the Fund or the Fund's investors. For instance, cyber-attacks may interfere with the processing of Fund investor transactions, impact the Fund's ability to value its assets, cause the release of private Fund investor information or confidential information of the Fund, impede trading, cause reputational damage, and subject the Fund to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. The Fund may also incur substantial costs for cyber security risk management in order to prevent any cyber incidents in the future. A Fund and the Fund's investors could be negatively impacted as a result. While a Fund or the Fund's service providers have established business continuity plans and systems designed to prevent such cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities or other instruments in which the Fund invests, which could result in material adverse consequences for such issuers and may cause the portfolio investments therein to lose value.

Risks Associated with Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues

NaviMed Capital's business activities as well as the Funds and their operations and investments, could be materially adversely affected by pandemics, epidemics and outbreaks of disease in Asia, Europe, North America and/or globally or regionally, such as novel

coronavirus, or COVID-19, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, and/or other epidemics, pandemics, outbreaks of disease, viruses and/or public health issues. Specifically, novel coronavirus, or COVID-19, has spread (and is currently spreading) rapidly around the world since its initial emergence in China in December 2019 and has severely negatively affected (and may continue to materially adversely affect) the global economy and equity markets (including, in particular, equity markets in Asia, Europe and the United States). Although the long-term effects or consequences of novel coronavirus (or COVID-19) and/or other epidemics, pandemics and outbreaks of disease cannot currently be predicted, previous occurrences of other pandemics, epidemics and other outbreaks of disease, such as H5N1 flu, H1N1 flu, SARS and the Spanish flu, had a material adverse effect on the economies and markets of those countries and regions in which they were most prevalent. Any occurrence or recurrence (or continued spread) of an outbreak of any kind of epidemic, communicable disease or virus or major public health issue could cause a slowdown in the levels of economic activity generally (or cause the global economy to enter into a recession or depression), which would adversely affect the business, financial condition and operations of NaviMed Capital and the Funds. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to spread or materially impact the day to day lives of persons around the globe), NaviMed Capital and the Funds could be adversely affected by more stringent travel restrictions, additional limitations on NaviMed Capital's operations or business and/or governmental actions limiting the movement of people between regions and other activities or operations (or to otherwise stop the spread or continued spread of any disease or outbreak).

Risks Associated with Investing in Partnerships and Limited Liability Companies

A Fund may invest in entities, such as limited partnerships and limited liability companies, which are treated as pass through entities for federal income tax purposes. Such investments pose a number of risks. Fund investors will be subject to tax on their distributive share of the taxable income of such entities allocated to the Fund, even if they do not receive cash distributions corresponding to such taxable income. Fund investors must have liquidity from sources other than the Fund to bear such tax liabilities. To the extent such entities are engaged in business in a number of states, Fund investors may be required to file state tax returns in such states. Investments in such entities are also likely to cause domestic tax-exempt investors to be allocated unrelated business taxable income, and to cause offshore investors to receive income effectively connected with the conduct of a US trade or business and to be required to file US federal and state tax returns. In addition, investing in such entities may cause delays in Fund investors receiving tax and other financial information from the Fund. Because the Fund's tax return is predicated on the tax attributes passed through to it by such entities, any delay in receiving tax information from such entities will cause a corresponding delay in dissemination to Fund investors of the Fund's tax information.

Extensive Government Regulation of Certain Healthcare Portfolio Companies

The extensive government regulation of the healthcare industry creates additional uncertainty and risks for a Fund. Obtaining government approval is a lengthy and expensive process with

an uncertain outcome. Portfolio companies may be unable to obtain necessary regulatory approvals on a timely basis, if at all, for any of the products they are developing, and the failure to obtain regulatory approval could have a material, adverse effect on the success of the portfolio companies. Moreover, the current regulatory framework may change, or additional regulations may arise at any stage during the hold period of a portfolio company, which may affect the company's ability to market its products

Continually Changing Regulatory Landscape of Healthcare

Both the federal and state governmental authorities in the U.S. continue to propose and pass new legislation (including potential changes to The 2010 Patient Protection and Affordable Care Act (as amended by the Health Care and Education Affordability Reconciliation Act and otherwise, the “ACA”)) affecting healthcare coverage and reimbursement policies, which are designed to contain or reduce the cost of medical products and services. There may be future changes that result in reductions in current coverage and reimbursement levels for current and future products and services, and NaviMed Capital cannot predict the scope of any future changes or the impact that those changes would have on the operations or potential profitability of any of a Fund's portfolio companies. Any of these changes could negatively affect the future revenues and potential profitability of a Fund's portfolio companies.

