



**HEALTHPOINT CAPITAL
MANAGEMENT, LLC**

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Part 2A of Form ADV: Firm Brochure
September 21, 2022

This brochure provides information about the qualifications and business practices of HEALTHPOINTCAPITAL Management. If you have any questions about the contents of this brochure, please contact us at 212-935-7780. 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 HEALTHPOINTCAPITAL Management also is available on the SEC’s website at www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

HEALTHPOINTCAPITAL Management is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Item 2. Material Changes

This Brochure is our initial Form ADV Part 2A, which has been submitted with our application for registration with the SEC; therefore, there are no material changes to report. In the future, if our Brochure - when amended in conjunction with our annual update - contains material changes from our last annual update, we are required to identify and discuss those changes.

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Item 4. Advisory Business

General Description of Advisory Firm

HEALTHPOINTCAPITAL Management, LLC is a Delaware limited liability company that was formed in 2017 and is located in San Diego, California. HEALTHPOINTCAPITAL Management is controlled by its principal owners, John Foster, CEO & Managing Director and Michael Mogul, President & Managing Director.

HEALTHPOINTCAPITAL Management, LLC together with two affiliate general partners, HGP IV, LLC, a Delaware limited liability company ("HGP IV") and HGP MSK II, LLC, a Delaware limited liability company ("HGP MSK II"), collectively conduct a single advisory business. Unless otherwise indicated, any references to "HEALTHPOINTCAPITAL Management" herein refers to HEALTHPOINTCAPITAL Management, LLC and its affiliated general partners.

Each of HEALTHPOINTCAPITAL Management and its affiliate general partners are subject to the same compliance policies and procedures and operate under a single Code of Ethics, each of which are administered by a single chief compliance officer.

Description of Advisory Services

HEALTHPOINTCAPITAL Management provides investment advisory services to private funds (each, a "Fund") that invest directly in healthcare related operating companies. The Funds are structured as limited partnership vehicles, in which investors are limited partners and a HEALTHPOINTCAPITAL Management affiliate serves as the general partner. The Funds are not registered or required to be registered under the Investment Company Act of 1940, as amended and whose securities have not been registered under the Securities Act of 1933, as amended.

The Funds include:

- HEALTHPOINTCAPITAL Partners IV, L.P., a Delaware limited partnership; and
- HEALTHPOINTCAPITAL Musculoskeletal Fund II, L.P., a Delaware limited partnership.

The primary focus of HEALTHPOINTCAPITAL Management's investment advisory activity is researching, advising on, and managing private equity investments, including through acquisitions and dispositions. These investments mainly consist of acquisitions of control positions, using minimal leverage, in companies in the musculoskeletal health sector. HEALTHPOINTCAPITAL Management specifically focuses on established businesses in the musculoskeletal sector of the medical device industry that it believes have promising growth potential. These investments take the form of privately negotiated investment instruments including registered and unregistered equity securities issued by both U.S. and non-U.S. companies. Although the primary focus of each Fund is established businesses in the musculoskeletal sector that have promising growth potential, HEALTHPOINTCAPITAL Management may from time to time recommend other types of investments consistent with the respective Fund's investment strategy and objectives.

Availability of Customized Services for Individual Clients

HEALTHPOINTCAPITAL Management decisions and advice with respect to each Fund will be subject to each Fund's investment objectives and guidelines, as set forth in its respective offering documents.

The general partner of a Fund may restrict investments by such Fund in certain types of securities. Any such restrictions would be described in the documents received by each limited partner before investing in a Fund. Once invested in a Fund, individual limited partners cannot impose restrictions on the types of securities in which such Fund may invest. The restrictions on the types of securities in which a Fund may invest are set forth in such Fund's documents.

From time to time, a Fund's general partner may enter into "side letters" or similar agreements with certain investors pursuant to which the general partner grants the investor specific rights, benefits, or privileges that may not be made generally available to other investors. If we determine that any of these side letters or agreements represent a variation that would be material to other investors, we would disclose it to Fund investors in an appropriate fashion.

Wrap Fee Programs

HEALTHPOINTCAPITAL Management does not currently participate in any Wrap Fee Programs.

Assets Under Management

As of September 19, 2022 HEALTHPOINTCAPITAL Management manages on a discretionary basis, approximately \$121,707,012 million of client assets. HEALTHPOINTCAPITAL Management does not manage any assets on a non-discretionary basis.

Item 5. Fees and Compensation

The fees applicable to each Fund are set forth in detail in each Fund's offering documents. A brief summary of such fees is provided below.

Management Fees

Generally, a Fund will pay a management fee (the "Management Fee"), quarterly in advance, to HEALTHPOINTCAPITAL Management as compensation for its investment advisory services in an amount in respect of each limited partner equal to: (i) during a Fund's investment period, the product of the applicable Management Fee Rate of 2% multiplied by such limited partner's capital commitment; and (ii) after the Fund's investment period, the product of the applicable Management Fee Rate of 2% multiplied by the limited partner's net invested capital.

HEALTHPOINTCAPITAL Management may, in its sole discretion, reduce or waive its management fee with respect to any limited partner and apply such waived Management Fees toward satisfying the investment commitments to the Funds by the members of, and other persons related to, the general partners of such Funds.

Performance-Based Compensation

HEALTHPOINTCAPITAL Management receives performance-based compensation, generally in the

form of a distribution of a portion of the profits from a Fund based on the net cash proceeds attributable to such Fund's investments, subject to a preferred return payable to that Fund's investors (commonly referred to as "Carried Interest"). HEALTHPOINTCAPITAL Management, in its sole discretion, can waive or reduce the Carried Interest or other performance-based compensation as to all or any of the investors in a Fund or agree with an investor to waive or alter the Carried Interest or other performance-based compensation as to that investor.

Ancillary Fees

HEALTHPOINTCAPITAL Management and its affiliates from time to time will earn fees and other income ("Ancillary Fees") from services provided or related to portfolio companies or in connection with portfolio companies or prospective portfolio companies, such as advisory fees, due diligence fees, structuring fees, servicing fees, directors' fees, break-up fees or any similar fees. HEALTHPOINTCAPITAL Management and its affiliates will keep any profits, commissions, fees or other income earned by them in connection with any such activities, except that the Management Fee borne by the limited partner participating in the investment to which any Ancillary Fees relate, in the discretion of HEALTHPOINTCAPITAL Management, generally will be reduced by a portion of the amount of such Ancillary Fees. Other types of fees paid to, or income earned by, HEALTHPOINTCAPITAL Management and its affiliates will not reduce the Management Fee.

