

Eagle Health Investments LP

Part 2A of Form ADV

Firm Brochure

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This brochure provides information about the qualifications and business practices of Eagle Health Investments LP (“EHI” or the “Firm”), a registered investment adviser. If you have any questions about the contents of this brochure, please contact us at 203-516-3755. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration with the Securities and Exchange Commission registration does not imply a certain level of skill or training.

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

Item 2 – Material Changes

The last update to EHI's Form ADV Part 2 was made in June of 2021 when EHI filed its application to register as an investment adviser with the SEC. Since the time of that update, there have been no material changes in EHI's operations.

Item 4 has been updated to indicate the amount of assets under management as of December 31, 2021. Other amendments may have been made to the Brochure that are not discussed in this summary. We encourage you to read the Brochure in its entirety.

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Item 4 – Advisory Business

EHI is a Greenwich, CT-based investment management firm organized on October 10, 2019 as a Delaware limited partnership. The Firm is 100% owned by founder Gary Stern, who serves as Chief Investment Officer and is responsible for all investment-related decisions. EHI invests client assets primarily in publicly-traded equities, both long and short, across the healthcare sector. EHI and its affiliates provide investment advisory services and certain administrative services to the following pooled investment vehicle clients on a discretionary basis (each a “Fund” or “Client” and, collectively, the “Funds” or “Clients”):

1. Eagle Health Investments Master Fund LP (the “Master Fund”);
2. Eagle Health Investments Onshore Fund LP (the “Domestic Feeder Fund”); and
3. Eagle Health Investments Offshore Fund Ltd. (the “Offshore Feeder Fund,” and collectively with the Domestic Feeder Fund, the “Feeder Funds”).

The Feeder Funds will invest all of their assets in the Master Fund.

Eagle Health Investments Fund GP LLC (the “General Partner”), a Delaware Limited Liability Company, will serve as the general partner of the Master Fund and the Domestic Feeder Fund. Ms. Michelle Dea, Mr. Matt Auriemma and Ms. Julie O'Hara will serve as directors (the “Directors”) of the Offshore Feeder Fund. Unless and only to the extent that the context otherwise requires, all references to EHI include the General Partner and the Directors.

EHI’s investment objective is to capitalize on innovation and disruption within the healthcare sector by identifying major secular themes that it believes are mispriced by the market over a multi-year period. The Firm seeks to construct a portfolio of companies with compelling value propositions and attractive risk/reward potential over a long-term investment horizon. EHI will employ a process-driven diligence approach to understand how innovation or disruptive change may impact portfolio candidates’ financial results over 3- 5- and 7-year periods. The Master Fund’s investments will generally include publicly traded equities, cash and cash equivalents, including government bonds, treasury bills, and money market funds, and other hedging instruments, including swaps, futures, options, and spots and forwards transactions.

In providing services to the Funds, EHI will (i) manage the Funds’ assets in accordance with the terms of the applicable Fund’s Confidential Private Offering Memorandum or Confidential Explanatory Memorandum and individual limited partnership agreements or Memorandum and Articles of Association, as applicable (the “Offering Documents”); (ii) formulate investment objectives; (iii) direct and manages the investors. Investment restrictions for the Funds, if any, are generally established in the applicable Fund’s Offering Documents.

EHI does not currently offer investment advisory services to separately managed accounts or other services tailored to the needs of individual investors, although EHI may provide such investment advisory services in the future. EHI does not participate in wrap free programs.

As of December 31, 2021, EHI had approximately \$525.4 million in regulatory assets under management. The Firm provides investment management services on a discretionary basis to the Funds.

Item 5 – Fees and Compensation

Generally, EHI's compensation for the discretionary investment advisory services it provides to the Funds will be comprised of an asset-based management fee and an incentive allocation that is based on the performance achieved for the account of each investor. The fees and expenses applicable to each Fund are set forth in detail in each Fund's respective Offering Documents. A brief summary of fees and expenses is provided below.

Management Fee

On an annual basis, the Master Fund will pay EHI a management fee (the "Management Fee") of up to 1.5% of the net asset value of each investor's capital account. The Management Fee will be paid monthly in advance, based on the value of each capital account as of the first business day of each calendar month. The General Partner or the Firm, as applicable may waive or modify the Management Fee for certain investors, including members, Employees, or affiliates of EHI, relatives of such persons, and for certain early stage, large or strategic investors.

Incentive Allocation

At the conclusion of each fiscal year, the General Partner will receive an annual incentive allocation of up to 17.5% of the net profits attributable to each investor's capital account (including realized and unrealized gains and losses), if any, subject to a high watermark (the "Incentive Allocation"). When calculating the Incentive Allocation, net profits are reduced by the Management Fee and all other expenses of the Funds as described below. The Incentive Allocation will be allocated at the Master Fund level, but will be calculated with respect to each investor such that any Feeder Fund-level income and expenses will be taken into account for purposes of calculating such Incentive Allocation. The Incentive Allocation will be determined with respect to any fiscal year as of the close of business on the last day of such fiscal year.

The General Partner may waive or modify the Incentive Allocation for investors that are members, Employees, or affiliates of EHI, relatives of such persons, and for certain early stage, large or strategic investors. Incentive Allocations received by EHI will be in compliance with Rule 205-3 under the Advisers Act.

Fund Expenses

As further described in the Offering Documents of the Funds, certain organizational and operating expenses will be incurred by the Funds (collectively, "Fund Expenses"). In general, each investor will bear its proportionate share of Fund Expenses on a pro rata basis with respect to the size of its capital account. The General Partner may, however, allocate expenses on another basis, including by allocating certain expenses to certain (but not all) investors, if the General Partner determines that such an allocation is more equitable.

As noted above, the Funds invest their assets through a “master-feeder” fund structure in the Master Fund. The Feeder Funds, which invest exclusively in the Master Fund, indirectly bear the expenses of the Master Fund pro rata based on their interest in the Master Fund. As a result, virtually all expenses are incurred at the Master Fund level and therefore expenses incurred directly by the Feeder Funds are relatively small and typically include legal, audit, and administrative expenses.