Health Research and Innovation

The healthcare industry spends heavily on research and development. Research findings (e.g., regarding side effects or comparative benefits of one or more particular treatments, services or products) and technological innovation (together with patent expirations) may make any particular treatment, service or product less attractive if previously unknown or underappreciated risks are revealed, or if a more effective, less costly or less risky solution is or becomes available. Any such development could have a material adverse effect on the companies in which the Fund invests.

Item 9 Disciplinary Information

We are not aware of any legal or disciplinary events that are material to an investor's or prospective investor's evaluation of NaviMed Capital's advisory business or the integrity of our management.

Item 10 Other Financial Industry Activities and Affiliations

Broker-Dealer

Neither NaviMed Capital nor any of its management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Futures and Commodity Trading

Neither NaviMed Capital nor any of its management persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities.

Material Related Person Relationships

As stated in Item 4 of this Brochure, NaviMed Capital does not act as a general partner for any of its Funds. Instead, certain affiliates of NaviMed Capital, serve as a general partner to one or more of NaviMed Capital's Funds and are regularly engaged in the business of sponsoring such Funds. In connection with such services the General Partner of each respective Fund may receive a performance or carried interest allocation as described above in Item 5 of this Brochure. The specific payment terms and other conditions of the performance or carried interest allocation available to a General Partner are set forth in the applicable Fund's governing documents, side letters and/or fee agreements. Through common control, NaviMed Capital is affiliated with each Fund's respective General Partner. Additionally, as described above in Item 6 of this Brochure, the receipt of performance-based compensation from Funds may create an incentive for the General Partners to cause such Funds to make riskier or more speculative investments than they would otherwise make in the absence of performance-based compensation. performance-based compensation also may incentivize the General Partners to overvalue assets in order to increase the amount of its performance-based compensation. Moreover, the performance on which performance-based compensation are calculated may, in certain circumstances, include unrealized appreciation and depreciation of investments that may not ultimately be realized and as a result may create an incentive for the General Partners to time investments, and the realization of investments, so as to maximize performance-based compensation rather than the returns of Funds. Lastly, Each Fund's respective General Partner may be required to return excess amounts of performance-based compensation as a "clawback," pursuant to the Fund's applicable governing documents. This clawback obligation may create an incentive for a General Partner to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation for the General Partner.

NaviMed Capital addresses these conflicts of interest by providing in its Code of Ethics that all supervised persons have a duty to act in the best interests of each Fund, providing training to

supervised persons with respect to conflicts of interest and how such conflicts are resolved under NaviMed Capital's written policies and procedures.

Set forth below are NaviMed Capital's affiliated General Partners and the corresponding Funds:

General Partners	Funds
NaviMed Investment Management, L.P.	NaviMed Partners, L.P. NaviMed Partners Executive Fund, L.P.
NaviMed Investment Management II, L.P.	NaviMed Partners II, L.P.

Other Investment Advisers

NaviMed Capital does not recommend or select other investment advisers for our clients.

Item 11 Code of Ethics

Code of Ethics

NaviMed Capital is committed to seeking to uphold the highest standards of integrity in the conduct of its affairs with its clients, counterparties and regulators and in seeking to ensure compliance with the laws and regulations governing its business. To that end, NaviMed Capital has adopted a Regulatory Compliance Manual and Code of Ethics, consisting of policies and procedures reasonably designed to ensure compliance by NaviMed Capital and its personnel with the Advisers Act, and its rules and regulations, and that reflects NaviMed Capital's fiduciary duties to its clients. The Code of Ethics describes the general standards of conduct that the Firm expects of all Firm personnel (collectively referred to as "employees") and focuses on areas where employee conduct has significant potential to adversely affect clients: general standards of conduct; personal securities transactions and prohibitions on insider trading; political contributions; misuse of confidential information; and conflicts of interest. NaviMed Capital's employees must certify annually that they have read and agree to comply in all respects with the Code of Ethics and that they have disclosed or reported all personal securities transactions, holdings and accounts required to be disclosed or reported by the Code of Ethics. An employee's failure to uphold the Code of Ethics may result in disciplinary sanctions against that employee, including termination of employment with the Firm.