Costs and Expenses

The below expenses may not be applicable to each Fund. To the extent provided under the applicable organizational documents, each Fund generally bears its own expenses, including, expenses incurred in connection with the organization, start-up and any reorganization of the Funds, the Fund's general partner and any Fund specific affiliates travel (including, where appropriate, the cost of chartering private aircraft or making use of private aircraft of the Fund's general partner, HEALTHPOINTCAPITAL Management or any affiliate thereof at an amount not in excess of the cost of first-class air travel for the same trip where first-class travel is available), printing, legal, filing, capital raising, accounting fees and expenses, regulatory compliance, insurance (including premiums associated with general partner liability insurance, errors and omissions insurance, directors and officers insurance and crime/fidelity insurance) and any administrative or other filings (excluding fees, expenses and other costs incurred in connection with complying with legal and regulatory requirements in relation to private placements in U.S. and non-U.S. jurisdictions, which such fees, expenses and other costs will be borne by the Fund partnership as partnership expenses), and other organizational expenses including placement fees, which include accrued interest, and any expenses paid to third parties (including expenses paid to a placement agent (or other similar agent) in connection with the organization and funding of a Fund) ("Organizational Expenses"). Organizational Expenses will be paid by the Funds and are subject to a cap.

Refunds

Management Fees with respect to a Fund are paid in advance. If management services to the Fund are terminated prior to the end of the period in respect of which the fees have been paid (including, for example, situations in which the final distribution by a Fund occurs prior to the end of a period for which Management Fees have already been paid), the fees are generally returned to investors in such Fund. In general, the amount of such Management Fees to be returned is calculated based on the number of days remaining in the applicable period.

Sales Compensation

HEALTHPOINTCAPITAL Management and its supervised persons do not receive compensation (e.g. brokerage commissions) in connection with the sale of securities or other interests in the Funds.

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

A portion of each Fund's net investment profit is allocated to the capital account of its general partner as Carried Interest. The Carried Interest payable to the general partners may create an incentive for HEALTHPOINTCAPITAL Management, notwithstanding the investment by HEALTHPOINTCAPITAL Management, together with its related parties, in the Funds, to make investments that are riskier or more speculative than would be the case without such compensation arrangements. HEALTHPOINTCAPITAL Management is committed to allocating investment opportunities on a fair and equitable basis and has established policies and procedures to address the conflicts of interest described above. This conflict of interest is described more fully in Item 10 below.

Item 7. Types of Clients

HEALTHPOINTCAPITAL Management provides investment advisory services to the Funds as described above and not individually to the limited partners of each Fund.

Investors in the Funds may include family offices, high net worth individuals, banks, thrift institutions, pension and profit-sharing plans, sovereign wealth funds, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies, and other business entities.

HEALTHPOINTCAPITAL Management generally requires Fund investors to make a minimum commitment of \$75,000, although the minimum commitment may be waived or modified by HEALTHPOINTCAPITAL Management in its sole discretion.

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

Methods of Analysis and Investment Strategies

The descriptions set forth in this Brochure of specific advisory services that we offer to the Funds, and investment strategies pursued and investments made by us on behalf of the Funds, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each Fund's investment objectives and guidelines. The investment strategies we pursue are speculative and entail substantial risks. Funds should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Fund will be achieved.

HEALTHPOINTCAPITAL Management establishes investment strategies and then proactively seeks out companies that fit that strategy. HEALTHPOINTCAPITAL Management formally reviews its investment sector priorities (such as spine, dental, biologics, etc.) at the beginning of each year and reviews its opportunities on a weekly basis. Part of this review is to create and update internal research reports

on the segments it views as most promising, with emphasis on such matters as market size, growth, technology trends, recent M&A activity, potential exits, etc. In preparing these reports, HEALTHPOINTCAPITAL Management database, Advisory Committee and industry relationships are critical. Ultimately, HEALTHPOINTCAPITAL Management identifies specific platforms and investment targets where it believes it can add value by contributing the strategic direction and infrastructure, technology, or general management enhancement necessary to execute a strategy. HEALTHPOINTCAPITAL Management assesses and prioritizes ongoing investment opportunities and ideas at weekly meetings. Once HEALTHPOINTCAPITAL Management identifies acquisition targets, either through formal process or other opportunities, the investment process proceeds.

The guiding principle of each Fund is to be a value-add investor with research as its core competence. The investment process begins with a thorough assessment of management, markets, competition and technology with each senior team member participating in the due diligence for each investment. Unanimous concurrence by the members of the Fund's general partner is required to invest. Each investment is then typically represented by two team members of the Fund's general partner: a "lead" partner and a "supporting" partner. All members of the HEALTHPOINTCAPITAL Management team including its Advisory Committee members are fully available and incentivized to contribute to the success of the Funds' investments.

HEALTHPOINTCAPITAL Management invests in established companies in the musculoskeletal industry that it believes have proven technologies, outstanding management teams and strong growth potential.

HEALTHPOINTCAPITAL Management focuses on private equity investments in the musculoskeletal sector in order to:

- Capitalize on industry growth, which is driven by demographics, innovation and a favorable regulatory and reimbursement climate.
- Utilize its industry expertise and dedicated research team to create proprietary deal flow.
- Draw on its successful experience as long-standing healthcare private equity investors to grow the portfolio companies in which the Funds invest or that they acquire.
- Use its global reach and experience to invest in foreign companies that can be successfully expanded in the United States through HEALTHPOINTCAPITAL Management's surgeon and distributor relationships as well as its unique strategic position.

HEALTHPOINTCAPITAL Management believes that it adds value to the portfolio companies it acquires by transitioning proprietorships to professional management, developing and implementing strategy and organizational design, and growing annual revenues.

Risks

Investing in securities involves a significant degree of risk. The environment for private equity investments is increasingly competitive. A Fund may lose all or a substantial portion of its investments. An investor should only invest in a Fund if the investor can withstand a total loss of its investment.

In addition, there are material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by the Funds in connection with those strategies and methods. The following considerations should be carefully evaluated before making an investment in a Fund.

The following list of risk factors does not purport to be a complete enumeration of the risks involved in an investment in a Fund. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us. In addition, as the Fund's investment program develops and changes over time, an investment in a Fund may be subject to additional and different risk factors.