Organizational Expenses

The Funds will bear all organizational and offering expenses and will reimburse the General Partner, the Firm and/or the Principal, as applicable, to the extent that any of them bears organizational or offering expenses on behalf of the Funds. Such organizational and offering expenses will include, without limitation, all costs and expenses incurred in connection with the Funds’ formation and the offering and sale of interests, including, but not limited to, legal and accounting fees and expenses, registration fees, filing fees and all costs and expenses incurred in connection with the preparation of offering and organizational documents, marketing materials and similar materials.

Operating Expenses

In general, the Funds will also incur all operating expenses, which expenses will include, without limitation: (a) organizational and offering expenses; (b) expenses associated with all investments and transactions considered, evaluated and/or consummated by the Funds, as well as overall consideration and evaluation of the Funds’ portfolio, including, without limitation, those expenses incurred before the initial closing of the Funds, including, without limitation, expenses associated with sourcing, negotiating, investigating, researching, financing and structuring of investments and potential investments, whether or not consummated, including, without limitation, third-party research, data, analytics, modeling, risk, structuring, pricing, execution and other third-party information systems, including, without limitation, installation and maintenance, software and service fees (including, without limitation, the expenses with respect to data, data feeds, subscriptions, expert networks, political intelligence providers and reports); (c) the costs of research-related computer hardware and software expenses, including, without limitation, Bloomberg terminals and subscriptions; (d) the costs of the Firm’s portfolio management system and any other software used for accounting and/or monitoring of the portfolio, including, without limitation, subscriptions relating to, among other things, trading and order management systems and services; (e) expenses associated with holding, financing, monitoring, hedging, maintaining and disposing of all investments of the Funds and all transaction and other costs associated therewith; (f) travel and related expenses associated with investments and potential investments; (g) professional fees associated with investments and potential investments, including, without limitation, consulting, due diligence, accounting, valuation, financial, legal and other advisory fees and expenses; (h) transaction fees, brokerage commissions, custodial fees, clearing and settlement charges and similar fees and expenses associated with the acquisition, disposition and settling of investments and potential investments; (i) expenses associated with legal and regulatory filings of the Funds in the United States or in any other jurisdiction (including, without limitation, pursuant to Sections 13 and 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as well as the expenses associated with preparation and filing of the Firm’s Form 13F, Form 13H

and Form PF, and any other similar filing in any other U.S. or non-U.S. jurisdiction; (j) administrative, custodial, appraisal, valuation, legal, regulatory, compliance, consulting, advisory and similar fees and expenses associated with the Funds' operations, investments and transactions, including, without limitation, fees and expenses of the Administrator (defined below) and fees of any service provider engaged to verify the work of the Administrator or regulatory matters with respect to the Funds; (k) expenses incurred in connection with responding to requests or inquiries from any U.S. federal, state, local or non-U.S. governmental entity or authority, regulatory body or self-regulatory organization with respect to the Funds; (l) costs and expenses of leverage or any other borrowings of the Funds, including, without limitation, interest charges and fees; (m) expenses incurred in the collection of monies owed to the Funds, as applicable; (n) auditing and accounting expenses of the Funds, including, without limitation, expenses associated with the preparation of financial statements, tax returns and Schedules K-1 and the fees and expenses of the auditor; (o) broken-deal, failed transaction, break-up and similar fees, costs and expenses (if any); (p) any entity-level taxes, fees or other governmental charges on the Funds, including, without limitation, any withholding taxes not due to the status or noncompliance of a particular investor; (q) costs and expenses associated with investor communications and reports and the delivery thereof to investors; (r) the costs of service providers or software to measure or monitor risk metrics, to aggregate positions and/or to provide reporting with respect to risk metrics and/or positions; (s) costs and expenses associated with meetings of investor; (t) insurance expenses, including, without limitation, general partner liability insurance and other policies, if any, as well as the Funds' share of expenses with respect to directors' and officers' liability insurance and errors and omissions insurance (the Funds' share allocated in a manner that EHI deems, in its sole discretion, fair and equitable); (u) costs and expenses associated with the formation, organization and operation of any subsidiary, special purpose vehicle, alternative investment vehicle, holding company or similar entity formed with respect to investments, credit facilities or other transactions entered into for the benefit of the Funds; (v) wind-up, liquidation, termination and dissolution expenses; (w) costs, fees and expenses related to registration, qualification and/or exemption under any applicable U.S. federal, state, local or non-U.S. laws, rules or regulations, including, without limitation, blue sky fees, Form D, Form 8.3, filings with the National Futures Association and notices and other securities and/or investment-related filing expenses; (x) costs related to any transfers of Interests, unless otherwise charged to or borne by the applicable transferor and/or transferee; (y) expenses incurred in connection with the preparation of any amendment to the Offering Documents, including the preparation or amendment of any side letter; (z) expenses incurred in connection with pursuing, defending or participating in any litigation, arbitration, mediation or similar proceeding by the Partnership or the Master Fund; (aa) any extraordinary expenses (including, without limitation, all litigation-related and indemnification and contribution expenses, including, without limitation, the amount of any judgment or settlement paid in connection therewith); (bb) the Management Fee; (cc) fees and expenses incurred by the Funds' advisory committee, including, without limitation, the fees of the advisory committee's independent members; and (dd) all other fees, costs, charges and expenses associated with the business, affairs and/or operations of the Funds.

In addition, any Fund Expenses attributable solely to investments in "new issues" will be allocated solely to those investors who participate in such investments with respect to their relative interest in such investments. Further, the General Partner will have the right to charge any investor, and not treat as a Fund Expense, any expense attributable to a single investor or a small group of

investors, including, without limitation, additional accounting expenses incurred in providing a calculation of “unrelated business taxable income”, if any, to particular investors.

From time to time, the General Partner, the Firm and/or their affiliates may elect to bear certain expenses on behalf of the Funds that would otherwise be Fund Expenses. The Firm, the General Partner and/or the Principal may advance funds on behalf of the Funds, and the Firm, the General Partner and the Principal, as the case may be, will be reimbursed by the Funds for such advanced amounts.

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

As noted above in the Fees and Compensation section, EHI will receive an Incentive Allocation that is based on a percentage of the net profits attributable to each investor’s capital account (including realized and unrealized gains and losses, if any). The fact that EHI is compensated based on the success of investments held by the Funds may create an incentive for EHI to make investments that are riskier or more speculative than would be the case in the absence of such compensation or different performance fee terms. EHI has adopted policies and procedures to operate in a manner whereby all its Clients are treated fairly and equitably and to minimize the risk of any potential conflict of interest.