As a fiduciary, NaviMed Capital must act in its clients' best interests. In other words, NaviMed Capital employees may not benefit at the expense of clients. To that end, NaviMed Capital employees must follow basic principles guiding all aspects of the Firm's business, as set forth in the Code of Ethics: clients' interests come before employees' personal interests and before the Firm's interests; the Firm and each employee must fully disclose all material facts about conflicts of interest of which it is aware between itself and clients as well as between Firm employees and clients; employees must operate on the Firm's behalf and on their own behalf consistent with the Firm's disclosures and otherwise manage the impacts of any existing conflicts; the Firm and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients; and the Firm and its employees must always comply with all applicable securities laws including in connection with any personal securities transactions.

The Code of Ethics contains a policy against the use of nonpublic information in conducting business for the Firm, as well as in personal trading. Employees may not convey nonpublic information nor use it in placing personal securities trades. The Code of Ethics sets forth extensive requirements regarding misuse of material nonpublic information and personal trading.

NaviMed Capital employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed, or the employee will be directed to cease such activity.

NaviMed Capital has adopted counter-insider trading policies in its Code of Ethics. NaviMed Capital prohibits all employees from personal trading in securities that are maintained on the Firm's restricted list. Participation in initial public offerings and private placements require pre-approval by NaviMed Capital's CCO. Employees are also required to submit quarterly statements of securities holdings from their broker or financial institution. These are reviewed by the CCO to ensure compliance with the Firm's policies, and the CCO must report any findings to the Managing Directors.

The above is merely a summary of certain key provisions of the Code of Ethics. Clients and prospective clients and investors in a Fund may request more information about the Code of Ethics by contacting us at the address, telephone number or email address listed on the first page of this brochure. In addition, NaviMed Capital will make the Code of Ethics available to any client or prospective client upon request.

Participation or Interest in Client Transactions and Other Conflicts of Interest

Material conflicts of interest encountered by a Fund or Fund investors include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Fund. Other conflicts may be disclosed throughout this Brochure or a Fund's governing documents and all such disclosure documents should be read in their entirety for other conflicts. Furthermore, as previously stated NaviMed Capital has adopted a Regulatory Compliance Manual and Code of Ethics, consisting of policies and procedures reasonably designed to ensure compliance by NaviMed Capital and its personnel with the Advisers Act, and its rules and regulations, and that reflects NaviMed Capital's fiduciary duties to its clients including, but not limited to, mitigation and/or disclosure of the below conflicts of interest.

Investment by Fund General Partners

The General Partner to each of each Fund, together with professionals and employees of NaviMed Capital and its affiliates and certain related persons, invests in each of its corresponding Funds and makes decisions on behalf of each such corresponding Fund. Because each General Partner is an affiliate of NaviMed Capital, NaviMed Capital has a material interest that could create conflicts that must be managed. NaviMed Capital believes that the significant investment of NaviMed Capital and its affiliates in a Fund, as well as the General Partners' interest in the carried interest of such Fund, operate to align, to a significant degree, the interests of NaviMed Capital with the interests of a Fund's investors. However, NaviMed Capital recognizes that this alignment is limited to some degree because the

principals have, or expect to have, similar economic interests in all Funds, including the right to receive Management Fees and carried interest relating to such interests.

Ability to Offer and Allocate Co-Investment

NaviMed Capital has the authority, pursuant to a Fund's governing documents and subject to any limitations therein, to determine if the amount of an investment opportunity exceeds the amount NaviMed Capital determines would be appropriate for a Fund (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisers to NaviMed Capital and/or the Fund or management teams of the applicable portfolio company, certain strategic investors and other investors whose allocation is determined by NaviMed Capital to be in the best interest of the Fund), and any such excess may be offered to one or more co-investors.