Availability of Investment Opportunities

The business of identifying and structuring private equity transactions is highly competitive. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments which fit a Fund's investment guidelines are not identified.

Financial and Business Risks

A Fund's investments will generally involve a significant degree of financial and/or business risk. Companies in which a Fund invests may face intense competition, changing business and economic conditions or other developments which may adversely affect their performance. Moreover, the products of companies in which a Fund invests may encounter competition from products with new and more advanced technology and this could affect those companies' financial performance and the ability of the general partner of a Fund to achieve liquidity for a Fund's investments through sale, disposition or public offering of securities.

Systemic Risk

Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. The Funds, as well as financial intermediaries, such as clearinghouses, banks, securities firms and exchanges with which the Funds interact, are all subject to systemic risk. A systemic failure could have material adverse consequences on the Funds and on the markets for the securities in which the Funds seek to invest.

Investment in Healthcare Companies

The Funds may invest in the assets, securities or other instruments of healthcare companies, which involves substantial risks, including, but not limited to, the following: (1) certain companies in which the Funds may invest may have limited operating histories; (2) rapidly changing technologies and the obsolescence of products; (3) change in government policies; (4) volatility in the U.S. and non-U.S. stock markets affecting the prices of healthcare company securities; and (5) most medical devices companies, and many other companies in the healthcare sector, are subject to extensive government regulation. In addition, obtaining governmental approval for new products from governmental agencies can be lengthy, expensive and uncertain.

Regulatory Environment

Virtually every aspect of the development, manufacture, promotion and sale of medical devices is extensively regulated by the Federal Food & Drug Administration (“FDA”) and corresponding foreign regulatory agencies. In addition, healthcare providers, principally hospitals, that purchase medical devices generally rely on third party payers, such as Medicare, Medicaid, private health insurance plans and health maintenance organizations to reimburse all or a portion of the cost of the devices as well as any related healthcare services. As such, companies in the medical device industry may be subject to various federal and state laws concerning healthcare fraud and abuse. Changes in the policies of the FDA and corresponding foreign regulatory agencies, or the policies of public and/or private third-party reimbursement agencies, as well as pending or future federal healthcare reform measures, could adversely affect the financial performance of companies in which a Fund invests and the ability of the general partner of a Fund to achieve liquidity for a Fund’s investments through sale, disposition or public offering of securities.

Competitive Industries

The healthcare industry is highly competitive and characterized by rapid technological change. Key competitive factors include, among others, the ability to successfully advance the development of a product candidate through preclinical and clinical trials; the efficacy and safety of a product or product candidate; the timing and scope of marketing approvals, if ever achieved; reimbursement rates for and the average selling price of competing products; the availability of raw materials and qualified contract manufacturing and manufacturing capacity; manufacturing costs; establishing and maintaining intellectual property and patent rights and their protection; and sales and marketing capabilities. Investing in companies in the healthcare sector will expose a Fund to these risks associated with these competitive factors.

Development of New Products

It is possible that a Fund will invest in companies with products at various stages of research and development. Further development and extensive testing will be required to determine the technical feasibility and commercial viability of such products. Success will depend on the companies’ abilities to achieve scientific and technological advances and to translate such advances into reliable, commercially competitive products on a timely basis. The proposed development schedules for such products may be affected by a variety of factors, including technological difficulties, proprietary technology of other companies, and changes in governmental regulation, many of which are not within the control of the companies or a Fund. Any delay in the development, introduction, or marketing of products could result either in such products being marketed at a time when their cost and performance characteristics would not be competitive in the marketplace or in the shortening of their commercial lives. There can be no assurance that these early-stage companies into which a Fund may invest will be able to complete successfully the development or marketing of any new products.

Product Liability

A Fund may invest in companies that face an inherent risk of product liability exposure related to the testing of their product candidates in human clinical trials and will face an even greater risk if the product candidates are sold commercially. An individual may bring a liability claim against such companies if one of the product candidates causes, or merely appears to have caused, an injury. If such companies cannot successfully defend themselves against the product liability claim, they will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in

(i) decreased demand for the product candidates, (ii) injury to the companies' reputations, (iii) withdrawal of clinical trial participants, (iv) costs of related litigation, (v) substantial monetary awards to patients or other claimants, (vi) losses of revenues, (vii) the inability to commercialize product candidates, and (viii) increased difficulties in raising required additional funds in the private and public capital markets.

Patent Protection

A Fund may invest in companies that depend on their ability to maintain the proprietary nature of their technologies, and the proprietary technology of others with which they have entered into licensing agreements. Further, companies rely on a combination of trade secrets and nondisclosure, and other contractual agreements and technical measures to protect their rights in the technology. The companies depend upon confidentiality agreements with their officers, directors, employees, consultants, and subcontractors to maintain the proprietary nature of their technology. These measures may not afford them sufficient or complete protection, and others may independently develop technology similar to theirs, otherwise avoid the confidentiality agreements, or produce patents that would materially and adversely affect the companies' businesses, prospects, financial conditions and results of operations.

Long-Term Investments

A Fund's investments will typically not be liquidated for a number of years after the initial investment. Moreover, limited partners cannot withdraw from a Fund and may not sell their partnership interests without the consent of the general partner, which may be withheld.

Risks of Realization of Investments

A Fund's investments will generally be private, illiquid securities. There is a significant risk that a Fund may be unable to realize its investment objectives by sale or other disposition at attractive prices or will otherwise be unable to complete any exit strategy, such as a public offering of securities. Furthermore, the types of investments made may require a substantial length of time to liquidate.

Control Person Liability

A Fund is expected to have controlling interests in its portfolio companies. The exercise of control over a company may impose additional risks of liability for product defects, environmental damage, failure to supervise management, violation of governmental regulations (including securities laws and FDA regulations) or other types of liability in which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to arise, a Fund might suffer a significant loss.

Foreign Investments

A Fund may make foreign investments. Such investments involve a number of additional risks, including (i) the risk of adverse political developments such as nationalization, confiscation without fair compensation or war; (ii) the risk of fluctuations in currency exchange rates; (iii) the risk of restrictions on capital movements, which would make it difficult or impossible to exchange or repatriate foreign currency; and (iv) the risk of regulations which might prevent implementation of cost cutting or other operational improvements. In addition, laws and regulations of foreign countries

may impose restrictions or approvals that would not exist in the United States and may require financing and structuring alternatives that differ significantly from those customarily used in the United States. Foreign countries may also impose taxes on a Fund or its partners.