In addition, because the Management Fees and Incentive Allocations are based directly on the net asset value of the Funds, EHI has a conflict of interest in valuing the assets held in the Funds. In order to mitigate this conflict, EHI will maintain formal policies governing the valuation of the Funds’ investments and will routinely consult with its third-party administrator (“Administrator”) and prime broker for guidance. The Administrator will be delegated responsibility for calculating the net asset value of the Funds, subject to the overall supervision, direction, and approval of EHI.

Item 7 – Types of Clients

EHI will provide investment advisory services to the Funds. Investment advice will be provided directly to the Funds, subject to the direction and control of the General Partner and/or directors of each Fund, and not individually to investors. Investors in the Funds may include, but are not limited to, high net worth individuals, fund-of-funds, foundations and trusts, family offices, consultants, institutional investors, and current EHI Employees. The minimum investment requirement to invest in the Funds is generally \$1 million for the Institutional Share Class and generally \$5 million for the Founders Share Class; however, at its discretion, EHI may accept a lesser amount for each aforementioned share class.

EHI, the General Partner, and the Funds have entered into an agreement with a strategic investor in the Funds (such investor collectively with its affiliates, the “Strategic Investor”). The Strategic Investor has made a significant and early investment in the Funds, which is subject to an initial lock-up period. Terms governing the Strategic Investor’s management fees, and redemption/liquidity rights are more favorable than those offered to other investors in the Funds. The Strategic Investor has no rights with respect to the operation of the Funds or the General Partner.

Each investor is required to meet certain suitability qualifications, such as being an “accredited investor” within the meaning set forth in Regulation D under the Securities Act of 1933, as amended, or a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended. Complete details concerning applicable investor eligibility criteria are set forth in each Fund’s Offering Documents and subscription materials.

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

General

The Firm utilizes a process-driven approach to capitalize on innovation and disruption in the healthcare sector and seeks to construct a portfolio of companies with a compelling value proposition and attractive risk/reward potential over a long-term investment horizon. In particular, the Firm focuses on chronic disease, inadequate care, and misaligned incentives that in EHI’s view drive the need for a dramatic change in the healthcare industry, as well as strong innovation addressing a defined market need in order to drive significant long-term value. The Firm seeks to identify major secular themes in healthcare that it believes are mispriced by the market over a multi-year period. EHI pursues a diligence process to understand how innovation or disruptive change may impact portfolio candidates’ financial results over 3- 5- and 7-year periods.

Research Process

EHI sources, diligences, executes, and monitors transactions on behalf of the Funds. Portfolio candidates are evaluated through extensive fundamental bottom-up analysis, a survey of industry leaders, operators, and consultants in the field, a focus on quality and sustainability of earnings growth and cash flow generation, an evaluation of management and other key decisionmakers or shareholders, and the quantification of risk and reward using a range of outcomes.

The Firm conducts proprietary fundamental investment research and analysis on individual issuers in a manner that is disciplined and consistent, and generally employs a multi-phased investment process that includes:

1. Idea Sourcing;
2. Financial Analysis;
3. Issuer Research;
4. Valuation Methodology; and
5. Portfolio Construction.

Investment ideas are generated from multiple sources, but the process is driven primarily by a screening process aligned with EHI’s investment philosophy. The Firm supplements its idea discovery with fundamental issuer financial analysis and industry research, which is supported by EHI’s business model knowledge and the principal’s history of industry coverage across a global universe of corporate entities in the healthcare sector.

Through issuer research, EHI seeks to understand and evaluate any changes that may occur within the healthcare sector and its competitive environment, or issuer-specific events that can positively

or negatively affect business prospects. EHI seeks to incorporate financial modeling and research facts, coupled with industry and business model insights, to support its investment thesis. EHI's investment team reviews the Funds' portfolio of current holdings and pipeline of investment opportunities on an ongoing basis.

Risk of Loss

Although the Funds' investments are held in the Master Fund and the Feeder Funds invest solely in the Master Fund, for purposes of this discussion of risks, all investments will be deemed to be held by the "Funds."

An investment in the Funds involves substantial risks due in part to the highly speculative nature of investing in securities. Among others, risks include the Funds' reliance upon the Firm's judgment in selecting investments, and the limitations on withdrawal from the Funds. There can be no assurance that the Funds' investment objectives will be achieved or that there will be any return of capital. Investment results may vary substantially on a monthly, quarterly or annual basis. The Funds are designed only for sophisticated persons who are able to bear the risk of the loss of their entire investment in the Funds. Prospective investors should carefully evaluate the risks before making an investment in the Funds. Following is a summary of certain risks relevant to an investment in the Funds. A complete description of risk factors relevant to the Funds can be found in their respective Offering Documents.

General Investment and Trading Risks. All securities investments present a risk of loss of capital. Volatile financial markets increase that risk. If the Firm's evaluation of an investment opportunity should prove incorrect, the Funds could experience losses as a result of a decline in the market value of securities in which the Funds hold a long position or an increase in the value of securities in which the Funds holds a short position. The Funds' investment program will include short sales, which can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Funds may be subject. The risk management techniques that may be used by the Firm do not provide any assurance that the Funds will not be exposed to a risk of significant investment losses. No guarantee or representation is made that the Funds' investment program will be successful, that the Funds will achieve its targeted returns or that there will be any return of capital to investors. In addition, investment results may vary substantially over time.

Investment Judgment. The profitability of a significant portion of the Funds' investment program depends to a great extent upon correctly assessing the future profitability of companies and future price movements of securities and other investments. There can be no assurance that the Firm will be able to accurately predict the long term results of any security or other investment.

General Economic Conditions. The success of the Funds' activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Funds' investments), tax considerations and tax treatment, trade barriers, currency exchange controls and national and international political circumstances (including wars, terrorist acts and security operations). These factors may affect the level and volatility of the prices and liquidity of the Funds' investments and could impair the Funds' profitability or result in losses. The Firm may

consider some or all of these factors when making trading decisions. The Funds' could incur material losses even if the Firm reacts quickly to difficult market conditions, and there can be no assurance that the Funds' will not suffer material losses and other adverse effects from broad and rapid changes in market conditions in the future. Investors should realize that markets for the financial instruments in which the Funds will seek to invest can correlate strongly with each other at times or in ways that are difficult for the Firm to predict. Even a well-analyzed approach may not protect the Funds from significant losses under certain market conditions.