Cross-Transactions

In certain cases, NaviMed Capital may cause a Fund to purchase investments from another Fund, or it may cause a Fund to purchase investments from another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or NaviMed Capital might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees.

Principal Transactions

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), NaviMed Capital must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with NaviMed Capital's management of a Fund, NaviMed Capital and its affiliates may engage in principal transactions.

Portfolio Fees

NaviMed Capital and its affiliates may, from time to time, perform transaction-related, management, advisory, financial advisory, consulting and other services for, and will receive fees from, actual or prospective portfolio companies or other investment vehicles of a Fund, which fees will be in addition to the Management Fee and the carried interest paid by the Fund (such fees, together with the other fees described in this paragraph, the "Portfolio Fees"). Portfolio Fees will also typically include fees received by NaviMed Capital and its affiliates in connection with service on the board of directors of a portfolio company, and break-up fees in connection with unconsummated transactions. NaviMed Capital and its affiliates may also receive "monitoring fees" pursuant to monitoring agreements with portfolio companies of the Fund governing the advice, consultation and other similar ongoing services provided by NaviMed Capital to such portfolio companies, the terms of which may include annual automatic renewals or the payment of fixed fees or fees calculated as a percentage of EBITDA

or similar performance metric). The amount and timing of such Portfolio Fees are generally specified in the agreement or other documentation governing the transaction. There are certain circumstances (such as the occurrence of an initial public offering or strategic exit) that accelerate the payment of such fees. Because the agreements with portfolio companies providing for such fees generally have extended terms (often ten years or more and/or subject to automatic extensions and renewal), the effect of such acceleration is substantial, particularly in the event such circumstances occur early in the life of the Fund's investment in such portfolio company. Notwithstanding the foregoing, in the event of an initial public offering or other disposition, monitoring fees will continue to be paid so long as the Fund continues to hold an other than *de minimus* position in such portfolio company and NaviMed Capital or its affiliates continue to provide the monitoring services.

While the Management Fee offset mechanism is intended to reduce NaviMed Capital's incentive to charge Portfolio Fees, NaviMed Capital will in certain circumstances nevertheless have an interest in charging additional Portfolio Fees in order to cover its expenses. NaviMed Capital also may not seek to reduce expenses to the same extent it would if such Portfolio Fees were not available to NaviMed Capital to cover such expenses. Although NaviMed Capital or certain of its affiliates receive these fees and reimbursements from actual or prospective portfolio companies or other investment vehicles of the Fund, the opportunity to earn these fees and receive these reimbursements creates a conflict of interest between NaviMed Capital and such affiliates, on the one hand, and the Fund and the Fund investors on the other hand, because the amounts of such fees and reimbursements are often substantial, the Fund and the Fund investors do not have an interest in such fees and reimbursements. The rights of the Fund and the Fund investors to these fees and reimbursements is limited to the offset described above. In many cases with respect to the implementation of the arrangements described above, there is not an independent third-party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio company.

In addition, the NaviMed Capital, an affiliate, or its personnel on behalf of NaviMed may receive stock of a portfolio company as a Portfolio Fee. In the event of such a distribution or receipt of stock as a Portfolio Fee, NaviMed Capital or its personnel may act in its own interest and may determine to sell the distributed stock, or hold on to the distributed stock until such time as NaviMed Capital or its personnel shall determine. The ability of NaviMed Capital or its personnel to act in its own interest with respect to such distributed stock creates a conflict of interest between NaviMed Capital and its personnel, on the one hand, and the Fund, on the other hand.

Reimbursement of Expenses

A portfolio company will typically reimburse NaviMed Capital for expenses incurred by NaviMed Capital and its affiliates in connection with its performance of services for such portfolio company. To the extent not reimbursed by a portfolio company, such expenses will be paid or reimbursed by the Fund as described in the applicable Fund's governing documents.

Expenses typically reimbursed by portfolio companies include, without limitation, travel expenses (which may include expenses for chartered or first class travel, and meals and entertainment expenses (including, as applicable, closing dinners and mementos, private cars and meals (outside normal business hours), social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers)), expenses relating to training programs, meetings or other events (to the extent such programs, meetings or events are attended by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses), indemnification expenses, certain legal expenses and similar out-of-pocket expenses, as well as consulting fees and other cash and non-cash compensation and expenses. As described above, such reimbursements are not subject to the Management Fee offset mechanisms.