Recourse to the Fund's Assets

A Fund's assets, including any investment made by a Fund and any capital held by a Fund, are available to satisfy all liabilities and other obligations of a Fund. If a Fund became subject to a liability, parties seeking to have the liability satisfied may have recourse to a Fund's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

Dependence on the General Partner and Key Personnel

The general partner of a Fund's ability to manage successfully the Fund's affairs depends on the principals of the Fund's general partner. The loss of any one of these individuals could have a significant adverse impact on the business of a Fund. There can be no assurance that these individuals will remain in the employ of the investment manager of a Fund, or otherwise continue to be able to carry on their current duties throughout the term of a Fund.

Dependence on Service Providers

A Fund is also dependent upon its counterparties and the businesses that are not controlled by HEALTHPOINTCAPITAL Management that provide services to a Fund (the "Service Providers"). Examples of Service Providers include outside counsel, auditors and certain consultants engaged by the Fund to provide due diligence support. Errors are inherent in the business and operations of any business, and although HEALTHPOINTCAPITAL Management will adopt measures to prevent and detect errors by, and misconduct of, counterparties and Service Providers, and transact with counterparties and Service Providers it believes to be reliable, such measures may not be effective in all cases. Errors or misconduct could have a material adverse effect on a Fund and the limited partners' investments therein.

As a Fund has no employees, the Fund is reliant on the performance of the Service Providers. Each limited partner's relationship in respect of its interests is with a Fund only. Accordingly, absent a direct contractual relationship between the investor and the relevant Service Provider, no limited partner will have any contractual claim against any Service Provider for any reason related to its services to a Fund. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against a Fund by the relevant Service Provider is, prima facie, the Fund.

Conflicts of Interest

Because of the various activities engaged in by HEALTHPOINTCAPITAL Management, the general partners, and their respective affiliates and employees, certain potential or actual conflicts of interest may exist. Moreover, a Fund's portfolio companies may include investments which relate to those held by HEALTHPOINTCAPITAL Management's prior funds, and such interests may not always be the same in terms of pricing or other strategic issues; other relationships of members of the general partner of a Fund, such as board seats or personal investments, could also result in potential conflicts of interest. There can be no assurance that any potential or actual conflicts will be resolved in a manner favorable to a Fund.

Profits Not in Proportion to Contributed Capital

Although members of the general partner of a Fund and certain related persons typically invest in a Fund, the limited partners will invest greater amounts and receive a proportionately smaller interest in the profits of a Fund than the general partner of a Fund, its members and related persons.

Potential Costs Associated with Indemnification

A Fund and its respective members, agents, representatives, affiliates and personnel will be entitled to indemnification from a Fund, except in certain circumstances. The assets of a Fund will be available to satisfy these indemnification obligations, and the limited partners may be required to return distributions to satisfy such obligations. Such obligations will survive dissolution of a Fund.

No Market for Limited Partnership Interests

The limited partnership interests of a Fund have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), the securities laws of any state, or the securities laws of any other jurisdiction and, therefore, cannot be sold unless they are subsequently registered under the Securities Act and other applicable securities laws or unless an exemption from registration is available. It is not contemplated that registration under the Securities Act or other securities laws will ever be effected. There is no public market for the limited partnership interests of a Fund, and one is not expected to develop. An investor will be restricted from transferring, pledging, or otherwise encumbering its limited partnership interests without the prior written consent of the general partner of a Fund, which may be withheld. Voluntary withdrawals of limited partnership interests are not permitted.

Lack of Limited Partner Control Over Partnership Policies

The management, financing, and disposition policies of a Fund and its policies with respect to certain other activities, including its distributions and operating policies, are determined by the general partner of a Fund. These policies may be changed from time to time at the discretion of the Fund's general partner without a vote of the Fund's limited partners. No assurance can be given that such a change would not be adverse to the interests of the limited partners in the applicable Fund.

Absence of Recourse to the General Partner of a Fund

There are very limited circumstances under which the general partner of a Fund can be held liable to a Fund. Generally, the general partner of a Fund is not liable to a Fund provided it has acted (i) in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of a Fund, (ii) with respect to any criminal matter, with no reasonable cause to believe its conduct was unlawful, and (iii) without gross negligence, fraud, willful misconduct, or in material breach of the limited partnership agreement of the applicable Fund. The general partner of a Fund is also entitled, in the case of any litigation against it, to advancement of expenses from a Fund prior to a final determination upon a representation that it has met the applicable standard of care and an undertaking to repay. Accordingly, it may be very difficult for a Fund or its limited partners to pursue any form of action against the general partner of a Fund.

Consequences of Default by Limited Partners

In the event that a limited partner fails to fund any of its capital commitment when required, such

limited partner's limited partnership interests may be reduced, and such limited partner may be precluded from further investment in the applicable Fund.

Tax Risks

Tax consequences to limited partners of a Fund are complex. Potential limited partners are strongly urged to review the tax discussion in the applicable offering documents and to consult their own professional advisors in this regard. Moreover, tax laws are subject to change and future tax law changes could adversely affect a Fund or its limited partners.

Bridge Financings

From time to time, a Fund may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities or other refinancing. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in the Fund's control, such long-term securities issuance or other refinancing may not occur, and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by a Fund.

Possible Lack of Diversification

While diversification is an objective of a Fund, as described above, there is no assurance as to the degree of diversification that will actually be achieved in a Fund's investments. Because significant amounts of a Fund's aggregate committed capital (not including bridge financings) may be invested in a single portfolio company, a loss with respect to such a portfolio company could have a significant adverse impact on a Fund's capital.

Uncertainty of Financial Projections

The investment manager of a Fund will generally establish the capital structure of portfolio companies on the basis of financial projections for such portfolio companies. Projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Financial Fraud

Instances of fraud and other deceptive practices committed by senior management of portfolio companies in which a Fund invests may undermine the investment manager of a Fund's due diligence efforts with respect to such companies, and if such fraud is discovered, negatively affect the valuation of a Fund's investments. In addition, when discovered, financial fraud may contribute to overall market volatility that can negatively impact a Fund's investment program.