Availability of Suitable Investments. The success of the Funds' investment and trading activities depend on the ability of the Firm to identify overvalued and undervalued investment opportunities and to manage market risk. Identification and exploitation of the investment strategies to be pursued by the Funds involve a high degree of uncertainty. No assurance can be given that the Fund will be able to identify suitable investment opportunities in which to deploy all of the Funds' capital. A reduction in overall market volatility and liquidity, as well as other market factors, may reduce the pool of profitable investments for the Funds. Certain of the investment strategies employed by the Funds may be based on historical relationships among securities prices, exchange rates, interest rates and bond prices. There can be no assurance that these historical relationships will continue. **No representation is made by the Firm as to what results the Funds will or are likely to achieve based on these trends and relationships.**

Available Information. The Firm may select investments, in part, on the basis of information and data filed by the issuers of securities with various government regulators or made directly available to the Firm by such issuers, or through sources other than the issuers. Although the Firm evaluates all such information and data, and seeks independent corroboration when the Firm considers it appropriate and when it is reasonably available, the Firm is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not readily available.

Concentration of Investments; Limited Diversification and Sector Investing. The Firm will generally seek to maintain a diversified portfolio of investments within the healthcare sector, concentrating the portfolio primarily in equity securities in the healthcare sector. However, there is no obligation to do so and the Funds may at certain times hold relatively few investments (both long and short) and/or be more concentrated in a limited number of investments, industries, or geographies. As a result of the Funds' possible lack of diversification, a significant loss in any one position may have a material adverse effect on the net asset value of the Funds' rate of return. Likewise, any fluctuation in the overall value of securities in specific industries or the consumer sector likely will have a material effect on the performance of the Funds.

Equity Securities. The Funds may invest in equity and equity-related securities, including, without limitation, equity investments acquired in connection with restructured debt securities or instruments, or in connection with reorganizations and/or restructurings of debt securities, equity securities or other obligations and assets of undervalued, operationally challenged and/or financially troubled companies or institutions. A risk of investing in the Funds is that equity securities held by the Funds may decline in value. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates,

general economic environments and/or certain geo-political events. In addition, equity securities that the Firm believes are undervalued or incorrectly valued may not ultimately be valued by the markets in the manner that the Firm anticipates.

Debt Securities. Although the Funds will trade primarily in equities, the Funds also may invest in debt or other fixed income securities, including non-investment grade securities, and similar obligations and instruments. Particularly with respect to non-investment grade securities, there is a risk that the issuer will default on its payments obligations. The market values of debt instruments may be more volatile than the values of other investments and, during periods of economic uncertainty and change, the market price of these investments may decrease significantly. Debt instruments may also be less liquid than equities, particularly during periods of market dislocation. The lack of a liquid secondary market may have an adverse effect on the market price and the Funds' ability to sell particular securities.

Hedging. The Funds may, but are not expected to, engage in certain hedging transactions, including derivatives, options and swaps. Hedges can be more difficult to implement than many other types of transactions, and the possibilities for errors may be greater than for other transactions. Additionally, there is no guarantee that these hedging transactions will prevent losses to the Funds. The success of the Funds' hedging strategy will be subject to the Firm's 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. Since the characteristics of many securities change as markets change or time passes, the success of the Funds' hedging strategy will also be subject to the Firm's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. In addition, hedging transactions may result in poorer overall performance for the Funds than if no such hedging transactions were executed. Moreover, the Firm may determine not to hedge against, or may not anticipate, certain risks. Finally, the Funds may be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular investments and counterparties).

Options. The Funds may engage in the trading of options when appropriate. 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 may, from time to time, utilize both exchange-traded and over-the-counter derivatives, including swaps, futures, options and contracts for differences, either to express an investment view or for hedging purposes. Regulatory restraints may restrict the instruments that the Funds may trade. Such derivative instruments are highly volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a gain or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further losses exceeding any margin deposited. Further, when used for hedging purposes, there may be an

imperfect correlation between these instruments and the investments or market sectors being hedged.

Leverage. The Funds may employ leverage in connection with its investment strategies and/or for any other purpose deemed necessary, desirable or appropriate at such times, in such amounts and subject to such terms and conditions as the Firm may determine. Such leverage may take a variety of forms, including, but not limited to, margin borrowing from securities brokers and dealers, loans, repurchase agreements, derivative instruments that are inherently leveraged, and other financing arrangements, as determined by the Firm. The use of leverage increases both the possibility for gain and the risk of loss. Leverage employed by the Funds may be secured by the securities holdings and other assets of the Funds. In addition, the amount of Funds' borrowing and the interest rates on that borrowing, both of which will fluctuate, may have an effect on the Funds' profitability. In addition, the use of leverage may cause a U.S. tax-exempt investor to realize UBTI.

Short Sales. The Firm may engage in short selling on behalf of the Funds. Short selling involves borrowing, including from securities brokers or other institutions, and selling securities that are not owned, with an obligation to replace the borrowed securities at a later date, the cost of which may be significant and may change from day-to-day. Short selling allows the investor to profit from a decline in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. A short sale involves the risk of a theoretically unlimited increase in the market price of the security. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

In addition, short sellers are subject to the risk of a "short squeeze." A short squeeze is a situation in which the short seller is prematurely forced out of a short position. The lender of a security used to cover a short generally has the right to demand the return of the security that has been loaned at any time. If a lender were to demand the return of securities that the Funds had borrowed, the Funds would be required to replace the borrowed securities by borrowing identical securities from another lender. If the Funds were unable to replace the borrowed securities, they would be required to close out the short sale by buying identical securities in the market to make delivery. In such event, the Funds could incur significant losses if the securities sold short had increased in value.

The Funds also could be forced to close out a short sale prematurely as a result of an increase in margin requirements, coupled with an inability to provide the required additional margin on short notice. In addition, the cost to borrow securities in connection with short sales may be significant.

Securities Lending. The Funds may lend securities to securities brokers and other institutions as a means of earning additional income. If the other party to such transaction becomes insolvent or bankrupt, the Funds could experience delays and extra costs in recovering payment or the securities. To the extent that, in the meantime, the value of securities changes, the Funds could experience further losses. Security loans must be fully collateralized, and the Firm must be satisfied with the creditworthiness of the other party to the transaction.