Follow-on Investments

Investments to finance follow-on acquisitions may present conflicts of interest, including the allocation of the investment opportunities in the case of follow-on acquisitions by a Fund in a portfolio company in which another Fund has previously invested. In addition, the Fund may in the future participate in releveraging and recapitalization transactions involving portfolio companies in which a Related Fund has already invested or will invest. Conflicts of interest arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than prevailing market terms.

Fund Level Borrowing

The Fund from time-to-time borrows funds or enters into other financing arrangements for various reasons, including to pay fund expenses, to pay management fees, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from investors), to make payments under hedging transactions, or to cover any shortfall resulting from an investor's default or exclusion. If the Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all Limited Partners on a pro-rata basis, including the General Partner. In addition, credit facilities for the Fund are available to provide borrowed funds directly to the portfolio companies of the Fund, in which case such borrowed funds would be guaranteed by the Fund.

To the extent the Fund uses borrowed funds in advance or in lieu of capital contributions, the Fund investors generally make correspondingly later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. As a result, the Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and may make net internal rate of return calculations higher than it otherwise would be without fund-level borrowing as these calculations generally depend on the amount and timing of capital contributions. While the Fund will bear the expense of borrowed funds, such borrowings can also increase the carried interest received by NaviMed Capital by decreasing the amount of distributions from the Fund that are required to be made

to the Fund investors in satisfaction of any preferred return. NaviMed Capital therefore has a conflict of interest in deciding whether to borrow funds because NaviMed Capital may receive disproportionate benefits from such borrowings.

Borrowings by a Fund will generally be secured by capital commitments made by the Fund investors to the Fund and/or by the Fund's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the Fund investors may be subordinated to such Fund-level borrowing. Moreover, tax-exempt investors should note that the use of borrowings by the Fund may cause the realization of unrelated business taxable income.

Health Policy Partners and Senior Advisors

NaviMed Capital has assembled a group of "Health Policy Partners" who are former senior healthcare officials and policy experts. The Health Policy Partners work with the Managing Directors on a formal and informal basis and are available to assist the Fund's portfolio company executives on an as-needed basis. In addition, NaviMed Capital has assembled a group of "Senior Advisors," comprised of senior healthcare industry executives, investors and entrepreneurs to assist in sourcing, evaluating and executing investments.

The Health Policy Partners and Senior Advisors are generally compensated by NaviMed Capital for their service. In addition, Health Policy Partners and Senior Advisors may be compensated by individual portfolio companies for specific services to such portfolio companies. Such compensation may include an annual fee or retainer, an hourly fee, a discretionary bonus, a success fee (in the form of cash or equity) based on pre-determined targets or milestones, a profits or equity interest in the fund or one or more portfolio companies or other incentive-based compensation. To the extent any such compensation is payable to any Health Policy Partner or Senior Advisor by a portfolio company, such amounts will not reduce any fees otherwise payable to NaviMed Capital or its affiliates.

Although the use of Health Policy Partners and Senior Advisors and compensation paid to them by a portfolio company may subject NaviMed Capital and its affiliates to potential conflicts of interest, NaviMed Capital believes any such potential conflicts of interest are mitigated by the value such individuals provide with respect to the portfolio company.

Item 12 Brokerage Practices

Selection of Broker-Dealers

Investments for a Fund are generally made through private negotiations and, as a result, best execution obligations do not arise in the same context as transactions in publicly traded securities. However, from time to time, such investments may be made through (or involve) a broker-dealer to the extent that a broker-dealer has a mandate to represent a seller or buyer of an asset or to the extent that NaviMed Capital believes that the services of a broker-dealer would add value to a monetization process for an existing portfolio investment. In the later situation, NaviMed Capital will generally select a broker-dealer based on such broker-dealer's expertise in the sector and the reasonableness of the fees charged by such broker-dealer.

While it is not anticipated that NaviMed Capital will often transact in public securities due to its investment mandate, in the event that it does so, its selection of a broker-dealer will be dependent, in part, on the size and type of the applicable transaction, the execution, clearance and settlement capabilities of the broker-dealer, the reputation of the broker-dealer, confidentiality, and the reasonableness of fees charged.