Contingent Liabilities on Disposition of Investments

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 portfolio company typical of those made in connection with the sale of a business. A Fund may also be required to indemnify the

purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the general partner of a Fund may establish reserves or escrow accounts. In that regard, limited partners of a Fund may be required to return amounts distributed to them to fund a Fund's obligations, including indemnity obligations. Furthermore, under the Delaware Revised Uniform Limited Partnership Act, a limited partner of a Fund that receives a distribution in violation of such act will, under certain circumstances, be obligated to re-contribute such distribution to the Fund.

Investments Longer than Term

A Fund may make investments which may not be advantageously disposed of prior to the date a Fund is dissolved, either by expiration of a Fund's term or otherwise. Although the investment manager of a Fund expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution and the general partner of a Fund has a limited ability to extend the term of a Fund, a Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

Material, Non-Public Information

By reason of their responsibilities in connection with other activities of HEALTHPOINTCAPITAL Management, certain members and/or employees of the general partner of a Fund, the investment manager of a Fund and their affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. A Fund will not be free to act upon any such information. Due to these restrictions, a Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Additional Capital

A Fund's portfolio companies can be expected to require additional financing to satisfy their working capital requirements. The amount of additional financing needed will depend upon the maturity and objectives of the particular portfolio company. Each round of financing (whether from a Fund or other investors) is typically intended to provide a portfolio company with enough capital to reach the next major valuation milestone. If the funds provided are not sufficient, such portfolio company may have to raise additional capital at a price unfavorable to the existing investors, including a Fund. In addition, a Fund may make additional debt and equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such portfolio company in order to preserve a Fund's proportionate ownership when a subsequent financing is planned or to protect a Fund's investment when such portfolio company's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of a Fund or any portfolio company. There can be no assurance that the portfolio companies will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

Diverse Membership

The limited partners of a Fund are expected to include taxable and tax- exempt entities and may include persons or entities organized in various jurisdictions. As a result, conflicts of interest may arise in connection with decisions made by the general partner of a Fund that may be more beneficial

for one type of limited partner than for another type of limited partner of a Fund, including limited partners affiliated with the general partner of a Fund. In addition, a Fund may make investments that may have a negative impact on related investments made by the limited partners in separate transactions. In selecting investments appropriate for a Fund, the general partner of a Fund will consider the investment objectives of a Fund as a whole, not the investment objectives of any limited partner individually. The general partner of a Fund will receive a carried interest based on distributions made to the limited partners of a Fund (including limited partners affiliated with the general partner of a Fund). The existence of the general partner of a Fund's carried interest may create an incentive for the general partner of a Fund to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such carried interest, notwithstanding the investment by HEALTHPOINTCAPITAL Management, together with their related parties, in a Fund and its related co-investing entities.

Disclosure of Information

The limited partners of a Fund are expected to include entities that are subject to state public records or similar laws that may compel public disclosure of confidential information regarding a Fund, its investments and its investors. There can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement or otherwise, including to comply with regulations or policies to which a Fund, the general partner of a Fund, the investment manager of a Fund, portfolio companies or services providers to any of them may be or become subject.

Side Agreements

In accordance with common industry practice, the general partner of a Fund may enter into one or more "side letters" or similar agreements with certain limited partners of a Fund pursuant to which the general partner of the Fund grants to such limited partners specific rights, benefits or privileges that are not made available to limited partners generally. Such agreements will be disclosed only to those actual or potential limited partners that have separately negotiated with the general partner of a Fund for the right to review such agreements. Except to the extent permitted by the limited partnership agreement of a Fund, the general partner of a Fund will have no authority to enter into side letters or similar agreements that are materially detrimental to a Fund.

Leveraged Investments

While leveraged investments offer the opportunity for capital appreciation, such investments also involve a higher degree of risk than similar unleveraged investments. Some of a Fund's investments may involve leverage that may cause recessions, operating problems and other general business and economic risks to have a more pronounced effect on the profitability or survival of a Fund's portfolio companies. A Fund's ability to achieve attractive rates of return on investments in part will depend on the ability of its portfolio companies to access sufficient sources of debt at attractive rates, including high yield debt. However, availability of capital from the debt markets is subject to volatility from time to time, and there may be times when a Fund might not be able to access those markets at attractive rates, or at all, when completing an investment. Also, increased interest rates generally increase portfolio company interest expenses. In the event any such portfolio company cannot generate adequate cash flow to meet debt service, the applicable Fund may suffer a partial or total loss of capital invested in the portfolio company.

MiFID II

The package of European Union market infrastructure reforms known as “MiFID II” increased regulation of trading platforms and firms providing investment services in the European Union. Among its many market infrastructure reforms, MiFID II brought in: (i) significant changes to pre- and post-trade transparency obligations applicable to financial instruments admitted to trading on EU trading venues (including a new transparency regime for non-equity financial instruments); (ii) an obligation to execute transactions in shares and derivatives on an EU regulated trading venue; and (iii) a new focus on regulation of algorithmic and high frequency trading. These reforms may lead to a reduction in liquidity in certain financial instruments over time, as some of the sources of liquidity exit European markets and may result in significant increases in transaction costs. Although the full impact of these reforms is difficult to assess at present, it is possible that the resulting changes in the available trading liquidity options and increases in transactional costs may have an adverse effect on the ability of the Investment Manager to execute the investment program.

New rules requiring unbundling the costs of research and other services from dealing commission and further restrictions on the HEALTHPOINTCAPITAL Management’s ability to receive certain types of goods and services from brokers may also result in an increase in the investment-related expenditures of a Fund.

Cybersecurity Risk

As part of its business, HEALTHPOINTCAPITAL Management processes, stores and transmits large amounts of electronic information, including information relating to the transactions of a Fund and personally identifiable information of the Limited Partners. Similarly, service providers of HEALTHPOINTCAPITAL Management or its Funds, may process, store and transmit such information. HEALTHPOINTCAPITAL Management has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. 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. Network connected services provided by third parties to HEALTHPOINTCAPITAL Management may be susceptible to compromise, leading to a breach of the HEALTHPOINTCAPITAL Management's network. HEALTHPOINTCAPITAL Management's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by HEALTHPOINTCAPITAL Management to the limited partners may also be susceptible to compromise. Breach of HEALTHPOINTCAPITAL Management's information systems may cause information relating to the transactions of a Fund and personally identifiable information of the Limited Partners to be lost or improperly accessed, used or disclosed.