Margin. The Firm may make use of short-term borrowing or repurchase agreements on behalf of the Funds, and any such use will result in certain additional risks to the Funds. For example, should the securities pledged to brokers to secure the Funds' margin accounts or repurchase obligation decline in value, the Funds could be subject to a "margin call," pursuant to which the Funds must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Funds' assets, the Funds might not be able to liquidate assets quickly enough to pay off its margin debt.

Interest Rates. The Firm may borrow funds from brokerage firms and banks on behalf of the Funds to be able to increase the amount of capital available for marketable securities investments. The rates at which the Funds can borrow, in particular, will affect the operating results of the Funds. Even if the Funds makes a profit on a trade, the interest expense incurred in carrying the position may exceed the profit generated by the trade.

Price and Liquidity Fluctuations of Investments. Generally, the Funds' investments will be in publicly-traded securities. However, the market value of the Funds' investments may fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of financial markets, developments or trends in the securities markets, the financial condition of the issuers of the securities in which the Master Fund invests and certain geo-political events. During periods of limited liquidity and higher price volatility, the Funds' ability to acquire or dispose of its investments at a price and time that the Funds deem advantageous may be impaired. As a result, in periods of rising market prices, the Funds may be unable to participate in price increases fully to the extent that it is unable to acquire the desired positions quickly; the Funds' inability to dispose fully and promptly of positions in declining markets will conversely cause its net asset value to decline as the value of unsold positions is marked to lower prices.

Trade Error Risk. Trade errors include, for example, keystroke errors that occur when entering trades into an electronic trading system or typographical or drafting errors related to derivatives contracts or similar agreements. Given the volume and complexity of transactions executed by the Firm, trade errors are likely to occur, notwithstanding the execution of due care and special procedures designed to prevent such errors. If trading errors do occur, the Firm will not be responsible for gains or losses resulting from trade errors, except where such trade error is the result of the Firm's gross negligence, willful misconduct or fraud.

Competition. The securities industry is extremely competitive. The Firm will compete for investment opportunities against various other investors, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs. Competitive investment activity by other firms may reduce the Firm's opportunity for profit by reducing the availability of or increasing the price of what the Funds believe to be, based on its investment criteria, exceptional investment opportunities.

Securities Market Volatility. Securities markets are volatile and may decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Different parts of the market and different types of debt and equity securities may react differently to these developments. For example, small cap stocks may react differently than large cap stocks. Issuer,

political or economic developments may affect a single issuer, issuers within an industry, sector or geographic region or the market as a whole.

Risk of Operations/Liquidity Risks. Although the securities that the Funds may acquire generally will be traded on public exchanges, each exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it difficult or impossible for the Funds to liquidate its positions and would thereby expose it to losses. In addition, some of the securities in which the Funds may invest may be thinly traded, potentially making it difficult for the Funds to dispose of a position at the time or price desired. Moreover, in periods of extreme market volatility, the bid/ask spreads for some securities that ordinarily are liquid may widen, making it difficult or undesirable to sell the securities. There can be no assurance that the trading markets will remain liquid enough for management to close out existing positions at any time there is a need to do so.

Risks of Foreign Investments. The Funds may invest in securities of foreign companies, governments and government agencies. Investing in such securities, which are generally denominated in foreign currencies, and the use of forward foreign currency exchange contracts, involves unusual risk not typically associated with investing in securities issued by U.S. companies or by the U.S. government or its agencies or instrumentalities. Investing in emerging markets poses greater risks and a greater potential for returns than investing in developed countries. Securities of companies in these emerging markets are generally more volatile and may be much more volatile than securities issued by companies located in developed countries. The Funds may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between such currencies and the U.S. dollar. Moreover, individual foreign economies may compare unfavorably with the U.S. economy in growth of gross national product, rate of inflation, rate of savings and capital reinvestment, resource self-sufficiency, balance-of-payment positions and in other respects. Some of the countries in which the Funds may invest have laws and regulations that currently preclude or severely restrict direct foreign investment in securities of their companies. Securities of some foreign companies are less liquid and their prices are more volatile than securities of comparable U.S. companies. Investing in foreign securities creates a greater risk of securities clearance and settlement problems. Further, some of the securities in which the Funds may invest may be thinly traded and relatively illiquid or may cease to be traded after the Funds invests in them. In addition to being illiquid, such securities may be issued by unseasoned companies and may be highly speculative. In addition, the Funds occasionally may acquire relatively large positions in a few securities. In such cases, and in the event of extreme market activity, the Funds may not be able to liquidate investments promptly, if the need should arise, which could materially and adversely affect the results of such investments.

Company Capitalization. The Funds may invest in securities of companies with various capitalizations where such companies meet the investment criteria described herein. While such companies may provide significant potential for appreciation, such investments, particularly small-capitalization securities, involve higher risks in some respects than do investments in securities of larger companies. The prices of small capitalization and even medium-capitalization and mid-capitalization securities are often more volatile than prices of large capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to long investors) is higher than for larger, “blue-chip” companies. In addition, due to thin trading in some

small-, mid- and medium-capitalization securities, an investment in those securities may be illiquid. The small-, mid- and medium-capitalization securities may, at times, significantly underperform the large capitalization securities and may do so in the future. A related concern for short sale risk is that smaller companies tend to be more readily acquired.

Securities of Sub-Investment Grade Companies. Special risks may arise if the Funds invest in the securities of sub-investment grade and highly-leveraged companies. Although such investments may result in significant returns to the Funds, they involve a substantial degree of risk. If the “natural leverage” created by a company’s high level of borrowing work against a Funds short position, the Funds’ losses would be heightened. If the Funds purchase distressed and/or non-performing debt securities, and subsequent to purchasing them finds that they are no longer readily traded by broker-dealers, these securities may not show any return for a considerable period of time. Many distressed and/or non-performing securities ordinarily remain unpaid while the company is in bankruptcy and may not ultimately be paid unless and until the company reorganizes and/or emerges from bankruptcy proceedings. As a result, if they are no longer readily traded by broker-dealers, such securities may have to be held for an extended period of time. There is no assurance that the Firm will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which the Funds invest, the Funds may lose their entire investment. Under such circumstances, the returns generated from the Funds’ investments may not compensate the investors adequately for the risks assumed.