Soft Dollars

NaviMed Capital does not participate in any arrangement with broker-dealers that provide soft dollar benefits or referral arrangements. NaviMed Capital will select brokers based on the factors described above, among others.

Brokerage for Client Referrals

NaviMed Capital does not receive referrals for clients from any broker-dealers.

Directed Brokerage.

As NaviMed Capital's clients are all private investment funds, NaviMed Capital selects all broker-dealers. NaviMed Capital's clients do not direct brokerage.

Aggregation of Orders of Securities for Client Accounts

Due to the nature of NaviMed Capital's business as a private equity investor, NaviMed Capital does not aggregate orders of securities for client accounts.

Item 13 Review of Accounts

NaviMed Capital's Managing Directors and other professionals of each Fund on a periodic basis. There are no specific triggers to launch a portfolio review on a non-periodic basis.

NaviMed Capital regularly makes available to each investor in each Fund, in accordance with the governing documents of each Fund, reports containing (i) annual audited financial statements, (ii) quarterly unaudited estimates of investment performance and (iii) quarterly unaudited estimates of the balance of each investor's capital account in the applicable Fund. NaviMed Capital may provide investors with more frequent reports.

Item 14 Client Referrals and Other Compensation

Non-Client Benefits

Except to the extent discussed in Item 5, NaviMed Capital does not receive economic benefits from persons who are not clients for providing investment advice or advisory services to our clients.

Client Referrals and Compensation

NaviMed Capital or its affiliates have entered into arrangements in which third-parties will assist in the capital raising efforts for NaviMed Capital's Funds in exchange for a fee (such person, a "placement agent"). The fee paid to the placement agent may be calculated as a percentage of funds raised by the placement agent, as specifically negotiated between NaviMed Capital or such affiliate and the placement agent and memorialized in a written agreement. These types of placement agent arrangements, to the extent applicable, are disclosed in a Fund's offering materials.

Item 15 Custody

NaviMed Capital conducts all business operations in such a way that each Fund's cash and securities, other than privately offered, non-certificated securities, are held in custody by an unaffiliated bank that is a qualified custodian. Each Fund is subject to an annual audit by a Public Company Accounts Oversight Board-registered accounting firm. Audited financial statements, prepared in accordance with generally accepted accounting principles, are distributed within 120 days of each Fund's fiscal year end, as applicable. Each investor that receives a copy of such financial statements should carefully review these documents.

Item 16 Investment Discretion

NaviMed Capital is appointed by each Fund's general partner as the manager to each Fund. As such, NaviMed Capital has discretionary authority to manage the day-to-day activities of each Fund. NaviMed Capital's advice is made or provided in accordance with the investment objectives, guidelines, and any restrictions set forth in each Fund's offering documents.

The authority of NaviMed Capital to deduct fees, carried interest allocations and/or make distributions from applicable accounts are granted in each Fund's governing documents, including the execution of a power of attorney by each investor that invests in a Fund.

Item 17 Voting Client Securities

Although the Funds' investment programs generally do not include holding and voting publicly traded securities, NaviMed Capital may be presented with the responsibility to vote proxies for such securities if such securities are held by any of the Funds. NaviMed Capital's proxy voting procedures ensure that it is the designated party to receive proxy voting materials from companies or intermediaries. NaviMed Capital's CCO is then responsible for providing these materials to the applicable Fund's investment committee who will determine how to vote the applicable proxy. NaviMed Capital's CCO coordinates the communication of the vote(s) to third parties and the maintenance of all records associated with any proxy voted. Upon request, NaviMed Capital will provide its investors with proxy voting history information, if any.

Item 18 Financial Information

Balance Sheet

NaviMed Capital is not required to include a balance sheet as it does not require or solicit prepayment of fees six months in advance.

Financial Condition

NaviMed Capital is not aware of any financial condition that is reasonably likely to impair its ability to continue to meet its contractual commitments and provide services to its clients.

Applicable Bankruptcy

NaviMed Capital has not been the subject of a bankruptcy petition at any time during the past ten years.