The service providers of HEALTHPOINTCAPITAL Management and a Fund are subject to the same electronic information security threats. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of a Fund and personally identifiable information of the limited partners may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of HEALTHPOINTCAPITAL Management's or a Fund's proprietary information may cause HEALTHPOINTCAPITAL Management or a Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on a Fund and the limited partners' investments therein.

Sanctions

A Fund's operations are or may become subject to economic sanctions laws and regulations of various jurisdictions. At any given time, whether under applicable law, by contractual commitment or as a voluntary risk management measure, a Fund may be required, or elect, to comply with various sanctions programs, including the Specially Designated Nationals and Blocked Persons List and Sectoral Sanctions programs administered by OFAC, the sanctions regimes administered by subsidiary organs of the United Nations Security Council, the Sanctions Orders of the Cayman Islands (including as extended to the Cayman Islands by Order of the government of the United Kingdom from time to time), and the Restrictive Measures adopted by the European Union. Some sanctions that may apply to a Fund prohibit or restrict dealings with particular identified persons. Other potentially applicable sanctions programs broadly prohibit or restrict dealings in certain countries or territories or with individuals and entities located in such countries or territories. In addition to such current sanctions, additional sanctions may be imposed in the future. Such sanctions may be imposed with little or no advance warning or "safe harbor" for compliance and may be ambiguous, including as to the scope of financial activities that regulators may ultimately deem to be covered by the sanctions.

Depending on the scope and duration of a particular sanctions program, compliance by a Fund may result in a material adverse effect on a Fund and the limited partners' investments therein. HEALTHPOINTCAPITAL Management and a Fund may be subject to heightened or targeted regulatory scrutiny and information requests as a result of such sanctions. In addition, if HEALTHPOINTCAPITAL Management or a Fund were to violate or be deemed in violation of any such sanction, it could face significant legal and monetary penalties. Sanctions may negatively impact a Fund's ability to effectively implement its investment strategy and have a material adverse impact on a Fund's investments in various ways, including by preventing or inhibiting a Fund from making certain investments, forcing a Fund to divest from investments previously made, and leading to substantial reductions in the revenues, profits and value of a Fund's investments. Finally, sanctions may have broader economic implications, such as influencing the price of certain commodities, which may have adverse effects on inflation and the value of the U.S. dollar, which may adversely affect investment objectives and strategies of a Fund.

Climate Change-Related Risks

The environmental effects of climate change, including rising temperatures, extreme weather, fires, flooding, erratic weather fluctuations, agricultural failures and displacement and destabilization of human populations, could have materially adverse effects on the investments held by a Fund. HEALTHPOINTCAPITAL Management believes that such risks may increase over time, although the time period over which these consequences might unfold is difficult to predict.

In addition to the physical, economic and geo-political risks associated with climate change, there are transition risks. The willingness of certain governments, industries and businesses, especially those

that profit from, or have a reliance on, fossil fuels, to adapt to climate change or transition to sustainable practices may also adversely affect the investments.

Regulatory changes and divestment movements tied to concerns about climate change could adversely affect the value of certain industries whose activities or products are seen as accelerating climate change, or ill-positioned in light of the economic and social demands imposed by climate change. In recent years, certain investors have incorporated the business risks of climate change and the adequacy of companies' responses to climate change as part of their investment theses. These shifts in investing priorities may result in adverse effects on investments if potential acquirers determine that the company has not made sufficient progress on climate change and environmental sustainability matters whether or not climate change proves to be as severe as predicted or preventable.

Assumption of Catastrophe Risks

A Fund may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters (which may be caused, or enhanced in frequency and severity, by climate change factors); war, terrorism and other armed conflicts; cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks, epidemics and pandemics. To the extent that any such event occurs and has a material effect on global financial markets or specific markets or issuers in which a Fund invests (or has a material negative impact on the operations of HEALTHPOINTCAPITAL Management or the Service Providers), the risks of loss can be substantial and could have a material adverse effect on a Fund and the limited partners' investments therein.

Coronavirus Risks

In December 2019, the virus SARS-CoV-2, which causes the coronavirus disease known as COVID-19, was first identified in the human population. The disease spread around the world, resulting in the temporary closure of many corporate offices, retail stores, and manufacturing facilities across the globe, as well as the implementation of travel restrictions and remote working and "shelter-in-place" or similar policies by numerous companies and national and local governments. These actions caused the disruption of manufacturing supply chains and consumer demand in certain economic sectors, resulting in significant disruptions in local and global economies. Such disruptions continue to be felt, as many countries and U.S. states struggle to contain the virus and its variants. The short-term and long-term impact of COVID-19 on the operations of the HEALTHPOINTCAPITAL Management and the performance of a Fund is difficult to predict. Any potential impact on such operations and performance will depend to a large extent on future developments and actions taken by authorities and other entities to contain COVID-19 and its economic impact. These potential impacts, while uncertain, could adversely affect the performance of a Fund.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any material legal or disciplinary events that would be material to an evaluation of HEALTHPOINTCAPITAL Management or the integrity of HEALTHPOINTCAPITAL Management's management. HEALTHPOINTCAPITAL Management does not have any material legal or disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

Broker-Dealer Registration Status

HEALTHPOINTCAPITAL Management and its supervised persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status

HEALTHPOINTCAPITAL Management and its management persons are not registered as, and do not have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities.

Material Relationships or Arrangements with Industry Participants

As described in Item 4, HEALTHPOINTCAPITAL Management is associated with a number of related general partners. Each of these general partners is an affiliate of HEALTHPOINTCAPITAL Management and relies upon, and is covered by, HEALTHPOINTCAPITAL Management registration with the SEC under the Advisers Act in accordance with SEC guidance.

Conflicts of Interest

HEALTHPOINTCAPITAL Management and its affiliates engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds or accounts in which they may have an interest, including a co-investment interest, and providing transaction-related, advisory, management and other services to funds and operating companies, including portfolio companies of the Funds. In the ordinary course of conducting these activities, the interests of a Fund or its limited partners may conflict with the interests of HEALTHPOINTCAPITAL Management or its affiliates, one or more other Funds or other Funds' affiliates.

Disclosure of Management Person Relationship or Arrangement with Related Persons

John H. Foster, a Managing Director and owner of HEALTHPOINTCAPITAL Management, is the Chairman, manager and member of HEALTHPOINTCAPITAL, a separate SEC-registered investment adviser. In this capacity, he may be entitled to compensation, distributions, and carried interest from related persons of HEALTHPOINTCAPITAL in connection with his business relationships with these entities. Any conflicts of interest that may arise as a result of these relationships and arrangements shall be handled as described in this "Conflicts of Interest" section.