Special Situation Investments. The Funds may invest in companies involved in, or the target of, acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, take considerable time or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to the Funds of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Funds may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of the transactions involving financially troubled companies in which the Funds may invest, there is a potential risk of loss by the Funds of its entire investment in such companies.

Institutional Risks. Institutions will have custody of the assets of the Funds. Certain assets of the Funds will be exposed to the credit risk of the dealers, brokers and exchanges through which the Firm deals, whether the Firm engages in exchange-traded or off-exchange transactions. These firms and/or financial institutions, regardless of how large or well-capitalized, may encounter financial difficulties that impair the operating capabilities or the capital position of the Funds. If any broker-dealer or other financial institution holding the Funds’ assets were to become bankrupt or insolvent, it is possible that the Funds would be able to recover only a portion, or in certain circumstances, none of its assets held by such bankrupt or insolvent entity.

Counterparty Risk. Brokers may trade with an exchange as principals on behalf of the Funds, in a “debtor-creditor” relationship, unlike other clearing broker relationships where the broker is merely a facilitator of the transaction. Such broker could, therefore, have title to all of the assets

of the Funds (for example, the transactions that the broker has entered into on behalf of the Funds as principal as well as the margin payments that the Funds provides). In the event of such broker's insolvency, the transactions into which the broker has entered as principal could default, and the Funds' assets could become part of the insolvent broker's estate, to the detriment of the. The Funds' assets may be held in "street name," in which case, a default by the broker could cause the Funds' rights to be limited to that of an unsecured creditor.

To the extent that the Funds invest in swaps, derivative or synthetic instruments, or other over-the-counter transactions, including forward contracts, or, in certain circumstances, non-U.S. securities, the Funds may also take a credit risk with respect to the parties with whom it trades and may bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions, which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

Discretion and Changes in Investment Strategy. The Firm has considerable discretion in choosing the securities that may be acquired, and, subject to its fiduciary duties, it has the right to modify the investment strategy, selection criteria or hedging techniques used by the Funds without the consent of the investors.

Business Continuity and Disaster Recovery. The business operations of the Firm and its affiliates, the Funds and their portfolio companies may be vulnerable to disruption in the case of catastrophic events such as fires, natural disaster (e.g., tornadoes, floods, hurricanes and earthquakes), terrorist attacks or other circumstances resulting in property damage, network interruption and/or prolonged power outages. Although the Firm and its affiliates have implemented, or expect to implement, measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. These risks of loss can be substantial and could have a material adverse effect on Funds and the investor's investments therein.

Cyber Security Breaches and Identity Theft. The information and technology systems of the Firm and its affiliates, the Funds and their service providers and their portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, other security breaches and/or usage errors by their respective professionals. The techniques used to obtain unauthorized access to data, disable or degrade service or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security.

Although the Firm and its affiliates have implemented, or expect to implement, measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Firm and its affiliates, the Funds, their service providers and/or their portfolio companies may have to make a significant investment to fix or replace them. The failure of these systems for any reason could cause significant interruptions in such parties' operations and/or a failure to maintain

the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the reputation of the Firm and its affiliates, the Funds and/or their portfolio companies, subject any such entity and their respective affiliates to legal claims and/or otherwise affect their business and financial performance. Specifically, cyberattacks and the failure of such systems may interfere with the processing of investor subscriptions or withdrawals, impact the Funds' ability to value its assets, cause the release of confidential information and/or subject the Funds to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. The Funds also may incur substantial costs for cyber-security risk management to prevent any cyber incidents in the future. The Funds and the Investors could be negatively impacted as a result.

Novel Coronavirus Pandemic, Public Health Emergency and Global Economic Impacts. The ongoing outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization declared a global pandemic on March 11, 2020. The outbreak of COVID-19 has caused a worldwide public health emergency with a substantial number of hospitalizations and deaths, and has significantly adversely impacted global commercial activity and contributed to both volatility and material declines in commodity, equity and debt markets. The global impact of the outbreak continues to evolve, and many national, state and local governments have reacted by instituting mandatory or voluntary quarantines, travel prohibitions and restrictions, closures or reductions of offices, businesses, schools, retail stores, restaurants and other public venues and/or cancellations, suspensions and/or postponements of certain events and activities, including certain non-essential government and regulatory activities. Businesses are also implementing their own precautionary measures, such as voluntary closures, temporary or permanent reductions in work force, remote working arrangements and emergency contingency plans. Such measures, as well as the general uncertainty surrounding the dangers, duration and impact of COVID-19, are creating significant disruption to supply chains and economic activity, impacting consumer confidence and contributing to significant market losses, including by having particularly adverse impacts on transportation, hospitality, tourism, sports, entertainment and other industries dependent upon physical presence. Technological infrastructure has, and will likely continue to be, strained for so long as mandatory or voluntary quarantines are instituted, which will change, and potentially disrupt, the operations of the Firm, its affiliates and the Funds. As COVID-19 continues to spread, potential additional adverse impacts, including a global, regional or other economic recession of indeterminate duration, are increasingly likely and difficult to assess and, if the spread of the COVID-19 is prolonged, it could adversely affect many economies, global financial markets, the Funds or their portfolio companies even after COVID-19 is contained.

The extent of the impact of COVID-19 on the Firm, its affiliates and the Funds operational and financial performance will depend on many factors, including the duration and scope of the resulting public health emergency, the extent of any related restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of the COVID-19 pandemic may materially and adversely impact the value and performance of the Funds, the Firm's ability to source, manage and

divest investments and the Firm's ability to achieve its investment objectives, all of which could result in significant losses to the Funds and their investors.

In addition, COVID-19 and the resulting changes to global businesses and economies likely will adversely impact the business and operations of the Firm, its affiliates and the Funds. Certain businesses and activities may be temporarily or permanently halted as a result of government or other quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors, including the potential adverse impact of COVID-19 on the health of key personnel.