Resolution of Conflicts

HEALTHPOINTCAPITAL Management deals with all conflicts of interest using its best judgment. In resolving conflicts, HEALTHPOINTCAPITAL Management may consider various factors, including the potentially competing interests of the Funds. In the case of all conflicts involving the Funds, the determination as to which factors are relevant, and the resolution of such conflicts, are made in the sole discretion of HEALTHPOINTCAPITAL Management, except as required by the governing

documents of the Funds or applicable law. The Advisory Committee of the Funds advise with respect to matters pertaining to conflicts of interest of the Funds, its general partners, the members and affiliates of the general partners, and HEALTHPOINTCAPITAL Management.

Sources of Conflicts of Interest

Other relationships of members of the Funds' general partners, such as Board seats or personal investments, could also result in potential conflicts of interest. The Funds' general partners receive carried interest as described in Item 6 above. The existence of a general partner's carried interest may create an incentive for HEALTHPOINTCAPITAL Management to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such carried interest.

The Funds' limited partners include taxable and tax-exempt entities and may include persons or entities organized in various jurisdictions. As a result, conflicts of interest may arise in connection with decisions made by the Funds' general partners that may be more beneficial for one type of limited partner than for another type of limited partner, including limited partners affiliated with a Fund's general partner. In addition, a Fund may make investments that have a negative impact on related investments made by the limited partners in separate transactions. In selecting investments appropriate for a Fund, the general partner will consider the investment objectives of the Fund as a whole, not the investment objectives of any limited partner individually.

A Fund's portfolio companies may include investments that relate to those held by HEALTHPOINTCAPITAL Management prior or latter funds, and such interests may not always be the same in terms of pricing or other strategic issues. HEALTHPOINTCAPITAL Management will resolve all such conflicts using its best judgment but in its sole discretion, subject to applicable law and, in certain cases, to approval by the Fund's Advisory Committee or investment committees of the participating Funds or the advice of outside counsel.

Different conflicts may exist with respect to investments in different Funds. Please contact HEALTHPOINTCAPITAL Management with any additional questions or concerns.

Material Conflicts of Interest Relating to Other Investment Advisers

HEALTHPOINTCAPITAL Management does not recommend or select other investment advisers for its clients. Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading¹

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

Code of Ethics

In order to address conflicts of interest, HEALTHPOINTCAPITAL Management has adopted a code of ethics (the "Code") pursuant to Rule 204A-1 under the Advisers Act which is applicable to HEALTHPOINTCAPITAL Management's officers, managers, members, senior advisors, and employees (collectively, "Employees"). HEALTHPOINTCAPITAL Management's Code generally sets the standard of ethical and professional business conduct that the firm requires of its Employees, requires Employees to comply with applicable federal securities laws and regulations, and sets forth provisions

regarding personal securities transactions by Employees. Additionally, the Code sets forth HEALTHPOINTCAPITAL Management's policies and procedures with respect to material non-public information and other confidential information, and the fiduciary obligations that HEALTHPOINTCAPITAL Management and each of its Employees owe to each Fund. The Code is circulated at least annually to all Employees, and each Employee at least annually must certify in writing that he or she has received and followed the Code and any amendments thereto. HEALTHPOINTCAPITAL Management will provide a summary of the Code to any Fund or prospective investor, free of charge, upon request.

Participation or Interest in Client Transactions

Conflicts may arise to the extent an individual affiliated with HEALTHPOINTCAPITAL Management invests in the same investment as a Fund or its portfolio company. HEALTHPOINTCAPITAL Management's Code requires HEALTHPOINTCAPITAL Management Employees to comply with applicable securities and other laws regulations and to identify and disclose promptly to senior management all conflicts of interest and potential conflicts of interest.

HEALTHPOINTCAPITAL Management Employees may invest in the Funds as limited partners individually or through investment vehicles affiliated to them. The individuals and the investment vehicles attributable to HEALTHPOINTCAPITAL Management Employees have substantially the same treatment in their capacity as limited partners as their peer limited partners, except they are not charged Management Fees and they are excluded for the purposes of voting certain matters.

The Code prohibits HEALTHPOINTCAPITAL Management Employees from taking for themselves personally or for other organizations with which they are affiliated opportunities that are discovered through HEALTHPOINTCAPITAL Management without express prior consent of senior management and from using their position or information they obtain performing their HEALTHPOINTCAPITAL Management duties for improper personal gain.

HEALTHPOINTCAPITAL Management currently does not engage in cross trades or principal transactions.

Personal Trading

HEALTHPOINTCAPITAL Management's Code places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to the firm on a periodic basis. Generally, HEALTHPOINTCAPITAL Management Employees may not engage in personal securities trading and may only dispose of securities held in their respective personal trading accounts. Any such disposition of securities must be pre-cleared. However, the Code's restrictions generally do not include any brokerage or investment account that can only hold or transact in mutual funds or broad-based exchange traded funds.

HEALTHPOINTCAPITAL Management, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more clients. Potential conflicts also may arise due to the fact that the HEALTHPOINTCAPITAL Management and its personnel may have investments in some Funds but not in others or may have different levels of investments in a Fund.

HEALTHPOINTCAPITAL Management has established policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems fair and equitable, including the restrictions placed on personal trading in the Code, as described above, and regular monitoring of employee transactions and trading patterns for actual or perceived conflicts of interest, including those conflicts that may arise as a result of personal trades in the same or similar securities made at or about the same time as client trades.

Concurrent Trading Activity

HEALTHPOINTCAPITAL Management manages investments on behalf of a number of Funds. Certain Funds have investment programs that are similar to or overlap and may, therefore, participate with each other in investments. HEALTHPOINTCAPITAL Management may consider the same investment opportunity for more than one Fund as part of a single transaction or otherwise. Any such investment is allocated among the Funds in a fair and equitable basis, taking into account, among other things, the make-up of the investment portfolio of each fund, applicable investment strategies and/or investment restrictions of each fund, the terms of each fund, the amount of cash available to each fund for investment and anticipated needs for cash by each fund. HEALTHPOINTCAPITAL Management will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to any client solely because the HEALTHPOINTCAPITAL Management purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to any client if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practical or desirable for the client. HEALTHPOINTCAPITAL Management recognizes that conflicts may arise under such circumstances and will endeavor to treat all Funds fairly and equitably.

Item 12. Brokerage Practices

Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

HEALTHPOINTCAPITAL Management's acquisition or disposition of an asset will involve a privately negotiated transaction that will not involve the services of a broker or dealer. Accordingly, HEALTHPOINTCAPITAL Management seeks to negotiate and execute transactions in an efficient manner and consistent with its fiduciary duties to the Funds.

If in the future HEALTHPOINTCAPITAL Management executes portfolio transactions through a broker-dealer, it will seek favorable terms in accordance with its obligation to seek "best execution" on behalf of its clients. When seeking to achieve best execution and when selecting a broker for any transaction, HEALTHPOINTCAPITAL Management may consider a number of factors, including, for example, a broker's reputation, net price or spread, financial strength and stability, volume/capacity, market access, efficiency of execution and error resolution, and the size of the transaction. HEALTHPOINTCAPITAL Management will not obligate itself to obtain the lowest commission or best net price for a Fund on any particular transaction.

Research and Other Soft Dollar Benefits

HEALTHPOINTCAPITAL Management currently does not utilize any research or other services on a "soft" dollar basis and does not otherwise enter into any "soft dollar" arrangements. Any soft dollar

arrangements contemplated will be made in a manner that satisfies the requirements of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

Brokerage for Client Referrals

Neither HEALTHPOINTCAPITAL Management nor any related person receives client referrals from any broker-dealer or third party.

Directed Brokerage

HEALTHPOINTCAPITAL Management does not recommend, request or require that a client direct HEALTHPOINTCAPITAL Management to execute transactions through a specified broker-dealer.

Item 13. Review of Accounts

The portfolio investments of each Fund are continuously reviewed, on an at least a weekly basis, by a team of HEALTHPOINTCAPITAL Management investment professionals. HEALTHPOINTCAPITAL Management closely monitors the portfolio companies of each Fund and generally maintains an ongoing oversight position in such portfolio companies.

HEALTHPOINTCAPITAL Management generally provides annual audited financial statements to its clients within 120 days of the applicable client's fiscal year end. Fund investors also will receive, among other things, unaudited quarterly summary financial information regarding such Fund following the end of each financial quarter. Fund investors also receive regular reporting updates through quarterly letters, investor meetings and other materials provided on the HEALTHPOINTCAPITAL Management password-protected investor website.

HEALTHPOINTCAPITAL Management may provide certain investors with information on a more frequent and detailed basis if agreed to by HEALTHPOINTCAPITAL Management. While all investors generally receive similar information, to the extent an investor receives additional information (that other investors have not received), which is in addition to information provided in a Fund's regular reports to investors, such information may provide such investor with greater insight into the Fund's activities. This may enhance such investor's ability to make investment decisions with respect to the Fund and possibly affect such investor's decision to request a redemption from the Fund.

Item 14. Client Referrals and Other Compensation

Economic Benefits for Providing Services to Clients

HEALTHPOINTCAPITAL Management does not receive economic benefits from non-clients for providing investment advice and other advisory services.

Compensation to Non-Supervised Persons for Client Referrals

Neither HEALTHPOINTCAPITAL Management nor any of its related persons directly or indirectly compensate any persons, including placement agents, for referrals of HEALTHPOINTCAPITAL Management clients, or clients of such related persons.

From time-to-time HEALTHPOINTCAPITAL Management will engage, or cause the Funds to engage, one or more persons to act as a placement agent in connection with the offer and sale of interests to certain prospective investors. HEALTHPOINTCAPITAL Management typically bears these placement fees, directly or indirectly, and, to the extent the Fund does not bear the cost of the placement fee directly, it will typically elect to offset the Management Fee otherwise payable by a Fund to HEALTHPOINTCAPITAL Management.

Item 15. Custody

HEALTHPOINTCAPITAL Management or the general partner of each Fund is deemed to have custody of each respective Fund's funds and securities because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account.

HEALTHPOINTCAPITAL Management is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is not required to comply with certain requirements of the Custody Rule with respect to each Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

Item 16. Investment Discretion

HEALTHPOINTCAPITAL Management's discretionary authority is derived from its authority as the investment manager of each Fund pursuant to the investment management agreement entered into by HEALTHPOINTCAPITAL Management and the Fund. Subject to any investment restrictions set forth in the Fund's limited partnership agreement, HEALTHPOINTCAPITAL Management typically has discretionary authority to make the following determinations without obtaining the consent of a Fund before the transactions are effected:

- the securities that are to be bought or sold;
- the total amount of the securities to be bought or sold;
- the brokers, investment banks or placement agents through which securities are to be bought or sold; and
- the commissions, fees or other rates at which securities transactions for a Fund are effected.

Item 17. Voting Client Securities

The general partner of each Fund votes portfolio securities on behalf of the applicable Fund in its sole discretion. HEALTHPOINTCAPITAL Management has adopted written policies and procedures in accordance with Rule 206(4)-6 of the Advisers Act regarding proxy and shareholder voting. The Funds invest primarily in private portfolio companies, which typically do not issue proxies. Certain portfolio companies, however, may hold shareholder votes as to which a Fund, as a shareholder, will have the opportunity to vote. The policy is designed to ensure that proxies shareholder votes are voted in a prudent and diligent manner that is in line with each Fund's investment objectives and is in the best interests of the Fund, including when there may be material conflicts of interest in voting

proxies and shareholder votes.

To the extent a HEALTHPOINTCAPITAL Management Staff Member perceives a conflict of interest between the best interests of the Fund and those of HEALTHPOINTCAPITAL Management in voting a shareholder vote (or proxy), the HEALTHPOINTCAPITAL Management will vote in accordance with its shareholder (or proxy) voting policies and procedures.

A Fund investor, upon request, may obtain from HEALTHPOINTCAPITAL Management a copy of HEALTHPOINTCAPITAL Management's Proxy Voting Policies and Procedures and information about how HEALTHPOINTCAPITAL Management voted portfolio company shares and proxies, if any.

Item 18. Financial Information

HEALTHPOINTCAPITAL Management is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy petition at any time. HEALTHPOINTCAPITAL Management does not require or solicit prepayment of fees six months or more in advance and is not required to include a balance sheet for its most recent fiscal year.