Other Catastrophic Risks. In addition to the potential risks associated with COVID-19 as outlined above, the Firm, its affiliates and the Funds may be subject to the risk of loss arising from direct or indirect exposure to a number of types of other catastrophic events, including without limitation (i) other public health crises, including any outbreak of SARS, H1N1/09 influenza, Zika, avian influenza, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat or fear thereof; or (ii) other major events or disruptions, such as hurricanes, earthquakes, tornadoes, fires, flooding and other natural disasters; acts of war, military conflicts, social unrest or terrorism, including cyberterrorism; or major or prolonged power outages or network interruptions. Such events could exacerbate political, social and economic risks previously mentioned and result in significant breakdowns, delays and other disruptions on a local, regional and global scale, which may have adverse effects on the operating performance of the Funds. The extent of the impact of any such catastrophe or other emergency on the Funds' operational and financial performance will depend on many factors, including the duration and scope of such emergency, the extent of any related travel advisories and restrictions, the impact on overall supply and demand for goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. In particular, to the extent that any such event occurs and has a material effect on global financial markets or specific markets in which the Funds participates the risks of loss could be substantial and could have a material adverse effect on the Funds or the ability of the Firm to fulfill its investment objectives.

Risk Management. The Funds' investment program is speculative and entails substantial risks. There can be no assurance that the investment objectives of the Funds will be achieved or that the Funds will be profitable, and results may vary substantially over time. The Firm will focus on managing risk through the quality of its investment process and monitoring of investments. The Firm may not broadly diversify the portfolio and, in such event, the Funds will bear greater risk with respect to each investment than would be the case with respect to a diversified portfolio.

There can be no assurance that the investment objectives of the Funds will be achieved. In fact, many of the investment techniques utilized by the Funds may, in certain circumstances, exacerbate the adverse impact of particular transactions or conditions on the investment program of the Funds.

Certain Additional Risk Factors of the Funds. The Funds are newly organized and have no operating history against which prospective investors can evaluate. The Funds' investments involve a high degree of risk and may be considered speculative. Each prospective investor should make such investigation and evaluation of such risks as it concludes is appropriate.

Conflict in Ukraine. Russia launched a large-scale invasion of Ukraine on February 24, 2022 and, in response, the United States and other governments have imposed economic sanctions on certain Russian individuals, including Russian government officials and other government-linked individuals, and Russian corporate entities and financial institutions, banned certain Russian financial institutions from global payments systems that facilitate cross-border payments and have taken other economic and political measures. It is possible that such governments could institute broader sanctions or impose other economic and political measures on Russia, which could result in the immediate freeze of Russian securities and/or funds invested in prohibited assets and/or other consequences. The extent and duration of the military action, the possibility of the conflict expanding beyond Ukraine and Russia, and resulting sanctions and other economic and political measures and future market disruptions in the region and worldwide are impossible to predict, but could be significant and have a severe adverse effect on the region and collateral effects globally, including significant negative impacts on the global economy and the markets for certain securities and commodities, such as oil and natural gas, as well as other sectors. Such effects and impacts could have a material adverse effect on the Fund and its investments.

Item 9 – Disciplinary Information

EHI and its Employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to an investor’s evaluation of the company or its personnel.

Item 10 – Other Financial Industry Activities and Affiliations

As noted above, Eagle Health Investments Fund GP LLC, a related entity of EHI, is the General Partner of the Master Fund and the Domestic Feeder Fund and also serves as an adviser and provides administrative services to the Offshore Feeder Fund. Additionally, the Funds themselves may be considered related entities of EHI.

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

Code of Ethics

EHI has adopted a written code of ethics that is applicable to all Employees. Among other obligations, the code of ethics requires EHI and its Employees to act in Clients’ best interests, abide by all applicable regulations, and avoid even the appearance of insider trading. The code of ethics is based on the general principle that Employees shall at all times place the interests of our clients first, and that Employees shall seek to avoid any actual or potential conflicts of interest. To accomplish this objective, the code of ethics requires the pre-clearance of certain personal trades and political contributions, as well as the reporting of all personal securities transactions, except transactions in exempt unaffiliated investment company securities or other exempt securities. Requests to transact personally in single name issuers with a primary focus in the healthcare sector will generally be denied; however, requests to divest personal holdings in such issuers purchased prior to commencing employment with the Firm will generally be granted, subject to CCO approval. The code of ethics also requires the disclosure of personal holdings upon hiring of a new Employee, and annually thereafter, as well as all outside business activities.

As required by the Advisers Act, Employees must also obtain written clearance for all transactions involving IPOs or private placements before completing the transaction. EHI may disapprove any proposed transaction, particularly if the transaction appears to pose a conflict of interest or otherwise appears improper.

The code of ethics is communicated to Employees upon commencement of their employment at the Firm. EHI’s personal securities transactions policies and procedures apply to all accounts holding any securities over which Employees have any beneficial ownership interest, which typically include accounts held by immediate family members sharing the same household. Employees’ brokers are also required to provide periodic reports regarding transactions and holdings in “Reportable Securities” as defined in the Advisers Act. A copy of EHI’s code of ethics is available upon request.

Participation in Client Transactions

As noted, the General Partner and certain EHI Employees invest in the Feeder Funds and the Master Funds. As a result, EHI and its related persons have an interest in investments that are also recommended to Clients.

Item 12 – Brokerage Practices

Selection of Brokers and Dealers

EHI utilizes the brokerage and execution services of Jefferies LLC (“Jefferies”). Jefferies provides an outsourced trading solution to money managers by aggregating orders for a number of buy-side clients. The following factors, among others, have been considered by EHI in its determination to enter into a trading relationship with Jefferies:

- i. increased liquidity;
- ii. ability to access a variety of market venues;
- iii. greater capability in connection with executing a transaction;
- iv. anonymity;
- v. transaction cost analysis;
- vi. ability to obtain research from sell side broker-dealers with whom Jefferies maintains trading relationships that EHI otherwise would not have access to; and
- vii. the timeliness of executions.

The execution costs associated with transactions executed through Jefferies are typically higher than the Funds might otherwise pay due to the fact that Jefferies is interposed in the transaction and is compensated for working each particular order provided to it by EHI. EHI believes that the use of an agent in such instances is consistent with and in furtherance of its duty of obtaining best execution for its Clients.

Soft Dollar Benefits

EHI has entered into a full service commission sharing arrangement with Jefferies. While all transactions are made on a “best execution” basis, it is not EHI’s practice to negotiate “execution only” commission rates; thus, the Funds may be deemed to be paying for research, brokerage or other services provided by Jefferies which are included in the commission rate. These additional commissions will be allocated to a soft dollar account. EHI will limit the use of these “soft dollars” to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 (“Section 28(e)").

Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants’ advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services.

Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

In some instances, EHI may receive a product or service that may be used only partially for functions within Section 28(e) (e.g., an order management system, trade analytical software or proxy services). In such instances, EHI will make a good faith effort to determine the relative proportion of the product or service used to assist EHI in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting EHI in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by Client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by EHI from its own resources.

Research products or services provided to EHI include, but are not limited to, research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, and other products and services providing lawful and appropriate assistance to EHI in the performance of our investment decision-making responsibilities. This research may include both proprietary research or research created or developed by a third party.

Research and brokerage services obtained by the use of commissions arising from the Funds' portfolio transactions may be used by EHI in its other investment activities and thus, the Funds may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

Trading Errors

EHI has adopted a policy for the purpose of addressing trade errors that may arise, from time to time, with respect to the Funds' securities transactions. EHI seeks to identify and correct any trade errors in an expeditious manner, including by cancelling or breaking a trade. To the extent an error is caused by a third party, such as a broker-dealer, EHI will strive to recover any losses associated with such error from such third party. Unless EHI determines that a trade error has occurred as a result of bad faith, gross negligence, willful misconduct or violation of applicable laws; error losses will be borne by (and any gains will benefit) the Funds, pursuant to the Funds' governing documents. All trade errors will be addressed in a timely manner and prompt corrective trading shall be undertaken in order to mitigate the effect of any errors. The determination of whether or not a trade error has occurred will be made in the sole and absolute discretion of EHI.

Best Execution Reviews

As part of its fiduciary duty to Clients, EHI has an obligation to seek the best execution of Client transactions when EHI is in a position to direct brokerage transactions. While not defined by statute or regulation, “best execution” generally means the execution of Client trades at the best net price; however, best execution may incorporate factors other than price. As stated above, EHI outsources its brokerage and execution functions to Jefferies. In light of this arrangement, Jefferies is responsible for selecting the trading venue, including the executing broker-dealer, provided that the selection of the broker-dealer is targeted based on EHI’s broker vote allocation request. To fulfill its best execution obligations, however, EHI will, among other things, assess the quality of Jefferies executions of the Funds’ trades on a periodic basis. EHI may also request reports from Jefferies (including transaction cost analysis) sufficient to demonstrate how it seeks best execution for the Funds, including factors considered when selecting the executing broker-dealer or counter party.

In addition to evaluating the quality of trade executions on a periodic basis, the Chief Investment Officer or his delegate and the COO/CCO will be responsible for performing formal best execution reviews which will generally be conducted on a semi-annual basis.

Client Referrals

EHI may place transactions with a broker or dealer that (i) provides EHI (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to the Funds if otherwise consistent with seeking best execution; provided EHI does not select broker-dealers solely in recognition of the opportunity to participate in such capital introduction events or the referral of investors.

Item 13 – Review of Accounts

The Funds under EHI’s management are monitored on an ongoing basis by the Principal and the Chief Compliance Officer. EHI has engaged a third party accounting services firm to assist with ongoing monitoring and reporting functions and reviews of the Funds, which occur on a daily basis. These reviews include an assessment of: the valuations of the individual securities within the portfolio, an independent reconciliation of the previous day’s trade breaks, cash position, long positions, short positions, and total equity with EHI’s prime broker, the portfolio weightings of individual positions, the level of available cash and equivalents, and the various industry concentrations, as dictated by the Funds’ governing documents.

EHI provides each investor with certain reports on a periodic basis in accordance with the terms of the applicable Fund’s Offering Documents.

Item 14 – Client Referrals and Other Compensation

EHI does not receive any economic benefit from someone who is not a Client. Moreover, EHI does not directly or indirectly compensate any third-party for referrals.

Item 15 – Custody

Pursuant to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), EHI will be deemed to have custody of certain Client funds and securities because of the authority EHI or its affiliates have over these assets. EHI's general policy is to ensure that Client funds and securities are maintained with qualified custodians.

Pursuant to the Custody Rule and applicable guidance, the Funds are audited on an annual basis by an independent accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board in accordance with its rules. Audited financial statements are prepared for the Funds in accordance with generally accepted accounting principles and distributed to all members, investor or other beneficial owners within 120 days of the end of the Funds' fiscal year.

Item 16 – Investment Discretion

EHI provides investment advisory services on a discretionary basis to Clients and is authorized to determine, on behalf of its Clients, how much and which securities are to be bought or sold, broker or dealers to be used and commission rates to be paid. In exercising discretion, EHI follows the general investment guidelines set forth in each Client's respective offering and other governing documents. Prospective investors are provided with offering and other governing documents prior to their investment and are encouraged to carefully review such documents and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective investors must also execute certain governing documents such as a subscription agreement in which they make various representations, including representations regarding their eligibility to invest in the Funds.

The Funds and/or the General Partner of the Funds may from time to time enter into agreements (also known as "side letters") with prospective or existing investors granting certain rights and terms other than those described in the Funds' Offering Documents, including, without limitation, rights and terms that differ with respect to asset-based fees, performance-based allocations, and withdrawal rights. The decision to enter these agreements are solely at the discretion of the General Partner and may, among other things, be based on the size of the investor's investment in the Funds, an agreement by an investor to maintain such investment in the Funds for a significant period of time, or other similar commitment by an investor to the Funds.

Item 17 – Voting Client Securities

In accordance with its fiduciary duty to Clients and Rule 206(4)-6 under the Advisers Act, EHI has adopted and implemented written policies and procedures governing the voting of Client securities. All proxies that EHI receives will be treated in accordance with these policies and procedures. If a material conflict of interest is identified during EHI's evaluation of a proxy matter, EHI will determine whether voting in accordance with the guidelines set forth in its established policies and procedures is in the best interests of the Funds, or take some other appropriate action.

A copy of EHI's proxy voting policies and procedures, as well as specific information about how EHI has voted in the past (as applicable), is available upon written request.

Item 18 – Financial Information

The Firm neither solicits prepayment of fees more than six months in advance, nor is aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients. The Firm has never filed for bankruptcy.